



KALYANI

KALYANI FORGE LIMITED

39th
ANNUAL
REPORT
2017-18

39th Annual General Meeting - Chairperson's Speech

Dear Shareholders,

I have great pleasure in extending you all, a warm welcome to the 39th Annual General Meeting of your company.

The Annual Report, for the year ended 31 March 2018 has been in your hands for some time. With your permission, I shall take them as read.

Your Company has reported about 17% YoY growth in the total revenue and about 37% in the PBT this year. Considering the existing business opportunities in the industry, growth over 50% is estimated in the year to come.

Company's outlook has been revised from stable to Positive by Crisil. As the GST has now been stabilized resulting into efficient, simpler and transparent indirect taxation procedures.

Of Course there is ample scope for improvements particularly in the area of costs, automation, and reduction of rejections. For the past periods, we have successfully approached customers for cost reimbursement, cost escalations & price revision for the future supplies.

With these positive notes your board has recommended a dividend of Rs. 3.50 per share.

We keep receiving suggestions from our valued shareholders which proved very helpful in company's working. I thank our employees and all stakeholders, customers, suppliers, bankers, financial institutions and consultants and our Internal Auditors, Cost Auditors and

Statutory Auditors for their support throughout the year.

I thank you all for your time for this General Meeting. It is very encouraging for us.

With best wishes,

Rohini G. Kalyani
(Chairperson & Managing Director)

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KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BOARD OF DIRECTORS

Mrs. Rohini G. Kalyani	(Chairperson & Managing Director)	(DIN: 00519565)
Mr. Viraj G. Kalyani	(Executive Director)	(DIN: 02268846)
Mr. Gaurishankar. N. Kalyani	(Director)	(DIN: 00519610)
Mr. Abhijit Sen	(Independent Director)	(DIN: 00002593)
Mr. Pradip P. Nadkarni	(Independent Director)	(DIN: 01670826)
Mr. Vishwas Chitrao	(Independent Director)	(DIN: 07493694)

AUDIT COMMITTEE

Mr. Abhijit Sen	Non- Executive Independent Director	(Chairman)
Mr. Pradip Nadkarni	Non- Executive Independent Director	
Mr. G. N. Kalyani	Non- Executive Director	

REMUNERATION & NOMINATION COMMITTEE

Mr. Pradip Nadkarni	Non- Executive Independent Director	(Chairman)
Mr. Abhijit Sen	Non- Executive Independent Director	
Mr. G. N. Kalyani	Non- Executive Director	

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. G N Kalyani	Non- Executive Director	(Chairman)
Mr. Abhijit Sen	Non- Executive Independent Director	
Mr. Pradip Nadkarni	Non- Executive Independent Director	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Rohini G. Kalyani	Managing Director	(Chairperson)
Mr. Pradip Nadkarni	Non- Executive Independent Director	
Mr. Viraj G Kalyani	Executive Director	

CHIEF FINANCIAL OFFICER

Mr. Avinash Khare

COMPANY SECRETARY

Mr. Nilesh Vitekar

KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BANKERS :

State Bank of India
Bank of Maharashtra
ICICI Bank Limited
IDBI Bank Limited

AUDITORS :

M/s. K. S. Aiyar & Co.
Chartered Accountants,
Mumbai.

REGISTERED OFFICE :

Shangrila Gardens, 'C' Wing, 1st Floor,
Opp. Bund Garden,
Pune-411 001.
Tel. +91 2137 252335, 252755
Fax +91 2137 252344
Website: www.kalyaniforge.co.in

WORKS :

1. Hot Forging Division (HFD)
2. Metal Forms Division (MFD)
Koregaon Bhima, Tal. : Shirur,
District : Pune 412 216.
3. Precision Autocomp Division (PAD)
Gat No. 914/1 & 2, Sanaswadi
Tal. : Shirur, District : Pune 412 208.

**KALYANI****Kalyani Forge Limited****Summary of Financial Data****(Rupees in Million)**

PARTICULARS	2017-18	2016-17	2015-16	2014 - 15	2013 - 14	2012-13	2011-12	2010-11	2009-10	2008-09
TURNOVER	2,723	2,567	2,338	2,429	2,078	2,624	2,793	2,396	1,813	1,858
PBIDT	279	192	186	164	259	334	400	275	214	163
INTEREST	58	36	49	62	53	69	83	62	50	52
DEPRECIATION	129	104	117	131	135	128	119	112	105	91
PBT	92	52	20	-30	72	137	198	101	59	20
PROVISION FOR TAX	26	17	9	-7	24	49	64	34	20	12
PAT	66	35	11	-23	48	88	134	68	39	8
DIVIDEND %	35	30	20	0	25	25	25	20	18	12
DIVIDEND AMOUNT	13	11	7	0	9	9	9	7	7	4
GROSS BLOCK	2,569	2,208	2,147	2,012	2,012	1,920	1,787	1,680	1,563	1,370
NET BLOCK	842	601	609	608	784	825	814	823	814	724
NET WORTH	1,068	1,020	985	974	1,028	991	913	790	734	708
BOOK VALUE PER SHARE (RS.)	294	281	271	268	282	272	251	217	202	195
EARNINGS PER SHARE (RS)	18.04	9.57	3	-6	13	24	37	18	9	3
SHAREHOLDERS (NO'S)	4,470	3,298	3,137	3,040	3,154	3,244	3,248	3,428	3,352	3,522
NO OF EMPLOYEES (NO'S)	1,282	1,161	1,250	1,165	973	1,050	1,289	1,352	1,172	1,015

**KALYANI FORGE LIMITED**

(CIN: L28910MH1979PLC020959)

Regd. Office: Shangrila Gardens, "C" Wing,
1st floor, Opposite Bund Garden, Pune 411 001
E-mail : investors@kforge.com, Website : www.kalyaniforge.co.in

NOTICE

NOTICE is hereby given that the Thirty-Ninth Annual General Meeting of the Members of KALYANI FORGE LIMITED will be held at Poona Club Ltd., 6, Bund Garden Road, Pune-411 001 on Friday, the 27th day of July, 2018 at 10.30 a.m., to transact the following businesses:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Financial Statements as on dated 31st March, 2018 together with reports of Directors and Auditors thereon.
02. To declare a dividend on equity shares.
03. To appoint a Director, in place of Mr. Gaurishankar N. Kalyani (DIN : 00519610) who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a Director, in place of Mr. Viraj G. Kalyani (DIN : 02268846) who retires by rotation and being eligible, offers himself for re-appointment.
05. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of section 139 and 141 and any other applicable provisions if any, of the Companies Act, 2013 and rules framed thereunder or any amendment thereto and pursuant to recommendation of Audit Committee, the appointment of M/s. K.S. Aiyar, Chartered Accountants, Mumbai (Firm Registration No. 100186W) as Statutory Auditors of the Company in the 39th Annual General Meeting of the Company be and is hereby ratified and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration, out of pocket and travelling expenses as may be incurred during the course of Audit.

RESOLVED FURTHER THAT the Board or Committee thereof be and is hereby authorised to take such steps as may be necessary to give effect to the above resolution."

SPECIAL BUSINESS:

06. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, Mr. Rahul A. Chincholkar, Cost Accountant, appointed as Cost Auditor by the Board of Directors to conduct an audit of the Cost Records of the Company for the financial year commencing from 01.04.2018, be paid remuneration of Rs. 1,25,000 (Rupees One Lac Twenty Five Thousand Only) (exclusive of taxes, as applicable) in addition to reimbursement of out of pocket expenses and conveyance as recommended by the audit committee and approved by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to the above resolution".

By Order of the Board of Directors,
For Kalyani Forge Ltd.

Nilesh Vitkar
Company Secretary

Place : Pune
Date : 12 May, 2018

Registered Office :

Shangrila Gardens, 'C' Wing, 1st Floor,
Opp. Bund Garden, Pune - 411001

NOTES :

- 01) The Register of Members and the Share Transfer Books of the Company will remain closed from 21st July, 2018 to 27th July, 2018(both days inclusive) for the purpose of Annual General Meeting and payment of Dividend, to be declared.
- 02) Explanatory Statement, pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the business under Item No. 06 above, is annexed hereto.
- 03) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON SHALL NOT ACT AS PROXY FOR MORE THAN FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A PERSON HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
- 04) Proxies, in order to be effective, must be deposited with the Company at its Registered Office not less than 48 hours before the time fixed for holding the Annual General Meeting.
A proxy shall not have a right to speak at the Annual General meeting. However, in case a member has not voted through the remote e-voting facility, the proxy may be entitled to vote through Ballot at the 39th Annual General Meeting of the Company.
In case of joint holders, the signature of any one holder on proxy form will be sufficient, but names of all the joint holders should be stated.
- 05) Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four hours before the time fixed for the commencement of the Annual General Meeting. However a prior notice of not less than 2 (two) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
- 06) Members are requested to note the following:
 - a) Members holding shares in physical form are requested to address all their correspondence including change of address to the Company's Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd, Block No. 202, Second Floor, Akshay Complex, off Dhole Patil Road, Near Ganesh Mandir, Pune - 411 001 and Members holding shares in dematerialized form should approach their respective Depository Participants for the same.
 - b) Quote client ID and DP ID numbers in respect of shares held in dematerialised form and ledger folio number in respect of shares held in physical form in all correspondence with the Company.
- 07) Members/ Proxies are requested to bring a copy of Annual Report and attendance slip duly filled in and hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
- 08) Corporate members intending to send their authorized representative to attend meeting are requested to send a certified true copy of Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
- 09) Members holding equity shares in multiple folios in the identical order of names are requested to consolidate their holding into one folio.
- 10) Members holding shares in dematerialized form are requested to intimate any change in their address/ name, bank details, ECS Mandates, nominations, power of attorney, etc. to their respective DPs only
- 11) Equity Shareholders who have not dematerialized are advised to dematerialize their shareholding, to avoid inconvenience in future and to reap benefits of de-materialization.
- 12) Pursuant to section 101 and 136 of the Companies Act 2013 read with Rule 18 (1) of the Companies (Management and Administration) Rules, 2014, the Notice calling Annual General Meeting along with the Annual Report for the financial year ended 31st March 2018 would be sent by electronic mode on the e-mail addresses as obtained from the depository/ Registrar and share Transfer Agent, unless the members have

requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

Members are requested to support this green initiative by registering/updating their e-mail addresses with the depository participant (in case of share held in dematerialised form) or with Link Intime India Private Limited (in case of shares held in physical form)

Even after registering for e-communication, Members are entitled to receive such communication in printed form, upon making a request for the same. For any communication, the members may also send request to the Company's investor email ID pune@linkintime.com.

Members may also note that the notice of the AGM and the Annual Report for the financial Year ended 31st March 2018 will also be hosted on the Company's website www.kalyaniforge.co.in

- 13) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
- 14) All documents referred and in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Sunday between 11.00 a.m. and 4.00 p.m. up to the date of declaration of the result of the 39th Annual General Meeting of the Company.
- 15) Information required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 with respect to the Director retiring by rotation and being eligible seeking re-appointment is as under:
 - Item No. 3 – Re appointment of Mr. Gaurishankar N. Kalyani

Name of the Director	Mr. Gaurishankar N Kalyani
Director Identification Number	00519610
Date of Joining the Board	26th April, 2006
Profile of the Director	Mr. G.N. Kalyani born on August 31, 1954 is a Non-Executive Director of the Company. He is a Commerce Graduate (Hons.) besides being Director of the Company; he is also a Director of Private Limited Companies in the group. He is son of late Dr. Neelkanth A. Kalyani industrialist and founder of the Company and husband of Mrs. Rohini G. Kalyani, Chairperson & Managing Director of the Company.
Board Membership of other Public Limited companies as on March 31, 2018	Nil
Chairman/Member of the Committees of Director of the Company as on March 31, 2018	Stakeholders Relationship Committee- Chairman
	Remuneration & Nomination Committee- Member
	Audit Committee-Member
Chairman/Member of the Committees of Director of other Companies in which he is a Director as on March 31, 2018	Nil
Shareholding in KFL as on March 31, 2018	47,020 Equity Shares

Except Mr. Gaurishankar N. Kalyani, Non-Executive Director himself, Mrs. Rohini G Kalyani, Chairperson & Managing Director and Mr. Viraj G. Kalyani Executive Director together with his relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in his re-appointment as a Director of the Company.

- Item No. 4 – Re appointment of Mr. Viraj G. Kalyani

Name of the Director	Mr. Viraj G. Kalyani
Director Identification Number	02268846
Date of Joining the Board	17th May, 2013
Profile of the Director	Mr. Viraj G. Kalyani, son of Mr. Gaurishankar N. Kalyani & Mrs. Rohini G. Kalyani and Grandson of Late Dr. Neelkanth A. Kalyani Industrialist & Founder of the Company, born on December 04, 1990. He is an Graduate from the Jerome Fisher Program in Management and Technology at University of Pennsylvania, a four-year dual-degree program, with a Bachelor of Science in Economics, concentration in Finance at the Wharton School and a Bachelor of Science in Engineering, Major in Mechanical Engineering at the School of Engineering and Applied Science. Besides being Executive Director of the Company; he is also a Director of Private Limited Companies in the group.
Board Membership of other Public Limited companies as on March 31, 2018	Nil
Chairman/Member of the Committees of Director of the Company as on March 31, 2018	Corporate Social Responsibility Committee-Member
Chairman/Member of the Committees of Director of other Companies in which he is a Director as on March 31, 2018	Nil
Shareholding in KFL as on March 31, 2018	33,285 Equity Shares

Except Mr. Viraj G. Kalyani, Executive Director himself, Mrs. Rohini G Kalyani, Chairperson & Managing Director and Mr. Gaurishankar N. Kalyani Non-Executive Director together with his relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in his re-appointment as a Director of the Company.

*Note : Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies and their Committee memberships are excluded from this declaration. Membership and Chairmanship of Committees of only public Companies have been included in the aforesaid table.

- 16) Pursuant to provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 executed by Company with BSE Limited & The National Stock Exchange of India Limited the Company is pleased to provide e-voting facility to all its shareholders to cast their votes electronically on the resolutions mentioned in the notice of 39th Annual General Meeting of the Company to be held on Friday 27th July, 2018. The Company has appointed CS Hrishikesh Rajhansa, proprietor of HR & Associates, Practising Company Secretary, Pune as Scrutinizer for conducting e-voting process in fair and transparent manner. The e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them at the end of business hours on 20th July 2018 The instructions for e-voting are given below:
- The voting period begins on **Tuesday, 24th July, 2018 at 9. 00 a.m** and ends on **Thursday, 26th July, 2018 at 5.00 p.m**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Friday, **20th July, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on Shareholders / Members

- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

(xx) Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th July 2018 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

(xxi) The Scrutinizer shall after the conclusion of voting at general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two(2) witnesses, not in the employment of the Company and shall make not later than two (2) days from the conclusion of the AGM a consolidated scrutinizer’s report of the total votes cast in favour or against, if any to the Chairperson or the person authorised by her in writing, who shall counter sign the same and declare the result of voting forthwith.

(xxii) The Results shall be declared on or after the 39th Annual General Meeting of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.kalyaniforge.co.in and on the website of CDSL e-Voting within two (2) days of passing of the resolutions at the 39th Annual General Meeting of the Company and communicated to the Bombay Stock Exchange Limited and National Stock Exchange Limited.

17) The Chairman shall at the AGM at the end of discussion of resolutions on which voting is to be held allow voting with the assistance of scrutinizer by use of “Ballot Papers” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

Important Note:

As Kalyani Forge Limited, being a listed company and having more than 1000 shareholders, is compulsorily required to provide e-voting facility to members in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 39th Annual General Meeting in view of the further provisions of Section 107 read with Section 114 of the Companies Act, 2013.

By Order of the Board of Directors,
For Kalyani Forge Ltd.

Nilesh Vitkar
Company Secretary

Place : Pune
Date : 12 May, 2018

Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF COMPANIES ACT, 2013

Item No. 06

The Board at its meeting held on 12th May 2018, on the recommendations of the Audit Committee, has appointed Mr. Rahul A Chincholkar, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year commencing from 1st April, 2018 on a remuneration of Rs.1,25,000/- (Rupees One Lakh Twenty Five thousand only) (exclusive of taxes, as applicable) plus reimbursement of out of pocket expenses and conveyance.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the cost auditor is required to be ratified by the shareholders of the Company.

The shareholder's approval is solicited for the resolution at Item no 6 of the accompanying Notice as an ordinary resolution.

None of the Directors of the Company, the key managerial personnel of the Company or their relatives are concerned or interested in the aforesaid ordinary resolution.

By Order of the Board of Directors,
For Kalyani Forge Ltd.

Nilesh Vitekar
Company Secretary

Place : Pune
Date : 12 May, 2018

Route Map for the Venue of Annual General Meeting :



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Scenario and Industry Structure:

During financial year 2017-18, Indian economy grew with a remarkable pace of 7.6%, with a considerable manufacturing growth of 9.3% as against 5.5% last year. With the help of Make in India drive, India is on the path of becoming the hub of hi- tech manufacturing as global companies are in the process of setting up manufacturing plants in India. It has become one of the most attractive destinations for investments in the Manufacturing sector. Make in India campaign has opened many avenues to the Forging Industry. More and more new entrants with global Original Equipment manufacturer are setting up their plants in India are coming to join the manufacturing industry. As a components manufacturer, we see lots of opportunities in it. The Make in India initiative has definitely been a good move in the right direction to give the necessary boost to the overall manufacturing sector. It has created an all-round positive business environment and sentiments. The campaign has definitely been fruitful for certain segment of the forging industry and we are anticipating an increase in demand from the non-auto sector in the medium and long term.

During last financial year Indian currency has depreciated before United States Dollar. This was mainly on account of the fact that the dollar strengthened against all the major currencies because of stronger growth in the USA as well as the fact that Chinese growth and currency developments this year deteriorated, impacting the outlook on other EDMs owing to risk-aversion perceptions of global investors. We expect the Indian industry to grow as an impact of the performance of the Chinese economy. The year 2017-18 witnessed a tumultuous global economic environment with major economies showing signs of slowdown in growth. Against this background, the fact that the Indian economy has emerged as the fastest growing economy with a high growth rate of over 7 per cent with manufacturing sector growing at 9.5 per cent is noteworthy.

Industry Structure:

The automobile industry forms the crux of the Indian forging industry. Despite the earnest attempt of diversification to non-auto sector, automotive sector continues to contribute 60 per cent of the total forging production. In the last 25 years, the Indian auto industry has emerged as one of the largest in the world with an annual production of 25.32 million vehicles in FY 2017-18 with a growth of 8.68 per cent over the last year with 29.07 million. The automobile industry accounts for 7.1 per cent of the country's gross domestic product (GDP). The growing number of young population and the bulging middle class segment with increase in purchasing power has made the two-wheeler segment the leader of the Indian automobile market with about 81 per cent market share.

Despite being the largest three-wheeler industry, in terms of domestic sales and exports, the Indian three-wheelers segment is yet to see a full-fledged recovery. After witnessing a positive earlier, this segment has shown some revival symptoms. The 3W segment has produced 8.6 lakhs units during April 2017 and February 2018, registering a negative growth of 0.90 per cent. This is due to the tough competition received by the 3W goods carriers from the small commercial vehicles 2. The automotive industry has achieved the target of incremental employment creation of 25 million jobs over the last decade. Secondly, Indian automotive industry has bypassed the target 1, 57, 500 crore due to a significant quantum of investments from foreign and domestic OEMs as well as component manufacturers.

The Indian forging industry, as a part of the manufacturing sector, has played a significant role in the Indian economy. With setting up of international purchasing offices (IPO) by major global OEM and Tier-1 industries lot of forging companies in India are expected to play a bigger role in their sourcing strategy. In order to meet their expectations the Indian forging industries have already expanded their operational spectrum to cater to finished and ready to assemble parts rather than supply of simple forgings. With business sentiments having improved in India, in the coming years we expect to see improved business activity which will consequently push the demand for forging products as well as exports.

Opportunities & Threats:

Kalyani Forge is undergoing a strategic repositioning to meet the needs of discerning clients. Over the past few years we have successfully pursued a number of new multinational clients who are leaders in their segments or industries. The company sees enormous potential in regaining the market share in tier-1 businesses which supply directly to OEMs, particularly in fully finished, ready-to-assemble components. The strategic moves involve changes across the board in our internal activities which can yield rich rewards. Some examples include

customer relationship management, employee engagement, logistics, information management, business and competitive intelligence, production process enhancement and many more.

The company has a lot of potential in gaining new clients in the growing passenger vehicle space, not only for engine components (which are currently a majority of the business) but also the transmission, Chassis and driveline components and aggregates. Additionally there are new, untapped markets in North America, Europe and East Asia which can grow through the new customers we have won over the last year in these regions. Everyone at Kalyani Forge is put to test, to take on new challenges, learn from failures and build resilience. We are building our change management capabilities to stay on top of our game.

Outlook:

With economic recovery expected in 2018-19, demand for automobiles across the various categories is likely to receive required impetus. While sales growth in commercial vehicles and passenger vehicles is expected to enter the positive trajectory, growth would accelerate in the two-wheeler and three-wheeler segments, driven by expected moderation in interest rate, fall in ownership cost and improvement in economic activity and consumer sentiments. Indian automobile companies are expected to continue their thrust on the overseas markets especially emerging markets in an attempt to offset the muted demand in the domestic market. The government has opened the doors of defense and the railways for the private players. We see a huge potential for the forging parts manufacturers to get orders for supply of forging parts.

Risks and Concerns:

Belonging to high capital intensive industry, due to lack of future commitment of sales schedules from customers, there is a risk of the complete production line going idle. In addition retention of talent, both at operator level and at managerial level is a major concern. Being a Technology Company, hiring and retaining top-notch talent is a key to continued success of our Organization.

Internal Controls and Adequacy:

The Company has focused on controls through robust systems and processes. Some major initiatives include the increased use of ERP system (SAP) data, revised and updated master data management to bring in better standardization and accuracy of information flow throughout all functions and activities. An increased number of workflows have been routed through the ERP including approvals and reduced manual intervention in data entry. This has increased the level of control on material flow, inventory management and cash flow.

Financial and Operational Performance:

The company has made strategic decisions in accepting newer businesses so as to ensure maximum utilization of its forging capacity. This will result in an improved top line as well as bottom line. We have also decided to implement a number of cost control measures mainly in the areas of manpower costs, the transportation and the outsourcing costs. Also by going for more and more automation in the plant we expect reduction in rejections and the related costs. The company has consistently maintained “A” rating by the credit rating agency. With the profitability improvement measures undertaken, in the current year we expect to bounce back to the level of profits attained earlier.

Manpower Development in HR and Industrial relations:

Over the years Company has maintained consistency in its efforts in training and developing its human resource with a view to face the competition. Industrial relations were in order throughout the year and there was satisfactory co-operation between the management and the workers in working towards the overall objectives of the Company.

Cautionary Statements:

Statements in the management discussions and analysis section describing company’s projections, estimations, expectation and predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from the expressed or implied. Important factors that would make a difference to the company’s operations include demand supply conditions, raw material prices, changes in government regulations, tax regimes, competition, economic developments within and outside the country, etc.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company are pleased to present the 39th Annual Report together with the Audited Statement of Accounts of **Kalyani Forge Limited** ("the Company") for the year ended March 31, 2018.

Financial Performance:

The summarized standalone results of your Company are given below.

₹ in lakhs

Particulars	Financial Year ended Standalone	
	31/03/2018	31/03/2017
Total income from operations (net)	26,536.00	25,212.00
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	2,789.00	1919.00
Finance Charges	634.00	378.00
Depreciation	1,295.00	1,041.00
Tax Expenses	263.00	172.00
Net Profit/(Loss) After Tax	656.00	348.00
Balance of Profit from Previous Year	8,202.00	7,747.00
Profit available for Appropriation	8,810.77	8202.00
Less - Transfer to General Reserves	-	-
Less –Dividend paid	109.14	-
Less - Tax on above Dividend	22.22	-
Surplus retained in Profit & Loss Account	8679.41	8202.00

*previous year figures have been regrouped/realigned as per IND-AS requirements.

Summary of Operations:

During the year, the net revenue from operations of your Company for FY 17-18 stood to Rs 26,536 Lakhs against Rs. 25,212 Lakhs for the FY 16-17, your Company's Profit after tax stood at Rs. 656 Lakhs as against profit of Rs 348 Lakhs last Year. Your company has successfully transformed its accounting and reporting to Ind-AS regime.

Change in the nature of business, if any:

There is no change in the nature of the business of the Company during the year.

Reserves:

The Company has not transferred any amount to General Reserves for the year under review.

Dividend:

Your Directors are pleased to recommend for approval of members a dividend of Rs. 3.50 per equity share (35%) at the face value of Rs 10/- per share for the Year ended 31st March, 2018

Capital/ Finance:

During the year, the Company has not issued/allotted equity or preference shares. As on 31st March, 2018 the issued, subscribed and paid up share capital of your Company is at Rs. 36,380,000/-, comprising 36, 38,000 equity shares of Rs.10/- each.

Fixed Deposits:

Your Company has not accepted any deposits from public, Therefore, details relating to deposits covered under Chapter V of the Companies Act, 2013 are not applicable to the Company.

Extract of Annual Return:

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as Annexure 1.

Transfer of Amounts to Investor Education and Protection Fund:

Your Company has transferred funds lying unpaid or unclaimed for a period of seven years to Investor Education and Protection Fund (IEPF).

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. July 25, 2017), with the Ministry of Corporate Affairs.

Details of Board meetings:

During the year, five meetings of Board of Directors were held, details of which are given below:

Date of the meeting	No. of Directors attended the meeting
May 23, 2017	5
August 10, 2017	5
November 17, 2017	5
February 13, 2018	5

Committees of Board:

The composition of the Committees of the Board of Directors has been detailed in the Corporate Governance annexure to this report.

Declaration by Independent directors:

Mr. Pradeep Nadkarni, Mr. Abhijit Sen & Mr. Vishwas Chitrao are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in section 149 of the Companies Act, 2013 and the Rules made thereunder about their status as Independent Directors of the Company.

Directors and Key Managerial Personnel:

Mr. Gaurishankar N Kalyani, Non-Executive Director and Mr. Viraj Gaurishankar Kalyani, Executive Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

Mr. Chandranil Belvalkar resigned from the post of Company Secretary during the year and Mr. Nilesh Vitkar was appointed on February 13, 2018.

Formal Annual Evaluation:

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. Also, the Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. In addition, Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

In pursuance of above, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Director.

The Company commenced with the review of the best practices prevalent in the industry and evaluation of Board members. On the basis of review and the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

At a Separate meeting of Independent Directors held on 31st March 2018, performance evaluation of Chairperson, Non- Independent Directors, and the Board of Directors was carried out by Independent Directors which has also reviewed the adequacy of the flow of information between the Company Management and Board.

The detailed programme for familiarisation of Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of business, AOP, business model of the Company, etc. was undertaken by the Company.

Company's policy on appointment and remuneration:

The policies relating to selection of Directors and determining Directors independence and Remuneration Policy for Directors, Key Managerial Personnel and other employees is attached herewith and marked as **Annexure 2**.

Highlights on Company's policy on Sexual Harassment:

As per "SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013", the highlights of the policy adopted by the company is attached herewith marked as **Annexure 3**.

Holding and Subsidiaries:

During the period under review the Company does not have any holding or Subsidiary company.

Statutory Auditors, their Report and Notes to Financial Statements:

The Company in its Annual General Meeting held on August 2, 2016 appointed M/s. K.S. Aiyar & Co. Chartered Accountants as Statutory Auditors of the Company for a period of five years with effect from the conclusion of 37th Annual General Meeting of the Company held on August 2, 2016.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 the appointment of Statutory Auditors shall be placed for ratification at every Annual General Meeting.

Accordingly a letter is received from M/s K.S. Aiyar & Co. Chartered Accountants confirming that appointment if made shall be as per eligibility required under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Your Directors seek ratification from the members for the appointment of M/s K.S. Aiyar & Co. Chartered Accountants as the Statutory Auditors of your Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the 40th Annual General Meeting of the Company.

Internal financial controls:

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

Cost Audit:

As per the Cost Audit Orders, Cost Audit is applicable to the Company's forging business for the FY 2018-19.

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. R. A Chincholkar & Co, Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2018-19. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting.

Secretarial Audit:

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, M/s. HR & Associates, Practicing Company Secretaries have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure 4** to this report. The Directors have noted the qualifications in Secretarial Audit Report. As there was frequent attrition in the officers/employees of the Company due to which compliance mechanism was disturbed, however necessary steps have been taken to ensure the required compliances.

Human Resources:

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company’s thrust is on the promotion of talent internally through job rotation and job enlargement.

Related Party Transactions:

All contracts/ arrangement/ transactions entered by the Company during the Financial Year with related party were in the ordinary course of business and on arm’s length basis. Such transaction forms part of the notes to the financial statements provided in the Annual Report.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions which is available on the Company’s Website: www.kalyaniforge.co.in.

The summary of related party transaction in Form AOC-2 is enclosed as **Annexure 5**.

Risk Management Policy:

In terms of the requirement of the Companies Act, 2013 the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically. The detailed Risk Management Policy is available on Company’s website. Highlights of the same are enclosed in **Annexure 6**.

Management Discussion and Analysis:

Management Discussion and Analysis comprising an overview of the financial results, operations / performance and the future prospects of the Company form part of this Annual Report.

Corporate Social Responsibility (CSR):

The Company has adopted the CSR policy pursuant to Sec 135 of the Companies Act, 2013. For the Financial Year 2017-18 the overall CSR commitment was Rs. 3,71,307/- out of which it has spent Rs. 3,00,000/- and is in discussion with several projects to spend remaining amount. The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure 7**.

Highlights of Corporate Social Responsibility Policy:

The Company proposes to undertake CSR projects and programmes in respect of the activities stated below with a preference to implement these projects and programme in the areas in which it operates:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Protection of national heritage, art and culture including restoration of buildings and sites historical importance and works of art; setting-up public libraries, promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, Paralympics Sports and Olympic Sports.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development Projects.

Particulars of Employees:

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure 8**.

Details of establishment of vigil mechanism for directors and employees:

The details of establishment of vigil mechanism for directors and employees to report genuine concerns are to be disclosed.

Highlights of Whistle Blower Policy are enclosed in **Annexure 9**.

Corporate Governance Certificate

The Compliance certificate from the Auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed with the report.

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

The Company, in its continuous endeavour to conserve energy, has adopted various innovative measures to reduce waste and to achieve optimum utilization of energy resulting into good earning of Power Factor incentive from MSEB and in turn resulting into reduction of power cost.

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	The Company, in its continuous endeavour to conserve energy, has adopted various innovative measures to reduce waste and to achieve optimum utilization of energy resulting into good earning of Power Factor incentive from MSEB and in turn resulting into reduction of power cost.
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipments	-

(b) Technology absorption

(i)	the efforts made towards technology Absorption	
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> • Productivity improvement in both forged and machined components together with competitive quality. • Process technology improvements to achieve competitive advantage in the business. • Successful commercial scale up of forged and machined parts. • Capability building for attracting new customers.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import; (c) whether the technology been fully Absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	(salaries Rs. 64.24 lakhs + consumables Rs.261.79+ capital expenditure Rs. 180 lakhs)

Total energy consumption and energy consumption per unit of production as per Form – A of the Annexure to the Rules is as given below:

Sr. No.	Description	2017-18	2016-17
1)	POWER AND FUEL CONSUMPTION		
I)	Electricity		
	a) Purchased Units (KWH)	2,65,35,664	2,41,87,484
	Total Amount (In. Rs)	23,01,05,164	20,00,82,381
	Rate/Unit (Rs)	8.67	8.27
	b) Own Generation		
	i) Through Diesel Generator	2,04,212	1,06,840
	ii) Through Steam Generator (KWH)		
II)	Coal		
III)	Fuel Oil (FO + CBFS)		
	Quantity (Ltrs.)		
	Total Amount (In Rs.)	3,23,62,092	2,74,58,857
	Average Rate /Litre (Rs.)- FO+CBFS	33.08	28.07
2)	CONSUMPTION PER UNIT OF PRODUCTION		
	Product : high quality closed tolerance die forgings		
	Unit : M.T.	15647	15523
	Electricity (KWH)	1570.4	1558.2
	Fuel Oil (KL/TON)	0.06	0.06
	Coal	NIL	NIL

(c) Research & Development (R&D):

i) Specific Areas of Research & Development-

Development of new products both in the area of Forging as well as Machined components for Domestic & Export.

- 1) During the year 2017-18, Company made significant achievements in the area of product Development. The Company developed variety of products as per the specific requirements of the customers such as Knuckle Arm, Turbo Charger Ring, Under Carriage and Steering Parts.
- 2) New Design Die Holders & Base Bolsters for accommodating Square & Round Parts
- 3) Die Locks introduced for Warm and hot forging components to reduce die setup time and to improve forging quality.
- 4) Introduced W303 Die material for Tulip Warm Forging Dies to improve die life – by VAVE Approach.
- 5) The Company has spent Rs. 506.03 Lakhs during the Financial Year 2017-18 on Research and Development activities.

ii) Future Plan of Action:

- 1) Research & Development in Single Minute Exchange of Dies (SMED) project.
- 2) Focused development of variety of warm and cold forging and machined premium components.
- 3) Planning to commence activities in bigger size forgings.
- 4) Optimization of input material to improve maximum forging yield ratio.
- 5) Introduce spline rolling technology for tulips.

(d) Foreign exchange earnings and Outgo:

During the year, the total foreign exchange used was Rs. 4,01,10,847/- and the total foreign exchange earned Rs. 19,33,48,626/- .

(e) Technology Absorption, Adaptation and Innovation:

Through In-house Research and Development Company is focusing on developing Turbo Chargers, Under Carriage and Near Net Shape Warm forged bell (Outer Race).

Directors' Responsibility Statement:

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement:

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support. Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board

Place: Pune
Date: 12th May 2018

Rohini G. Kalyani
Chairperson & Managing Director
DIN: 00519565

Annexure 1
Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2018 of
KALYANI FORGE LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of
the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L28910MH1979PLC020959
- ii) Registration Date : 29/01/1979
- iii) Name of the Company : KALYANI FORGE LIMITED
- iv) Category / Sub-Category of the Company : Company limited by shares
- v) Address of the Registered Office and contact details : Shangrila Gardens C Wings 1st Floor,
Opp Bund Garden, Pune 411001
- vi) Whether listed company : Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any : Link Intime India Pvt. Ltd.
202 Akshay Complex, Off. Dhole Patil
Road, Pune - 411001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description	NIC Code of the Product/ service	% to total turnover of the company
1.	Single Business Segments	25910	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share capital breakup as percentage of total equity):

(i) Category-wise share holding

Sr. No	Category of Shareholder	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	144176	0	144176	3.9631	144176	0	144176	3.9631	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bodies Corporate	1988120	0	1988120	54.6487	1988120	0	1988120	54.6487	0.0000
(d)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub Total (A)(1)	2132296	0	2132296	58.6118	2132296	0	2132296	58.6118	0.0000

Sr. No	Category of Shareholder	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bank/Financial instructions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	2132296	0	2132296	58.6118	2132296	0	2132296	58.6118	0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Venture Capital fund	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Foreign Venture Capital Fund	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Bodies Corporate	199573	570900	770473	21.1785	199573	570900	770473	21.1785	1.69
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	284330	103377	389357	10.7	317249	101277	418526	11.5043	0.8
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	89961	182000	271961	7.48	99649	182000	281649	7.7419	0.0000
(c)	Any Other (Specify)									
	Trusts	0	100	100	0.0027	0	100	100	0.0027	0.0000
	Hindu Undivided Family	8794	0	8794	0.24	20420	0	20420	0.5613	0.32
	Non Resident Indians (Non Repat)	1566	0	1566	0.04	2161	0	2161	0.0594	0.019
	Non Resident Indians (Repat)	1591	0	1591	0.04	3497	0	3497	0.0961	0.56
	Clearing Member	1987	0	1987	0.05	8878	0	8878	0.2440	0.19
	Sub Total (B)(2)	649327	856377	1505704	5.9171	651427	854277	1505704	41.3882	25.4222
	Total Public Shareholding(B)=(B)(1)+(B)(2)	649327	856377	1505704	5.9171	651427	854277	1505704	41.3882	25.4222
	Total (A)+(B)	2781623	856377	3638000	100.0000	2783723	854277	3638000	100.0000	0.0000
C	Shares held by custodian for GDR/ADR	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	2781623	856377	3638000	100.0000	2783723	854277	3638000	100.0000	0.0000



(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% Change In share holding During the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1.	Kalyani Consultants Pvt. Ltd.	377,280	10.37	NIL	377280	10.37	NIL	NIL
2.	Vakratund Investment Pvt. Ltd.	342,342	9.41	NIL	342342	9.41	NIL	NIL
3.	Pax Investments Pvt. Ltd.	340,074	9.35	NIL	340074	9.35	NIL	NIL
4.	Squirrel Financers And Investors Pvt. Ltd.	186,480	5.13	NIL	186480	5.13	NIL	NIL
5.	Bellona Investment Pvt. Ltd.	173,124	4.76	NIL	173124	4.76	NIL	NIL
6.	Kalyani Exports & Investments Pvt. Ltd.	95,600	2.63	NIL	95600	2.63	NIL	NIL
7.	Attila Investment Pvt. Ltd.	94,500	2.60	NIL	94500	2.60	NIL	NIL
8.	Monte Carlo Investment Private Limited	94,500	2.60	NIL	94500	2.60	NIL	NIL
9.	Vikat Investment Pvt. Ltd.	65,520	1.80	NIL	65520	1.80	NIL	NIL
10.	Dukhaharta Investment Pvt. Ltd.	64,260	1.77	NIL	64260	1.77	NIL	NIL
11.	Sukhakarta Investment Pvt. Ltd.	64,260	1.77	NIL	64260	1.77	NIL	NIL
12.	Gaurishankar Neelkanth Kalyani	47,020	1.29	NIL	47020	1.29	NIL	NIL
13.	Agasti Investment & Trading Private Limited	35,280	0.97	NIL	35280	0.97	NIL	NIL
14.	Rohini Gaurishankar Kalyani	32,236	0.89	NIL	32236	0.89	NIL	NIL
15.	Sheetal Gaurishankar Kalyani	31,635	0.87	NIL	31635	0.87	NIL	NIL
16.	Viraj Gaurishankar Kalyani	33,285	0.91	NIL	33285	0.91	NIL	NIL
17.	Rajgad Trading Company Pvt. Ltd.	28,200	0.78	NIL	28200	0.78	NIL	NIL
18.	Aboli Investment Pvt. Ltd.	26,500	0.73	NIL	26500	0.73	NIL	NIL
19.	Jannhavi Investment Private Limited	200	0.01	NIL	200	0.01	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Name of Shareholder	Share holding		Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year (1/04/2017 to 31/03/2018)	
		No. of Shares at the beginning of year (01/04/2017)	% of total shares of the company				No of shares	% of total shares of the Company
		End of the year (31/03/2018)						
1.	Kalyani Consultants Pvt. Ltd.	377,280	10.37	01/04/2017	NIL	No change During the year	377,280	10.37
		377,280	10.37	31/03/2018				
2	Vakratund Investment Pvt. Ltd.	342,342	9.41	01/04/2017	NIL	No change During the year	342,342	9.41
		342,342	9.41	31/03/2018				
3.	Pax Investments Pvt. Ltd	340,074	9.35	01/04/2017	NIL	No change During the year	340,074	9.35
		340,074	9.35	31/03/2018				
4	Squirrel Financers And Investors Pvt. Ltd	186,480	5.13	01/04/2017	NIL	No change During the year	186,480	5.13
		186,480	5.13	31/03/2018				

Sr. No.	Name of Shareholder	Share holding		Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year (1/04/2017 to 31/03/2018)	
		No. of Shares at the beginning of year (01/04/2017)	% of total shares of the company				No of shares	% of total shares of the Company
		End of the year (31/03/2018)						
5	Bellona Investment Pvt. Ltd	173,124	4.76	01/04/2017	NIL	No change During the year	173,124	4.76
		173,124	4.76	31/03/2018				
6	Kalyani Exports & Investments Pvt. Ltd.	95,600	2.63	01/04/2017	NIL	No change During the year	95,600	2.63
		95,600	2.63	31/03/2018				
7	Attila Investment Pvt. Ltd.	94,500	2.60	01/04/2017	NIL	No change During the year	94,500	2.60
		94,500	2.60	31/03/2018				
8	Monte Carlo Investment Private Limited	94,500	2.60	01/04/2017	NIL	No change During the year	94,500	2.60
		94,500	2.60	31/03/2018				
9	Vikat Investment Pvt. Ltd.	65,520	1.80	01/04/2017	NIL	No change During the year	65,520	1.80
		65,520	1.80	31/03/2018				
10	Dukhaharta Investment Pvt. Ltd.	64,260	1.77	01/04/2017	NIL	No change During the year	64,260	1.77
		64,260	1.77	31/03/2018				
11	Sukhakarta Investment Pvt. Ltd.	64,260	1.77	01/04/2017	NIL	No change During the year	64,260	1.77
		64,260	1.77	31/03/2018				
12	Gaurishankar Neelkanth Kalyani	47,020	1.29	01/04/2017	NIL	No change During the year	47,020	1.29
		47,020	1.29	31/03/2018				
13	Agasti Investment & Trading Private Limited	35,280	0.97	01/04/2017	NIL	No change During the year	35,280	0.97
		35,280	0.97	31/03/2018				
14	Rohini Gaurishankar Kalyani	32,236	0.89	01/04/2017	NIL	No change During the year	32,236	0.89
		32,236	0.89	31/03/2018				
15	Sheetal Gaurishankar Kalyani	31,635	0.87	01/04/2017	NIL	No change During the year	31,635	0.87
		31,635	0.87	31/03/2018				
16	Viraj Gaurishankar Kalyani	33285	0.91	01/04/2017	NIL	No change During the year	33285	0.91
		33285	0.91	31/03/2018				
17	Rajgad Trading Company Pvt. Ltd.	28,200	0.78	01/04/2017	NIL	No change During the year	28,200	0.78
		28,200	0.78	31/03/2018				
18	Aboli Investment Pvt. Ltd	26,500	0.73	01/04/2017	NIL	No change During the year	26,500	0.73
		26,500	0.73	31/03/2018				
19	Jannhavi Investment Private Limited	200	0.01	01/04/2017	NIL	No change During the year	200	0.01
		200	0.01	31/03/2018				

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 3638000 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
		As on quarter in case of any changes	No. of Shares held	Shares as % of Total No. of Shares	As on March 31, 2018	No. of Shares held	Shares as % of Total No. of Shares
1	Amrit Steels Private Limited	April 01, 2017	1,67,773	4.61	March 31, 2018	0	0.00
2	Vijay Kumar Agarwal	April 01, 2017	85,767	2.36	March 31, 2018	0	0.00
3	Satish Ashok Sabnis	April 01, 2017	20,653	0.53	March 31, 2018	0	0.57
4	Santosh Kishore Gupta	April 01, 2017	2,411	0.07	March 31, 2018	7,687	0.21
5	Suresh Dindayal Khatri	April 01, 2017	3890	0.11	March 31, 2018	5,390	0.15
6	Raj Kumar Agarwal	April 01, 2017	1,000	0.03	March 31, 2018	4,000	0.11
7	Bhavna Govindbhai Desai	April 01, 2017	0	0.00	March 31, 2018	4,000	0.11
8	Sita N Gupta	April 01, 2017	750	0.02	March 31, 2018	3,950	0.11
9	Mitrasen Jain	April 01, 2017	1,711	0.05	March 31, 2018	3,940	0.11
10	Krishna Kumar R	April 01, 2017	3,860	0.10	March 31, 2018	3860	0.10

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of Director/KMP	Shareholding at the beginning of the year (01/04/2017)		Date wise increase/ decrease in shareholding during the year	Cumulative shareholding at the end of the year (31/03/2018)	
		No. of shares	% of total shares of Company		No. of shares	% of total shares of Company
1	Mrs. Rohini G. Kalyani, Chairperson & Managing Director	32,236	0.89	No Change	32,236	0.89
2.	Mr. Viraj Kalyani, Executive Director	33,285	0.91	No Change	33,285	0.91
3.	Mr. Gaurishankar N. Kalyani, Non-Executive Director	47,020	1.29	No Change	47,020	1.29
4.	Mr. Pradip Nadkarni, Independent Director	306	0.008	No Change	306	0.008
5.	Mr. Abhijit Sen, Independent Director	0	0.00	No Change	0	0.00
6.	Mr. Vishwas Chitrao, Independent Director	0	0.00	No Change	0	0.00
	Key Managerial Person					
7.	Mr. Avinash Khare, CFO	0	0.00	No Change	0	0.00
8.	Mr. Chandranil Belvalkar, Previous Company Secretary	0	0.00	No Change	0	0.00
9.	Mr. Nilesh Vitekar, Company Secretary & Compliance Officer	0	0.00	No Change	0	0.00

V. INDEBTEDNESS:**Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	60,60,82,287	2,76,48,653		63,37,30,940
ii) Interest due but not paid	21,82,371	NIL	NIL	21,82,371
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	60,82,64,658	2,76,48,653	NIL	63,59,13,311
Change in Indebtedness during the financial year				
• Addition	9,33,90,895	NIL	NIL	9,33,90,895
• Reduction	6,95,12,585	1,10,37,028	NIL	8,05,49,613
Net Change	2,38,78,310	1,10,37,028	NIL	1,28,41,282
Indebtedness at the end of the financial year				
i) Principal Amount	62,94,79,829	3,11,18,007	NIL	64,60,91,454
ii) Interest due but not paid	26,63,139	NIL	NIL	26,63,139
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	63,21,42,968	1,66,11,625	NIL	64,87,54,593

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mrs. Rohini G. Kalyani	Mr. Viraj G. Kalyani	
1.	Gross salary	20,75,220	20,75,220	41,50,440
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under Stock Option	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission- as % of profit- others, specify Others, please specify	24,75,000	6,55,000	31,30,000
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	45,50,220	27,30,320	72,80,440
	Ceiling as per the Act	10%	10%	90,99,977

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Pradip Nadkarni	Mr. Vishwas Chitrao	Mr. Abhijit Sen	
1. Independent Directors					
(a)	Fee for attending board and committee meetings	70,000	40,000	92,000	2,02,000
(b)	Commission	2,73,000	1,36,500	3,18,000	7,27,500
(c)	Others, please specify	-	-	-	-
	Total (1)	3,43,000	1,76,500	4,10,000	9,29,500
		Mr. G. N. Kalyani			
2. Other Non-Executive Directors					
(a)	Fee for attending board and committee meetings	92,000			92,000
(b)	Commission	1,82,000			1,82,000
(c)	Others, please specify	-			-
	Total (2)	2,74,000			2,74,000
	Total (B)=(1+2)				12,03,500
	Total Managerial Remuneration (A+B) *				84,83,940
	Overall Ceiling as per the Act				1,00,09,975

* Total remuneration to Managing Director, Whole Time Director and other Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD ALL CEO, CS & CFO DURING FY 2017-18:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		COO*	Company** Secretary	CFO	
		Bhagawat Patole	Nilesh Vitekar**	Avinash Khare	
1	Gross salary	20,55,167	5,73,525	11,88,617	38,17,309
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
(b)	Value of perquisites u/s17(2) Income-tax Act, 1961				
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission- as % of profit- others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	20,55,167	5,73,525	11,88,617	38,17,309

*Salary of COO is till February, 2018

**Salary of Company Secretary includes Salary of Current Company Secretary & Previous Company Secretary

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
B.	DIRECTORS					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
C.	OTHER OFFICERS IN DEFAULT					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Place: Pune
Date: 12th May 2018

Rohini G. Kalyani
Chairperson & Managing Director
(DIN:00519565)

Annexure 2

BOARD NOMINATION AND REMUNERATION COMMITTEE CHARTER

(Based on external and internal best practices)

1. Objectives of the Nomination and Remuneration Committee

- 1.1 The Nominations and Remuneration Committee (the “Committee”) of the Board of Directors (the “Board”) of Kalyani Forge Limited (the “Company”) shall discharge the Board’s responsibilities to shareholders, the investment community and other stakeholders with respect to (i) preparations relating to the election of members of the Board of Directors (ii) handling matters within its scope of responsibility that relate to the conditions of employment and remuneration of senior management; (iii) setting the performance standards, budgets and targets for the Executive team of the Company; (iv) setting the compensation and performance bonuses of the Company’s executive officers; (v) overseeing the Company’s Human Resources and People strategy; (vi) Identifying Independent Directors to be inducted to the Board from time to time; (vii) to recommend nomination for Chairmanship & memberships of various committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, etc functioning under the Board of Directors of Kalyani Forge Limited; and (viii) performing such other duties and responsibilities as may be consistent with the provisions of this charter.
- 1.2 The Committee will report periodically to the Board on its activities.

2. Composition

- 2.1 The Committee shall comprise of three or more non-executive directors out of which not less than one half shall be independent directors as members. The Chairman of the Committee shall be an independent director and the Chairperson of the Company may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- 2.2 The Chairman of the Committee shall be an independent director, elected from amongst the members of the Committee.

3. Meetings and quorum

- 3.1 The Committee shall meet as per requirements in a year.
- 3.2 The Committee may invite such of the executives, as it considers appropriate to be present at the meetings of the committee.
- 3.3 The Secretary of the Company shall act as a Secretary of the Committee.
- 3.4 The quorum for the Committee Meetings shall be two-thirds of the members of the Committee. However, at least one independent member must be present.
- 3.5 The Chairperson of the committee could be present at the Annual General Meeting to answer the shareholders queries, However it would be up to the Chairman to decide who should answer the queries.

4. Authority and Powers

The Committee shall have the powers:

To investigate any activity within the scope of this Charter or referred to it by the Board;

To seek any information or explanation from any employee or director of the Company;

To ask for any records or documents of the Company;

To engage independent consultants and other advisors and seek their advice.

5. Roles & Responsibilities

The responsibilities of the Committee shall be the following:

5.1 Relating to the Company:

Identify the person qualified to become directors and may be appointed in senior management and recommend their appointment and removal and also carry out evaluation of every director.

Evaluate & approve the Company's remuneration plan, annual salary increase principles and budgets, policies & programs such as succession plan, employment agreements, severance agreements, and any other benefits.

Evaluate issues pertaining to the appointment and remuneration payable to senior executives.

Evaluate terms & conditions relating to the Annual and Long Term Incentive Plans of the Company, including plan design, supervision and pay outs.

Consider & approve matters relating to Normal retirement plans, Voluntary Retirement & Early Separation Schemes for employees of the Company.

Evaluate the terms and conditions for induction of independent Directors to the Board and review the processes to refresh the composition of the Board and its Committees.

To devise a policy on Board diversity

Such other matter as the Board may from time to time request the Committee to examine & recommend or approve.

The Nomination and Remuneration Committee shall ensure while formulating the policy determining qualifications, positive attributes and independence of a Director that –

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals; Provided that such policy shall be disclosed in the Board's report.

5.2 Relating to the Performance and Remuneration of the MD, ED's and the KMP's:

Establish key performance metrics to measure the performance of the Managing Director and the KMP's including the use of financial, non-financial and qualitative measures.

Evaluate executive team performance regularly to strengthen the cumulative annual assessment and to provide timely feed-back to the assessed individuals.

Developing a view on the human resources capability in the business by periodically engaging with levels below the executive team.

Evaluate executives for elevation to Board level positions.

Review and recommend to the Board the remuneration & commission to the managing and executive directors.

Relating to the Performance and Remuneration of the Non-executive Directors:

Define the principles, guidelines and process for determining the payment of commissions to non-executive directors of the Company.

Assist the Board in fulfilling its corporate governance responsibilities relating to non-executive directors' remuneration.

5.3 Relating to the induction of independent Directors and the nomination to the Committees of the Board:

Evaluate the terms and conditions for induction of independent Directors to the Board and review and frame the processes to recommend the nomination on the Committees of the Board.

Formulation of criteria for evaluation of performance of independent directors.

5.4 Other functions:

Perform other activities related to this Charter as requested by the Board of Directors.

Carry out additional functions as required by other regulatory requirements applicable to the Company or in the terms of reference of the Committee.

6. Reporting

6.1 The Committee will periodically report to the Board on various matters that it has considered.

6.2 The Annual Report of the Company shall disclose the composition of the Committee, brief description of the scope of the Committee Charter, names of members, Chairperson, Meetings and attendance.

7. Compensation

Members of the Committee shall receive such sitting fees and / or commission, if any, for their services as Committee members as may be determined by the Board in its sole discretion.

8. Evaluation

The Committee shall conduct an annual self-evaluation of its performance and report the result to the Board of Directors. It shall confirm annually to the Board that the responsibilities outlined above have been carried out.

9. Review of Remuneration Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Committee annually. Appropriate Recommendations shall be made to the Board, (based on changes that may be brought about to the regulatory framework or otherwise) from time, to time to update the Charter.

For and on behalf of the Board

Place: Pune
Date: 12th May 2018

Rohini G. Kalyani
Chairperson & Managing Director
(DIN:00519565)

Annexure 3**Highlights of Sexual Harassment Policy****DISCLOSURE UNDER THE “SEXUAL HARASSMENT OF WOMAN AT WORKPLACE
(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013”**

In terms of Section 22 of the above mentioned Act, read with Sexual Harassment of Woman at Work place (Prevention, Prohibition and Redressal) Rule, 2013, we report as follows for the year ended on March 31, 2018:

1.	No. of Complaints received in the year	:	Nil
2.	No. of Complaints disposed off in the year	:	Nil
3.	Cases pending for more than 90 days	:	Nil
4.	No. of Workshops and Awareness Programs conducted in the year	:	Nil

For and on behalf of the Board

Place: Pune
Date: 12th May 2018

Rohini G. Kalyani
Chairperson & Managing Director
(DIN:00519565)

Annexure 4
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[Pursuant to section 204 of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Kalyani Forge Limited
(CIN: L28910MH1979PLC020959)
Shangrila Gardens,
C- Wings, 1st Floor, Opp.
Bund Garden,
Pune- 411001, Maharashtra

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kalyani Forge Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has , during the audit period covering the financial year ended on March 31, 2018 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter, *subject to some observations in filing and submission of disclosures and documents/ information under applicable Rules, Regulations and applicable Laws:*

1. *Updation of records of Ministry of Corporate Affairs related to appointment of Key Managerial Personnel(KMP) during the year under review:*

The Company has appointed KMP during the year but, has yet to update the appointment as per the provisions of the Companies Act, 2013.

2. *Spending of amount for Corporate Social Responsibility (CSR) during the year under review under the provisions of Companies Act, 2013:*

The Company has yet to spend an amount towards CSR activities during the year.

I have examined the books, papers, minute books, records, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing were not attracted to the Company under the financial year under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 (' SEBI Act')
 - (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009: (Not applicable, since the Company has not made any further issue of Shares during the Financial Year under review);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: (Not applicable as the Company has not introduced any such scheme during the Financial Year under review);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: (Not applicable as the Company has not issued any Debt securities during the Financial Year under review);
 - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993: (Not applicable, since the Company has not registered as Issue and Share Transfer Agent during the Financial Year under review);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: (Not applicable,) Since, the Company has not delisted/proposed to delist its Equity Shares from any Stock Exchange(s) during the Financial Year under review);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not brought back/proposed to Buy-back any of its' securities during the Financial Year under review)
6. List of other Laws applicable to the Company, as attached herewith as "Annexure-B" to this Report. *I reserve my comments on the compliance of applicable laws as mentioned under "Annexure-B", since records were not fully available for inspection.*

I have also examined compliance with the applicable clauses and regulations of:

- I. The Secretarial Standards issue by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.
- III. SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

During the course of Audit, we understood from the management that, there were frequent attritions in Key Managerial Personnel, resulting in to disturbance in mechanism. However, the management has appointed adequate Key Managerial Personnel, which has resulted in carrying out compliance effectively and efficiently.

I further report that-

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through and while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For HR & Associates,
Company secretaries

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP:8984

Date: 12th May 2018
Place: Pune

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

Annexure A

To,

**The Members,
Kalyani Forge Limited
(CIN: L28910MH1979PLC020959)**

**Shangrila Gardens, C- Wings
1st Floor Opp, Bund Garden,
Pune- 411001, Maharashtra**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For HR & Associates,
Company secretaries

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP:8984

Date: 12th May 2018
Place: Pune

ANNEXURE B**List of applicable laws to the Company**

1. The Factories Act, 1948
2. Industrial Disputes Act, 1947
3. The Contract Labour(Regulation and Abolition) Act, 1970
4. The Maternity Benefits Act, 1961
5. Competition Act, 2002
6. The Bombay Shops and Establishments Act, 1948
7. The Payment of Wages Act, 1936
8. The Minimum Wages Act, 1948
9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.
10. Employees Provident Fund And Misc. Provisions Act, 1952
11. The Payment of Bonus Act, 1965
12. The Environment (Protection) Act, 1986
13. Electricity Act, 2003
14. Indian Stamp Act,1999
15. Negotiable Instrument Act, 1881
16. Payment of Gratuity Act,1972
17. Water (Prevention & Control of Pollution) Act, 1974 and rules thereunder
18. Air (Prevention & Control of Pollution) Act, 1981 and rules thereunder
19. Equal Remuneration Act, 1976
20. Employee Compensation Act, 1923
21. Employment exchange (Compulsory notification of Vacancies) Act, 1959

For HR & Associates,
Company secretaries

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP:8984

Date: 12th May 2018

Place: Pune

ANNEXURE-C**List of documents verified during the course of audit**

1. Listing Agreement, Memorandum and Article of Association of the Company and Policies of the Company
2. Annual Reports for the Financial Year ended 31st March, 2017; 31st March 2016; 31st March, 2015
3. Minutes of the meeting of Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsible Committee, Stakeholders Relationship Committee with Attendance Registers.
4. Minutes of General Meeting of the Company includes:
5. Statutory Registers of the Company includes:
 - a. Register of Directors and KMP
 - b. Register of Members
 - c. Register of Directors' Shareholding
 - d. Register of Charge
 - e. Register of Contract
 - f. Register of loans, guarantee, securities, acquisitions made by the Company
 - g. Register of Transfers
6. Declaration received from the Directors of the Company pursuant to the provisions of the Section 149 and Section 184 of the Companies Act, 2013.
7. Forms filed by the Company with Registrar of Companies, Pune, during the year 2017-18.
8. Documents/correspondence made by the Company to Bombay Stock Exchange and National Stock Exchange during the year 2017-18.
9. Information about various fillings done by the Company to Bombay Stock Exchange and National Stock Exchange, during the year 2017-18.

For HR & Associates,
Company secretaries

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP:8984

Date: 12th May 2018
Place: Pune

**Annexure 5****Form AOC-2**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Not Applicable as there are no related party transactions during the year which were not on arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis:

During the Financial Year 2017-18, all the transactions entered into with related parties were at arm's length. However, these transactions were not material.

For and on behalf of the Board

Place: Pune
Date: 12th May 2018

Rohini G. Kalyani
Chairperson & Managing Director
(DIN:00519565)

Annexure 6

Highlights of Risk Management Policy

With the past experience and to ensure sustainable business growth with stability, the Company proposes to promote and implement a Risk Management policy, a pro-active approach in reporting, evaluating and resolving risks associated with the business.

The specific objectives of the Risk Management Policy shall be:

1. To ensure that all the current and future material risk exposures of the Company to be identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

The Company recognizes that risk is an integral and unavoidable component of business and further wishes to manage the risk in a proactive and effective manner. The Company further believes that the Risk cannot be eliminated, but can try to eliminate the same using the following:

1. Transfer to another party, who is willing to take risk, say by buying an insurance policy or entering into a forward contract;
2. Reduced, by having good internal controls;
3. Avoided, by not entering into risky businesses;
4. Retained, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk, and;
5. Shared, by following a middle path between retaining and transferring risk.
6. Ensure customer continuity by way of Quality satisfaction, Quantity requirements and meeting with other business compliances.
7. Contingency Plans, in case of discontinuation of customer.

Risk Management Framework

Activities at all levels of the organization, viz., Enterprise level; Division level; Business Unit level shall be considered in the risk management framework. Since these components are interrelated and drive the Enterprise Wide Risk Management, the company initially shall focus on three key elements, viz.,

- (1) Risk Assessment
- (2) Risk Management
- (3) Risk Monitoring Risk Assessment

Risks are to be analysed, considering likelihood and impact, as a basis for determining how they should be managed. Risk Assessment shall consists of a detailed study of threats and vulnerability and resultant exposure to various risks.

Risk Management and Risk Monitoring

In the management of Risk the probability of risk assumption is estimated with available data and information and appropriate risk treatments worked out in the following areas:

1. Economic Environment and Market conditions
2. Fluctuations in Foreign Exchange
3. Political Environment
4. Competition
5. Revenue Concentration
6. Inflation and Cost Structure
7. Technological Obsolescence
8. Financial Reporting Risks
9. Legal Risk
10. Compliance with Local Laws
11. Quality and Project Management
12. Environmental Risk Management

Risks specific to the Company and the mitigation measure to be adopted:

(a) Business dynamics & Operations Risks Risk mitigation measures:

The Company functions under a well-defined organization structure.

Flow of information is well defined to avoid any conflict or communication gap between two or more Departments.

Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.

Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes.

Effective steps are being taken to reduce cost of production on a continuing basis taking various changing scenarios in the market.

Customer Satisfaction in respect of Quality, Quantity and other business compliances. Long term customer relationship to be maintained.

New business avenues to be found and contingency plan in case of discontinuation of Customer to be prepared.

(b) Liquidity Risks

Risk Mitigation Measures:

Proper financial planning is put in place with detailed Annual Business Plans discussed at appropriate levels within the organization.

Annual and quarterly budgets are prepared and put up to management for detailed discussion and an analysis of the nature and quality of the assumptions, parameters etc.

These budgets with Variance Analysis are prepared to have better financial planning and study of factors giving rise to variances.

Daily and monthly cash flows are prepared, followed and monitored at senior levels to prevent undue loss of interest and utilise cash in an effective manner.

Cash management services are availed from Bank to avoid any loss of interest on collections.

Exposures to Foreign Exchange transactions are supported by LCs and Bank guarantees and steps to protect undue fluctuations in rates etc.

(c) Credit Risks:

Risk Mitigation Measures:

Systems put in place for assessment of creditworthiness of dealers/customers.

Provision for bad and doubtful debts made to arrive at correct financial position of the Company. Appropriate recovery management and follow up.

(d) Market Risks / Industry Risks:

Risk Mitigation Measures:

Raw materials are procured from different sources at competitive prices.

Alternative sources are developed for uninterrupted supply of raw materials.

Demand and supply are external factors on which company has no control, but however the Company plans its production and sales from the experience gained in the past and an on-going study and appraisal of the market dynamics, movement by competition, economic policies and growth patterns of different segments of users of company's products.

The Company takes specific steps to reduce the gap between demand and supply by expanding its customer base, improvement in its product profile, delivery mechanisms, technical inputs and advice on various aspects of, enhancement of capacity utilization in customer-plants etc.

Proper inventory control systems have been put in place. Responsibility Structure

The Head of Operations (COO) shall be the Risk Management Head.

The COO shall be responsible for the implementation, identification and control measures for the risk at ground level.

Head- Marketing/ Business shall be responsible for creation, maintenance and compilation of all data including documents relating to the Risk Management and control measures of Risks.

Example: Documents relating to Insurance requirements, EPCG licenses, etc. till the conclusion of the necessary task/ project.

Head- Marketing/ Business shall review the same on regular interval due to close relations with Customers and shall ultimately report the same to the Compliance Officer for necessary reporting to the Stake Holders.

All the other departments and individual sections shall co-operate in setting these strategies (implementation and review).

All the other decisions involving significant risk associated with the business shall be reported to Board or the Audit Committee, where appropriate, for consideration and approval.

Reporting Significant Risk

The Head of the Department and Head of Operations (COO) shall determine the intensity of risks. The risks which are of higher impact shall be highlighted to the Management for further review.

Audit

The Finance Head or the Executive Director will make arrangements to audit the risk process for each Department as a part of regular cycle of audits and will report explicitly on the risk management processes to the Board.

Necessity of the Risk Management policy:

The Company has passed through many unidentified risks, which have been tackled successfully by the Company with its expertise in the business; however, the Company is also capable to overcome all the unidentified risks in the near future as well. Quantification of the impact of these risks is not possible at this stage. These unidentified risks are because of the failure to identify and control at the operational/ground level.

While scrutiny of these failures, the Company has realised that these problems are not due to past legacies. These problems have currently arisen at ground level and intensified in the last 2-3 years' time

For and on behalf of the Board

Place: Pune
Date: 12th May 2018

Rohini G. Kalyani
Chairperson & Managing Director
(DIN:00519565)

Annexure 7

REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes
2. The composition of the CSR Committee:

Sr. No	Name of Directors	Category	Designation
1.	Mrs. Rohini G. Kalyani	Non-Independent Director	Chairperson
2.	Mr. Viraj G. Kalyani	Non-Independent Director	Member
3.	Mr. Pradip Nadkarni	Independent Director	Member

3. Average Net Profit of the company for last 3 financial years: Rs. 1,85,65,325/-
4. Prescribed CSR expenditure (2% of amount) : Rs. 3,71,307/-
The Current CSR Expenditure: Rs. 3,00,000/-
5. Details of CSR Expenditure spent during the financial year:
 - (a) Total amount to be spent for the financial year: Rs 3,71,307/-
 - (b) Amount unspent if any: Rs. 71,307/-
 - (c) Manner in which amount spent for the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which project is covered	Projects or programmes (1) Local areas or others (b) Specify the state and district where the programme or project was undertaken	Amount outlaying project or programme wise	Amount spent on the project or programs sub-heads (1) Direct expenditure on the projects or programs (2) Overheads	Cumulative expenditure up to reporting period	Amount spent Direct or through implementing agency
1	Donation for renovation of building operated by SAVALI Association	Mentally Retarded & Cerebral Palsy Children	District:- Pune, Maharashtra	Rs. 1.50 Lacs	Rs. 1.50 Lacs	Rs. 1.50 Lacs	Through SAVALI Association
2	Donation to education institution operated for Girl Empowerment	Needy girls and Women Empowerment & Development	District:- Pune, Maharashtra	Rs. 1.50 Lacs	Rs. 1.50 Lacs	Rs. 1.50 Lacs	Through Maharshi Karve Stree Shikshan Sanstha

Details of implementing agency: --

- 1 SAVALI is a registered Charitable Trust working for the Mentally Retarded & Cerebral Palsy children/adults. All the parents of these individuals are trustees of SAVALI. It is non-profitable, non-political and non-Government organization. SAVALI is working since more than 25 years in this field. Today SAVALI are taking care of about 110 special individuals every day. Out of which 50 are in lifelong care center and 60 are in special school and vocational training.
- 2 Maharshi Karve Stree Shikshan Sanstha is a registered public trust, Pune, works for Empowerment of the needy girls of the society.

6. In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report: Company has successfully spent Rs. 3,00,000/- (81%) of total CSR amount for the financial year 2017-18 and is in discussion with several suitable projects to spend balance amount of Rs. 71,307/-.
7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby affirm that the CSR policy has been implemented and the CSR committee monitors the implementation of CSR projects and activities in Compliance with CSR objectives

Mrs. Rohini Gaurishankar Kalyani
(CEO/Managing Director/Director)
(DIN: 005919565)

Mr. Rohini G. Kalyani
Chairman of CSR Committee
(DIN: 005919565)

Annexure 8

**Statement of Particulars of employees pursuant to the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr.	Name	Designation/ Nature of Duties	Remuneration Received [Rs.]	Qualification	Experience in years	Age in Years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
NIL								

There are no employees whose salary is more than 5 Lacs / month.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(1&2) Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & KMPs in the Financial Year:

Sr. No.	Name of the Director/KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage increase in Remuneration during FY 2017-18
1.	Mrs. Rohini G. Kalyani	Chairperson & Managing Director	19.55:1	32.62
2.	Mr. Viraj G. Kalyani	Executive Director	11.73:1	-0.01
3.	Mr. G.N. Kalyani	Non- Executive Director	1.18:1	-10.79
4.	Mr. Pradip Nadkarni	Independent Director	1.47:1	0.09
5.	Mr. Abhijit Sen	Independent Director	1.76:1	43.00
6.	Mr. Vishwas Chitrao**	Independent Director	0.76:1	12.72
7.	Mr. Avinash Khare	Chief Financial Officer (CFO)	5.11:1	0.00
8.	Mr. Nilesh Vitekar*	Company Secretary & Compliance Officer	2.46:1	0.00

* Salary of Company Secretary includes Salary of Current Company Secretary & Previous Company Secretary.

3)	Percentage increase in the median remuneration of employees in the financial year	-10.67%	
4)	Number of permanent employees on the rolls of Company as at March 31, 2018	709	
5)	Explanation on the relationship between average increase in remuneration and Company performance	Average decrease in remuneration was -10.67%. The turnover of the Company increased by 5.25% & Profit Before tax increased by 45.34%	
6)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total Revenue	27,230 Lakhs
		Profit Before Tax	920 Lakhs
		Total Remuneratin to KMPs	90.42 Lakhs
		Total Remuneratin of KMPs as % to -	
		Total Revenue	0.33
	Profit Before Tax	9.83%	
7)	i. Variations in the market capitalisation of the Company	The market capitalisation as on March 31, 2018 was Rs. 105 crores (Rs.134 crores as at March 31, 2017)	
	ii. Price Earnings ratio of the Company	16.09 as at March 31, 2018 and 28.52 as at March 31, 2017	



iii. Percentage increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year	The Company has come out with initial public offer (IPO) in March 1994. An amount of Rs. 55 invested in the said IPO would be worth Rs. 289.65 as on March 31, 2018 indicating a compounded annual growth rate of 7.17% which is including the dividend accrued thereon.
8) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The Average increase in remuneration of the employees other than managerial personnel was 7% as compared to the decrease in the managerial remuneration by Refer Note above Table.

8. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company

Names of the KMPs	Remuneration in FY 2017-18 (in Rs.)	Revenue (in Rs. In lakhs)	Remuneration as % of revenue	Profit Before Tax (in Rs.)	Remuneration (as % of PBT)
Mrs. Rohini G. Kalyani	45,50,220	26,536	0.17%	2,03,82,691	Refer Note below
Mr. Viraj G. Kalyani	27,30,320	26,536	0.10%	2,03,82,691	Refer Note below
Mr. Avinash Khare (CFO)	11,88,617	26,536	0.04%	2,03,82,691	0.29%
Mr. Nilesh Vitekar (CS)*	5,73,525**	26,536	0.02%	203,82,691	0.14%

* Salary is only for part of the year as CS was appointed on 13th February, 2018

** Salary of CS includes the salary of existing CS and previous CS.

10) The key parameters for any variable component of remuneration availed by the Directors	Executive Directors - Nomination and Remuneration Committee determines the variable compensation annually based on their individual and organisation performance. Non-Executive Directors - Parameters such as responsibilities undertaken, Membership or Chairmanship of the Committees, time spent in carrying out duties etc.
11) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
12) Affirmation that the remuneration is as per the remuneration policy of the Company	is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMPs and other Employees.

For and on behalf of the Board

Place: Pune
Date: 12th May 2018

Rohini G. Kalyani
Chairperson & Managing Director
(DIN:00519565)

Annexure 9

Highlights of Whistle Blower Policy

1. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
2. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
3. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/Managing Director/Chairman of the Audit Committee in exceptional cases.
4. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

For and on behalf of the Board

Place: Pune
Date: 12th May 2018

Rohini G. Kalyani
Chairperson & Managing Director
(DIN:00519565)

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 & para C, D, & E of Schedule V of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy of Corporate Governance aims at establishing and practicing a system of good Corporate Governance which will assist the management in managing the Company's business in an efficient and transparent manner and provide the guidelines as to how the Company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the Company and is also beneficial for all stakeholders in the long term. Core principles of Corporate Governance emerge the cornerstones of Company's governance philosophy, namely trusteeship, transparency, ethical corporate citizenship, empowerment, control and accountability. Company believes that the practice of each of these creates the right corporate culture that fulfills the true purpose of Corporate Governance.

2. BOARD OF DIRECTORS:

a) Composition and size of Board:

The Board of Directors of the Company has optimum combination of Executive and non – executive Directors who have in depth knowledge of business, in addition to the expertise in their areas of operation. As on 31st March 2018, the strength of the Board of Directors was Six Directors, of which four Directors are non – executive Directors including three Independent Directors.

b) Meetings of the Board of Directors:

During the year 2017-18, Four Board Meetings were held on 23rd May 2017, 10th August 2017, 17th November 2017 and 13th February 2018.

c) Directors Attendance Record and Directorships held:

The information on composition and category of the Board of Directors as on 31st March 2018, attendance of each Director at Board Meetings held during the financial year 2017-18 and at the Annual General Meeting held on 25th day of July, 2017, Directorship and committee positions in other Public Limited Companies of which the Director is a member/Chairman is as follows:

Name	Category	Number of Board Meetings held during the year 2017-18		Whether attended last AGM	No. of Directorship in other Public Ltd. Companies	Committee positions held in other Public Limited Companies	
		Held	Attended			Member	Chairperson
Rohini G. Kalyani	Chairperson & Managing Director) Executive	4	4	Yes	-	-	-
Mr. G. N. Kalyani	Non- Executive	4	4	Yes	-	-	-
Mr. Viraj G. Kalyani	Whole-Time Director) Executive	4	1	No	-	-	-
Mr. Pradip Nadkarni	Non-Executive Independent	4	3	Yes	-	-	-
Mr. Abhijit Sen	Non-Executive Independent	4	4	Yes	5	2	1
Mr. Vishwas Chitrao	NonExecutive Independent	4	4	Yes	-	-	-

None of the Directors on the Board is a member on more than ten committees and Chairman of more than five committees across all the Companies in which they are Directors. Only two Committees i.e. the Audit Committee and Stakeholders Relationship Committee are considered for this purpose.

d) Relationship between directors inter se:

Mrs. Rohini G. Kalyani is wife of Gaurishankar N. Kalyani & Mr. Viraj G. Kalyani is son of Gaurishankar & Rohini Kalyani. Rest none of the directors are related with each other.

e) Number of share held by Non- Executive Director:

Covered in Annexure 1 of Board's Report i.e. Form MGT-9.

f) Code of Conduct:

The Board of Kalyani Forge Limited has laid down a Code of Conduct for all Board Members and Senior Management personnel of the Company. The Code of Conduct is available on the website of the Company, www.kalyaniforge.co.in All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct and the Managing Director has confirmed the same.

g) Particulars of Appointment / Re-appointment of Non-Executive and Executive Directors

The particulars of appointment/re-appointment of Non-Executive and Executive Directors are provided as Annexure – I to the Explanatory Statement annexed to the Notice of 39th Annual General Meeting and disclosed the relevant information as required hereunder pursuant to Regulation 17 of Listing obligation.

3. AUDIT COMMITTEE:

a) Brief Description and Terms of Reference:

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with section 177 of Companies Act, 2013.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting.

The Audit Committee comprise of three members all of which are Non-Executive Directors.

Mr. Abhijit Sen as Independent Director is the Chairman of the Audit Committee. Managing Director, Whole time Director, Chief Financial officer (CFO), the Statutory Auditors and Internal Auditors generally participates in the meetings of Audit Committee. The Secretary of the Company is the Secretary to the Committee.

Terms of reference to Audit Committee cover the matters specified under Regulation 18 of the Listing Regulation 2015.

b) Composition and attendance at Audit Committee Meeting:

During the year under review four Audit Committee Meetings were held on 23rd May 2017, 10th August 2017, 17th November 2017 and 12th February 2018.

The composition of the Audit Committee as on 31st March, 2018 and attendance of members in the meetings held during the financial year 2017-18 is as under:

Name of the Member	Category	No. of meetings attended (held=4)
Mr. Abhijit Sen	Chairman Non –Executive & Independent Director	4
Mr. Pradip Nadkarni	Non – Executive & Independent Director	3
Mr. Gaurishankar N. Kalyani	Non – Executive Director	4

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Brief Description and Terms of Reference:

The Nomination and Remuneration Committee of the Company has been constituted in line with the provisions of Regulation 19 of the Listing obligation read with section 178 of Companies Act, 2013. The purpose of the Nomination and Remuneration Committee of the Board is to discharge the Board's responsibilities relating to compensation of the Company's Executive Directors. The Committee has overall responsibility for approving and evaluating the Executive Directors compensation plans, policies and programs.

The Committee consists of three Non-Executive Directors out of which 2 are Independent Directors.

Mr. Pradip Nadkarni is the Chairman of the Nomination and Remuneration Committee. The Company Secretary of the Company also acts as Secretary to the Committee.

b) Composition and attendance at Nomination and Remuneration Committee Meeting:

During the year under review, two Meetings of the Nomination and Remuneration Committee took place on 23rd May 2017 and 12th February 2018.

The composition of the Nomination & Remuneration Committee as on 31st March, 2018 and attendance of members in the meetings held during the financial year 2017-18 is as under:

Name of the Member	Category	No. of meetings attended (held=2)
Mr. Pradip Nadkarni	Chairman Non – Executive & Independent Director	1
Mr. Abhijit Sen	Non – Executive & Independent Director	2
Mr. Gaurishankar N. Kalyani	Non – Executive Director	2

c) Remuneration Policy:

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice. While deciding on the remuneration for Directors, the Board and Nomination & Remuneration Committee consider the performance of the Company, the current trends in the industry, the director's participation in Board and Committee meetings during the year and other relevant factors. The performance of the Company and individual performance as well employees' potential, criticality and longevity in the grade are considered while determining remuneration to the Employees.

Company has complied with Regulation 19 the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

d) Nomination and Remuneration Committee Charter:

Nomination and Remuneration Charter has been formed to help the Board to discharge their responsibilities to shareholders, the investment community and other stakeholders with respect to (i) preparations relating to the election of members of the Board of Directors (ii) handling matters within its scope of responsibility that relate to the conditions of employment and remuneration of senior management; (iii) setting the performance standards, budgets and targets for the Executive team of the Company; (iv) setting the compensation and performance bonuses of the Company's executive officers; (v) overseeing the Company's Human Resources and People strategy; (vi) Identifying independent Directors to be inducted to the Board from time to time; (vii) to recommend nomination for Chairmanship & memberships of various committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, etc functioning under the Board of Directors of the Company.

e) Remuneration to Directors:

The details of remuneration paid to the Directors are given in Form MGT-9 forming part of the Directors Report.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

a) Brief Description and Terms of Reference:

Stakeholders' Relationship Committee was constituted to look into Redressal of Shareholders and Investors' Complaint matters like non-receipt of annual report, non-receipt of dividend and to look into matters that can facilitate better services and relations.

The committee consists of three Non-Executive Directors out of which two are independent Directors. Mr. Gaurishankar N. Kalyani is the Chairman of the committee.

b) Composition and attendance at the Stakeholders' Relationship Committee:

During the year under review, four meetings of Stakeholders' Relationship Committee were held on 23rd May 2017, 09th August 2017, 16th November 2017 and 12th February 2018.

The composition of the Stakeholders' Relationship Committee as on 31st March, 2018 and attendance of members in the meetings held during the financial year 2017-18 is as under:

Name of the Member	Category	No. of meetings attended (held=4)
Mr. Gaurishankar N. Kalyani	Chairman Non – Executive Director	4
Mr. Pradip Nadkarni	Non – Executive & Independent Director	3
Mr. Abhijit Sen	Non – Executive & Independent Director	4

The Company has not received any complaints from shareholders during the year. There were no pending share transfer and complaints as on 31st March, 2018.

Company has complied with Regulation 20 the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

6. DETAILS OF THE ANNUAL GENERAL MEETINGS:

The details of previous three annual general meetings of the Company are as follows:

Financial Year	Date and Time	Venue	Special Resolutions passed if any
2014-15	05 th September, 2015 at 11.00 A.M.	Poona Club Ltd; Camp Pune- 411001	1
2015-16	02 nd August, 2016 at 11.00 A.M.	Poona Club Ltd; Camp Pune- 411001	1
2016-17	25 th July, 2017 at 11.00 A.M.	Poona Club Ltd; Camp Pune- 411001	-

No Extra Ordinary General Meeting was held during the year under consideration. All the requirements including the special resolution set out in the respective notices were passed by the shareholders.

During the financial year under review, no special resolutions have been passed by postal ballot.

7. DISCLOSURES:

a) **Materially Significant Related Party Transactions:**

For details regarding related party transactions, please refer notes to the financial statements saving those, there were no materially significant related party transactions with Company's promoters, directors or its management, their subsidiaries or relatives, etc that had a potential conflict with the interest of the Company. The register of contracts containing transactions, in which Directors are interested, is placed before the Board regularly. The policy on related party transaction is available on the website of the Company, www.kalyaniforge.co.in

b) **Accounting Treatment:**

No treatment different from that prescribed in an Accounting Standards has been followed by the Company.

c) **Statutory Compliance and Penalties:**

The Company has complied with rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital market.

During the year under review, no penalties and/or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority during the last three years.

d) **Secretarial Audit:**

Pursuant to Regulation 7 of SEBI (Listing Obligation & Disclosure Requirement) with the Stock Exchanges, certificates, on half-yearly basis, have been issued by HR & Associates, Company Secretaries-in-Practice for due compliance of share transfer formalities by the Company for half year ended 30th September 2017 and for the second half year ended 31st March, 2018.

HR & Associates, Company Secretaries-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories).

For quarter ended 31st March, 2018 the report was provided by HR & Associates, Practicing Company Secretary.

e) **Cost Audit:**

The Central Government has approved the appointment of Mr. Rahul Chincholkar as Cost Auditor of the Company for the financial year 2017-18.

f) **Vigil mechanism**

Your Company has laid down Whistle Blower Policy covering Vigil Mechanism with protective Clauses for the Whistle Blowers. As part of the Vigil Mechanism a dedicated telephone line and email address are provided. The Whistle Blower Policy is made available on the website of the Company.

8. **MANAGING DIRECTOR / CFO CERTIFICATION:**

The Managing Director and Chief Financial Officer have certified to the Board of Directors, inter alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under Regulation 17 (8) of SEBI (Listing Obligation And Disclosure Requirement) Regulation, 2015, for the year ended 31st March, 2018

9. **MEANS OF COMMUNICATION:**

Quarterly and Half-yearly results are published in one of the renowned English and Marathi dailies, published from Pune. The results are also updated on Company's website, www.kalyaniforge.co.in.

10. GENERAL SHAREHOLDER INFORMATION

a) AGM Information and Financial Year:

Day, Date and Time of AGM	:	Friday 27 th July, 2018
Venue	:	Poona Club Ltd., Camp, Pune – 411 001
Financial Year	:	1 st April 2017 to 31 st March 2018
Date of Book Closure	:	21 st July, 2018 to 27 th July 2018 (both days inclusive)
Dividend payment Details	:	Within 30 days after Annual General Meeting

b) Listing on Stock Exchanges and Scrip Code:

The Company's shares have been listed on the following exchanges:

- National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
NSE Code: KALYANIFRG
- Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Scrip Code BSE Code: 513509

Annual listing fees and custodian fees have been paid for the financial year 2018-19

c) Market Price Data:

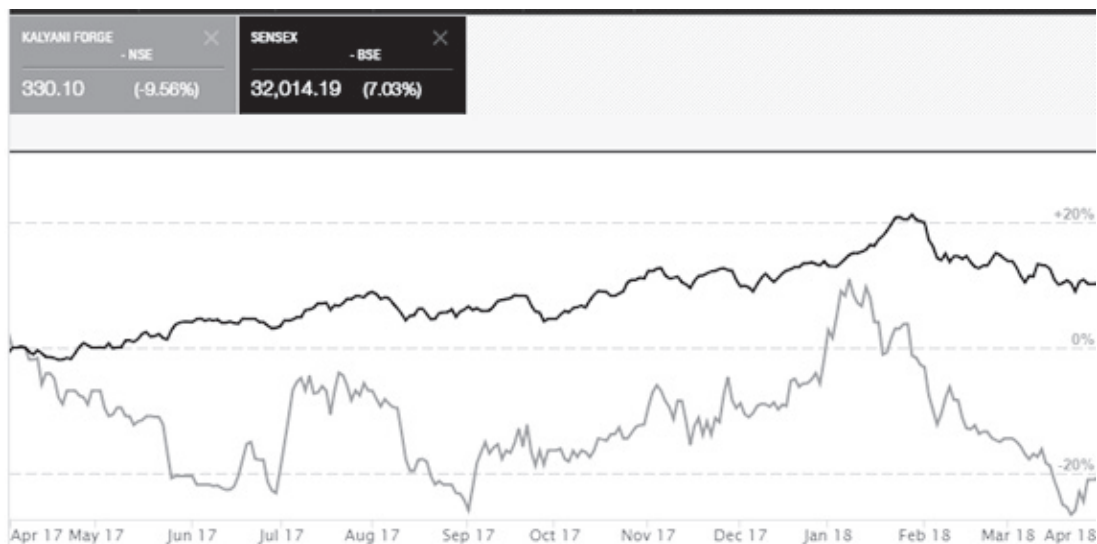
The monthly high and low quotations and volume of shares traded on BSE and NSE from 1st April, 2017 up to 31st March, 2018 is as follows:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
Apr-17	374.10	330.05	378.00	324.00
May-17	344.90	278.50	342.00	280.50
Jun-17	315.00	276.25	314.50	272.50
Jul-17	357.00	308.70	359.00	324.10
Aug-17	345.00	275.00	350.70	279.00
Sep-17	323.00	267.00	308.00	268.05
Oct-17	325.00	291.00	315.00	294.00
Nov-17	349.50	303.50	333.00	306.10
Dec-17	362.00	321.00	345.00	320.50
Jan-18	410.00	343.60	393.15	344.15
Feb-18	364.70	306.00	350.00	302.00
Mar-18	317.95	260.40	308.00	258.05

(Source: www.bseindia.com and www.nseindia.com)

d) Performance in comparison to the Board-based Indices:

Performance in comparison to BSE Sensex



(Source: www.moneycontrol.com)

e) Registrar & Share Transfer Agent and Share Transfer System:

Link Intime India Private Limited is the Registrar & Share Transfer Agent (RTA) of the Company in respect of the equity capital in demat and physical mode. They process share transfer and transmission on fortnightly basis. Their address is as follows:

Link Intime India Pvt. Ltd Block No.202, Second Floor, Akshay Complex, Off.Dhole Patil Road, Near - Ganesh Mandir Pune – 411 001 Tel/Fax - 020 26160084 E-mail: pune@linkintime.co.in	Link Intime India Pvt Ltd C-101, 247 Park L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in
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f) Share Transfer System:

Transfer in physical form has to be lodged with Registrar and Share Transfer Agents. All shares received for transfer were registered and dispatched within thirty days of receipts, if the documents were correct and valid in all respects. The time taken to process dematerialization of shares is ten days upon receipt of documents from Depository Participant.

g) Shareholding pattern as on 31st March, 2018:

Category	Number of Shares	Percentage (%)
Promoter and Promoter Group	21,32,296	58.61
Non Resident Indians	11,005	0.30
Bodies Corporate	5,97,454	16.42
Resident Indians	8,90,044	24.27

Category	Number of Shares	Percentage (%)
Financial Institutions/Banks/Trust	100	0.0027
Clearing Member	7,101	0.20

Non-Executive Directors Shareholding :

Name	Number of Shares	Percentage (%)
G. N. Kalyani	47,020	1.29
Pradip P. Nadkarni	306	0.01

h) Distribution of Shareholding as on 31st March,2018:

Sr. No.	Share Holding of Shares	Share Holder	Percentage of Total	Total Shares	Percentage of Total
1.	1 to 500	4,202	94.0045	4,30,469	11.8326
2.	501 to 1,000	138	3.0872	1,05,197	2.8916
3.	1,001 to 2,000	74	1.6555	1,02,835	2.8267
4.	2,001 to 3,000	12	0.2685	30,853	0.8481
5.	3,001 to 4,000	12	0.2685	45,057	1.2385
6.	4,001 to 5,000	0	0.0000	0	0.0000
7.	5,001 to 10,000	4	0.0895	26,551	0.7298
8.	10,0001 to *****	28	0.6264	28,97,038	79.6327
	Total	4,470	100	36,38,000	100.0000

i) Dematerialization of shares and liquidity:

Company's equity shares are being dealt with in dematerialized form and the ISIN is INE314G0104. As on 31st March, 2018, 27,87,233 (76.61%) Number of Shares is in demat form.

j) Outstanding GDR/Warrants or convertible bonds, conservation dates and likely impact on liquidity:

The Company has not issued any GDRs/ADRs/ Warrants or other instruments, which are pending for conversion.

k) Plant Location:

Hot Forging Division (HFD) and Metal Forms Division (MFD) Koregaon Bhima, Tal: Shirur, Dist. Pune. Pin – 412 207.

Precision Auto comp Division, Gat No. 914/1 & 2, Sanaswadi, Tal: Shirur, Dist: Pune, Pin - 412 208.



l) Financial Calendar of the Company relating to future immediate reporting:

The Financial year covers the period from 1st April 2018 to 31st March 2019. Financial Reporting for:

Quarter ending 30th June, 2018	Upto 14 th August, 2018
Half Year ending 30th September, 2018	Upto 14 th November, 2018
Quarter ending 31st December, 2018	Upto 14 th February, 2019
Year ending 31st March, 2019	Upto 30 th May, 2019
Annual General Meeting for the year ended March 31, 2019.	Upto 30 th September, 2019

m) Unclaimed Dividend:

All unclaimed/unpaid dividend amounts for the financial year 2009-10 have been transferred to Investor Education & Protection Fund and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.

n) Address for Correspondence:

Registered Office:

Kalyani Forge Limited

Shangrila Gardens, 'C' Wing, 1st Floor, Opp. Bund Garden, Pune – 411 001

Factory:

Kalyani Forge Limited Koregaon Bhima, Tal: Shirur Dist.- Pune, Pin – 412 216

Phone: 02137-252335, 252755, 252757

Fax: 02137-252344, 252756

For effective and efficient Investor Grievance Management, the Company has dedicated E-mail Id investors@kforge.com,

All communications related to Non-receipt of Annual Report, Dividend Warrants, Share Certificates after transfer, etc. may be sent to both the above-mentioned e-mail address, as well as to the e-mail address of our Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd, Pune, i.e., pune@linkintime.co.in

The Management Discussion & Analysis is annexed to the Directors Report, forming part of the Annual Report.

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Kalyani Forge Limited
Pune.

To
The Members of Kalyani Forge Limited

We have examined the compliance of conditions of Corporate Governance as stipulated at Para C of Schedule V in terms of regulations 34(3) and 53(f) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (the 'Regulations') and the listing agreement of Kalyani Forge Limited with the stock exchanges for the year ended March 31, 2018.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations, subject to above.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. : 100186W

Satish Kelkar
Partner

Membership No.: 38934

Place : Pune
Date : 12th May 2018

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT PURSUANT TO REGULATION 34(3) & SCHEDULE V PARA D OF THE (SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

As required by Regulation 34(3) & Schedule V Para D of the (Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015), , this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's website.

I confirm that the Company has in respect of the financial year ended 31st March, 2018, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board

Place : Pune
Date : 12th May 2018

Rohini G. Kalyani
Chairperson & Managing Director
(DIN: 00519565)

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATE

To,
**The Board of Directors,
Kalyani Forge Limited.**

As required by regulation 17(8) of the SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015) to the best of our knowledge and belief, we certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of their knowledge and belief, we state that:
- (1) The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) The statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes, if any, in internal control over financial reporting during the year;
 - (2) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Kalyani Forge Limited,

Rohini G. Kalyani,
Chairperson & Managing Director

Avinash Khare
Chief Financial Officer

Place : Pune
Date : 12th May, 2018

Independent Auditor's Report
To the Members of Kalyani Forge Limited
Report on the Financial Statements

We have audited the accompanying financial statements of Kalyani Forge Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (Including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2018, and its profit (Including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which

we expressed an unmodified opinion dated May 23, 2017 and May 27, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 33.1 to Financial Statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K. S. Aiyar & Co
Chartered Accountants
ICAI Firm Registration No. 100186W

Place: Pune
Date: 12th May 2018

Satish Kelkar
Partner
Membership No.: 38934

Annexure 'A' to the Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2018, of Kalyani Forge Limited)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) The Company has a program for physical verification of Fixed assets, which in our opinion is reasonable having regard to the nature of the business. Accordingly, the Fixed assets have been verified by the management and no material discrepancies were noticed. In our view the frequency of verification needs improvement.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans, investments guarantees and security are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, with regard to the deposits accepted from the public are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under 148 (1) of the Act, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanation given to us and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it.

According to the information and explanation given to us, no undisputed material amounts payable in respect of statutory dues were in arrears as at 31st March, 2018, for a period more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the particulars of dues of income tax and excise duty as at 31st March, 2018 which has not been deposited on account of disputes are as follows:

Name of the statute	Nature of dispute due	Amount under dispute not deposited (Rs.)	Period to which the amount related	Forum where the dispute pending
Central Excise Act, 1944	Cenvat Credit on Rejection Received from customer	5,67,018	From 2000-01 to 2011-12	High Court, Mumbai
	Cenvat Credit on outward transportation	11,28,985	From 2004-05 to 2007-08	Additional Commissioner, Pune.
	Interest on supplementary Invoices	4,25,113	From 2001-02 to 2004-05	High Court, Mumbai.
	Cenvat Credit on Rejection Received from customer	1,83,304	From 2008-09 to 2011-12	CESTAT Mumbai
Income Tax Act, 1961	Disallowance of Expenditure on expansion / upgradation of projects	6,95,976	AY 1992-93	High Court, Mumbai
	Loss on options settled.	18,18,339	AY 2008-09	CIT Appeals
	Expenditure incurred Bad debts	35,71,252	AY 2011-12	Commissioner of Income Tax (Appeals) Pune.
	Assessment complete, Order received with demand	25,06,620	AY 2013-14	Commissioner of Income Tax (Appeals) Pune

- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or government as at the balance sheet date.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The term loans have been applied for the purpose for which they were obtained.
- (x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds by or on the Company by its officers or employees noticed or reported during the year.
- (xi) In our opinion and according to information and explanations given to us, Managerial Remuneration has been paid or provided during the year in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of share fully or partly convertible debentures during the year under review. The requirements of section 42 of the Companies Act, 2013, therefore are not applicable.



- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-I(A) of the Reserve Bank of India Act, 1934.

For K. S. Aiyar & Co
Chartered Accountants
ICAI Firm Registration No. 100186W

Place: Pune
Date: 12th May 2018

Satish Kelkar
Partner
Membership No.: 38934

Annexure - B to the Independent Auditor's Report of even date on the Financial Statements of Kalyani Forge Limited.**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Kalyani Forge Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. S. Aiyar & Co
Chartered Accountants
ICAI Firm Registration No. 100186W

Place: Pune
Date: 12th May 2018

Satish Kelkar
Partner
Membership No.: 38934

**FINANCIAL
STATEMENTS
2017-18**

Balance Sheet as at March 31, 2018

Particulars	Note No	₹ in lakhs		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	2	8,377.24	5,953.59	6,320.81
(b) Capital work-in-progress		464.63	2,974.43	809.39
(c) Other Intangible assets	2	42.95	60.27	62.50
(d) Intangible assets under development		-	-	0.97
(i) Investments	3	0.50	0.50	0.50
(ii) Other non current financial assets	4	16.98	19.33	12.61
(d) Deferred tax assets (net)	5	-	105.27	23.43
(e) Income tax assets (net)	6	286.05	55.94	151.00
(f) Other non-current assets	7	600.53	1,621.41	416.68
Total Non - Current Assets		9,788.88	10,790.74	7,797.89
2 Current assets				
(a) Inventories	8	4,818.23	4,486.77	3,713.02
(b) Financial Assets				
(i) Trade receivables	9	7,007.94	6,176.89	6,169.03
(ii) Cash and cash equivalents	10	346.54	113.05	860.08
(iii) Other Bank Balances	11	145.15	117.41	162.42
(iv) Others current financial assets	12	14.69	14.04	16.60
(c) Other current assets	13	1,404.65	1,949.05	1,137.76
Total Current Assets		13,737.20	12,857.21	12,058.91
Total Assets (1 + 2)		23,526.08	23,647.95	19,856.80
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital	14	363.90	363.90	363.90
(b) Other Equity	15	10,314.08	9,837.07	9,488.70
Equity attributable to owners of the Company (I)		10,677.98	10,200.97	9,852.60
Non-controlling interests (II)		-	-	-
Total equity (I+II)		10,677.98	10,200.97	9,852.60
2 Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	1,757.61	1,577.10	384.32
(b) Provisions	17	249.80	334.39	309.59
(c) Deferred tax liabilities (Net)	18	130.38	-	-
Total Non - Current Liabilities		2,137.79	1,911.49	693.91
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	3,961.86	4,129.01	2,937.31
(ii) Trade payables	20	4,983.76	4,197.21	4,047.94
(iii) Other current financial liabilities	21	1,240.30	2,552.62	730.62
(b) Provisions	22	90.76	82.64	82.19
(c) Other current liabilities	23	433.63	574.01	1,512.23
Total Current Liabilities		10,710.31	11,535.49	9,310.29
Total Equity and Liabilities (1 + 2)		23,526.08	23,647.95	19,856.80

As per our attached report of even date.

FOR M/S K.S. AIYAR & CO.
Firm Registration Number : 100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 12th May 2018

For and on behalf of the Board of Directors.

ROHINI G.KALYANI
Managing Director & Chairperson
(DIN: 00519565)

AVINASH KHARE
Chief Financial Officer

ABHIJIT SEN
Director
(DIN:00002593)

NILESH VITEKAR
Company Secretary



Statement of Profit and Loss for the period ended March 31, 2018

Particulars	Note No	₹ in lakhs	
		2017-18	2016-17
Continuing Operations			
I Income			
Revenue from operations	24	26,536.17	25,211.53
Other Income	25	698.21	456.15
Total Revenue (I)		27,234.38	25,667.68
II EXPENSES			
(a) Cost of raw materials and components consumed	26	12,979.91	11,437.29
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(120.37)	(827.59)
(c) Excise duty on sale of goods	28	680.96	2,527.65
(d) Employee benefit expense	29	2,922.31	3,190.38
(e) Finance costs	30	633.75	377.61
(f) Depreciation and amortisation expense	31	1,294.67	1,041.06
(g) Other expenses	32	7,923.68	7,401.23
Total Expenses (II)		26,314.91	25,147.63
III Profit/(loss) before exceptional items tax (I-II)		919.47	520.05
IV "Exceptional items- Gains/ (loss)"	-	-	-
V Profit before tax (III-IV)		919.47	520.05
VI Tax Expense			
(a) Current tax		71.53	253.56
(b) Deferred tax		235.65	(81.83)
(c) Short / (Excess) provision for tax relating to prior years		(44.10)	-
Total tax expense		263.08	171.73
VII Profit/(loss) after tax from continuing operations (V-VI)		656.39	348.32
VIII Discontinued Operations		-	-
(1) Profit/(loss) from discontinued operations		-	-
(2) Tax Expense of discontinued operations		-	-
Profit/(loss) after tax from discontinued operations		-	-
IX Profit/(loss) for the period (VII+VIII)		656.39	348.32
X Other comprehensive income			
A (i) Items that will not be recycled to profit or loss		-	-
(a) Remeasurements of the defined benefit liabilities / (asset)		(71.74)	130.92
(ii) Income tax relating to items that will not be reclassified to profit or loss		23.72	(43.28)
B (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
Total other comprehensive income for the period		(48.02)	87.64
XI Total comprehensive income for the period (IX + X)		608.37	435.96
XII Earnings per equity share :			
Basic		18.04	9.57
Diluted		18.04	9.57

As per our attached report of even date.

FOR M/S K.S. AIYAR & CO.
Firm Registration Number : 100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 12th May 2018

For and on behalf of the Board of Directors.

ROHINI G.KALYANI
Managing Director & Chairperson
(DIN: 00519565)

AVINASH KHARE
Chief Financial Officer

ABHIJIT SEN
Director
(DIN:00002593)

NILESH VITEKAR
Company Secretary

CASH FLOW STATEMENT AS ON 31st March 2018

₹ in lakhs

A. CASH FROM OPERATING ACTIVITIES	31st March 2018		31st March 2017
	Rs.	Rs.	Rs.
Profit before Taxation		919.47	670.33
Less: IND AS adjustments		(64.16)	
Revised Profit before Taxation		855.31	
Add: Depreciation	1,294.67		1,041.06
Provision for doubtful debts	36.11		108.67
Interest & finance charges	633.75		344.72
Advances Written off	77.81		99.58
		2,042.34	1,594.03
		2,897.65	2,264.36
Less: Dividend	0.22		
Surplus on sale of assets during the year	6.07		5.29
Provision for doubtful debts written back			
Provision no longer required	268.00		325.83
		274.29	331.12
Operating profit before working capital changes		2,623.36	1,933.24
(increase)/Decrease in Current & Non-Current Assets			
Inventories	(331.46)		(773.72)
Trade Receivables	(874.63)		(106.65)
Other Current Assets and Loans & Advances	316.92		589.86
Increase/(Decrease) in Current & Non-Current Liabilities	(266.11)		106.94
		(1,155.29)	(183.58)
Net cash generated from operations		1,468.07	1,749.67
Less: Income tax paid		233.82	201.78
NET CASH FROM OPERATING ACTIVITIES		1,234.25	1,547.88
B. CASH FROM INVESTING ACTIVITIES			
Expensed for Property, Plant & Equipment	(211.14)		(4,153.30)
Sale Proceeds of Assets	8.97		5.29
Dividend received	0.22		
NET CASH FROM INVESTING ACTIVITIES		(201.95)	(4,148.01)
C. CASH FROM FINANCING ACTIVITIES			
Availment /(Repayment) in Cash Credit & PCFC from Banks	(167.15)		1,191.69
Availment /(Repayment) in Other Secured Loans	256.00		1,211.07
Availment /(Repayment) in Unsecured Loans	(105.44)		(131.47)
Interest & Finance Charges paid	(650.86)		(330.63)
Dividend paid	(119.91)		(88.20)
NET CASH FROM FINANCING ACTIVITIES		(787.35)	1,852.47
NET INCREASE/(USE) OF CASH AND CASH EQUIVALENTS		244.95	(747.65)
Opening Balances of Cash and Cash equivalents		118.89	866.54
Closing Balances of Cash and Cash equivalents		363.84	118.89

As per our attached report of even date.

FOR M/S K.S. AIYAR & CO.
Firm Registration Number : 100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 12th May 2018

For and on behalf of the Board of Directors.

ROHINI G.KALYANI
Managing Director & Chairperson
(DIN: 00519565)

AVINASH KHARE
Chief Financial Officer

ABHIJIT SEN
Director
(DIN:00002593)

NILESH VITEKAR
Company Secretary

NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018.

Note No. 1

NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018.

1. Statement on Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements:

As per notification issued by the Ministry of Corporate Affairs, the financial statements have been prepared in accordance with Indian Accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended March 31, 2017, the company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). In accordance with Ind AS 101 First-time adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting standards notified under the Companies (Accounting standards) Rules, 2006 ("Previous GAAP") to Ind AS. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

1.2 Use of Estimates

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognized prospectively in future periods. Key sources of estimation of uncertainty at the date of the financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, provisions and contingent liabilities.

1.3 Property, plant and equipment and depreciation:

- A) Since there is no change in the functional currency, the company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as deemed cost at the transition date viz. April 1, 2016. Property, plant and equipment are stated at their cost of acquisitions including incidental expenses related to acquisition and installation of the concerned assets (including cost of specific borrowings). The Property, plant and equipment manufactured internally by the Company are stated at manufacturing cost. Property, plant and equipment are shown net of accumulated depreciation and impairment losses; except for free hold land, which is at cost.
- B) Expenditure on New Projects and Expenditure during the construction:-
In case of new projects and in case of substantial modernization or expansion at the existing units of the company, expenditure incurred including interest on borrowings and financing cost of specific loan, prior to the commencement of commercial production is being capitalized to the cost of asset. Trial run expenditure is also capitalized.
- C) Intangible assets are measured on initial recognition at cost. Expenditure incurred in development phase, where it is reasonably certain that outcome of development will be commercially exploited to yield future economic benefit to the company is considered as an intangible asset. Such developmental expenditure is capitalized at cost including share of allocable expenses.

D) Depreciation / Amortization on Assets (other than Freehold Land) :

Pursuant to enactment of the Companies Act 2013 (the 'Act'), the company has revised useful life of its Property, plant and equipment as per provision of schedule II of the said Act. Accordingly the company provides depreciation on all its assets on the "Straight Line Method" in accordance with the said Act.

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its intended use.

1.4 Inventories:

Stores and spares, raw materials and components are valued at cost or net realizable value whichever is lower, Cost of Inventories has been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of Raw materials is ascertained on weighted moving average basis.

Work-in-process, Dies under fabrication and Finished Goods are valued at the lower of cost or net realizable value.

Scrap and Non-moving semi-finished goods, slow-moving and obsolete items, are valued at the lower of cost or net realizable value.

Stock of Trial Product is valued at cost.

Dies are valued at cost.

Die Block and Die Steel are valued at material cost.

Goods in transit are stated at actual cost up to the date of Balance Sheet.

Shares, Units of Mutual Funds shown as stock in trade are valued at cost or market value whichever is lower.

Management reviews the inventory age listing on a periodic basis. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

1.5 Research & Development costs:

Research and Development expenditure is charged to Profit & Loss Account under the respective heads of account in the year in which it is incurred. However expenditure incurred during development phase, where it is reasonably certain that the outcome of research will be commercially exploited to yield economic benefit to the Company, is considered as an intangible asset. Assets purchased for Research and Development are treated in the same way as any other asset.

1.6 Post employment and other employee benefits:

Short terms employee benefits - All employee benefits payable within 12 months of rendering the service are classified as short term benefits. Such benefits include salary, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay and the same are recognized in the period in which the employee renders the related service. The liabilities are presented under current provisions in the Balance sheet.

Provident Fund -

Benefits in the form of Provident Fund and Pension Scheme whether in pursuance of law or otherwise which are defined contributions is accounted on accrual basis and charged to statement of profit and loss of the year.

Gratuity -

The employees' gratuity fund scheme is Company's defined benefit plan. Payment for present liability of future payment of gratuity is being made to the approved gratuity funds under cash accumulation policy

of the Life Insurance Corporation of India. The Employees' gratuity, a defined benefit plan, is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet and shortfall in the fair value of the Planned Asset is recognized as obligation. Now as per Ind AS 19, all Actuarial (gains)/losses will be termed as remeasurements and will be immediately recognized in Other Comprehensive Income on the face of Statement of Profit & Loss.

Privilege Leave Benefits -

Privilege leave benefits or compensated absences are considered as long term unfunded benefit and is recognized on the basis of an actuarial valuation using the Projected Unit Credit Method determined by an appointed Actuary.

Termination Benefits -

Termination benefits such as compensation under voluntary retirement scheme are recognized as liability in the year of termination.

1.8 Foreign Currency Transactions

Initial recognition -

The company's financial statements are presented in INR, which is also its functional currency. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion -

Monetary Assets and Liabilities, designated in foreign currencies are revalored at the rate prevailing on the date of Balance Sheet. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Exchange difference arising on the settlement and conversion on foreign currency transactions are recognized as income or as expenses in the year in which they arise.

1.9 Investments:

Investments which are readily realizable and are intended to be held for not more than one year from the date on which investments are made are classified as current investments.

1.10 Revenue Recognition:

- A) Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.
- B) Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading/other delivering documents as per the terms of the contract.
- C) Export incentives:

Export incentives are accounted for on export of goods if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.
- D) Revenue from the sale of goods is measured at the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- E) Dividend is accrued in the year in which it is declared, whereby right to receive is established.
- F) Interest income is recognized using the effective interest method.

1.11 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

1.12 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

1.13 Borrowing Costs:

Borrowing Costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use, as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which these are incurred.

1.14 Taxation:

Current Income Tax:

Income Tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred Tax:

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred Tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

1.15 Earnings per share:-

The basic & diluted earning per share is computed by dividing the net profit or loss attributable to equity shareholder for the period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders & the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.16 Impairment of Assets:

Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment of non-financial assets

Non Financial Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.17 Provisions and contingent liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure of contingent liability is made where there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

1.18 Government grants

Grants from the Government are recognised at the fair value where there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the fair value and initial carrying value of the loan. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at amortised cost. For all equity instruments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

The classification is made on initial recognition and is irrevocable.

Note 2: Property, Plant and Equipment As at 31st March 2017-18

₹ in lakhs

Particulars	Deemed Cost			Depreciation		Net Block				
	As at 01.04.2017	Additions during the year	Disposals during the year	Other adjustments	As at 31.03.2018	Upto 01.04.2017	For the year	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Freehold Land	213.04	-	-	-	213.04	-	-	-	213.04	213.04
Buildings	1,581.00	-	-	-	1,581.00	79.36	79.36	158.72	1,422.29	1,501.64
Roads	2.06	-	-	-	2.06	2.02	0.04	2.06	0.00	0.04
Plant & Machinery	4,765.56	3,457.90	-	-	8,223.47	814.78	1,090.24	1,905.01	6,318.45	3,950.79
Electrical Installation	161.66	2.23	-	-	163.89	38.38	32.95	71.34	92.55	123.27
Factory Equipment	135.77	128.56	2.90	-	261.43	41.44	38.46	79.90	181.53	94.33
Laboratory Equipments	19.60	92.24	-	-	111.83	5.08	7.10	12.18	99.66	14.52
Furniture & Fixtures	33.32	13.17	-	-	33.32	5.54	4.82	10.35	22.96	27.78
Office Equipment	20.68	7.45	-	-	33.86	5.22	5.02	10.25	23.61	15.46
Data Processing Equipment	44.79	2.35	-	-	52.24	32.20	19.16	51.36	0.88	12.59
Vehicles	12.61	-	-	-	14.96	12.50	0.20	12.70	2.26	0.11
Total	6,990.09	3,703.91	2.90	-	10,691.10	1,036.51	1,277.35	2,313.86	8,377.24	5,953.59

Note 2: Intangible Assets As at 31st March 2017-18

₹ in lakhs

Particulars	Deemed Cost			Depreciation/ Amortisation		Net Block				
	As at 01.04.2017	Additions during the year	Disposals during the year	Other adjustments	As at 31.03.2018	Upto 01.04.2017	For the year	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
INTANGIBLE ASSETS										
Intangible Assets	64.83	-	-	-	64.83	4.55	17.32	21.88	42.95	60.27
Total	64.83	-	-	-	64.83	4.55	17.32	21.88	42.95	60.27
Total	7,054.92	3,703.91	2.90	-	10,755.93	1,041.06	1,294.68	2,335.74	8,420.19	6,013.86

Note 2: Property, Plant and Equipment As at 31st March 2016-17

₹ in lakhs

Particulars	Deemed Cost			Depreciation		Net Block				
	As at 01.04.2016	Additions during the year	Disposals during the year	Other adjustments	As at 31.03.2017	Upto 01.04.2016	For the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Freehold Land	213.04	-	-	-	213.04	-	-	-	213.04	213.04
Buildings	1,581.00	-	-	-	1,581.00	-	79.36	79.36	1,501.64	1,581.00
Roads	2.06	-	-	-	2.06	-	2.02	2.02	0.04	2.06
Plant & Machinery	4,122.07	643.49	-	-	4,765.56	-	814.78	814.78	3,950.79	4,122.07
Electrical Installation	161.66	-	-	-	161.66	-	38.38	38.38	123.27	161.66
Factory Equipment	118.37	17.40	-	-	135.77	-	41.44	41.44	94.33	118.37
Laboratory Equipments	19.60	-	-	-	19.60	-	5.08	5.08	14.52	19.60
Furniture & Fixtures	29.70	3.61	-	-	33.32	-	5.54	5.54	27.78	29.70
Office Equipment	17.06	3.62	-	-	20.68	-	5.22	5.22	15.46	17.06
Data Processing Equipment	43.64	1.15	-	-	44.79	-	32.20	32.20	12.59	43.64
Vehicles	12.61	-	-	-	12.61	-	12.50	12.50	0.11	12.61
Total	6,320.81	669.28	-	-	6,990.09	-	1,036.51	1,036.51	5,953.59	6,320.81

Note 2: Intangible Asset As at 31st March 2016-17

₹ in lakhs

Particulars	Deemed Cost			Depreciation/ Amortisation		Net Block				
	As at 01.04.2016	Additions during the year	Disposals during the year	Other adjustments	As at 31.03.2017	Upto 01.04.2016	For the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
INTANGIBLE ASSETS										
Intangible Assets	62.50	2.32	-	-	64.83	-	4.55	4.55	60.27	62.50
Total	62.50	2.32	-	-	64.83	-	4.55	4.55	60.27	62.50
Total	6,383.32	671.60	-	-	7,054.92	-	1,041.06	1,041.06	6,013.86	6,383.32

**Note 3: Non current Investment**

₹ in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos	INR	Nos	INR	Nos	INR
Unquoted Investments (fully paid)						
Investments in Equity Shares						
The Shamrao Vithal Co-operative Bank Ltd	2000	0.50	2000	0.50	2000	0.50
TOTAL INVESTMENTS CARRYING VALUE AT AMORTISED COST		0.50		0.50		0.50

Note 4: Others Non current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I Financial assets at amortised cost			
a) Security Deposits			
- Secured, considered good	4.42	8.98	4.56
b) Fixed deposit more than 12 months	12.56	10.35	8.05
Total Financial assets at amortised cost	16.98	19.33	12.61

Note 5: Deferred Tax Asset(Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Tax effect of items constituting deferred tax liabilities			
1) On difference between book balance and tax balance of fixed assets	-	157.12	183.73
	-	157.12	183.73
B. Tax effect of items constituting deferred tax assets			
1) Provision for compensated absences, gratuity and other employee benefits	-	137.87	115.60
2) Provision for doubtful debts / advances	-	124.52	91.56
	-	262.39	207.16
Total	-	105.27	23.43

Note 6: Income Taxes

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Tax Asset:			
Advance income tax (net)	286.05	55.94	151.00
Total	286.05	55.94	151.00

Note 7: Other Non Current Assets

Particulars	₹ in lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Capital advances	-	-	-
(i) For Capital work in progress	178.57	1,239.35	21.29
(b) Balances with government authorities (other than income taxes)	421.96	382.06	393.86
(c) Advances to Employees	-	-	1.53
TOTAL	600.53	1,621.41	416.68

Note 8: Inventories

Particulars			
(a) Raw materials	1,755.79	1,378.35	1,344.46
(b) Work-in-progress, at cost	1,921.43	2,047.16	1,213.72
(c) Completed Finished Goods	162.86	136.37	209.55
(d) Excise Duty on Inventory	-	7.00	24.60
(e) Stores and spares	219.41	383.14	419.42
(f) Loose Tools	236.72	220.30	195.07
(g) Others - Scrap	370.97	177.04	120.38
(h) Die Room Inventory:			
Dies at cost	38.37	38.37	38.37
Fabrication, at cost	112.68	99.04	128.55
(i) Stock of shares, units of mutual funds	-	-	18.90
Total	4,818.23	4,486.77	3,713.02

Note 9: Trade Receivables

Particulars			
Trade receivables			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	7,007.94	6,176.89	6,169.03
(c) Unsecured, considered Doubtful	412.74	376.64	276.97
Less: Allowance for doubtful trade receivable	(412.74)	(376.64)	(276.97)
Total	7,007.94	6,176.89	6,169.03

The Company has sent balance confirmation letters to Sundry Debtors, the balances are under reconciliation in those cases where confirmations were received. Pending final reconciliation, the balances in respect of Debtors are as per books of account only. Adjustments having an impact of revenue nature, if any, will be made in the year in which the same are confirmed/reconciled.

Note 10: Cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Cash and bank balances			
(a) Balances with banks			
In current accounts	345.67	101.11	423.78
In deposit accounts	-	11.57	433.84
(b) Cash in hand	0.87	0.37	2.46
Total	346.54	113.05	860.08

Note 11: Other Bank Balances**Particulars****Other bank balances**

Balances held as margin money or security against borrowings, guarantees and other commitments	127.85	111.57	155.95
Earmarked accounts - unpaid dividend accounts	17.30	5.84	6.47
Total	145.15	117.41	162.42

Note 12: Other Current Financial Assets**Particulars**

Financial assets at amortised cost			
a) Security Deposits			
- Secured, considered good	-	-	-
- Unsecured, considered good	-	-	4.73
b) Other items	-	-	-
Interest Receivable	14.69	14.04	11.87
Total	14.69	14.04	16.60

Note 13: Other Current Assets**Particulars**

(a) Advances to suppliers	1,192.60	1,365.59	17.98
(b) Advances to employees	22.56	25.61	41.21
(c) Balances with government authorities (other than income taxes)*	166.41	531.25	1,039.80
(d) Prepayments	23.07	22.55	34.72
(e) Others	0.01	4.05	4.05
Total	1,404.65	1,949.05	1,137.76

*This includes Export Incentive receivable of Rs. 150.17 lakhs.

Note 14: Equity Share Capital

₹ in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos	INR	Nos	INR	Nos	INR
Authorised:						
Equity shares of Rs 10/- each	7,500,000	750.00	7,500,000	750.00	7,500,000	750.00
Cumulative Redeemable Preference Shares of Rs 10/- each	5,000,000	500.00	5,000,000	500.00	5,000,000	500.00
Unclassified Shares of Rs 10/- each	2,500,000	250.00	2,500,000	250.00	2,500,000	250.00
	<u>15,000,000</u>	<u>1,500.00</u>	<u>15,000,000</u>	<u>1,500.00</u>	<u>15,000,000</u>	<u>1,500.00</u>
Issued, Subscribed and Fully Paid:						
Equity shares of Rs.10/- each	3,640,000	364.00	3,640,000	364.00	3,640,000	364.00
		-		-		-
Forfeited Equity Shares	2,000	0.10	2,000	0.10	2,000	0.10
Total	<u>3,638,000</u>	<u>363.90</u>	<u>3,638,000</u>	<u>363.90</u>	<u>3,638,000</u>	<u>363.90</u>

1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the Reporting period

	31st March 2018		31st March 2017		As at April 1, 2016	
	No. Of Shares	INR	No. Of Shares	INR	No. Of Shares	INR
At the beginning of the period	3,638,000	363.80	3,638,000	363.80	3,638,000	363.80
Issued/ Reduction if any during the year	-	-	-	-	-	-
Outstanding at the end of the Period	<u>3,638,000</u>	<u>363.80</u>	<u>3,638,000</u>	<u>363.80</u>	<u>3,638,000</u>	<u>363.80</u>

Terms/Rights attached to the equity shares

2 The Company has only one class of equity shares having par value of Rs. 10/- each. Each equity holder is entitled to one vote per share and have a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Shares held by holding/ subsidiaries/associates: NIL

4 Number of Shares held by each shareholder holding more than 5% Shares in the company

Sr. No.	Name of Shareholders	31st March 2018		31st March 2017	
		No. of Shares	% Of Holding	No. of Shares	% Of Holding
1	Kalayni Consultants Pvt. Ltd.	377,280	10.37	377,280	10.37
2	Bhalchandra Investments Pvt. Ltd.	349,000	9.59	349,000	9.59
3	Vakratund Investments Pvt. Ltd.	342,342	9.41	342,342	9.41
4	Pax Investments Pvt. Ltd.	340,074	9.35	340,074	9.35
5	Squirrel Financers & Investors Pvt. Ltd.	186,480	5.13	186,480	5.13

5 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL



₹ in lakhs

	Reserves and Surplus					
	Capital reserve	Securities premium reserve	General reserve	Other reserve Capital Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	25.00	691.63	927.40	10.00	8,183.04	9,837.07
Total Comprehensive income for the year	-	-	-	-	608.37	608.37
Dividend and tax thereon.	-	-	-	-	(131.36)	(131.36)
Balance as at 31st March 2018	25.00	691.63	927.40	10.00	8,660.06	10,314.08

Note 15: Other Equity**Other Equity**

	Reserves and Surplus					
	Capital reserve	Securities premium reserve	General reserve	Other reserve Capital Redemption Reserve	Retained earnings	Total
Balance as at 1st April 2016	25.00	691.63	927.40	10.00	7,834.67	9,488.70
Total Comprehensive income for the year	-	-	-	-	435.94	435.94
Dividend and tax thereon.	-	-	-	-	(87.57)	(87.57)
Balance as at 31 st March 2017	25.00	691.63	927.40	10.00	8,183.05	9,837.07

Note 16: Non Current Borrowings

		₹ in lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Measured at amortised cost				
A. Secured Borrowings:				
Term Loans				
From Banks				
State Bank of India (Note 1)	1,356.36	1,101.81	-	
ICICI Bank (Note 2)	340.57	330.27	-	
Indian Overseas Bank	-	-	140.72	
Total Secured Borrowings	<u>1,696.93</u>	<u>1,432.08</u>	<u>140.72</u>	
B. Unsecured Borrowings - at amortised Cost				
Deferred payment liabilities	60.68	145.02	243.60	
Total Unsecured Borrowings	<u>60.68</u>	<u>145.02</u>	<u>243.60</u>	
Total Borrowings carried at Amortised Cost	<u>1,757.61</u>	<u>1,577.10</u>	<u>384.32</u>	
Measured at FVTPL				
1) Bonds / Debentures	-	-	-	
2) Term Loans	-	-	-	
Total Borrowings carried at FVTPL	<u>-</u>	<u>-</u>	<u>-</u>	
Total Borrowings	<u>1,757.61</u>	<u>1,577.10</u>	<u>384.32</u>	

Terms of Repayment

- Term Loan of Rs. 2162.79 Lakhs (Sanctioned: Rs. 2500 lakhs) is availed from State Bank of India, IFB, Pune, out of the total sanction limit, at the rate of interest of 2.10% above MCLR-1Y. Balance outstanding as on 31 March 2018 is Rs.1851.36 lakhs (P.Y. Rs. 1477.65 Lakhs). Out of this, Rs. 495.00 Lakhs (P.Y. Rs. 360.00 Lakhs) is treated as current maturities of long term debts as on 31 March 2017 is . In addition to this, Interest accrued and due on borrowings amounted to Rs. 21.91 Lakhs (P.Y. Rs. 15.85 Lakhs). This loan is to be repaid in 56 instalments comprising of 44 instalments of Rs. 45 Lakh, 11 instalments of Rs. 43 Lakhs and 1 instalment of Rs. 47 Lakh starting from August 2017.
- Buyer's Credit of Rs. 340.57 Lakhs (P.Y. Rs. 330.27 Lakhs) availed from ICICI Bank, Bundgarden Road, Pune out of the total sanction limit Rs. 500 Lakhs at the Fixed Margin over USD London inter bank offer rate i.e. LIBOR
- Sales Tax Deferral Liability under package scheme of incentive 2001-02, 2002-03, 2003-04,2004-05,2005-06 as on 31st March 2018 amounted to Rs. 179.71 Lakhs (P.Y.Rs 311.18 Lakhs. Out of these, Rs. 105.44 Lakhs (P.Y. Rs. 131.47 Lakhs) is treated as current maturities of long term debts as on 31st March 2018. This liability is to be repaid within 5 years starting from 2012-13.

Nature of security for Item no. (i), (ii) and (iii)

For the above Rupee Term Loans, the company has created the first charge in favour of lending banks by way of hypothecation of assets to be acquired out of bank finance as primary security and second pari passu charge by way of hypothecation/ mortgage on the present and future fixed assets including land and building situated at Sanaswadi and Koregaon Bhima, Pune as a collateral security.

Note 17: Non Current Provisions

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
(i) Provision for compensated absences	109.22	105.43	137.81
(ii) Gratuity	140.58	228.96	171.78
Total Provisions	249.80	334.39	309.59

Note 18: Deferred Tax Liability**Particulars**

A. Tax effect of items constituting deferred tax liabilities			
1) On difference between book balance and tax balance of fixed assets	379.42	-	-
2) On expenditure deferred in the books but allowable for tax purposes	-	-	-
	379.42	-	-
B. Tax effect of items constituting deferred tax assets			
1) Provision for compensated absences, gratuity and other employee benefits	112.59	-	-
2) Provision for doubtful debts / advances	136.45	-	-
	249.04	-	-
Total	130.38	-	-

Note 19: Current Borrowings**Particulars****A. Secured Borrowings - at Amortised cost:**

(a) Loans repayable on demand			
ICICI Bank FCNRB	992.69	992.99	-
Cash credit from Bank	2,550.32	2,869.17	2,323.48
Packing credit foreign currency loan	418.85	266.85	613.83
Total Secured Borrowings	3,961.86	4,129.01	2,937.31
Total Current Borrowings	3,961.86	4,129.01	2,937.31

Notes :-

1. Company's fund and non fund based working capital facilities of Rs. 874/- are secured by first charge by way of hypothecation on pari passu basis with existing working capital lenders (State Bank of India(Lead Bank), Bank of Maharashtra, IDBI Bank Ltd. and ICICI Bank Ltd.) over the company's entire current assets including stocks, WIP, receivables and finished goods and also the second charge on the whole of the fixed assets of the Company on pari passu basis with consortium working capital lenders.
2. The FCNRB loan is availed from ICICI Bank Ltd. at the rate of Interest of Fixed Margin over USD London inter bank offer rate i.e. LIBOR
3. The packing credit foreign currency loan is availed from Bank of Maharashtra and State Bank of India at the rate of Interest of Fixed Margin over USD London inter bank offer rate i.e. LIBOR

Note 20: Current Trade Payables

Particulars	₹ in lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Creditors for supplies / services	4,983.76	4,197.21	4,047.94
Total trade payables	4,983.76	4,197.21	4,047.94

Notes :-

The Company has sent balance confirmation letters to Sundry Creditors, the balances are under reconciliation in those cases where confirmations were received. Pending final reconciliation, the balances in respect of, Creditors are as per books of account only. Adjustments having an impact of revenue nature, if any, will be made in the year in which the same are confirmed/reconciled.

Note 21: Other Current Financial Liabilities**Particulars****Other Financial Liabilities Measured at Amortised Cost**

(a) Current maturities of long-term debt	600.44	631.21	711.50
(b) Interest accrued and due on borrowings	26.63	21.82	7.73
(c) Unpaid dividends (includes preference dividend of Rs. XX, considered as interest)	17.30	5.85	6.46
(l) Other liabilities			
(i) Creditors for capital supplies/services	158.96	1,412.69	4.93
(ii) Other credit balances	436.97	481.05	-
Total other financial liabilities	1,240.30	2,552.62	730.62

Note 22: Current Provisions**Particulars**

(a) Provision for employee benefits			
(i) Leave Encashment	22.94	21.47	27.80
(ii) Gratuity	67.82	61.17	54.39
Total Provisions	90.76	82.64	82.19

Note 23: Other Current Liabilities**Particulars**

(a) Advances received from customers	38.49	45.98	36.10
(b) Government Grant	40.55	54.06	67.58
(c) Others			
- Employee Recoveries and Employer Contributions	127.90	176.46	229.12
- Statutory Dues (Excise duty, service tax, sales tax, TDS, Royalty etc.)	181.17	46.94	510.56
- Other credit balances	45.52	250.57	668.87
TOTAL	433.63	574.01	1,512.23

Note 24: Revenue from Operations

Particulars	₹ in lakhs	
	2017-18	2016-17
(a) Sale of products (Gross)	26,427.13	25,062.13
(b) Other Operating Revenues		
- Die development charges	-	10.00
- Export incentives	107.81	100.62
- Miscellaneous receipts	1.23	38.78
Total	26,536.17	25,211.53

Note 25: Other Income

Particulars	2017-18	2016-17
Interest income	38.02	63.02
(a) Gain on foreign exchange fluctuations, net	16.96	-
(b) Sundry Balances Written Back	223.90	325.83
(c) Discount received	34.32	40.18
(d) Dividend received	0.22	-
(e) Deferred Income	13.52	13.52
(f) Miscellaneous Income	365.20	8.31
(g) Gain on sale of assets	6.07	5.29
Total	698.21	456.15

Note 26: Cost of materials consumed

Particulars	2017-18	2016-17
(a) Raw materials consumed		
Opening stocks	1,378.35	1,344.46
Add : Purchases	13,191.47	11,349.80
Less : Stocks at close	1,755.79	1,378.35
	12,814.03	11,315.91
(b) Dies consumed		
Dies	38.37	38.37
Die Blocks, Die Steel and Dies under fabrication	99.04	128.55
Opening stocks	137.41	166.92
Add: Purchases and processing charges	179.52	91.87
Sub total	316.93	258.79
Less: Stock at close		
Dies	38.37	38.37
Die Blocks, Die Steel and Dies under fabrication	112.68	99.04
Sub total	151.05	137.41
Total	12,979.91	11,437.29

Note 27: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	₹ in lakhs	
	2017-18	2016-17
(Increase)/decrease in stocks		
Stocks at close:		
Work-in-process	1,921.43	2,047.16
Finished goods	162.86	136.37
Scrap	370.97	177.04
Less : Opening stocks		
Work-in-process	2,047.15	1,213.73
Finished goods	136.37	209.55
Scrap	177.04	120.39
	(94.70)	(816.90)
Shares, Units of Mutual Funds		
Stock at close	-	-
Less: Stock at commencement	-	18.90
	-	(18.90)
Increase/(Decrease) in excise duty on stocks		
Excise duty on opening inventories	25.67	17.46
Excise duty on closing inventories	-	25.67
	(25.67)	8.21
Total	(120.37)	(827.59)

Note 28: Excise duty on sale of goods

Particulars		
Excise duty on sales	680.96	2,527.65
Total	680.96	2,527.65

Note 29: Employee Benefit Expense

Particulars		
Salaries and wages, including bonus	2,660.92	2,568.72
Contribution to provident and other funds	136.28	127.28
Gratuity Expenses	(141.68)	228.85
Staff welfare expenses	266.79	265.53
Total	2,922.31	3,190.38

Note 30: Finance Cost

Particulars	₹ in lakhs	
	2017-18	2016-17
Interest expense		
Borrowings	197.14	90.79
Others- Cash credit	378.07	266.63
Other borrowing cost- Bank charges	74.37	75.92
Exchange differences regarded as an adjustment to borrowing costs	(15.83)	(55.73)
Total	<u>633.75</u>	<u>377.61</u>

Note 31: Depreciation and amortization expense

Particulars		
Depreciation		
Tangible assets	1,277.35	1,036.51
Intangible assets	17.32	4.55
Total	<u>1,294.67</u>	<u>1,041.06</u>

Note 32: Other Expenses

Particulars	₹ in lakhs	
	2017-18	2016-17
Manufacturing Expenses		
Stores, spares and tools consumed	1,598.47	1,526.67
Processing charges	1,727.73	1,458.35
Power and fuel	2,626.06	2,277.28
Repairs to building	15.44	50.38
Repairs to machinery	574.01	563.07
Freight Charges	203.33	196.43
Other manufacturing expenses	23.83	20.54
Total (A)	6,768.87	6,092.72
Selling Expenses		
Freight and forwarding	392.84	270.59
Royalty, technical and license fees etc.	-	0.25
Other selling expenses	6.93	12.29
Total (B)	399.77	283.13
Administration Expenses		
Rent	3.12	3.12
Rates and taxes	19.62	39.32
Insurance	13.89	42.35
Other repairs and maintenance	2.90	22.22
Travelling and conveyance	36.12	54.21
Vehicle Expenses	148.71	137.40
Professional & consultancy fees	138.06	130.44
Auditor's remuneration	20.99	17.38
Director's Sitting Fees	2.94	3.76
Donation	0.05	-
Directors' commission	46.39	21.11
Miscellaneous expenses	208.34	210.46
Provision for doubtful debts	36.10	108.67
Sundry debit balances written off	77.81	99.58
Loss on foreign exchange fluctuations, net	-	135.36
Total (C)	755.04	1,025.38
Total (A)+(B)+(C)	7,923.68	7,401.23

NOTE NO. 33**NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018****33.1 Contingent Liability not provided for in respect of :**

	₹ in lakhs		
	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
i. Bills discounting	-	-	4.37
ii. Claims against the Company, not acknowledged as debts	380.32	229.20	821.23
iii. Disputed Income Tax demand, matter under appeal	85.92	86.52	100.06
iv. Disputed Excise demand, matter under appeal	53.66	62.68	76.28
v. In respect of export obligation under EPCG	-	1,057.25	884.31
vi. In respect of Bank Guarantee (*)	685.36	592.67	3,078.21

*Guarantees given by the company's Banker's on behalf of the Company, against sanctioned guarantee limits (BG+LC-one way interchangeability from LC to BG limit) aggregating to Rs. 1300 lakhs (As at 31st March 2017 Rs. 1500 lakhs & As at 1st April 2016 Rs. 300 Lakhs) for contracts undertaken by the Company and other matters are secured by extension of charge by way of joint hypothecation of stock in trade, stores and spares etc., book debts subject to prior change in their favour. Amount outstanding as on 31st March, 2018 is Rs.685.36 lakhs (31st March 2017 Rs . 592.66 Lakhs & 1st April 2016 Rs. 307.82 Lakhs)

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 1st April, 2016 Rs.
33.2 Estimated Amount of contracts remaining to be executed on Capital Account and Not provided for (net of advances)	185.45	73.58	0.64

33.3 Payments to Auditors	2017-18 Rs.	2016-17 Rs.
Statutory Audit	9.50	8.50
Tax Audit	2.00	1.50
In Other Capacity :	-	-
For Limited Review & Others	6.50	5.00
For Expenses	1.99	1.31
Total	19.99	16.31

33.4 Disclosure pursuant to "Ind AS-19" -

Details of Long Term Employees benefits determined by an appointed Actuary are as follows :

a) Funded Scheme - Gratuity.

Particulars	31st March 2018 Gratuity	31st March 2017 Gratuity	1st April 2016 Gratuity
(i) Amounts to be recognised in Balance Sheet			
a. Present Value of Defined Benefit Obligations			
Funded	393.17	290.14	361.91
b. Fair Value of Plan Assets	184.78	178.14	161.51
c. Net Asset /(Liability) recognised in the Balance Sheet	(208.40)	(112.00)	(200.40)

Particulars	31st March	31st March	₹ in lakhs
	2018	2017	1st April
	Gratuity	Gratuity	Gratuity
(ii) Amount to be recognised in Statement of Profit & Loss Account			
a. Current Service Cost	25.08	32.06	3.20
b. Interest on defined benefit obligations	7.70	29.10	27.45
c. Expected return on planed assets	-	(13.48)	(12.67)
d. Net Actuarial Losses/(Gain) Recognised in year	-	(130.19)	(24.06)
Total, included in "Employee Benefits"	32.79	(82.51)	23
(iii) Change in Defined Benefit obligation and reconciliation thereof			
a. Present value of Defined Benefit obligation at the beginning of the year	290.14	387.68	351.91
b. Interest Cost	20.35	29.10	27.45
c. Current Service Cost	25.08	32.06	32.60
d. Actuarial Losses/ (Gains)	72.62	(129.62)	(24.28)
e. Benefits Paid	(15.01)	-	-
f. Present value of Defined Benefit obligation at the close of the year	393.17	290.14	387.68
(iv) Change in the fair value of Plan Assets and the reconciliation thereof			
a. Fair value of Plan Assets at the beginning of the Year	178.14	161.51	149.06
b. Add : Expected return on Plan Assets	25.18	13.48	12.67
c. Add/ (Less) : Actuarial Losses/ (Gains)	(11.66)	0.57	(0.22)
d. Add : Contributions by employer	9.99	32.95	-
e. Less -Benefits Paid	(15.01)	(29.10)	-
f. Mortality charges & taxes	(1.86)	(1.28)	-
g. Fair value of Plan Assets at the closed of the year	184.78	178.14	161.51
(v) Broad Categories of plan assets as a percentage of total assets as at 31st March, 2018			
a. Insurer Managed Funds	100%	100%	100%
TOTAL	100%	100%	100%
(vi) Summary of the Actuarial Assumptions			
Discount Rate			
Particulars	31st	31st March,	
	March,2018	2017	
Present Value of Unfunded Obligations	132	127	165.61
Discount Rate	8%	8%	8%
Salary Escalation Rate %	5%	5%	5%

33.5 Movement in Leave Encashment (Long Term & Short Term Compensated Absences)

Year	Opening Balance	Addition (Net)	Closing Balance
2017-18	161.74	(29.59)	132.16
2016-17	165.62	(3.87)	161.74

33.6 The disclosure pursuant to the said Act is as under :

Particulars	₹ in lakhs		
	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Principal Amount due to suppliers under MSMED Act, 2006, beyond the appointed day	47.00	27.02	15.15
Interest accrued and due to suppliers under MSMED Act, on the above amount	4.80	1.43	2.73
Payment made to suppliers (other than interest) beyond the appointed day, during the year	47.00	104.62	40.66
Interest paid to suppliers under MSMED Act (Other than section 16)			
Interest paid to suppliers under MSMED Act (Section 16)			
Interest due and payable to suppliers under MSMED Act , for the payments already made	1.31	6.09	6.42
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act,2006	6.11	7.52	9.14

Note: The information has been given in respect of such vendors to the extent they could be identified as " Micro and Small" enterprises on the basis of information available with the Company.

33.7 (a) The company has single Product,viz:"Forgings" consequently there are no Reportable Segments of the company as per 'Ind AS 108- Operating segments' prescribed by Companies (Accounting Standards) Amendment Rules, 2016

(b) Disclosures of transactions with Related Parties as required by 'Ind AS 24' "Related Party Disclosures" is given below.

Related parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by the Key Managerial Personnel, information available with the company and taken on record by the Board.

Sr. No.	Nature of relationship / Name of related party	Nature of Transaction	2017-18		2016-17		2015-16	
			Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)	Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)	Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)
1	Key Managerial personnel Mrs. R. G. Kalyani (Chairperson and Managing Director)	Salary	20.75	1.73	20.75	1.73	20.75	1.73
		Commission	24.75	24.75	13.56	13.56		
		Total	45.50	26.48	34.31	15.28	20.75	1.73
2	Relative of Key Managerial Personnel Mr. Viraj G. Kalyani (Executive Director)	Salary	20.75	1.73	20.75	1.73	20.75	1.73
		Commission	6.55	6.55	6.69	6.69		
		Total	27.30	8.28	27.45	8.42	20.75	1.73
3	Relative of Key Managerial Personnel Mr. G.N. Kalyani (Director)	Commission	1.82	-	2.00	2	0.48	0.48
		Siting fees	0.92	-	1.02	-	0.43	-
		Total	2.74	-	3.02	2	0.91	0.48
4	Enterprise in which Key Managerial Person is common NSF Trust	Rent	3.12	-	3.12	3.12	-	-
		Total	3.12	-	3.12	3.12	-	-

₹ in lakhs

Sr. No.	Nature of relationship / Name of related party	Nature of Transaction	2017-18		2016-17		2015-16	
			Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)	Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)	Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)
5	Enterprise in which Key Managerial Person is common Kalyani Property Pvt.Ltd.		-	-	-	-		
		Royalty	0.25	0.75	0.25	0.75	0.25	0.50
		Other	-	23.68				
	Total	0.25	24.43	0.25	0.75	0.25	0.50	
6	Enterprise in which Key Managerial Person is common Kalyani Consultant Pvt Ltd		-	-	-	-		
		Expenses	-	-	-	36.78	-	-
		Reimbursement	-	-	-	-	-	36.78
	Total	36.78	-	-	36.78	-	36.78	

33.8 Earnings Per Share:	2017-18	2016-17
Earnings attributable to the equity share holder	656.38	348.30
Total weighted average No. of shares	3,638,000	3,638,000
(a) EPS	18.04	9.57
(b) Diluted	18.04	9.57

33.9 EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors has recommended dividend for the current year of Rs. 3.50/- per equity share (Nominal value Rs.10/-per equity share)

Expenditure on Corporate Social Responsibility activities:

33.10 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particular	2017-18	2016-17
Amount required to be spent as per Section 135 of the Act	3.71	4.14
Amount spent during the year on		
(i) Construction/acquisition of any asset	1.50	
(ii) On purpose other than (i) above	1.50	4.14
Total	3.00	4.14

33.11 Previous Year's figures have been regrouped wherever necessary to make them comparable with those of the current year.



34 CATEGORY-WISE CLASIFICATION OF FINANCIAL INSTRUMENTS

₹ in lakhs

Particulars	Refer Note no.	Non-current			Current		
		31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
Financial Assets measured at Fair value through Profit or loss (FVTPL)							
Investment in Equity shares (Net of provision)*	2	-	-	-	-	-	-
Financial Assets measured at Fair value through other comprehensive income (FVTOCI)							
		-	-	-	-	-	-
Financial Assets measured at amortised cost							
Security Deposit	3	4.42	8.98	4.56			
Security Deposits (Net of provision) **	3	-	-	-			
Fixed deposit more than 12 months	3	12.56	10.35	8.05			
Trade receivables	8				7,007.94	6,176.89	6,169.03
Cash and cash equivalents	9				346.54	113.04	860.08
Other balances with banks	10				145.15	117.41	162.42
Interest Accrued on Fixed Deposit	11				14.69	14.04	11.87
Security Deposit	11						4.73
		16.98	19.34	12.61	7,514.31	6,421.38	7,208.12
Financial Liabilities measured at amortised cost							
Borrowings	15	1,757.61	1,577.09	384.32			
Borrowings	18				3,961.86	4,129.01	2,937.31
Trade payables	19				4,983.76	4,197.20	4,047.96
Current maturities of long-term debt	20				600.44	631.21	711.50
Interest accrued and due on borrowings	20				26.63	21.82	7.73
Unpaid Dividends	20				17.30	5.84	6.46
Payable towards expenses	20				158.96	1,412.68	4.93
Other credit balances	20				436.97	481.05	-
		1,757.61	1,577.09	384.32	10,185.94	10,878.81	7,715.89

FAIR VALUE MEASUREMENTS	Fair Value as at 31.03.2018	Fair Value hierarchy		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets / financial liabilities				
Financial assets measured at fair value through profit or loss*	-			-
Financial assets measured at fair value through other comprehensive income (OCI)	NA	NA	NA	NA

₹ in lakhs

FAIR VALUE MEASUREMENTS	Fair Value as at 31.03.2017	Fair Value hierarchy		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets / financial liabilities				
Financial assets measured at fair value through profit or loss*	-			-
Financial assets measured at fair value through other comprehensive income (OCI)	NA	NA	NA	NA

FAIR VALUE MEASUREMENTS	Fair Value as at 01.04.2016	Fair Value hierarchy		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets / financial liabilities				
Financial assets measured at fair value through profit or loss*	-			-
Financial assets measured at fair value through other comprehensive income (OCI)	NA	NA	NA	NA

35 FINANCIAL RISK MANAGEMENT

35.1 Market risk

The Company's financial risk management is an integral part of how to plan and execute its business strategies. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument.

35.2 Interest rate risk :

The company has investment in fixed deposits. However interest income from fixed deposits is a residuary income and not going to affect the significant cash flow of the company.

35.3 Foreign currency risk:

Company is exposed to foreign exchange risk through its sales and services to foreign countries, and purchases from overseas suppliers in various foreign currencies.

The following table analyzes foreign currency risk from financial instruments:

Particulars	As at 31st March 2018			As at 31st March 2017			As at 1st April 2016			
	USD	Euro	JPY	USD	Euro	JPY	USD	Euro	JPY	AUD
Unhedged Trade receivables	10.75	5.30	-	11.08	3.01	-	14.08	2.98	-	-
Unhedged Trade Payables	-	0.02	47.18	4.82	0.56	252.97	1.72	1.75	115.74	2.00
Total	10.75	5.32	47.18	15.91	3.57	252.97	15.80	4.73	115.74	2.00

35.4 Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered."

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts

Particulars	₹ in lakhs	
	As at 31st March 2018	As at 31st March 2017
Opening provision	376.64	276.97
Add : Additional provision made	36.10	99.67
Less : Provision write off	-	-
Less : Provision reversed	-	-
Closing provisions	412.74	376.64

35.5 Liquidity risk :

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset.

Maturity patterns of Financial Liabilities

Particulars	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
At 31st March, 2018				
Trade payables	4,914.56	69.20		4,983.76
Other financial liabilities (Current and non current)				-
At 31st March, 2017				
Trade payables	4,195.61	1.60		4,197.20
Other financial liabilities (Current and non current)				-
At 1st April, 2016				
Trade payables	4,047.94	-		4,047.94
Other financial liabilities (Current and non current)				-

35.6 The ageing analysis of account receivables has been considered from the date of invoice falls due

Particulars	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
At 31st March, 2018				
Trade receivables	6,373.68	634.26	-	7,007.94
At 31st March, 2017				
Trade receivables	5,492.42	684.47	-	6,176.89

36. Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115 - 'Revenue from Contracts with Customers' and consequential amendments to various Ind AS standards. The amended Rules also notified amendments to Ind AS 12 - 'Income Taxes', Ind AS 21 - 'The Effect of Changes in Foreign Exchange Rates', Ind AS 28 - 'Investments in Associates and Joint Ventures' and Ind AS 40 - 'Investment Property'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from 1st April, 2018.

a) Ind AS 115 - 'Revenue from Contracts with Customers':

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch – up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is currently assessing the impact of application of Ind AS 115 on Company's financial statements.

b) Amendment to Ind AS 12 - 'Income Taxes':

The amendments clarify the requirement for recognising deferred tax assets on unrealised losses on debt instruments that are measured at fair value. The amendments also clarify certain other aspects of accounting for deferred tax assets. The changes will not have any material impact on the financial statements of the Company.

37 Note on First-time adoption of IND-AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognized directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

37.1 Optional Exemptions availed

(a) Deemed Cost

The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipment and Intangible assets as deemed cost as at the transition date.

37.2 Applicable Mandatory Exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Deferred payment liabilities carried at FVTPL
- Re-measurement of the defined benefit liabilities/ (assets)

(b) Classification and measurement of financial assets

As required under paragraph 4.1.2 of Ind AS 109, the company has assessed the classification and measurement of financial assets (investment in equity shares of Shamrao Vitthal Co-operative Bank Ltd) at Amortised Cost.

37.3 Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- I. Reconciliation of Balance sheet as at April 1, 2016 (transition date)
- II. Reconciliation of Balance sheet as at March 31, 2017
- III. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017
- V. Reconciliation of Income Statement for the year ended March 31, 2017
- IV. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017
- VI. Reconciliation of Income tax expenses

The following explains the material adjustments made while transition from previous accounting standards to IND AS

I Reconciliation of Balance Sheet as at April 1, 2016

₹ in lakhs

Particulars	Notes for First Time Adoption	Regrouped previous I-GAAP	IND AS Adjustment	IND AS
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment		6,320.81		6,320.81
(b) Capital work-in-progress		809.39		809.39
(c) Goodwill		-		-
(d) Investment Property		-		-
(e) Other Intangible assets		62.50		62.50
(f) Intangible assets under development		0.97		0.97
(g) Financial Assets		-		-
(i) Investments		0.50		0.50
(ii) Trade receivables		-		-
(iii) Loans		-		-
(iv) Other non current financial assets		12.61		12.61
(h) Deferred tax assets (net)		23.44		23.44
(i) Income Tax Assets (net)		151.00		151.00
(j) Other non-current assets		416.67		416.67
Total Non - Current Assets		7,797.90		7,797.90
2 Current assets				
(a) Inventories		3,713.03		3,713.03
(b) Financial Assets		-		-
(i) Investments		-		-
(ii) Trade receivables		6,169.03		6,169.03
(iii) Cash and cash equivalents		1,022.49		1,022.49
(iv) Loans		-		-
(v) Others current financial assets		16.60		16.60
(c) Other current assets		1,137.75		1,137.75
Total Current Assets		12,058.90		12,058.90
Total Assets (1 + 2)		19,856.80		19,856.80
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital		363.90		363.90
(b) Other Equity		9,401.12	87.57	9,488.70
Equity attributable to owners of the Company (I)		9,765.02		9,852.60
Non-controlling interests (II)		-		-
Total equity (I+II)		9,765.02		9,852.60
2 Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		451.90	(67.58)	384.32
(ii) Trade payables		-		-
(iii) Other non-current financial liabilities		-		-
(b) Provisions		309.59		309.59
(c) Other non-current liabilities		-		-
Total Non - Current Liabilities		761.49		693.91
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		2,937.31		2,937.31
(ii) Trade payables		4,047.96		4,047.96
(iii) Other current financial liabilities		730.62		730.62
(b) Provisions		169.77	(87.57)	82.19
(c) Other current liabilities		1,444.66	67.58	1,512.24
Total Current Liabilities		9,330.32		9,310.32
Total Equity and Liabilities (1 + 2)		19,856.83		19,856.83



II Reconciliation of Balance Sheet as at March 31, 2017

₹ in lakhs

Particulars	Notes for First Time Adoption	Regrouped previous I-GAAP	IND AS Adjustment	IND AS
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment		5,953.59		5,953.59
(b) Capital work-in-progress		2,974.43		2,974.43
(c) Goodwill		-		-
(d) Investment Property		-		-
(e) Other Intangible assets		60.27		60.27
(f) Intangible assets under development		-		-
(g) Financial Assets		-		-
(i) Investments		0.50		0.50
(ii) Trade receivables		-		-
(iii) Loans		-		-
(iv) Other non current financial assets		19.34		19.34
(h) Deferred tax assets (net)		105.27		105.27
(i) Income Tax Assets (net)		175.03		175.03
(j) Other non-current assets		1,621.40		1,621.40
Total Non - Current Assets		10,909.83		10,909.83
2 Current assets				
(a) Inventories		4,486.76		4,486.76
(b) Financial Assets		-		-
(i) Investments		-		-
(ii) Trade receivables		6,176.89		6,176.89
(iii) Cash and cash equivalents		230.45		230.45
(iv) Loans		-		-
(v) Others current financial assets		14.04		14.04
(c) Other current assets		1,949.05		1,949.05
Total Current Assets		12,857.19		12,857.19
Total Assets (1 + 2)		23,767.02		23,767.02
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital		363.90		363.90
(b) Other Equity		9,856.44		9,837.07
Equity attributable to owners of the Company (I)		10,220.34	(19.37)	10,200.97
Non-controlling interests (II)		-		-
Total equity (I+II)		10,220.34		10,200.97
2 Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		1,611.79	(34.69)	1,577.10
(ii) Trade payables		-		-
(iii) Other non-current financial liabilities		-		-
(b) Provisions		334.39		334.39
(c) Deferred tax liabilities (Net)		-		-
(f) Other non-current liabilities		-		-
Total Non - Current Liabilities		1,946.18		1,911.49
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		4,129.01		4,129.00
(ii) Trade payables		4,197.20		4,197.20
(iii) Other current financial liabilities		2,071.56		2,071.56
(b) Provisions		82.64		82.64
(c) Current Tax Liabilities (Net)		119.10		119.10
(d) Other current liabilities		1,001.00	54.06	1,055.07
Total Current Liabilities		11,600.50		11,654.56
Total Equity and Liabilities (1 + 2)		23,767.02		23,767.02

III Reconciliation of Statement of Profit and Loss for the period ended March 31, 2017

₹ in lakhs

Particulars		Regrouped previous I-GAAP	IND AS Adjustment	IND AS
Continuing Operations				
I	Income			
	Revenue from operations	25,211.52		25,211.52
	Other Income	442.64	13.52	456.16
	Total Revenue (I)	25,654.16	13.52	25,667.68
II	EXPENSES			
	(a) Cost of raw materials and components consumed	11,437.28		11,437.28
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(827.58)		(827.58)
	(c) Excise duty on sale of goods	2,527.66		2,527.66
	(d) Employee benefit expense	3,059.46	130.92	3,190.39
	(e) Finance costs	344.72	32.89	377.61
	(f) Depreciation and amortisation expense	1,041.06		1,041.06
	(g) Other expenses	7,401.23		7,401.23
	Total Expenses (II)	24,983.83	163.81	25,147.65
III	Profit/(loss) before exceptional items tax (I-II)	670.33	(150.29)	520.03
IV	Exceptional items- Gains/ (loss)		-	
V	Profit before tax (III-IV)	670.33	(150.29)	520.03
VI	Tax Expense			
	(a) Current tax	296.84	(43.28)	253.56
	(b) Deferred tax	-81.84		-81.84
	(c) Short / (Excess) provision for tax relating to prior years	-	-	
	Total tax expense	215.00	(43.28)	171.72
VII	Profit/(loss) after tax from continuing operations (V-VI)	455.33	(107.01)	348.31
VIII	Discontinued Operations	-		-
	(1) Profit/(loss) from discontinued operations			
	(2) Tax Expense of discontinued operations			
	Profit/(loss) after tax from discontinued operations	-	-	-
IX	Profit/(loss) for the period (VII+VIII)	455.33	(107.01)	348.31
X	Other comprehensive income			
A	(i) Items that will not be recycled to profit or loss	-		-
	(a) Remeasurements of the defined benefit liabilities / (asset)		130.92	130.92
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(43.28)	(43.28)
B	(i) Items that may be reclassified to profit or loss	-		-
	(ii) Income tax on items that may be reclassified to profit or loss	-		-
	Total other comprehensive income for the period	-	87.64	87.64
XI	Total comprehensive income for the period (IX + X)	455.33	(19.37)	435.95
XII	Earnings per equity share :			
	Basic	12.52		9.57
	Diluted	12.52		9.57

IV Reconciliation of Equity

₹ in lakhs

Sr. No	Particulars	As at 31st March 2017	As at 1st April 2016
A	Total Equity reported under previous I-GAAP	10,220.34	9,765.02
		-	
B	Adjustments: Gain/(Loss)		
1	Reversal of Proposed Dividend Payable and Tax thereon	-	87.58
2	Deferred income on Sales Tax deferral loan	13.52	-
3	Interest booked on Sales Tax deferral loan	(32.89)	-
C	Total Equity under Ind AS	10,200.97	9,852.60

V Reconciliation of Income Statement

Sr. No	Particulars	As at 31st March 2017
A	Net profit for the period after tax as per previous GAAP	455.31
B	Effects of transition to Ind-AS on statement of profit and loss	
	Actuarial Gain/ (Loss) transferred to OCI	(130.92)
	Impact of deferred income on Sales Tax deferral loan	13.52
	Impact of interest booked on Sales Tax deferral loan	(32.89)
C	Net profit for the period after tax as per Ind-AS	305.02
D	Other Comprehensive income	
	Remeasurements of the defined benefit liabilities	130.92
E	Total Comprehensive Income as per Ind AS (C + D)	435.94

VI A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

₹ in lakhs

Particulars	2017-18	2016-17
Current tax		
Current Tax on taxable income for the year	71.53	253.56
Total current tax expense	71.53	253.56
Deferred Tax		
Deferred tax charge/(credit)	235.65	(81.83)
MAT Credit (taken)/utilised	-	-
Total deferred income tax expense/(benefit)	235.65	(81.83)
Tax in respect of earlier years	(44.10)	-
Total income tax expenses	263.08	171.73

₹ in lakhs

Particulars	2017-18	2016-17
Enacted income tax rate in India applicable to the Company	33.063%	33.063%
Profit before tax	919.47	520.05
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	304.01	171.95
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowances	11.94	35.93
Depreciation (net effect)	(219.62)	30.94
Deduction under section 43B of the Income Tax Act	(25.29)	8.35
Tax in respect of earlier years	(44.10)	-
Income exempted from income taxes	-	
Other items	236.14	(75.42)
Total income tax expenses/(credit)	263.08	171.74

37.4 A) Remeasurements of post-employment benefit obligation

In the financial statements prepared under Previous GAAP, re-measurement benefit of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such re-measurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs. 130.92 Lakhs and recognised in Other Comprehensive Income instead of profit and loss. There is no impact on the total equity as at 31st March, 2017. Consequently, tax effect of the same amounting to Rs. 43.28 Lakhs is also recognised separately in OCI.

B) Retained Earnings

Retained earnings as at April 1, 2016 have been adjusted consequent to the above Ind AS transition adjustments.

C) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' include re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous I-GAAP.

D) The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous I-GAAP.

38 "The Financial Statements are approved by the Company's Board of Directors on 12th May 2018".

39 Previous Year's figures have been regrouped wherever necessary to make them comparable with those of the current year.

As per our attached report of even date. For and on behalf of the Board of Directors.

FOR M/S K.S.AIYAR & CO
Firm Registration Number : 100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 12th May 2018

ROHINI G.KALYANI
Managing Director & Chairperson
(DIN: 00519565)

AVINASH KHARE
Chief Financial Officer

ABHIJIT SEN
Director
(DIN:00002593)

NILESH VITEKAR
Company Secretary

KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

Regd. Office: Shangrila Gardens, "C" Wing,
1st floor, Opposite Bund Garden, Pune 411 001

E-mail : investors@kforge.com, Website : www.kalyaniforge.co.in

Form no. MGT -11**PROXY**[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014].

Name of the member(s) _____

Registered address _____

E-mail ID _____

Folio / DP ID & CL ID No. _____

I/We being the member(s) _____ shares of the above named Company, hereby appoint:

1. Name: _____ Address: _____

E-mail ID: _____ Signature: _____ or failing him

2. Name: _____ Address: _____

E-mail ID: _____ Signature: _____ or failing him

3. Name: _____ Address: _____

E-mail ID: _____ Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the Company, to be held on Friday, 27th day of July 2018 at 10:30 a.m. at Poona Club Ltd., 6 Bund Garden Road, Pune 411 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res No	Resolution	For	Against
1	To receive, consider and adopt the Balance Sheet as at 31st March, 2018 and Profit & Loss Account as on that date together with reports of Directors and Auditors thereon.		
2	To declare a dividend on equity shares.		
3	To appoint a Director in place of Mr. Gaurishankar N. Kalyani (DIN: 00519610) who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint a Director in place of Mr. Viraj G. Kalyani (DIN: 02268846) who retires by rotation and being eligible, offers himself for re-appointment.		
5	Ratification of Appointment of Statutory Auditors from the conclusion of the ensuing annual general Meeting till the conclusion of next Annual General Meeting.		
6	Ratification of remuneration of Mr. Rahul A. Chincholkar, Cost Accountant, Pune as Cost Auditors for the Financial Year commencing from 01.04.2018.		

Signature of Shareholder

Signed this _____ day of 2018.

Please Affix
Re. 1/-
Revenue
Stamp
here

Signature of first Proxy holder

Signature of second Proxy holder

Signature of third Proxy holder

Note:

1. Please put a tick mark “✓” in the appropriate column against the respective resolutions. If you leave the ‘For’ or ‘Against’ column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

KALYANI FORGE



KALYANI FORGE LIMITED
(CIN : L28910MH1979PLC020959)

Shangrila Gardens, 'C' Wing, 1st Floor,
Opp. Bund Garden, Pune - 411 001.
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