



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-Fifth 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 Thursday, the 18th day of September, 2014 at 11.00 a.m., to transact the following business:

ORDINARY BUSINESS :

01. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and Profit & Loss Account as on that date 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 who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a Director in place of Mr. Viraj G. Kalyani 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 pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactment thereof for the time being in force, M/s. P. G. Bhagwat, Chartered Accountants, Pune having Firm Registration No.-101118W, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modifications or re-enactment thereof and pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Mr. Ashok Ramkrishna Jamenis (DIN : 00082620), Director of the Company whose term of office was liable to be determined by retirement of director by rotation and in respect of whom the Company has received Notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature of Mr. Ashok Ramkrishna Jamenis for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years commencing from April 1, 2014, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modifications or re-enactment thereof and pursuant to clause 49 of the Listing

Agreement entered into with the Stock Exchanges, Mr. Chandrashekhar Hanmant Naniwadekar (DIN : 00031023), Director of the Company whose term of office was liable to be determined by retirement of director by rotation and in respect of whom the Company has received Notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature of Mr. Chandrashekhar Hanmant Naniwadekar for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years commencing from April 1, 2014, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

“RESOLVED THAT pursuant to sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modifications or re-enactment thereof and pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, Mr. Pradip Prabhakar Nadkarni (DIN : 01670826), Director of the Company whose term of office was liable to be determined by retirement of director by rotation and in respect of whom the Company has received Notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature of Mr. Pradip Prabhakar Nadkarni for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years commencing from April 1, 2014, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

“RESOLVED THAT pursuant to sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modifications or re-enactment thereof and pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, Mr. Ravindran Sankaran (DIN : 00229000), Director of the Company whose term of office was liable to be determined by retirement of director by rotation and in respect of whom the Company has received Notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature of Mr. Ravindran Sankaran for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years commencing from April 1, 2014, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

Place : Pune
Date : August 14, 2014

Amogh Barve
Company Secretary

Registered Office :

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

NOTES :

01. Explanatory Statement, pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the business under Item No. 05 to 09 above, is annexed hereto.
02. **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.**
03. 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.
04. 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 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
05. The Register of members and the Share Transfer Books of the Company will remain closed from Thursday, September 11, 2014 to Thursday September 18, 2014 (both days inclusive).
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 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. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after September 18, 2014 to those persons or their mandate:
 - a) whose names appear as beneficial owners as at the end of the business hours on September 10, 2014 in the list of beneficial owners to be furnished by NSDL and CDSL in respect of the shares held in electronic form; and
 - b) whose names appear as members in the register of members of the Company after giving effect to valid share transfers in physical form lodged with the Company /Registrar and Share Transfer Agents on or before September 10, 2014.
11. 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.
12. Equity Shareholders who have not dematerialized are advised to dematerialize their shareholding to avoid inconvenience in future and to reap benefits of de-materialization.

13. **Sending the Annual Report by E-mail to shareholders is allowed and thus you are requested to confirm your e-mail ID if you want the Annual Report to be sent on e-mail. If you choose to receive the Annual Report on your e-mail then no separate Annual Report would be sent to you by post / courier.**

It would be your responsibility to report any changes in the e-mail ID that you have registered with us or your decision to receive the Annual Report by post / courier instead. Any member, insisting for physical copies of the Annual Report, would receive the same free of cost.

14. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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.
15. All documents referred to 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 Saturdays between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 35th Annual General Meeting of the Company.
16. Information required under Clause 49 IV G of the Listing Agreement (relating to Corporate Governance) 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 Neelkanth Kalyani

Name of the Director	Shri. Gaurishankar Neelkanth Kalyani
Director Identification Number	00519610
Date of Joining the Board	April 26, 2003
Profile of the Director	Mr. Gaurishankar N. Kalyani, born on August 31, 1954 is a Non-Executive Director of the Company. Mr. G. N. Kalyani is a Commerce Graduate (Hons.). Besides being the Director of the Company, he is also a Director of host 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, 2014	Nil
Chairman/Member of the Committees of Board of Directors of the Company as on March 31, 2014	1 – Chairman of Share Transfer Cum Shareholders' Grievance Committee
Chairman/Member of the Committees of Director of other Companies in which he is a Board of Directors as on March 31, 2014	Nil
Shareholding in the Company as on March 31, 2014	47,020 Equity Shares

*Alternate directorship, 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.

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

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

Name of the Director	Shri. Viraj Gaurishankar Kalyani
Director Identification Number	02268846
Date of Joining the Board	May 17, 2013
Profile of the Director	Mr. Viraj Gaurishankar Kalyani, born on April 12, 1990 is Graduated from University of Pennsylvania by completing Jerome Fisher Program in Management and Technology. Mr. Viraj has also completed a four-year dual-degree program with Bachelor of Science in Economics and Concentration in Finance at the Wharton School and Bachelor of Science in Engineering, Major in Mechanical Engineering from the School of Engineering and Applied Science. Mr. Viraj joined the Company as Executive Vice President in the year 2012 and contributed towards implementation of expansion plans, business systems and research for potential new business opportunities and diversifications.
Board Membership of other Public Limited companies as on March 31, 2014	Nil
Chairman/Member of the Committees of Board of Directors of the Company as on March 31, 2014	Nil
Chairman/Member of the Committees of Board of Directors of other Companies in which he is a Director as on March 31, 2014	Nil
Shareholding in the Company as on March 31, 2014	31,635 Equity Shares

*Alternate directorship, 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.

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

17. The Company is pleased to provide e-voting facility to all its shareholders pursuant to provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 to cast their votes electronically on the resolutions mentioned in the notice of 35th Annual General Meeting of the Company dated August 14, 2014 (the "AGM Notice"). The Company has appointed CS Raghavendra J. Joshi, Partner of M/s. Apte Joshi & Associates, Company Secretaries, Pune and/or Mr. Harshal R. Joshi, 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 August 14, 2014. The instructions for e-voting are given below :

- User ID and Password for e-voting is provided in the covering letter to the Annual Report. Please note that the Password is an Initial Password.
- NSDL shall also be sending the User-ID and Password to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository

Participant(s). For members who have not registered their email address, can use the details as provided above.

- c) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- d) Click on Shareholder – Login
- e) Put user ID and password as initial password noted in step (a) above. Click Login.
- f) If you are logging in for the first time, password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password for all the future e-voting cycles offered by NSDL. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- g) Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- h) Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through ‘Forgot Password’ option available on the site to reset the same.
- i) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- j) Home page of e-voting opens. Click on e-voting : Active Voting Cycles.
- k) Select “EVEN” of Kalyani Forge Limited. For and EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
- l) Now you are ready for e-voting as Cast Vote page opens.
- m) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- n) Upon confirmation, the message “Vote cast successfully” will be displayed
- o) Once you have voted on the resolution, you will not be allowed to modify your vote
- p) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail kflevoting@aptejoshi.com with a copy marked to evoting@nsdl.co.in.
- q) Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL.
- r) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- s) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- t) The e-voting period commences on 10.00 a.m. on Thursday, September 11, 2014 and ends on 5.00 p.m. on Saturday, September 13, 2014. 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”) of August 14, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- u) The voting rights of Shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on August 14, 2014.

- v) 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 Record Date of August 14, 2014 and not casting their vote electronically, may cast their vote either by sending their assent or dissent in writing on the Postal Ballot Form in a self-addressed postage prepaid envelope attached to this Notice or at the Annual General Meeting.
 - w) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unlock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairperson of the Company.
 - x) The results shall be declared on or after the 35th 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 NSDL within two (2) days of passing of the resolutions at the 35th Annual General Meeting of the Company and communicated to the BSE Limited.
18. In terms of Clause 35B of the Listing Agreement, those members, who do not have access to e-voting facility, may send their assent or dissent in writing on the Postal Ballot Form attached with this AGM Notice in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer at the address Mr. Raghavendra Joshi/Mr. Harshal R. Joshi, Scrutinizer, Link Intime India Pvt. Ltd., Unit : Kalyani Forge Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078 on or before Saturday, September 13, 2014. Any Postal Ballot Form received after this date will be treated as if the reply from the member has not been received.

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 Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, voting by show of hands will not be available to the members at the 35th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

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

Place : Pune
Date : August 14, 2014

Amogh Barve
Company Secretary

Annexure to Notice

As required by Section 102 (1) of the Companies Act, 2013, (hereinafter referred to as “the Act”) the following Explanatory Statements set out all material facts relating to the business mentioned under item Nos. 05 to 09 of the accompanying Notice dated 14th August, 2014.

Item No. 05

Section 139 of the Companies Act, 2013 and the Rules made thereunder provide that a company can appoint a firm as auditor for maximum two (2) terms of five (5) consecutive years. In other words, company can make appointment of auditor for five years at a time. M/s. P.G. Bhagwat, Chartered Accountants have already completed term of four years and thus can be appointed for one (1) more year.

In this regard, the Company has received a certificate from them, to the effect that their reappointment, if made, will be in accordance with Section 139 (1) of the Companies Act, 2013.

The Board recommends the appointment of M/s. P.G. Bhagwat, Chartered Accountants as Statutory Auditors of the Company for the financial year 2014-15.

None of the Directors is interested in the above resolution.

Item No. 06 to 09

The Board of Directors of the Company comprises of Chairperson & Managing Director, one Executive Director, one Non-Executive Non-Independent Director and other five (5) Directors, viz., Mr. Ashok Jamenis, Mr. C.H. Naniwadekar, Mr. Pradip Nadkarni, Mr. S. Ravindran and Mr. Umesh Lahoti who have been classified as Independent Directors pursuant to Clause 49 of the Listing Agreement.

According to the provisions of the Companies Act, 2013, the appointment of Independent Director(s) of the company shall be approved at the meeting of shareholders. Section 149 (4) of the Companies Act, 2013 states that every listed public company shall have at least one-third of the total number of directors as Independent Directors. Further, Section 149 (10) of the Companies Act, 2013, *inter alia*, provides that subject to the provisions of Section 152, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company. It is also clarified that any tenure of an Independent Director on the date of commencement of this Act shall not be counted as a term under sub-section (10).

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of Mr. Ashok Jamenis, Mr. C.H. Naniwadekar, Mr. Pradip Nadkarni and Mr. S. Ravindran for their appointment as Independent Directors of the Company. Further, the Company has also received declaration from these four (4) directors that they are eligible to get appointed as “Independent Director” pursuant to Clause 149(6) of the Companies Act, 1956.

In view of the above, the above-mentioned four (4) Directors fulfill the conditions specified in Section 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013.

The Board of Directors is, therefore, of the opinion that above named four (4) directors fulfill the conditions for appointment of Independent Directors as specified in the Companies Act, 2013. The Board considers that the contributions from all these eminent directors would be of immense benefit to the Company. Details in respect of the four (4) directors, i.e., Mr. Ashok Jamenis, Mr. C.H. Naniwadekar, Mr. Pradip Nadkarni and Mr. S. Ravindran are enclosed as Annexure – I. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

ANNEXURE – I

Name of the Director	Mr. Ashok R. Jamenis	Mr. C. H. Naniwadekar	Mr. Pradip Nadkarni	Mr. Ravindran Sankaran
Date of Birth	02/05/1943	29/10/1956	14/09/1948	19/04/1948
Date of Appointment	23/09/2007	06/10/2006	28/07/2007	31/01/2009
Qualification	B. E. (Mechanical) from University of Pune	Chartered Accountant	B. Tech (Mechanical Engineering) – IIT Bombay, MS (Mechanical Engineering) SUNY, US, DBM & MMS from Pune University	B. E. (Mechanical) and PGDBM from IIM Ahmedabad
Expertise in specific functional area	Management, Manufacturing/Operations	Audit, Finance, Company Law and Taxation Matters	International Business, Strategic Planning and Global Supply Chain Management	Operations, Logistics and Profit Centre Management
Directorships in other Companies as on March 31, 2014	Kirloskar Ferrous Industries Ltd.	Kirloskar Proprietary Ltd.	NIL	NIL
Chairman/member of the Committees of Board of Directors of the Company as on March 31, 2014	Chairman: Remuneration Committee Member : 1) Audit Committee	Chairman: Audit Committee Member : 1) Share Transfer Cum Shareholders' Grievance Committee 2) Remuneration Committee	Chairman: NIL Member: 1) Audit Committee 2) Share Transfer Cum Shareholders' Grievance Committee 3) Remuneration Committee	Chairman: NIL Member: 1) Audit Committee 2) Remuneration Committee
Chairman/Member of the Committees of Board of Directors of other Companies in which he is a Director as on March 31, 2014	Chairman: NIL Member: Following Committees of the Board of Kirloskar Ferrus Ltd. 1) Audit Committee 2) Share Transfer cum Shareholders/Investors Grievance Committee 3) Finance Committee 4) Remuneration Committee 5) Rights Issue and Allotment Committee 6) Compensation Committee 7) Capex Planning Committee	NIL	NIL	NIL
Shareholding in the Company as on March 31, 2014	NIL	NIL	306 Equity Shares	NIL

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

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**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

POSTAL BALLOT FORM (In lieu of e-voting at the Annual General Meeting)

1.	Name of Sole / First member	
2.	Name(s) of Joint member(s), if any	
3.	Registered Folio No./DP ID No./Client ID No.	
4.	Number of Shares held	

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed through e-voting / Postal Ballot for the business stated in the AGM Notice dated August 14, 2014 of the Company by conveying my / our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below :

Item No.	Description	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1)	Adoption of the Financial Statements of the Company for the year ended March 31, 2014 together with reports of Directors' and Auditors' thereon. (Ordinary Resolution)			
2)	Declaration of Final Dividend on equity shares. (Ordinary Resolution)			
3)	Appointment of a Director in place of Mr. Gaurishankar N. Kalyani who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)			
4)	Appointment of a Director in place of Mr. Viraj G. Kalyani who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)			
5)	Appointment of Statutory Auditors of the Company for the F.Y. 2014-15. (Ordinary Resolution)			
6)	Appointment of Mr. Ashok R. Jamenis as Independent Director, not liable to retire by rotation in compliance with the provisions of Companies Act, 2013. (Ordinary Resolution)			
7)	Appointment of Mr. Chandrashekhkar Hanmant Naniwadekar as Independent Director, not liable to retire by rotation in compliance with the provisions of Companies Act, 2013. (Ordinary Resolution)			
8)	Appointment of Mr. Pradip Prabhakar Nadkarni as Independent Director, not liable to retire by rotation in compliance with the provisions of Companies Act, 2013. (Ordinary Resolution)			
9)	Appointment of Mr. Ravindran Sankaran as Independent Director, not liable to retire by rotation in compliance with the provisions of Companies Act, 2013. (Ordinary Resolution)			

(Signature of the member)

NOTE : Kindly read the instructions printed overleaf before filling the form. Last date for receipt of postal Ballot Form by Scrutinizer is **Saturday, September 13, 2014.**

POSTAL BALLOT INSTRUCTIONS :

- 01) In terms of Clause 35B of the Listing Agreement, those members, who do not have access to e-voting facility provided by the Company for the Annual General Meeting in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, may send their assent or dissent in writing on the Postal Ballot Form. Accordingly, this Postal Ballot Form is being provided under Clause 35B of the Listing Agreement to facilitate e-voting provided under Section 108 of the Companies Act, 2013 at 35th Annual General Meeting of the Company.
- 02) A member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot form, sign and send in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer as per instruction 06 below at the address Mr. Raghavendra Joshi / Mr. Harshal R. Joshi, Scrutinizer, Link Intime India Pvt. Ltd., Unit : Kalyani Forge Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078. Postage will be borne and paid by the Company. Envelopes containing Postal Ballots, if deposited in person or sent by courier at the expenses of the members will also be accepted.
- 03) The self-addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company and the address at which the Postal Ballot Form is to be sent.
- 04) The Postal Ballot form should be completed and signed by the members. In the case of joint shareholding, this form should be completed and signed by the first named member and in his absence, by the next named member(s). Unsigned Postal Ballot forms will be rejected. The signature on the Postal Ballot Form must tally with the specimen signature registered with the Company.
- 05) Where the Postal Ballot Form has been signed by an Authorized Representative of a body corporate, a certified copy of the relevant authorizations to vote on the Postal Ballot should accompany the Postal Ballot Form. A member may sign the form through an attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.
- 06) Duly completed Postal Ballot Forms should reach the Scrutinizer not later than 5 p.m. on **Saturday, September 13, 2014**. Any Postal Ballot Form received after this time and date will be treated as if the reply from the member has not been received.
- 07) A member may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at Item No. 06 above.
- 08) Voting rights will be reckoned on the paid-up value of shares registered in the name of the member on Thursday, August 14, 2014 which is the Record Date fixed for this purpose.
- 09) Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extra paper found in such envelope would be destroyed by the Scrutinizer.
- 10) There will be only one Postal Ballot Form for every folio irrespective of the number of joint member(s).
- 11) A member need not use all the votes nor does he need to cast all the votes in the same way.
- 12) The Scrutinizer's decision on the validity of a Postal Ballot shall be final and binding.
- 13) Incomplete, unsigned or incorrect Postal Ballot Forms shall be rejected.
- 14) The date of Annual General Meeting will be the deemed date of passing resolution(s) through e-voting/ Postal Ballot. **It may also be noted that, in terms of Section 114 of the Act, the Resolutions contained in the AGM Notice will be deemed to have been passed through the e-voting and Postal Ballot Form unless the Poll is taken at the AGM. Accordingly, the results shall be declared in terms of Rules 20 or 21 of the Companies (Management and Administration) Rules 2014, as the case may be.**
- 15) The right of e-voting and Postal Ballot Form shall not be exercised by a Proxy.



ANNUAL REPORT 2014

Metamorphosis

KALYANI FORGE



www.kalyaniforge.co.in



Letter to the Shareholder

Dear Shareholder,

In my last year's message, I shared my views about the slow economic climate and about the economic slowdown knocking the doors of the Indian Industry. During the year 2013–14, the world economy continued its journey through an uncertain phase; especially the auto industry. However, the year, in the later part, witnessed small curves of economic recovery in several major economies in the world. The automotive industry in the US came back to strength from the poor period of recession but Europe is still trying to resolve its economic challenges and the overall environment there remained weak. GDP growth in China and India were low as compared to the high growth rates in the past. I feel, these emerging markets; especially India, with lot of untapped potential, will continue to face challenges in the coming future as well until we resolve structural issues. Nonetheless, the prospects of the domestic economy, from which your company enjoys around 75% of its business, remain bright in the years to come.

In this cloudy environment, Indian Economy managed to register a growth of 4.9% in its GDP in the year 2013–14 as against 4.5% of the previous year. However, the recent change in the Political Leadership in the Country, provides a ray of hope. The new government is fully focused and biased in favour of economic development and sustainable growth. This change in the government has created a positive climate of optimism in the Indian Industry.

The overall economic slowdown, more particularly in the auto sector has resulted in the drop in volumes of the Company in the year 2013–14. The Company registered sales of 207.77 crores as against 262.36 crores in the previous year. Further, the after tax profits slipped to Rs. 4.77 crores from 8.82 crores in the previous year. However, though challenging, I am positive about coming out of this temporary phase and view good growth in revenue in the coming fiscal year.

In fact, we took advantage of the slow economic environment to test several changes in our ways of working. Last year, I had spoken about the systems that we would redesign and deploy to become more agile and lean. Though we have a long way to go, we have made significant progress in becoming system-oriented as opposed to individual-oriented. On the people front, we transitioned to a flat, five-layer organization, which increased communication speed and reduced unnecessary complexity.

A lot of the intangible improvements would get realized over a long term horizon. The laws of physics ensure any change of state takes up energy. We have transferred that energy into the health of your company and this year was a timely period of metamorphosis.

My team has already taken various steps to recover out of the current drop in the sales volumes of the Company and is ready with its medium term and long-term strategic plans. The increased manufacturing capacity of the Company will play a major role in achieving this revenue growth. The Company is also focusing on its export sales and is increasing its presence in Europe and the US. I have full faith in my operations team led by Mr. Viraj Kalyani, Executive Director of the Company in accomplishing this challenging task.

Our theme for this year is recharged growth and superior execution, and I reiterate our medium term strategies: establish lean systems, develop organizational learning, increase stakeholder delight, grow organically and rapidly.

Our Employees continue to remain our major source of strength and I would like to sincerely thank each one of them for their efforts and level commitment.

I take this opportunity to express my deep gratitude to all our Stakeholders, Customers, Vendors and the Bankers and Financial Institutions for their unstinted support and continued faith reposed in Kalyani Forge.

I am also thankful to all my fellow colleagues on the Board for their able guidance and support.

With best wishes,

Rohini G. Kalyani
Chairperson & Managing Director

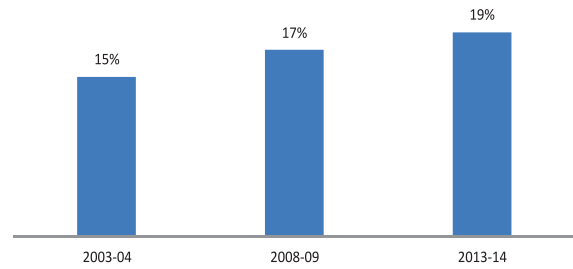


HIGHLIGHTS

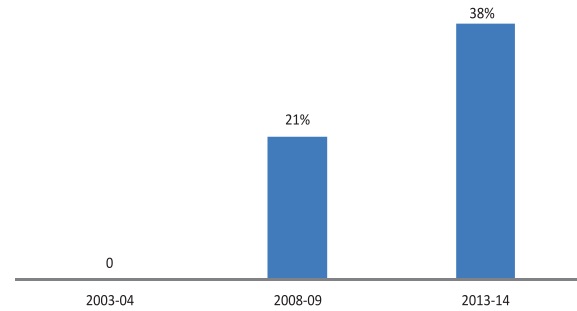
Over the past few years we have sought to increase our exports and machined component sales which provide higher value addition to our customers and bring in better realizations. Our exports sales have increased from 15% in 2004 to about 20% in 2014. At the same time, our machined component sales share has increased from a negligible amount in 2004 to almost 40% in 2014.

We are leaders in machined connecting rods and we are moving into supplying machined components for new product groups, increasing our metal forming capabilities in new processes. We have developed a pipeline of new customers and orders in Europe and the US, sales of which will commence in the coming financial year.

Export Sales (% of Total Sales)



Machined Component Sales (% of Total Sales)



OUR VALUES

Last year, our teams brainstormed a set of values to provide a bedrock of decision making, systems, methodologies and working culture. These are team-work, continuous improvement, entrepreneurship, openness and integrity. Values come alive in our daily activities. We can also begin to see what existing ways of working go against these values and course correct along the way, one small behaviour at time.

Connect to the bottom line

Just having a poster of values is of no use unless it translates to bottom line results. We are confident the changed behaviours within our organization and with customers, suppliers and all stakeholders would enrich relationships and bring in tangible benefits.





CONTENTS

•	Summary of Financial Data	04
•	Management Discussion & Analysis Report	05
•	Directors' Report	08
•	Report on Corporate Governance	13
•	Independent Auditors' Report on Financial Statements	25
•	Balance Sheet	30
•	Statement of Profit and Loss	31
•	Cash Flow Statement	32
•	Notes on Financial Statements	33
•	Attendance Slip and Proxy Form	55

KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BOARD OF DIRECTORS

Mrs. Rohini Gaurishankar Kalyani	(DIN : 00519565)	Chairperson & Managing Director
Mr. Chandrashekhar Hanmant Naniwadekar	(DIN : 00031023)	Director
Mr. Ashok Ramkrishna Jamenis	(DIN : 00082620)	Director
Mr. Pradip Prabhakar Nadkarni	(DIN : 01670826)	Director
Mr. Ravindran Sankaran	(DIN : 00229000)	Director
Mr. Gaurishankar Neelkanth Kalyani	(DIN : 00519610)	Director
Mr. Viraj Gaurishankar Kalyani	(DIN : 02268846)	Executive Director
Mr. Umesh Rambilas Lahoti	(DIN : 00361216)	Director

AUDIT COMMITTEE

Mr. Chandrashekhar H.Naniwadekar	Non-Executive Independent Director (Chairman)
Mr. Ashok R. Jamenis	Non-Executive Independent Director
Mr. Pradip P. Nadkarni	Non-Executive Independent Director
Mr. S. Ravindran	Non-Executive Independent Director

SHARE TRANSFER CUM SHAREHOLDERS' GRIEVANCE COMMITTEE

Mr. Gaurishankar N. Kalyani	Non-Executive Non Independent Director (Chairman)
Mr. Chandrashekhar H. Naniwadekar	Non-Executive Independent Director
Mr. Pradip P. Nadkarni	Non-Executive Independent Director

REMUNERATION COMMITTEE

Mr. Ashok R. Jamenis	Non-Executive Independent Director (Chairman)
Mr. Chandrashekhar H. Naniwadekar	Non-Executive Independent Director
Mr. Pradip P. Nadkarni	Non-Executive Independent Director
Mr. S. Ravindran	Non-Executive Independent Director

CHIEF FINANCE OFFICER

Mr. Niteen P. Adhi

COMPANY SECRETARY

Mr. Amogh Barve

**KALYANI FORGE LIMITED**

(CIN: L28910MH1979PLC020959)

BANKERS :

State Bank of India,
Bank of Maharashtra,
IDBI Bank Ltd.
Citi Bank NA,
HDFC Bank Ltd.
Indian Overseas Bank

AUDITORS :

M/s. P. G. Bhagwat
Chartered Accountants,
Pune.

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

**KALYANI**

Kalyani Forge Ltd.

Summary of Financial Data

(Rupees in Million)

PARTICULARS	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
TURNOVER	2,078	2,624	2,793	2,396	1,813	1,858	2,174	2,101	1,726
PROFIT BEFORE INTEREST DEPRECIATION AND TAX	252	334	400	275	214	163	267	259	230
INTEREST	45	69	83	62	50	52	35	19	10
DEPRECIATION	135	128	119	112	105	91	83	72	57
PROFIT BEFORE TAX	72	137	198	101	59	20	148	168	163
PROVISION FOR TAX	24	49	64	34	20	12	54	58	59
PROFIT FOR THE YEAR	48	88	134	68	39	8	94	110	103
DIVIDEND %	25	25	25	20	18	12	22	22	22
DIVIDEND AMOUNT	9	9	9	7	7	4	8	8	8
GROSS BLOCK	2,020	1,926	1,788	1,680	1,563	1,370	1,224	1,117	859
NET BLOCK	792	825	814	823	814	724	668	635	449
NET WORTH	1,028	991	913	790	734	708	716	644	543
BOOK VALUE PER SHARE (RS.)	283	272	251	217	202	195	197	177	149
EARNINGS PER SHARE (RS.)	13	24	37	18	9	3	26	30	28
SHAREHOLDERS (NOS.)	3,154	3,244	3,248	3,428	3,352	3,522	3,412	3,056	3,060
NO. OF EMPLOYEES (NOS.)	973	1,050	1,289	1,352	1,172	1,015	1,414	1,572	1,285



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) Economic Scenario and Industry Structure :

The Indian Economy registered a growth of 4.9 % in GDP (Gross Domestic Product) in the year 2013-14 as compared to the previous year of 4.5% due to marginal growth in Agricultural sector. The Indian Forging Industry has always been a major growth driver of the Indian manufacturing sector and is one of the important industries for the success of automobile, power sector and general engineering in the country. It is broadly classified into four sectors - large, medium, small and tiny. A major portion of this industry is made up of small and medium units / enterprises (SMEs). The industry is comprised of 200 organised and 1000 un-organised forging units in the country which are mainly spread across Pune, Chennai, Delhi and Ludhiana. About 85% of the production meets domestic demand while balance is exported. Steel forgings forms a vital part of auto industry. The forging industry depends heavily on the automobile industry which accounts for roughly 70% of the total forging production while the balance is sold to non-auto companies in the area of valves, power sector, earth moving, mining & oil field equipment, engineering, capital goods, etc. The industry was previously more labour intensive; however, it is now becoming more and more capital intensive due to technological advancement. The small scale units too are increasing their capital investment to keep pace with the increasing demand especially in the global markets as also broadening the areas of demand for forgings. Many of them are now suppliers to Original Equipment Manufacturers (OEMs) in the automobile sector also, which speaks volumes about efforts at technology and quality upgradation.

While the automotive industry is the main customer for forgings, your Company has always aimed at reducing its dependency on automobile sector. As such, continuous efforts to enhance our manufacturing capacity through capital investments and diversifying product range have enabled it to expand our base of customers to foreign markets. Your Company is addressing opportunities arising out of the growing trend among global automotive OEMs to outsource components to manufacturers in low-cost countries.

B) Opportunities & Threats :

India is recognized as a global strategic necessity in the manufacturing field. Global OEMs and Tier-1 firms are appreciating the advantages of India's open market economy, transparent and liberal policies, its engineering and manufacturing skills as well as its ability to handle global business. Keeping this in view, the market potential continues to grow for the auto component sector. Within the auto sector, commercial vehicles remain the mainstay for the forging industry. Going further, newer generation cars would require better quality forgings. Taking these estimates into consideration, a conservative estimate (15-20 per cent) of the production of forgings by 2015 would be to the tune of \$6 billion. By offering innovative products, the forging industry is now seeking to increase the overall exports. Further, increasing usage of Aluminum in automobile is offering a great business opportunity in the area of Aluminum based forging. Aluminum based forging is the new-edge market using advanced technology and will clearly have cutting edge in the recent future than the traditional Die-cast Forging method which requires high manpower and has low profitability. In addition to this, on non-auto side Power and Utilities sector also offer various opportunities to the forging industry.

The major forces shaping the forging industry are increasing globalization, demand for a greater return on investment, increased capital productivity, customer expectations for increasingly higher levels of quality at a lower price and changing skill requirements of employees. In addition to this, the industry has to confront challenges at present due to ongoing slowdown. The domestic forging industry is thus looking to reduce its dependence on the auto sector, which accounts for a share of about 70 per cent of total production. In addition to this, increase in cheap imports from China and aesthetic imports from Japan, Korea, Taiwan, Europe and Germany for components such as Axle Assemblies, Power Steering Assemblies, Transmission Gear Boxes, Crank Shaft, Connecting Rods, Gear Change Finger (GC Finger) etc. poses threat to the players in Indian Forging Industry.

During the year 2013-14, your Company made Capital Investment in machinery to the tune of Rs. 56.3 million which has put the Company in advantageous position with growing demands. The Company also implemented cost reduction measures and identified components with low profitability. The customers were requested to consider price revision in these components. With the increasing manufacturing capacity, wide opportunities are open to your Company for business growth and expansion.

C) Outlook :

Your Company by and large has shown sustained growth in its revenue over the last few years except for the financial year ended March 31, 2014. The overall economic slowdown in the economy, more particularly in the automotive sector, is the main reason for drop in volumes in the current year. However, though challenging, Management is confident of overcoming this temporary phase of slowdown and expects revenue growth in the F.Y. 2014-15. The capital investment in machinery has resulted into increase in the manufacturing capacity of the Company. Capacity Utilisation is going to be the key factor for achieving the revenue growth for the Company. In anticipation of reduced growth from the auto sector and imports from Indian auto component business, the Company has already taken steps to reduce its dependence on the auto sector and focus on the opportunities from other sectors as well. Sectors like power, aerospace, defence, aviation, infrastructure and heavy engineering are on the Company radar. With optimum capacity utilisation, cost reduction measures and diversifying the product range, the desired results can be achieved.

D) New Business Development :

During the year under review, your Company developed variety of products as per Customer specifications and requirements. It includes mainly Rocker Levers, Crank Shaft, Stub Axles, Front Suspension Arm, Yoke Shafts etc. In addition to developing domestic business, substantial efforts were taken to improve the export business. The Company subscribed for its participation in "Hannover Exhibition" which took place in early April 2014.

E) Risks and Concerns :

The forging industry, which is a major supplier to the auto companies and a critical industry that generates employment, has been continuously plagued with incessantly rising industrial fuel and steel prices resulting in rising input costs and shrinking margins.

While tapping the growth opportunities, the major risks and areas of concern for the forging industry are increasing input costs such as rising raw material prices, high price of power, inadequate supply of power, unavailability of skilled and unskilled labour and lack of infrastructure among companies in small and very small scale sector.

Apart from the risk associated with the volatility in raw material prices the Company is also exposed to other general risks related to volatility in Foreign Exchange rates, change in taxation structures, increase in interest rates, natural/manmade disasters, and political risks.

In addition to this, retention of talent, both at working 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. The competitive nature of the market for most of the company's products continues to limit the opportunity for increasing prices to fully compensate for the rise in input costs.

F) Internal Controls and Adequacy :

We believe that the Company has adequate internal control systems in place. However, as pointed out by the Statutory Auditors of the Company in their Audit Report, the same needs to be strengthened in view of the increasing complexities in the operating environment. In this regard, your Company has initiated certain steps such as building an internal team known as KOSPO (Kalyani Operating System Promotion Office) which carries out periodic audits to assess the maturity level of various functions, processes and systems. In addition to this, necessary modifications have been made in the internal audit scope for the F.Y. 2014-15.

G) Financial and Operational Performance :

During the year **2013-14** the Company produced forging of **13,433 MT**. Due to slowdown in forging industry sale of machined components reduced to Rs. 706.4 million as against Rs. 1,090 million in the previous year.

**H) 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 barring nominal instances of labour unrest.

I) 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

For the year ended 31st March, 2014

To
The Members,

Your Directors take pleasure in presenting their 35th Annual Report on the business and operations of the Company together with audited statement of accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS :

(Rs. Millions)

Particulars	Financial Year	
	2013-14	2012-13
Total Income	2,077.67	2,623.63
Gross Profit before depreciation	206.45	265.37
Profit after depreciation	71.57	137.26
Profit After Tax	47.79	88.28
Balance of Profit from previous year	793.69	724.88
Profit available for appropriation	841.49	813.16
Less : Transfer to General Reserve	4.78	8.83
Less : Proposed Dividend on Equity Capital	9.10	9.10
Less : Tax on above Dividend	1.55	1.55
Surplus retained in Profit and Loss A/c	826.07	793.69

2. DIVIDEND :

The Directors are pleased to recommend for approval of the members dividend of Rs. 2.5/- per equity share of Rs. 10/- each for the year ended March 31, 2014 absorbing Rs. 10.64 million, including dividend distribution tax for the year 2013-14.

3. PERFORMANCE REVIEW :

During the year under review, the Company earned a total income of Rs. 2,077.67 million for the year ended March 31, 2014. The net profit for the year under review has been Rs. 47.79 million.

4. DIRECTORS :

Pursuant to Section 256 of the Companies Act, 1956 read with articles 160,161 of Articles of Association of the Company and Section 152 (6) of the Companies Act, 2013 Mr. Viraj G. Kalyani and Gaurishankar N. Kalyani, Directors of the Company retire by rotation and are eligible for re-appointment at the ensuing Annual General Meeting.

The brief profile of the Directors seeking re-appointment, forms part of the Corporate Governance Report.

5. TRANSFER TO RESERVES :

The Company has transferred Rs. 4.78 Million from Profit and Loss Account to General Reserve Account.



6. STATUTORY AUDITORS

M/s. P.G. Bhagwat, Chartered Accountants (Firm Reg. No. 101118W) have completed term of four (4) years as Statutory Auditors of the Company. Section 139 of the Companies Act, 2013 and the Rules made thereunder provide that a company can appoint a firm as auditor for maximum two (2) terms of five (5) consecutive years. Accordingly, the Company can re-appoint M/s. P.G. Bhagwat for one (1) more year in this Annual General Meeting thereby completing their first term of five consecutive years. In the subsequent Annual General Meeting, the Company has option to appoint M/s. P.G. Bhagwat for another term of five (5) years.

In this regard, the Company has received a certificate from M/s. P.G. Bhagwat to the effect that their reappointment, if made, will be in accordance with section 139 (1) of the Companies Act, 2013. Your directors recommend their appointment as Statutory Auditors of the Company for the next financial year.

7. AUDITORS' REPORT :

The observations made in the Auditors' Report, read together with the relevant notes thereon, are self-explanatory and hence does not call for any comments under Section 217(3) of the Companies Act, 1956.

8. DIRECTORS' RESPONSIBILITY STATEMENT :

To the best of our knowledge and belief and according to the information and explanation obtained by us, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- i) that in the preparation of the annual accounts for the Financial Year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) that the Directors have selected such accounting policies and applied them consistently and judgments and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2014, and of the profit of the Company for the year ended on that date;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- iv) that the annual accounts have been prepared on a going concern basis.

9. CORPORATE GOVERNANCE :

As per Clause 49 of the Listing Agreement entered into with the stock exchanges, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance is set out separately under Corporate Governance Report.

10. PARTICULARS OF EMPLOYEES :

There is no employee whose particulars are required to be given under Section 217(2A) (a) of the Companies Act 1956 read with Notification dated 31st March, 2011 by Ministry of Corporate Affairs.

11. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company is giving due consideration for the conservation of energy and all efforts are being made to properly utilize the energy resources.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as applicable to the Company is given in the enclosed Annexure - I and the same forms part of this report.

In terms of the aforesaid Rules, the Company has earned foreign exchange of Rs. 415.13 million and has spent Rs. 110.78 million in foreign currency during the year.

12. NOTES ON TAXATION :

In the opinion of Directors, the provision for income tax is sufficient to meet income tax demands. Shortfall, if any, will be met, if necessary, out of reserves.

13. RESEARCH & DEVELOPMENT :

As part of Company's overall strategy throughout the year, the Company remained focused on developing value added products for all market segments. R&D activities undertaken also focus on process cost reductions through increased yields.

Details of the R&D activities undertaken are enumerated in Annexure – I to this report.

14. APPRECIATION :

Your Directors place on record their sincere thanks and appreciation for the confidence reposed and continued support extended by Central and State Governments, Bankers, Customers, Suppliers and Shareholders. Your Board would like to place on record its sincere appreciation to the employees for their dedicated efforts and contribution in playing a very significant part in the Company's operations.

For and on behalf of the Board of Directors

Place : Pune
Date : 19th May, 2014

Rohini G. Kalyani
Chairperson & Managing Director



ANNEXURE – I TO THE DIRECTORS' REPORT

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 ("Rules") and forming part of the Directors' Report for the year ended 31st March, 2014.

A) CONSERVATION OF ENERGY :

- (a) The Company, in its continuous endeavor 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 in power cost.
- (b) 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	2013-14	2012-13
1)	POWER AND FUEL CONSUMPTION		
I)	Electricity		
	a) Purchased Units (KWH)	2,13,90,241	2,49,14,766
	Total Amount (In. Rs)	15,33,15,307	18,95,49,830
	Rate/Unit (Rs)	7.17	7.61
	b) Own Generation		
	i) Through Diesel Generator (KWH)	1,00,409	2,05,220
	ii) Through Steam Generator (KWH)	-	-
II)	Coal	-	-
III)	Fuel Oil (FO + CBFS)		
	Quantity (Ltrs.)	9,71,605	12,12,903
	Total Amount (In Rs.)	4,39,14,158	4,73,64,278
	Average Rate /Litre (Rs.)- FO+CBFS	45.20	60.00
2)	CONSUMPTION PER UNIT OF PRODUCTION		
	Product : high quality closed tolerance die forgings		
	Unit : M.T.	13,433	15,179
	Electricity (KWH)	1,599.83	1641.40
	Fuel Oil (KL/TON)	0.08	0.08
	Coal	NIL	NIL

B) TECHNOLOGY ABSORPTION :

Details related to technology absorption as per Form – B of the Annexure to the Rules is as given below:

1. 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.
- Introduced Hydraulic Die Clamping bolster on 630TP to improve quality & productivity.
- Ongoing Research & Development activities for yield improvement.
- During the year 2013-14, your 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 Rocker Levers, Crank Shafts, Stub Axles, Front Suspension Arm, Flanges, Double Yokes & Yoke Shafts, Bracket Fan, Lobe etc.

II) Benefits derived as a result of above R&D :

- 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) Future Plan of Action :

- Research & Development in single minute exchange of dies project.
- Focused development of variety of cold forging components.
- Planning to commence activities in bigger size Forgings.

IV) Expenditure on Research & Development :

	(Rs. in Million)
Capital Expenditure on R&D	1.19
Recurring Development Expenditure	10.19
Total Expenditure	11.38
Total Turnover (Income from Operations)	2,054.23
Total Expenditure as a percentage of total turnover	0.55%

2. Technology Absorption, Adaptation and Innovation :

Through in-house Research & Development activities, Company has developed outer race forgings for driveline assemblies with internal tracks by warm and cold forging method. With the help of fracture split technology, the Company is now moving towards adoption of technology for critical automotive connecting rods for the overseas markets.

C) FOREIGN EXCHANGE USED AND EARNED :

1. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans :

- Customer visits were made to explore possibilities of new business development and to increase the existing business.
- Subscribed for "Hannover Exhibition" to increase brand visibility of the Company in European Market. The event took place in early week of April 2014.
- Efforts taken during the year has resulted in winning new orders from Customers in Poland.

2. Total foreign exchange used and earned :

	(Rs. in Million)
Earned	415.13
Used	110.78

For and on behalf of the Board of Directors

Place : Pune
Date : 19th May, 2014

Rohini G. Kalyani
Chairperson & Managing Director



REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

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.

2. BOARD OF DIRECTORS :

a) Composition :

As on 31st March 2014, the strength of the Board of Directors was eight Directors, comprising of six non-executive Directors. Five out of eight Directors were independent Directors. The Company is in compliance with the clause 49 of the Listing Agreement pertaining to compositions of Board.

b) Meetings of the Board of Directors:

During the year 2013-14, four board meetings were held on 17th May, 2013, 25th July, 2013, 16th October, 2013 and 25th January, 2014.

c) Directors Attendance Record and Directorships held :

The information on composition and category of the Board of Directors as on 31st March 2014, attendance of each Director at Board Meetings held during the financial year 2013-14 and at the Annual General Meeting held on 29th day of June, 2013, 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 2013-14		Whether attended last AGM	No. of Directorship in other Public Ltd. Companies	Committee positions held in other Public Limited Companies	
		Held	Attended			Member	Chairperson
Dr. N. A. Kalyani *Expired on 24.08.2013	Promoter & Chairman Non-Executive Director (Non-Independent Director)	4	0	No	-	-	-
Mrs. R. G. Kalyani *Appointed as Chairperson & Managing Director w.e.f 16.10.2013	Chairperson & Managing Director (Non-Independent Director)	4	4	Yes	-	-	-
Mr. G. N. Kalyani	Non-Independent Non-Executive Director	4	4	Yes	-	-	-

Name	Category	Number of Board Meetings held during the year 2013-14		Whether attended last AGM	No. of Directorship in other Public Ltd. Companies	Committee positions held in other Public Limited Companies	
		Held	Attended			Member	Chairperson
Mr. C. H. Naniwadekar	Non – Executive Independent Director	4	4	Yes	1	-	-
Mr. Pradip Nadkarni	Non – Executive Independent Director	4	2	Yes	-	-	-
Mr. Ashok R. Jamenis	Non – Executive Independent Director	4	4	Yes	1	7	-
Mr. S. Ravindran	Non – Executive Independent Director	4	1	Yes	-	-	-
Mr. Viraj G. Kalyani	Executive Director (Non-Independent Director)	4	4	Yes	-	-	-
Mr. U. R. Lahoti	Non – Executive Independent Director	4	-	No	7	3	-

* 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 Investors Grievance Committee are considered for this purpose.

d) 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.

e) 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 35th Annual General Meeting and discloses the relevant information as required hereunder pursuant to Clause 49 of the Listing Agreement.

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 clause 49 of the Listing Agreement read with section 292A of the Companies Act 1956.

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 comprises of four members all of which are Non-Executive Independent Directors.



Mr. C. H. Naniwadekar, an Independent Director, is the Chairman of the Audit Committee and Mr. Amogh Barve, Company Secretary of the Company is the Secretary to the committee.

Terms of reference to Audit Committee cover the matters specified under clause 49 of the Listing Agreement with the Stock Exchanges.

b) Composition and attendance at Audit Committee Meeting :

During the year under review four Audit Committee Meetings were held on 17th May, 2013, 25th July, 2013, 16th October, 2013 and 25th January, 2014.

The composition of the Audit Committee as on 31st March, 2014 and attendance of members in the meetings held during the financial year 2013-14 is as under:

Name of the Member	Category	No. of meetings attended
Mr. C. H. Naniwadekar (Chairman)	Non – Executive & Independent Director	4
Mr. Pradip Nadkarni	Non – Executive & Independent Director	2
Mr. Ashok R. Jamenis	Non – Executive & Independent Director	4
Mr. S. Ravindran	Non – Executive & Independent Director	1

4. REMUNERATION COMMITTEE :

a) Brief Description and Terms of Reference :

The purpose of the 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 programmes.

The Committee consists of four Non-Executive Independent Directors.

Mr. Ashok R. Jamenis is the Chairman of the Remuneration Committee.

b) Composition and attendance at Remuneration Committee Meeting:

During the year under review, one meeting of the Remuneration Committee took place on January 25, 2014 and all the members except Mr. S. Ravindran were present for this meeting. Leave of absence was granted to Mr. Ravindran as requested by him.

The composition of the Remuneration Committee as on 31st March, 2014 is as under :

Name of the Director	Category
Mr. A. R. Jamenis (Chairman)	Non-Executive Independent Director
Mr. C. H. Naniwadekar	Non-Executive Independent Director
Mr. Pradip Nadkarni	Non-Executive Independent Director
Mr. S. Ravindran	Non-Executive Independent Director

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.

d) Remuneration to Directors :

The Company pays remuneration by way of salary, perquisites, allowances and commission to its Chairperson & Managing Director and to its Executive Director. The Commission to the Chairperson and Managing Director was decided by the Remuneration Committee in its meeting held on 22nd January, 2010 and approved by the Members at their meeting held on 17th July, 2010 whereas the appointment and Remuneration of the Executive Director was approved by the Members at the Annual General Meeting held on June 29, 2013.

The remuneration paid to the Chairperson & Managing Director and to the Executive Director is within the ceiling limit prescribed under the provisions of the Companies Act, 1956 and Schedule XIII attached thereto.

All Non-Executive Directors of the Company receive sitting fees for each meeting of Board and Committee thereof attended by them. Pursuant to approval of the Shareholders accorded in the Annual General Meeting held on July 23, 2011, the net profits of the Company, not exceeding 1%, are distributable as commission, amongst the Non-Executive Directors considering the special services and efforts rendered by them and attendance to the Board Meetings. Other than sitting fees and commission on the net profits of the Company, no other remuneration is paid to the Non-Executive Directors during the financial year.

The details of remuneration paid/payable to Directors of the Company during the financial year 2013-2014 is as under :

(Amount in Rupees)

Name of the Director	Sitting fees including fees for Committee Meetings	Salaries & Perks	Commission	Total Amount
Dr. N. A. Kalyani	-	-	-	-
Mrs. R. G. Kalyani	-	20,72,337	15,50,000	36,22,337
Mr. G. N. Kalyani	25,000	-	1,20,000	1,45,000
Mr. C. H. Naniwadekar	45,000	-	1,60,000	2,05,000
Mr. Pradip Nadkarni	21,000	-	1,30,000	1,51,000
Mr. A. R. Jamenis	40,000	-	2,20,000	2,60,000
Mr. S. Ravindran	10,000	-	70,000	80,000
Mr. Viraj G. Kalyani	-	18,59,868	10,50,000	29,09,868
Mr. U. R. Lahoti	-	-	-	-

Your Company presently does not have performance linked incentives for its Directors. No severance fee is payable.



5. SHARE TRANSFER CUM SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE :

a) Brief Description and Terms of Reference :

Share Transfer cum Shareholders' / Investors' Grievance Committee was constituted to look into redressal of Shareholders' and Investors' Complaints and matters such as, non-receipt of annual report, non-receipt of dividend etc. and to look into matters that can facilitate better services and relations.

The committee consists of three Non-Executive Independent Directors.

Mr. Gaurishankar N. Kalyani is the Chairman of the committee.

b) Composition and attendance at the Share Transfer cum Shareholders'/ Investors' Grievance Committee :

During the year under review, four meetings of the Share Transfer cum Shareholders'/ Investors' Grievance Committee were held on April 22, 2013, July 14, 2013, September 30, 2013 and December 16, 2013.

The composition of the Share Transfer cum Shareholders'/ Investors' Grievance Committee as on 31st March, 2014 and attendance of members in the meetings held during the financial year 2013-14 is as under :

Name of the Member	Category	No. of meetings attended
Mr. Gaurishankar N. Kalyani (Chairman)	Non-Executive Non-Independent Director	4
Mr. Pradip Nadkarni	Non-Executive Independent Director	2
Mr. C. H. Naniwadekar	Non-Executive Independent Director	4

The Company has received three (3) Complaints during the year and all of them were resolved. There were no pending share transfers and complaints as on 31st March, 2014.

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
2010-11	23 rd July, 2011 at 11.00 a.m.	Poona Club Ltd., Camp Pune – 411 001.	1
2011-12	21 st July, 2012 at 11.00 a.m.	Poona Club Ltd., Camp Pune – 411 001.	-
2012-13	29 th June, 2013 at 11.00 a.m.	Poona Club Ltd., Camp Pune – 411 001.	-

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

7. DISCLOSURES :**a) Materially Significant Related Party Transactions :**

All related party transactions form part of the Note No. 27.15 to the Balance Sheet. 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.

b) Accounting Treatment :

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

c) Statutory Compliance, Strictures 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.

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 Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis have been issued by Apte Joshi & Associates, Company Secretaries in Practice for due compliance of share transfer formalities by the Company.
- Apte Joshi & 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).

e) Cost Audit :

The Central Government has approved the appointment of Mr. Rahul Chincholkar as Cost Auditor of the Company for the financial year 2013-14.

The Cost Audit Report for the financial year ended March 31, 2013 was submitted to the Board in its meeting held on January 25, 2014.

8. 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. There is hardly any official news required to be released on website or even in Press.



9. GENERAL SHAREHOLDER INFORMATION

a) AGM information and Financial Year :

Day, Date and Time of AGM	:	Thursday, 18 th September, 2014
Venue	:	Poona Club Ltd., Camp, Pune – 411 001
Financial Year	:	1 st April 2013 to 31 st March 2014
Date of Book Closure	:	September 11, 2014 to September 18, 2014 (both days inclusive)
Dividend Payment Date	:	On and after September 18, 2014

b) Listing on Stock Exchanges and Scrip Code :

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

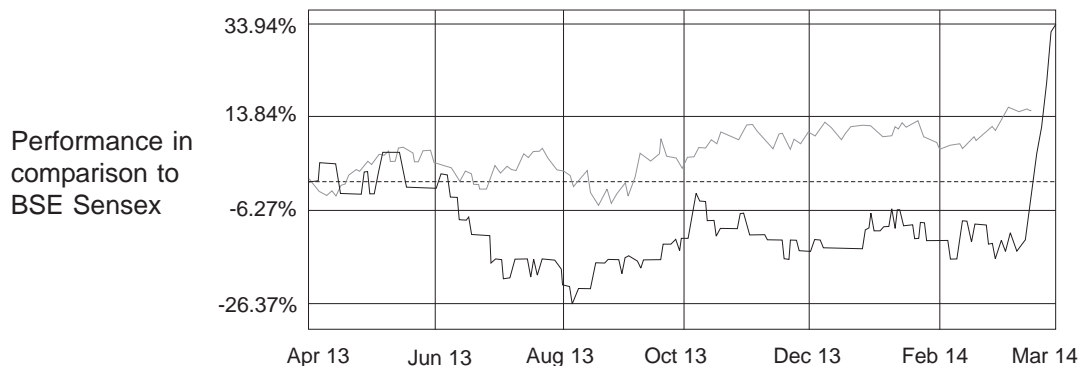
- National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
NSE Code: KALYANIFRG
- Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Scrip Code BSE Code: 513509

Annual listing fees and custodian fees have been paid for the financial year 2014-15.

c) Market Price Data :

The monthly high and low quotations of shares traded on BSE and NSE from 1st April, 2013 up to 31st March, 2014 is as follows :

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
Apr-2013	125.00	115.00	125.40	125.40
May-2013	127.70	117.00	131.00	102.00
Jun-2013	122.80	98.85	103.10	84.55
Jul-2013	101.00	95.05	88.20	80.05
Aug-2013	100.00	88.50	93.45	85.00
Sep-2013	110.00	96.05	101.50	92.50
Oct-2013	117.00	103.55	112.00	110.00
Nov-2013	108.95	100.10	107.50	102.00
Dec-2013	107.95	101.85	113.00	101.00
Jan-2014	113.40	103.50	109.75	101.70
Feb-2014	110.00	100.00	110.00	101.80
Mar-2014	166.70	98.00	165.60	103.05

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

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, 2014 :

Category	Number of Shares	Percentage (%)
Promoter and Promoter Group	21,30,646	58.57
Non Resident Indians	3,882	0.11
Bodies Corporate	8,28,592	22.78
Resident Indians	6,71,693	18.46
Financial Institutions/Banks/Trust	100	0.00
Clearing Member	3,087	0.08

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, 2014 :

Shareholding Class (Rs.)	No. of Shareholders	Total Holding in Rupees	Percentage of Total Holders (%)	Percentage of Total Capital (%)
Up to 5000	3,117	42,40,260	98.827	11.655
5001-10000	4	2,35,420	0.127	0.647
10001-20000	2	2,31,010	0.063	0.635
20001-30000	2	5,47,000	0.063	1.504
30001-40000	13	42,44,930	0.412	11.668
40001-50000	1	4,68,200	0.032	1.287
50001-100000	7	56,31,020	0.222	15.478
100001 & above	8	2,07,82,160	0.254	57.125
Total	3,154	3,63,80,000	100.000	100.000

i) Dematerialization of shares and liquidity :

Company's equity shares are being dealt in dematerialized form and the ISIN is INE314G0104. As on 31st March, 2014, 27,72,513 (76.21%) number of shares are 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 Autocomp 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 2014 to 31st March 2015.
Financial Reporting for :

Quarter ending 30 th June, 2014	Upto 14 th August, 2014
Half Year ending 30 th September, 2014	Upto 15 th November, 2014
Quarter ending 31 st December, 2014	Upto 15 th February, 2015
Year ending 31 st March, 2015	Upto 30 th May, 2015
Annual General Meeting for the year ended March 31, 2015.	Upto 30 th September, 2015

m) Unclaimed Dividend :

- All unclaimed/unpaid dividend amounts for the financial year 2005-06 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.
- The unclaimed dividend declared in respect of the financial year 2006-07 declared on September 22, 2007 can be claimed by the shareholder by October 29, 2014.

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 Report is provided separately and forms part of this report.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of
Kalyani Forge Ltd.,
Pune

We have examined the compliance of conditions of Corporate Governance by Kalyani Forge Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreements of the said company with the recognized stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of listing agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an opinion on the financial statements of the company.

In our opinion and to best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For M/S P. G. BHAGWAT

Chartered Accountants

Firm Registration Number 101118W

Nachiket Deo

Partner

Membership Number 117695

Place : Pune

Date : 19th May, 2014

As provided under clause 49 of the listing agreement entered with the stock exchanges, the board members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31st March 2014.

For Kalyani Forge Limited

Rohini G. Kalyani

Chairperson & Managing Director

Place : Pune

Date : 19th May, 2014

CMD & CFO CERTIFICATION

To,
The Board of Directors,

As required by sub clause V of the Clause 49 of the Listing Agreement entered with the stock exchanges, this is to certify that :

- a) We have reviewed Financial Statements and Cash Flow Statement for and up to the year/quarter ended 31st March, 2014 and that to the best of our knowledge and belief :
 - i) These statements do not contain any material untrue statement of fact or omit to state any material fact or contain any statement that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our 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 and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the auditor and the Audit Committee:
 - i) Significant changes in internal controls during the period;
 - ii) Significant changes in accounting policies during the period and that the same have been disclosed; and
 - iii) that there are no 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 Company's internal control system.

For Kalyani Forge Limited,

Rohini G. Kalyani,
Chairperson & Managing Director

Place : Pune
Date : 19th May, 2014

Niteen P. Adhi
Chief Financial Officer



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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. These 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which the cess is to be paid, no cess is due and payable by the Company.

For M/S P. G. BHAGWAT

Chartered Accountants

Firm Registration Number 101118W

Nachiket Deo

Partner

Membership Number 117695

Place : Pune

Date : 19th May, 2014



ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements of even date

- (i) (a) The company has maintained proper records showing full particulars of fixed assets including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals with regard to size of the company and nature of its assets. According to information and explanations given to us, discrepancies noticed on physical verification were not material and have been properly dealt with accounts.
- (c) According to the information & explanation given to us, the company has not disposed off major part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory (excluding stock with third parties) at reasonable Intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion the Company is maintaining proper records of inventory. As informed to us, the discrepancies noticed on verification between physical stock and book records were not material.
- (iii) (a) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained as per section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (b) (c) and (d) are not applicable to the company.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained as per section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (f) and (g) are not applicable to the company.
- (iv) **In our opinion and according to the information and explanations given to us and the results of the internal audits, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of the inventory, fixed assets and for the sale of the goods and services. However, the same are required to be strengthened in view of increasing complexities in the operating environment.**
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. 5 lakhs in respect of any party during the year have been made at the prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) As informed to us the company has not accepted any deposit from public. Accordingly, the provision of clause 4 (vi) is not applicable to the company.
- (vii) On the basis of Internal Audit Reports broadly reviewed by us, we are of the opinion that the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate and complete.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed

statutory dues including income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to information and explanation given to us, the particulars of dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess as at 31st March, 2014 which have not been deposited on account of a dispute, 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
Excise	Cenvat Credit on Rejection Received from customer	7,27,018	From 2000-01 to 2011-12	High Court, Mumbai, Deputy Commissioner of Central Excise, Pune and CESTAT, 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.
Income Tax	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	High Court, Mumbai
	Loss on options settled. Expenditure incurred on exempted income disallowed. Stock value differences	21,06,567	AY 2009-10	High Court, Mumbai & ITAT Pune.
	Expenditure incurred on exempted income disallowance, Bad debts, additional depreciation & interest thereon.	81,37,980	AY 2011-12	Commissioner of Income Tax (Appeals) Pune.

- (x) The Company has no accumulated losses as at 31st March 2014. The company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank as at the balance sheet date.
- (xii) According to information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provision of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.



- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company has maintained proper records of transactions and contracts relating to dealing in shares, securities, debentures and other investments during the year and timely entries have been made therein. All the investments are held by the company in its own name except to the extent of the exemption granted u/s 49 of the Act.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanation given to us, on overall basis the term loans have been applied for the purpose for which they were raised.
- (xvii) In our opinion and according to information and explanation given to us, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to information and explanation given to us, the company has not made any preferential allotment of any shares to parties and companies covered under Section 301 of the Companies Act, 1956.
- (xix) According to information and explanation given to us, the company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable the company.
- (xx) According to information and explanation given to us, the company has not made any public issue to raise money during the year. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable the company.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by management.

For M/S P. G. BHAGWAT
Chartered Accountants
Firm Registration Number 101118W

Nachiket Deo
Partner
Membership Number 117695

Place : Pune
Date : 19th May, 2014

Balance Sheet as at 31st March, 2014

Particulars	Note No.	As at 31 st March 2014 Rs.	As at 31 st March 2013 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	3,63,90,000	3,63,90,000
(b) Reserves and surplus	2	99,14,72,330	95,43,14,616
		<u>1,02,78,62,330</u>	<u>99,07,04,616</u>
2. Non-current liabilities			
(a) Long-term borrowings	3	21,44,02,963	31,89,33,142
(b) Deferred tax liabilities (net)	4	3,96,45,436	5,03,71,481
		<u>25,40,48,399</u>	<u>36,93,04,623</u>
3. Current liabilities			
(a) Short-term borrowings	5	27,89,50,168	27,97,24,689
(b) Trade payables	6	30,25,25,209	31,10,27,616
(c) Other current liabilities	7	20,18,37,572	19,81,47,858
(d) Short-term provisions	8	3,67,24,147	3,80,11,543
		<u>82,00,37,096</u>	<u>82,69,11,706</u>
TOTAL		<u>2,10,19,47,825</u>	<u>2,18,69,20,945</u>
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
Tangible assets	9	78,43,02,358	82,45,82,179
Intangible assets	10	62,51,072	59,61,613
Capital work-in-progress		13,83,26,287	7,17,20,078
(b) Non-current investments	11	50,000	50,000
(c) Long-term loans and advances	12	4,06,77,824	14,71,13,894
(d) Other non-current assets	13	4,85,71,813	4,41,32,435
		<u>1,01,81,79,354</u>	<u>1,09,35,60,199</u>
2. Current assets			
(a) Inventories	14	36,96,98,158	32,70,57,559
(b) Trade receivables	15	53,18,01,972	59,78,37,266
(c) Cash and bank balances	16	4,28,58,214	5,90,42,889
(d) Short term loans and advances	17	12,38,49,410	9,17,37,267
(e) Other current assets	18	1,55,60,717	1,76,85,765
		<u>1,08,37,68,471</u>	<u>1,09,33,60,746</u>
TOTAL		<u>2,10,19,47,825</u>	<u>2,18,69,20,945</u>

Notes forming part of the financial statements 27

As per our attached report of even date.

For and on behalf of the Board of Directors

FOR M/S P. G. BHAGWAT
Firm Registration Number : 101118W
Chartered Accountants

ROHINI G. KALYANI
Chairperson & Managing Director

C. H. NANIWADEKAR
Director

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 19th May 2014

NITEEN P. ADHI
Chief Financial Officer

Pune : 19th May 2014

AMOGH BARVE
Company Secretary

Pune : 19th May 2014



Statement of Profit and Loss for the period ended 31st March, 2014

Particulars	Note No.	2013-14 Rs.	2012-13 Rs.
I. Revenue from operations	19		
Sale of products (gross)		2,23,18,49,615	2,81,97,41,694
Less : Excise duty		21,76,23,058	23,99,82,276
Net Sales		2,01,42,26,557	2,57,97,59,418
Other operating income		4,00,04,756	2,78,00,575
Net Revenue from operations		2,05,42,31,313	2,60,75,59,993
II. Other income	20	2,34,41,366	1,60,67,001
III. Total revenue (I + II)		2,07,76,72,679	2,62,36,26,994
IV. Expenses :			
(a) Cost of materials consumed	21	1,03,68,50,003	1,31,01,99,555
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	4,29,182	(1,66,60,360)
(c) Employee benefits expenses	23	21,76,29,479	23,78,81,564
(d) Finance costs	24	5,26,04,909	7,97,92,006
(e) Depreciation and amortization expenses	25	13,48,80,738	12,81,13,902
(f) Other expenses	26	56,37,06,004	74,70,44,624
Total Expenses (a to f)		2,00,61,00,315	2,48,63,71,291
V. Profit before exceptional and extraordinary items and tax (III-IV)		7,15,72,364	13,72,55,703
VI. Exceptional items		-	-
VII. Profit before tax (V-VI)		7,15,72,364	13,72,55,703
VIII. Tax expense :			
(a) Current tax			
(i) For the year		3,45,00,000	5,25,00,000
(ii) For earlier year		-	-
(b) Deferred tax		(1,07,26,045)	(35,20,592)
		2,37,73,955	4,89,79,408
IX. Profit (loss) for the period (VII-VIII)		4,77,98,409	8,82,76,295
XII. Earnings per equity share :			
(a) Basic		13.14	24.27
(b) Diluted		13.14	24.27

Notes forming part of the financial statements 27

As per our attached report of even date.

For and on behalf of the Board of Directors

FOR M/S P. G. BHAGWAT
Firm Registration Number : 101118W
Chartered Accountants

ROHINI G. KALYANI
Chairperson & Managing Director

C. H. NANIWADEKAR
Director

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 19th May 2014

NITEEN P. ADHI
Chief Financial Officer

Pune : 19th May 2014

AMOGH BARVE
Company Secretary

Pune : 19th May 2014

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2013-14

Particulars	31 st March 2014 Rs.	31 st March 2013 Rs.
A. CASH FROM OPERATING ACTIVITIES		
Profit before Taxation	7,15,72,364	13,72,55,703
Add: Depreciation	13,48,80,738	12,81,13,902
Loss on assets sold, discarded, scrapped	2,44,447	95,246
Provision for doubtful debts	28,69,854	42,48,078
Interest & finance charges	5,26,04,909	7,35,95,640
Wealth Tax (Included in Rates & Taxes)	25,800	35,700
	19,06,25,748	20,60,88,566
	26,21,98,112	34,33,44,269
Less: Surplus on sale of assets during the year	31,025	8,39,777
Provision no longer required	53,62,474	12,00,000
	53,93,499	20,39,777
Operating profit before working capital changes	25,68,04,613	34,13,04,492
(Increase)/Decrease in Current & Non-Current Assets		
Inventories	(4,26,40,599)	24,48,864
Sundry Debtors	6,33,66,012	2,32,20,554
Other Current Assets and Loans & Advances	(3,00,79,994)	1,66,18,121
Increase/(Decrease) in Current & Non-Current Liabilities	(1,10,46,318)	(2,16,73,004)
	(2,04,00,899)	2,06,14,535
Net cash generated from operations	23,64,03,714	36,19,19,027
Less : Income tax paid	4,44,38,443	6,00,30,725
NET CASH FROM OPERATING ACTIVITIES	19,19,65,271	30,18,88,302
B. CASH FROM INVESTING ACTIVITIES		
Addition to Fixed Assets	(5,66,72,147)	(23,64,55,145)
Sale Proceeds of Assets	2,89,790	10,99,786
NET CASH FROM INVESTING ACTIVITIES	(5,63,82,357)	(23,53,55,359)
C. CASH FROM FINANCING ACTIVITIES		
Availment /(Repayment) in Cash Credit & PCFC from Banks	(7,74,521)	(12,77,88,854)
Availment /(Repayment) in Other Secured Loans	(7,86,64,991)	10,84,82,440
Availment /(Repayment) in Unsecured Loans	(94,84,031)	(1,01,11,058)
Interest & Finance Charges paid	(5,34,04,346)	(7,22,87,580)
Dividend including Dividend Tax paid	(1,05,89,763)	(1,05,34,462)
NET CASH FROM FINANCING ACTIVITIES	(15,29,17,652)	(11,22,39,514)
NET INCREASE/(USE) OF CASH AND CASH EQUIVALENTS	(1,73,34,738)	(4,57,06,571)
Opening Balances of Cash and Cash equivalents	3,86,70,430	8,43,77,001
Closing Balances of Cash and Cash equivalents	2,13,35,692	3,86,70,430

As per our attached report of even date.

For and on behalf of the Board of Directors

FOR M/S P. G. BHAGWAT
Firm Registration Number : 101118W
Chartered Accountants

ROHINI G. KALYANI
Chairperson & Managing Director

C. H. NANIWADEKAR
Director

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 19th May 2014

NITEEN P. ADHI
Chief Financial Officer
Pune : 19th May 2014

AMOGH BARVE
Company Secretary
Pune : 19th May 2014



Note nos. 1 to 27 annexed to and forming part of the Financial Statements for the year ended 31st March, 2014

PARTICULARS

**As at 31st
March 2014
Rs.** **As at 31st
March 2013
Rs.**

NOTE 1 : SHARE CAPITAL**Authorised share capital**

75,00,000 (75,00,000) Equity shares of Rs 10/- each	7,50,00,000	7,50,00,000
50,00,000 (50,00,000) Cumulative Redeemable Preference Shares of Rs 10/- each	5,00,00,000	5,00,00,000
25,00,000 (25,00,000) Unclassified Shares of Rs 10/- each	2,50,00,000	2,50,00,000
	<u>15,00,00,000</u>	<u>15,00,00,000</u>

Issued share capital

36,40,000 (36,40,000) Equity shares of Rs.10/- each	<u>3,64,00,000</u>	<u>3,64,00,000</u>
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Subscribed & fully paid-up Share Capital

36,38,000 (36,38,000) Equity shares of Rs. 10/- each fully paid-up	3,63,80,000	3,63,80,000
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Forfeited Equity Shares

Forfeited Equity Shares (Amount paid-up)		
2,000 (2,000) Equity Shares	10,000	10,000
Total	<u>3,63,90,000</u>	<u>3,63,90,000</u>

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

Particulars	31 st March, 2014		31 st March, 2013	
	No. of Shares	In Rs.	No. of Shares	In Rs.
At the beginning of the period	36,38,000	3,63,80,000	36,38,000	3,63,80,000
Issued / Reduction if any during the period	-	-	-	-
Outstanding at the end of the period	<u>36,38,000</u>	<u>3,63,80,000</u>	<u>36,38,000</u>	<u>3,63,80,000</u>

2 Terms/Rights attached to the equity shares

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.

The Board of Directors has recommended a dividend of 25% (Rs. 2.50/- per share) for the financial year.

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/ultimate holding Company and/or their subsidiaries/associates

NIL

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

Sr. No.	Name of Shareholder	31 st March, 2014		31 st March, 2013	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1.	Kalyani Consultants Pvt. Ltd.	3,77,280	10.37	3,77,280	10.37
2.	Bhalchandra Investments Ltd.	3,49,000	9.59	3,49,000	9.59
3.	Vakratund Investment Pvt. Ltd.	3,42,342	9.41	3,42,342	9.41
4.	Pax Investment Pvt. Ltd.	3,40,074	9.35	3,40,074	9.35
5.	Squirrel Financers and Investors Pvt. Ltd.	1,86,480	5.13	1,86,480	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

PARTICULARS

	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
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NOTE 2 : RESERVES AND SURPLUS

Capital reserve as per last year	25,00,000	25,00,000
Capital Redemption Reserve as per last year	10,00,000	10,00,000
Securities Premium as per last year	6,91,62,500	6,91,62,500

General reserve

Opening balance	8,79,59,659	7,91,31,659
Add: Set aside this year	47,80,000	88,28,000
Closing balance	9,27,39,659	8,79,59,659

Surplus/(deficit) in the Statement of Profit and Loss

Balance as per last financial statements	79,36,92,457	72,48,84,857
Add: Profit for the year	4,77,98,409	8,82,76,295
Balance available for appropriation	84,14,90,866	81,31,61,152

Less: Appropriations

Transferred to general reserve	47,80,000	88,28,000
Proposed dividend	90,95,000	90,95,000
Tax on proposed dividend	15,45,695	15,45,695
	82,60,70,171	79,36,92,457
Total	99,14,72,330	95,43,14,616

NOTE 3 : LONG - TERM BORROWINGS**Secured : Term Loan From Banks**

State Bank of India	8,63,40,001	15,08,04,000
Indian Overseas Bank	6,87,17,995	9,77,54,112
	15,50,57,996	24,85,58,112

Unsecured : Other Long Term Borrowing

Sales Tax Deferral Liability under Package Scheme of Incentives 1979,1988 and 1993.	5,93,44,967	7,03,75,030
Total	21,44,02,963	31,89,33,142

Terms of Repayment

1. Term Loan of Rs.12,00,00,000 is availed from State Bank of India, IFB, Pune at the rate of interest of 4.50% above base rate. Balance outstanding as on 31st March 2014 is Rs. 5,25,00,001/- (P. Y. Rs. 8,25,00,000/-). Out of these, amount treated as current maturities of long term debts as on 31st March 2014 is Rs. 3,00,00,000/- (P. Y. Rs. 3,00,00,000/-) This loan is to be repaid in five years starting from November, 2011.
2. Term Loan of Rs. 15,00,20,860/- is availed from State Bank of India, IFB, Pune out of the total sanction limit at the rate of interest of 3% above base rate. Balance outstanding as on 31st March 2014 is Rs. 9,83,04,000/- (P.Y. Rs. 13,27,68,000/-). Out of these, amount treated as current maturities of long term debts as on 31st March, 2014 is Rs. 3,44,64,000/-(P. Y. Rs.3,44,64,000/-). This loan is to be repaid in five years starting from October, 2012.
3. Term Loan of Rs. 11,17,18,988/- is availed from Indian Overseas Bank, Karve Road Branch, Pune out of the total sanction limit at the rate of interest of 2.0% above base rate. Balance outstanding as on 31st March 2014 is Rs. 9,75,17,995/- (P. Y. Rs 11,17,18,988/-). Out of this, amount treated as current maturities of long term debts as on 31st March 2014 is Rs. 2,88,00,000 (P. Y. Rs.1,39,64,875/-). This loan is to be repaid in five years starting from October, 2013.



4. Sales Tax Deferral Liability under package scheme of incentive 1988 and 1993 as on 31st March 2014 is of Rs. 70,375,030/- (P. Y. Rs. 7,98,59,061/-). Out of these, amount treated as current maturities of long term debts as on 31st March 2014 is Rs. 1,10,30,063/- (P. Y. Rs. 94,84,031/-). This liability for 1988 Scheme is to be repaid within two years and for 1993 Scheme is to be repaid within six years.

Nature of security

1. For the above Rupee Term Loans, the company has created the first pari passu charge together (both the banks) by way of hypothecation on assets to be acquired out of bank finance as primary security and first pari passu charge by way of hypothecation on the existing fixed assets including land and building situated at Sanaswadi and Koregaon Bhima, Pune as a collateral security.

PARTICULARS

	As at 31 st March 2014 Rs.	As at 31 st March 2013 Rs.
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Note 4 : Deferred tax liabilities (net)

Deferred tax liability	5,27,50,185	6,22,09,869
Less: Deferred tax asset	1,31,04,749	1,18,38,388
Total	3,96,45,436	5,03,71,481

As required by Accounting Standard (AS 22) "Taxes on Income" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, the Company has recognised deferred taxes, which result from timing differences between book profits and tax profits for the period, the details of which are as under.

(i) Deferred Tax Liabilities		
Depreciation & Amortisation	5,27,50,185	6,22,09,869
(ii) Deferred Tax Assets		
(a) Privilege Leave and Gratuity Provision	74,34,825	59,94,627
(b) Provision for Doubtful debts & advances	46,45,774	36,70,310
(c) VRS Compensation	10,24,150	21,73,451
(d) Others	-	-
Total (a+b+c+d) [ii]	1,31,04,749	1,18,38,388
Deferred Tax Liability (Net) [i-ii]	3,96,45,436	5,03,71,481

NOTE 5 : SHORT-TERM BORROWINGS

Loans payable on demand : Secured

Cash credit from Bank	23,53,13,300	19,92,05,482
Short Term Loan-IDBI	-	4,80,00,000
Packing credit foreign currency loan	4,36,36,868	3,25,19,207
Total	27,89,50,168	27,97,24,689

1. Company's fund and non-fund based working capital facilities of Rs. 73,40,00,000 are secured by first charge by way of hypothecation on *pari passu* basis with existing working capital lenders [State Bank of India, IFB, Pune (Lead Bank), Bank of Maharashtra, Pune and IDBI Bank, Pune] 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. Short term loan of Rs. 4,80,00,000/- was availed from IDBI Pune for 90 days of the total sanctioned limit at the rate of interest of 2.25% above base rate. Balance outstanding as on 31st March 2014 is Nil (P.Y. Rs.4,80,00,000/-).
3. The packing credit foreign currency loan is availed from Bank of Maharashtra and State Bank of India, Pune at the rate of Interest of 3.25% (the Margin) over fixed USD London Inter-bank Offer Rate i.e. LIBOR.

PARTICULARS

As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
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NOTE 6 : TRADE PAYABLES

Acceptances	2,83,69,628	1,91,83,394
Trade payables	27,41,55,581	29,18,44,222
Total	30,25,25,209	31,10,27,616

NOTE 7 : OTHER CURRENT LIABILITIES

Current maturities of long-term debts (Refer note 3)	10,42,94,063	8,79,12,906
Interest accrued and due on borrowings	30,75,667	38,75,104
Unclaimed dividends	6,63,675	6,12,743
Advances from customers	38,38,889	63,22,055
Amounts due for capital purchases	1,87,16,911	1,37,21,601
Sales Bill Discounted	-	-
Other payables		
Statutory dues including provident fund and tax deducted at Source	36,93,742	53,31,304
Employee benefits payable	2,10,19,327	2,26,56,312
Other liabilities	4,65,35,298	5,77,15,833
Total	20,18,37,572	19,81,47,858

NOTE 8 : SHORT-TERM PROVISIONS**Provision for employee benefits**

Provision for gratuity (Refer note 27.7)	1,27,84,024	97,82,242
Provision for leave encashment (Refer note 27.7)	1,32,99,428	1,20,64,087
	2,60,83,452	2,18,46,329

Others

Tax provision (Net of tax paid in advance)	-	55,24,519
Proposed dividend	90,95,000	90,95,000
Tax on proposed dividend	15,45,695	15,45,695
	1,06,40,695	1,61,65,214
Total	3,67,24,147	3,80,11,543

**NOTE : 9 - TANGIBLE & INTANGIBLE ASSETS**As On 31st March, 2014

Fixed Assets	Land Freehold	Buildings	Roads	Borewell	Plant & Machinery	Electrical Installation	Factory Equipment	Laboratory Equipments	Furniture & Fixture	Office Equipment	Data Processing Equipment	Vehicles	Power Line *	Tangible Assets Total
Gross Block														
As at 31 st March 2012	2,13,04,497	19,13,00,663	1,18,19,829	1,27,295	1,32,37,85,633	9,67,63,213	7,20,01,256	1,31,70,958	1,05,01,210	53,77,279	2,16,66,206	1,39,28,679	52,39,365	1,78,69,86,083
Additions	-	1,09,89,465	6,29,370	-	11,50,13,328	15,70,000	63,58,258	9,32,466	1,48,262	5,67,954	23,80,040	-	-	13,85,89,142
Recoupment / Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	47,91,857	2,18,677	1,37,852	-	-	1,02,215	-	4,84,055	-	57,34,656
As at 31st March, 2013	2,13,04,497	20,22,90,128	1,24,49,199	1,27,295	1,43,40,07,104	9,81,14,536	7,82,21,662	1,41,03,424	1,06,49,472	58,43,018	2,40,46,246	1,34,44,624	52,39,365	1,91,98,40,569
Gross Block														
As at 31 st March, 2013	2,13,04,497	20,22,90,128	1,24,49,199	1,27,295	1,43,40,07,104	9,81,14,536	7,82,21,662	1,41,03,424	1,06,49,472	58,43,018	2,40,46,246	1,34,44,624	52,39,365	1,91,98,40,569
Additions	-	4,17,69,010	-	-	4,90,86,380	-	21,43,955	-	-	2,49,670	7,44,573	-	-	9,39,93,588
Inter Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoupment / Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	5,43,078	10,446	90,933	12,45,891	-	18,90,348
As at 31st March, 2014	2,13,04,497	24,40,59,138	1,24,49,199	1,27,295	1,48,30,93,484	9,81,14,536	8,03,65,617	1,41,03,424	1,01,06,394	60,82,242	2,46,99,886	1,21,98,733	52,39,365	2,01,19,43,809
Depreciation														
Upto 31 st March, 2012	-	5,58,67,518	12,91,534	43,364	77,40,39,496	5,72,12,116	4,09,47,475	70,96,395	65,66,892	22,12,092	1,79,17,915	54,12,652	41,04,738	97,27,12,186
For the year	-	66,64,733	2,02,725	2,027	10,10,60,213	82,67,619	62,76,401	13,92,443	4,65,626	2,56,034	16,00,372	12,74,845	4,62,566	12,79,25,604
Inter Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoupment / Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	47,91,854	2,18,677	1,06,809	-	-	81,166	-	1,80,894	-	53,79,400
As at 31st March, 2013	-	6,25,32,251	14,94,259	45,391	87,03,07,855	6,52,61,058	4,71,17,067	84,88,838	70,32,518	23,86,960	1,95,18,287	65,06,603	45,67,304	1,09,52,58,390
Depreciation														
Upto 31 st March, 2013	-	6,25,32,251	14,94,259	45,391	87,03,07,855	6,52,61,058	4,71,17,067	84,88,838	70,32,518	23,86,960	1,95,18,287	65,06,603	45,67,304	1,09,52,58,390
For the year 2013-2014	-	68,23,918	2,02,922	1,811	10,70,47,579	83,13,380	65,73,074	13,57,595	4,54,970	2,68,266	14,71,407	10,78,290	1,76,985	13,37,70,197
Inter Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoupment / Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	5,43,078	10,446	90,933	7,42,679	-	13,87,136
As at 31st March, 2014	-	6,93,56,169	16,97,181	47,202	97,73,55,434	7,35,74,438	5,36,90,141	98,46,433	69,44,410	26,44,780	2,08,98,761	68,42,214	47,44,289	1,22,76,41,451
Net Block														
As at 31 st March, 2013	2,13,04,497	13,97,57,877	1,09,54,940	81,904	56,36,99,249	3,28,53,478	3,11,04,595	56,14,586	36,16,954	34,56,058	45,27,959	69,38,021	6,72,061	82,45,82,179
As at 31 st March, 2014	2,13,04,497	17,47,02,969	1,07,52,018	80,093	50,57,38,050	2,45,40,098	2,66,75,476	42,56,991	31,61,984	34,37,462	38,01,125	53,56,519	4,95,076	78,43,02,358

Notes :

- Gross block is at Cost.
- For Depreciation and amortisation refer accounting policy (Note 27-1.3).
- Cost incurred by the company. Ownership vests with Maharashtra State Electricity Distribution Company Limited.

NOTE : 10 - INTANGIBLE & INTANGIBLE ASSETS**As On 31st March 2014****Fixed Assets**

	Intangible Assets	Intangible Assets Total
Gross Block		
As At 31 st March 2012	10,45,000	10,45,000
Additions	51,42,401	51,42,401
Recoupment / Adjustment	-	-
Deductions	-	-
As At 31st March 2013	61,87,401	61,87,401
Gross Block		
As At 31 st March 2013	61,87,401	61,87,401
Additions	14,00,000	14,00,000
Inter Transfers	-	-
Recoupment / Adjustment	-	-
Deductions	-	-
As At 31st March 2014	75,87,401	75,87,401
Depreciation		
Upto 31 st March 2012	37,489	37,489
For The Year	1,88,299	1,88,299
Inter Transfers	-	-
Recoupment / Adjustment	-	-
Deductions	-	-
As At 31st March 2013	2,25,788	2,25,788
Depreciation		
Upto 31 st March 2013	2,25,788	2,25,788
For The Year 2013-2014	11,10,541	11,10,541
Inter Transfers	-	-
Recoupment / Adjustment	-	-
Deductions	-	-
As At 31st March 2014	13,36,329	13,36,329
Net Block		
As At 31 st March 2013	59,61,613	59,61,613
As At 31 st March 2014	62,51,072	62,51,072

Notes :

1. Intangible assets are amortised on straight line method.
2. Useful life of each category is as follows :
Computer software - 74 Months



PARTICULARS

Face Value
Per UnitAs at 31st
March 2014As at 31st
March 2013

Rs.

Nos.

Rs.

Nos.

Rs.

NOTE 11 : NON-CURRENT INVESTMENTS

NON TRADE - Unquoted

The Shamrao Vithal Co-operative Bank Ltd

25

2,000 50,000

2,000 50,000

Total**50,000****50,000**

PARTICULARS

As at 31st
March 2014As at 31st
March 2013

Rs.

Rs.

NOTE 12 : LONG-TERM LOANS AND ADVANCES

Capital advances

Secured, considered good

-

-

Unsecured, considered Good

2,30,18,102

12,83,45,754

2,30,18,102

12,83,45,754

Loans to employees

Secured, considered good

-

-

Unsecured, considered Good

3,96,650

10,30,461

3,96,650

10,30,461

Out of the above

Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member

-

-

Tax paid in advance (net of provision)**1,72,63,072**

1,77,37,679

1,72,63,072

1,77,37,679

Total**4,06,77,824**

14,71,13,894

PARTICULARS

As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
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NOTE 13 : OTHER NON-CURRENT ASSETS**Long-term trade receivables**

Doubtful	1,36,68,060	1,07,98,206
Less : Provision	1,36,68,060	1,07,98,206
	<u>-</u>	<u>-</u>

Others

Other bank balances (Deposits with maturity of more than 12 months)	17,80,909	13,40,520
Claims/Refund receivable	4,63,62,179	4,23,74,742
Deposits	4,28,725	4,17,173
	<u>4,85,71,813</u>	<u>4,41,32,435</u>
Total	<u>4,85,71,813</u>	<u>4,41,32,435</u>

NOTE 14 : INVENTORIES (Note 27 : 1.4)

Raw materials, at cost	13,80,11,699	9,66,38,172
Work-in-progress, at cost (Note No. 27 : 16)	13,60,29,104	12,25,68,921
Finished goods, at lower of cost or market value (Note No. 27 : 16)	71,85,747	1,82,83,381
Stores, spares, etc. at cost	3,63,79,717	3,05,72,440
Loose tools	1,69,67,684	1,60,08,321
Scrap at estimated realisable value	1,43,26,077	1,74,62,865
Die Room Inventory	1,89,08,494	2,36,33,823
Stock of shares, units of mutual funds at lower of cost or market value	18,89,636	18,89,636
Total	<u>36,96,98,158</u>	<u>32,70,57,559</u>

Note : Inventories as valued and certified by
Chairperson and Managing Director

NOTE 15 : TRADE RECEIVABLES**Outstanding for a period exceeding six months
from the date they are due for payment**

Unsecured, considered good	4,52,15,830	1,71,95,126
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Other receivables

Unsecured, considered good	48,65,86,142	58,06,42,140
Total	<u>53,18,01,972</u>	<u>59,78,37,266</u>



PARTICULARS

	As at 31 st March 2014 Rs.	As at 31 st March 2013 Rs.
--	---	---

NOTE 16 : CASH AND BANK BALANCES

Cash and cash equivalents

Cash on hand

1,803

2,72,175

Balance with Bank

Current accounts and cash credit

2,06,70,214

3,77,85,515

Unpaid dividend accounts

6,63,675

6,12,740

2,13,33,889

3,83,98,255

Other bank balances

Deposits with original maturity of more than three months but less than 12 months

In Margin Money Deposit pledged as

security with Banks

2,15,22,522

2,03,72,459

2,15,22,522

2,03,72,459

Total

4,28,58,214

5,90,42,889

NOTE 17 : SHORT-TERM LOANS AND ADVANCES

Loans and advance to suppliers

Unsecured, considered Good

3,12,50,391

2,56,27,334

Loans and advance to employees

Unsecured, considered good

24,91,595

13,16,228

Balance with collectorate of central excise and customs

4,71,26,567

3,97,17,385

VAT/ Excise Receivable

1,99,60,989

1,10,16,108

Tax paid in advance (net)

48,62,731

-

Other loans & advances

Prepaid Expenses

35,64,660

31,26,915

Others Advances

1,45,92,477

1,09,33,297

Total

12,38,49,410

9,17,37,267

NOTE 18 : OTHER CURRENT ASSETS

Export incentive receivable

1,34,66,422

1,53,65,157

Interest receivable

12,16,081

11,96,236

Deposits

4,72,882

7,19,040

Other receivables

4,05,332

4,05,332

Total

1,55,60,717

1,76,85,765

PARTICULARS	2013-14	2012-13
	Rs.	Rs.

NOTE 19 : REVENUE FROM OPERATIONS

Sale of products (gross)	2,23,18,49,615	2,81,97,41,694
Less : Excise duty	21,76,23,058	23,99,82,276
Net Sales	2,01,42,26,557	2,57,97,59,418
Operating income		
Die development charges	43,84,700	78,06,000
Job Work Receipt	-	19,425
Export incentives	1,38,32,840	59,00,039
Gain on foreign exchange fluctuations, net	2,17,87,216	1,40,75,111
	4,00,04,756	2,78,00,575
Total	2,05,42,31,313	2,60,75,59,993

NOTE 20 : OTHER INCOME

Interest		
On others	18,13,146	19,44,505
Discount received	16,72,730	4,21,946
Miscellaneous income	1,45,61,991	1,16,60,773
Surplus on sale of assets	31,025	8,39,777
Provisions no longer required written back	53,62,474	12,00,000
Total	2,34,41,366	1,60,67,001

NOTE 21 : COST OF MATERIAL CONSUMED

(a) Raw materials consumed		
Opening stocks	9,66,38,173	12,79,27,608
Less: Value of obsolete and non-moving material written-down (net of realisable value)	-	-
Add : Purchases	1,06,64,01,119	1,26,34,06,162
Less: Stocks at close	13,80,11,699	9,66,38,173
Less : Sale of raw material	32,88,948	-
Net Raw Material Consumed	1,02,17,38,645	1,29,46,95,597
(b) Dies consumed		
Opening stocks		
Die Room Inventory	2,36,33,823	1,79,64,611
Add : Purchases and processing charges	1,03,86,029	2,11,73,170
	3,40,19,852	3,91,37,781
Less: Stock at close - Die Room Inventory	1,89,08,494	2,36,33,823
	1,51,11,358	1,55,03,958
Total	1,03,68,50,003	1,31,01,99,555

**PARTICULARS****2013-14****2012-13****Rs.****Rs.****NOTE 22 : CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(Increase)/decrease in stocks

Stocks at close :

Work-in-process

13,60,29,104

12,25,68,921

Finished goods

71,85,747

1,82,83,381

Scrap

1,43,26,077

1,74,62,865

15,75,40,928

15,83,15,167

Less : Opening stocks

Work-in-process

12,25,68,921

11,30,44,405

Finished goods

1,82,83,381

1,63,57,166

Scrap

1,74,62,865

1,17,51,511

15,83,15,167

14,11,53,082

7,74,239

(1,71,62,085)

Shares, Units of Mutual Funds

Stock at close

18,89,636

18,89,636

Less: Stock at commencement

18,89,636

18,89,636

-**-**

Increase/(Decrease) in excise duty on stocks

Excise duty on opening inventories

19,20,977

14,19,252

Excise duty on closing inventories

15,75,920

19,20,977

(3,45,057)

5,01,725

Total**4,29,182**

(1,66,60,360)

PARTICULARS	2013-14	2012-13
	Rs.	Rs.

NOTE 23 : EMPLOYEE BENEFITS EXPENSE

Salaries, wages, gratuity, bonus, commission, etc.	18,03,26,666	20,10,16,956
Contribution to provident and other funds	1,33,26,492	1,31,34,805
Welfare expenses	2,39,76,321	2,37,29,803
Total	21,76,29,479	23,78,81,564

NOTE 24 : FINANCE COSTS

Interest expense	4,54,42,398	6,88,06,199
Other borrowing cost		
Bank charges, commission etc.	40,46,957	47,89,441
Applicable Net Gain/loss on foreign currency transaction and translation	31,15,554	61,96,366
Total	5,26,04,909	7,97,92,006

NOTE 25 : DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation		
Tangible assets	13,37,70,197	12,79,25,603
Intangible assets	11,10,541	1,88,299
Total	13,48,80,738	12,81,13,902

**PARTICULARS****2013-14****2012-13****Rs.****Rs.****NOTE 26 : OTHER EXPENSES****Manufacturing Expenses**

Stores, spares and tools consumed	10,87,34,904	16,61,63,607
Processing charges	9,46,79,585	15,29,59,793
Power and fuel	20,00,27,403	24,02,39,689
Repairs to building	48,18,067	25,33,969
Repairs to machinery	4,18,40,008	6,73,25,252
Octroi Duty	37,473	2,07,857
Freight Charges	94,34,448	1,03,52,538
Other manufacturing expenses	28,56,090	27,03,700
	46,24,27,978	64,24,86,405

Selling Expenses

Freight and forwarding	3,26,14,881	3,27,85,130
Royalty, technical and license fees etc.	25,000	25,000
Other selling expenses	23,36,053	22,92,948
	3,49,75,934	3,51,03,078

Administration Expenses

Rent	3,39,948	3,70,665
Rates and taxes	12,14,940	24,91,076
Insurance (Including Keyman Insurance)	51,32,267	66,45,776
Other repairs and maintenance	10,88,776	18,39,108
Travelling and conveyance	41,52,665	55,46,149
Vehicle Expenses (Including on hired vehicles)	1,87,27,959	1,99,14,292
Professional & consultancy fees	1,09,20,010	66,92,680
Auditor's remuneration	11,90,000	10,25,000
Directors' Fees expenses	1,41,000	1,93,000
Donation	-	3,000
Non executive directors' commission	7,00,000	5,10,000
Miscellaneous expenses	1,95,80,226	1,98,81,071
Loss on assets sold, demolished, discarded and scrapped	2,44,447	95,246
Provision for doubtful debts	28,69,854	42,48,078
	6,63,02,092	6,94,55,141
Total	56,37,06,004	74,70,44,624

NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

NOTE NO. 27

1. Statement on Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements :

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the generally accepted accounting principles and comply with the Accounting Standards as per the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

Revised Schedule VI notified under the Companies Act, 1956 have become applicable to the Company from accounting year commencing from 01.04.2011 for preparation and presentation of Financial Statements. Accordingly all Assets and Liabilities have been classified as Current and Non Current as per Company's Normal operating cycle and/or other criteria set out in revised schedule VI.

1.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

1.3 Fixed Assets and depreciation :

- A) Fixed Assets are stated at their original cost of acquisitions including incidental expenses related to acquisition and installation of the concerned assets (including cost of specific borrowings). The fixed assets manufactured by the Company are stated at manufacturing cost. Fixed Assets are shown net of accumulated depreciation, except free hold land, which is at cost.
- B) Expenditure on New Projects and Expenditure during the construction etc. :
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 recorded at the consideration paid for acquisition. 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) :
 - i) The Company provides depreciation on all its assets on the "Straight Line Method" (three shift basis) in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956.
 - ii) Depreciation on all assets acquired upto 31st October, 1987 is being provided at the rates of depreciation prevalent at the time of acquisition of the asset, pursuant to Circular 1/1/86 CLB No. 14(50)84 CL-VI dated 21st May, 1986 issued by the Department of Company Affairs.



- iii) Depreciation on addition to fixed assets from 1st April, 1990 onwards is charged at the rates specified in and in accordance with, Schedule XIV of the Companies Act, 1956.
- iv) Depreciation on additions on account of increase in rupee value due to foreign exchange fluctuations is being provided at the rates of depreciation over the balance life of the said asset.
- v) Depreciation on assets sold, discarded and scrapped is being provided at their rates on pro-rata basis up to the date on which such assets are sold, discarded and scrapped.
- vi) Cost of Powerline is being amortised over a period of seven years when put to use.
- vii) 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.

- i) Cost of Raw materials, Stores, Spares etc. are ascertained on weighted moving average basis.
- ii) Work-in-process, Dies under fabrication and Finished Goods are valued at the lower of cost or realizable value.
- iii) Scrap and Non-moving semi-finished goods, slow-moving and obsolete items, are valued at the lower of cost or estimated realizable value.
- iv) Stock of Trial Product is valued at cost.
- v) Dies are valued at cost.
- vi) Die Block and Die Steel are valued at material cost.
- vii) Goods in transit are stated at actual cost up to the date of Balance Sheet.
- viii) Shares, Units of Mutual Funds shown as stock in trade are valued at cost or market value whichever is lower.

1.5 Research & Development expenditure :

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 at 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. Fixed Assets purchased for Research and Development are treated in the same way as any other Fixed Asset.

1.6 Share Issue expenses are written off over a period of ten years.

1.7 Employee Benefits :

- a) Short term 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 etc. and the same are recognized in the period in which the employee renders the related service.

- b) 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 profit and loss account of the year.

c) 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.

d) 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.

e) 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 :

a) Initial recognition for the year -

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.

b) Conversion -

Current Assets and Current Liabilities, Secured Loans designated in foreign currencies are revalored at the rate prevailing on the date of Balance Sheet or forward contract rate or other appropriate contracted rate.

c) Exchange Differences -

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. Except, option of capitalizing of eligible exchange difference on foreign currency loans utilized for acquisition of assets is availed as per Ministry of Corporate Affairs Notification dated 31st March 2009, as amended vide G.S.R. 378(E) dated 11th May 2011 and extension thereof.

d) Option Contracts -

Company uses foreign exchange option contracts to hedge its exposure against movements in foreign exchange rates. Foreign exchange option contracts are not used for trading or speculation purpose.

Outstanding foreign exchange option contracts on the date of Balance Sheet are "Marked to Market".

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. Such investments are stated at cost, adjusted for diminution in their value.

Long Term investments are valued at cost of acquisition less diminution in the value, if determined to be of permanent nature.

1.10 Revenue Recognition :

- a) i) Domestic sales are accounted for when dispatched from the point of sale, consequent to property in goods being transferred.
- ii) Export sales are accounted on the basis of the dates of Bill of Lading/ Other delivering documents as per terms of contract.



- b) Benefit on account of entitlement to import goods free of duty under the “Duty Entitlement Pass Book under Duty Exemption Scheme” is accounted in the year of Export.
- 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) Dividend is accrued in the year in which it is declared, whereby right to receive is established.

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 tax is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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.

1.16 Impairment of Assets :

The Management assesses for any impairment of assets or cash generating units, if indicators, external or internal, suggest possibilities of reduction in net realisable value of assets or value in use of cash generating units below their carrying costs. Impairments, if any, will be recognised in the Profit and Loss Account.

1.17 Provisions and Contingent Liability :

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. 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.

**NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT
AND FOR THE YEAR ENDED 31st MARCH, 2014**

2 Contingent Liability not provided for in respect of :

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
i. Bills discounting	79,91,140	1,17,62,517
ii. Claims against the Company, not acknowledged as debts	1,85,34,665	60,30,000
iii. Disputed Income Tax demand, matter under appeal	2,14,28,890	1,21,70,773
iv. Disputed Excise demand, matter under appeal	76,28,035	76,28,035
v. In respect of export obligation under EPCG	47,53,704	92,70,959
vi. In respect of Bank Guarantee	1,28,86,267	-

3 The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Govt. of India at concessional rate of duty against an undertaking to fulfil export obligation (in respect of non redeemed EPCG Licenses) aggregates USD 13.30 Millions (Equivalent to Rs.789,151,013 at 1 USD = Rs. 59.31) over a period of eight years from issue of license, while maintaining average exports as given in the respective Licenses. Non fulfilment of the balance obligations, in the due manner entails options/rights to the Government to confiscate Capital Goods imported under the said Licenses and other penalties under the above referred scheme. The company has submitted the application for redemption of the same.

4	Estimated Amount of contracts remaining to be executed on Capital Account and Not provided for (net of advances)	51,85,080	5,96,33,514
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5	Payments to Auditors	2013-14 Rs.	2012-13 Rs.
i.	Statutory audit	7,50,000	6,50,000
	Tax Audit	1,25,000	1,25,000
	In Other Capacity :		
	For certification & Others	2,00,000	1,35,000
	For Expenses	15,000	15,000
ii.	Cost Audit	1,00,000	1,00,000
	Total	11,90,000	10,25,000

- 6 a) Guarantees given by the Company's Bankers on behalf of the Company, against sanctioned guarantee limits aggregating to Rs. 30,000,000 (Previous year Rs.30,000,000) 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 charge in their favour. Amount outstanding as on 31st March, 2014 is Rs. 23,765,464/- (Previous year Rs. 24,048,390).
- b) Other non-fund based facilities have been sanctioned amounting to Rs. 14,40,00,000/- with a charge of hypothecation on stock, book debts and other current assets on pari-passu among the consortium members and second charge over fixed assets of company. Amount outstanding as on 31st March, 2014 is Rs. 3,48,40,773/- (Previous year - Rs. 2,13,07,438/-).



7 Disclosure pursuant to Accounting Standard (AS 15) - Revised 2005 "Employee Benefits" prescribed by Companies (Accounting Standards) Amendment Rules, 2006

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

Funded Scheme - Gratuity.

Particulars	31 st March 2014 Gratuity	31 st March 2013 Gratuity
(i) Amounts to be recognised in Balance Sheet		
a. Present Value of Defined Benefit Obligations Funded	2,85,19,066	2,34,06,108
b. Fair Value of Plan Assets	1,57,35,042	1,36,23,866
c. Net Liability/(Asset) recognised in the Balance Sheet	1,27,84,024	97,82,242
(ii) Amount to be recognised in Statement of Profit & Loss Account		
a. Current Service Cost	20,87,349	17,13,323
b. Interest on defined benefit obligations	18,72,488	15,21,510
c. Expected return on plan assets	(12,17,748)	(11,76,570)
d. Net Actuarial Losses/(Gain) Recognised in year	25,37,347	17,49,383
Total, included in "Employee Benefits"	52,79,436	38,07,646
(iii) Change in Defined Benefit obligation and reconciliation thereof		
a. Present value of Defined Benefit obligation at the beginning of the year	2,34,06,108	1,90,18,869
b. Interest Cost	18,72,488	15,21,510
c. Current Service Cost	20,87,349	17,13,323
d. Actuarial Losses/ (Gains)	25,37,347	17,49,383
e. Benefits Paid	(13,84,226)	(5,96,977)
f. Present value of Defined Benefit obligation at the close of the year	2,85,19,066	2,34,06,108
(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	1,36,23,866	1,30,44,273
b. Add : Expected return on Plan Assets	12,17,748	11,76,570
c. Add/ (Less) : Actuarial Losses/ (Gains)	-	-
d. Add : Contributions by employer	22,77,654	-
e. Less -Benefits Paid	(13,84,226)	(5,96,977)
f. Fair value of Plan Assets at the close of the year	1,57,35,042	1,36,23,866
(v) Broad Categories of plan assets as a percentage of total assets as at 31 st March, 2014		
a. Insurer Managed Funds	100%	100%
TOTAL	100%	100%

b) **Unfunded scheme- Long Term Compensated Absences**

Present Value of Unfunded Obligations	97,34,603	91,45,526
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8. **Movement in Leave Encashment (Long Term & Short Term Compensated Absences)**

Year	Opening Balance Rs.	Addition (Net) Rs.	Closing Balance Rs.
2013-14	1,20,64,087	12,35,341	1,32,99,428
2012-13	92,10,557	28,53,530	1,20,64,087

9. The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2014. The disclosure pursuant to the said Act is as under :

Particulars	As at 31-03-2014	As at 31-03-2013
Principal Amount due to suppliers under MSMED Act, 2006, beyond the appointed day	67,49,952	29,97,084
Interest accrued and due to suppliers under MSMED Act, on the above amount	11,87,028	2,21,041
Payment made to suppliers (other than interest) beyond the appointed day, during the year	84,37,900	3,31,17,637
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	2,57,324	8,82,510
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	14,44,351	11,03,552

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.

10. CIF Value of Imports and Expenditure in Foreign Currencies

Particulars	2013-14 Rs.	2012-13 Rs.
(a) CIF Value of Imports		
Capital Goods	8,70,92,408	6,47,06,749
Spare Parts/ Lubricants	2,16,10,066	2,55,33,463
Raw Material	-	-
(b) Expenditure in Foreign Currencies		
Travelling	3,61,087	21,73,841
Interest	-	-
Export Sales Commission	15,50,707	21,51,295
Professional fees	-	3,10,998
Seminar/Training	-	-
Processing charges outside	1,71,833	15,59,963

11. Prior period items (net) **6,57,760** 5,80,227

12. Earnings in Foreign Currencies

FOB Value of Exports	26,77,38,459	55,30,71,682
Deemed Export	14,45,43,055	11,79,20,591
Insurance and freight on exports	28,53,308	73,00,452

13. Exchange Differences on account of fluctuation in Foreign Currency rates.

	2013-14 Rs.	2012-13 Rs.
a) Exchange Differences on account of fluctuations in Foreign Currency Rates		
i) On settlement / revalorisation of Current Assets & Current Liabilities	2,17,87,216	1,40,75,111



b) Foreign Exchange Derivatives not hedged at close of the year

i) Exposures not hedged at the close of the year

	Currency	2013-14	2012-13
Receivables	USD	23,81,522	26,62,344
	EURO	3,09,641	3,31,374
	GBP	-	9,578
	AUD	-	13,43,000
Payables	USD	-	-
	EURO	8,109	-
	JPY	11,409	53,39,876

14. Total Expenditure on Research & Development (including allocable overheads) during the year is Rs. 11,97,970/- (Previous year Rs.3,760,502/-)

15. (a) The Company has a single Product, viz : "Forgings". Consequently, there are no Reportable Segments of the Company as per the Accounting Standard (AS-17) "Segment Reporting" prescribed by Companies (Accounting Standards) Amendment Rules, 2006.

(b) Disclosures of transactions with Related Parties as required by Accounting Standard - 18 "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	2013-14		2012-13	
			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	20,72,337	1,13,871	23,06,556	2,38,467
		Commission	15,50,000	15,50,000	50,00,000	50,00,000
		Total	36,22,337	16,63,871	73,06,556	52,38,467
2	Mr. Viraj G. Kalyani (Executive Director)	Salary	18,59,868	1,12,563	3,92,000	77,602
		Commission	10,50,000	10,50,000	-	-
		Total	29,09,868	11,62,563	3,92,000	77,602
3	Relative of Key Managerial Personnel Mr. G.N. Kalyani (Director)	Commission	1,20,000	1,20,000	1,20,000	1,20,000
		Siting fees	25,000	-	28,000	-
		Total	1,45,000	1,20,000	1,48,000	1,20,000
4	Enterprise in which Key Managerial Personnel is common Kalyani Consultants Pvt. Ltd.	Expenses Reimbursement	24,925	20,925	22,000	10,000
		Expenses Recovery	17,66,468	(17,66,468)	35,928	-
		Total	17,91,393	(17,45,543)	57,928	10,000

16. The Company has sent balance confirmation letters to Sundry Debtors, Creditors and Other Parties and the balances are under reconciliation in those cases where confirmations were received. Pending final reconciliation, the balances in respect of Debtors, Creditors and third parties 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.

17. Turnover and Stock

(Amount in Rs.)

Sr. No.	Class of goods	Sales Value	Closing Stock Value	Opening Stock Value	WIP Value
1	High Quality Close Tolerance Die Forgings 2012-13	1,11,96,66,529 1,23,12,20,615	9,03,714 24,98,419	24,98,419 37,42,645	9,16,34,312 9,20,10,429
2	Real Axle Tube Assemblies 2012-13	2,40,66,551 4,59,59,706	- -	- 6,99,254	6,67,609 14,60,725
3	Finished Machined Components 2012-13	70,58,31,365 1,09,37,18,728	62,82,033 1,57,84,962	1,57,84,962 1,19,15,267	2,12,39,200 2,29,84,501
4	Sale- Manufacturing Scrap 2012-13	16,46,62,111 20,88,60,369	- -	- -	- -
5	Others 2012-13	- -	- -	- -	2,24,87,983 61,13,265
	Total 2012-13	2,01,42,26,557 2,57,97,59,418	71,85,747 1,82,83,381	1,82,83,381 1,63,57,166	13,60,29,104 12,25,68,921

18. Earnings Per Share :

	2013-14	2012-13
Earnings attributable to the equity share holder	4,77,98,409.00	8,82,76,295.41
Total weighted average No. of shares	36,38,000.00	36,38,000.00
Earnings Per Share	13.14	24.27

19. 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 P. G. BHAGWAT
Firm Registration Number : 101118W
Chartered Accountants

ROHINI G. KALYANI
Chairperson & Managing Director

C. H. NANIWADEKAR
Director

NACHIKET DEO
Partner
Membership Number : 117695
Pune : 19th May 2014

NITEEN P. ADHI
Chief Financial Officer

Pune : 19th May 2014

AMOGH BARVE
Company Secretary

Pune : 19th May 2014

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

KALYANI FORGE**PROXY**

I/We, _____
of _____
being a member/members of KALYANI FORGE LIMITED, Pune, hereby appoint _____
of _____
failing him _____
of _____ to vote for me/us on
my/our behalf, at the THIRTY FIFTH Annual General Meeting of the Company, to be held on Thursday,
the 18th September, 2014, at 11.00 a.m., and at any adjournment thereof.

Signed this _____ day of _____ 2014.

No. of shares held : _____ Folio No. _____

DP. ID.** _____ Client ID** _____

Please Affix
Re. 1/-
Revenue
Stamp
here

**Applicable for members holding shares
in Dematerialised Form

Signature(s) of Member(s)
across the stamp

Note : The proxy must be deposited with the Registered Office of the Company not less than 48 hours
before the time fixed for the meeting.

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

KALYANI FORGE**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.

L.F. No.(s)

NAME OF THE SHAREHOLDER / PROXY* _____

ADDRESS _____

No. of shares held : _____ Folio No. _____

D.P.ID.** _____ Client ID** _____

I/We hereby record my / our presence at the THIRTY FIFTH Annual General Meeting of the Company,
being held on Thursday, the 18th September, 2014, at Poona Club Ltd., 6, Bund Garden Road,
Pune - 411 001.

SIGNATURE OF THE SHAREHOLDER / PROXY _____

*strike our whichever is not applicable;

** Applicable for members holding shares in Dematerialised Form





KALYANI FORGE



KALYANI FORGE LIMITED
(CIN : L28910MH1979PLC020959)

Shangrila Gardens, 'C' Wing, 1st Floor,
Opp. Bund Garden, Pune - 411 001.
Website: www.kalyaniforge.co.in



Kalyani Forge Limited

KOREGAON BHIMA, -412 216, TEHSIL SIRUR DIST. PUNE.
☎ : (02137) 252335, 252755, 252757 FAX: (02137) 252344 / 252756.
www.kalyaniforge.co.in




FORM A

[Pursuant to Clause 31(a) of the Listing Agreement]

1)	Name of the Company	Kalyani Forge Limited Shangrila Gardens, 1st Floor, 'C' Wing, Opp. Bund Garden, Pune: 411 001.
2)	Annual Financial Statements for the year ended	31 st March, 2014
3)	Type of Audit observation	Un-qualified
4)	Frequency of observation	Whether appeared first time – No. This observation is not repetitive.

For Kalyani Forge Limited

For Kalyani Forge Limited


Niteen P. Adhi
Chief Financial Officer


Rohini G. Kalyani
Chairperson & Managing Director

For Kalyani Forge Limited

C.H. Naniwadekar
Chairman of the Audit Committee



For M/s. P. G. Bhagwat
Chartered Accountants
Firm Registration No. 101118W


Nachiket Deo
Partner
Membership No.: 117695



Place : Pune
Date : May 19, 2014

CIN : L28910MH1979PLC020959
REGD OFFICE: Shangrila Gardens, 1st Floor, 'C' Wing, Opp. Bund Garden, Pune: 411001