



Kalyani Forge Limited

KOREGAON BHIMA, -412 216, TEHSIL SIRUR DIST. PUNE.
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www.kalyaniforge.co.in



KALYANI FORGE LTD
REGISTERED TO
ISO/TS : 16949 : 2002
FILE NUMBER : A10090-01

04th July, 2019

To

BOMBAY STOCK EXCHANGE LIMITED, Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai-400001 Scrip Code: 513509	NATIONAL STOCK EXCHANGE OF INDIA LIMITED, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 Symbol: KALYANIFRG
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Subject: Annual Report for the Financial Year ended 2018-2019 and the Notice of 40th Annual General Meeting of the Company.

Dear Madam/ Sir,

Pursuant to Regulation 34(1) read with regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; please find herewith:

- Notice of 40th Annual General Meeting of the Company to be held of Friday, 26th July, 2019.
- Annual Report for the Financial Year 2018-2019

Kindly requested to take the submissions on record.

Thanking you,

Yours Faithfully,
For **Kalyani Forge Limited,**



Mr. Nilesh Vitekar
Company Secretary

CIN: L28910MH1979PLC020959

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



KALYANI FORGE LIMITED
40th Annual Report 2018-19

40th Annual General Meeting

Message from the Chairperson & Managing Director

Dear Shareholders,

I have great pleasure in extending you all, a warm welcome to the 40th Annual General Meeting of your company.

We are pleased to present to you our Annual Report for FY 2018-19. This year marks a significant landmark for our stakeholders, who have shared this journey with us and contributed to our success.

The Annual Report, for the year ended 31 March, 2019 has been in your hands for some time. With your permission, I shall take them as read.

Performance:

The year gone by was a turbulent year for overall global economies, including some geopolitical uncertainties, global trade war, slow-down in automobile industry, rising raw material prices which has to the large extent affected the across industrial growth. In the challenging global and domestic environment, your company has not made additional capital expenditure during the year and dedicatedly focused upon reduction of debts, efficient usage of available working capital, controlling of interest costs, strengthening internal control systems, and improvement in productivity with this your Company has reported about 07% YoY growth in the total revenue and 05% in the PBT this year.

It gives us an immense pleasure in informing you that, during the year your Company has achieved many milestones in terms of improvements in internal strengths like:

- a) Long term rating of Crisil BBB/Stable to Crisil BBB+/Positive as assigned by Crisil Limited.
- b) Successfully completed the Certification of IATF 16949:2016 certifying Company's Quality Management Systems.
- c) Successfully went through Environment and Occupational Health and Safety Management System Audit and obtained recommended certification of ISO 14001:2015 & 45001:2018) from IRQS.

Dividend:

The Company has always made efforts to increase value to its shareholders and reward them whenever possible, with these positive notes your board has recommended a dividend of Rs. 04.00 (40%) on a face value of Rs. 10 each. This is compared to a dividend of Rs. 3.50 per equity share (35%) declared in the previous financial year.

Outlook:

It is expected that the automotive industry demand may remain subdued during most part of the FY 19-20, and hence, considering this year as a year of consolidation, your Company will continue its momentum to reduce debt and control upon interest cost. Further, the Company is looking forward to positive change in productivity improvement.

Of Couse, there is an ample scope for improvements particularly in the area of costs, productivity improvement, and reduction of rejections. For the past periods, we have successfully approached customers for cost reimbursement, cost escalations for the future supplies.

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

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

With best wishes,

Rohini G. Kalyani
Chairperson & Managing Director



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KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

REMUNERATION & NOMINATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Avinash Khare

COMPANY SECRETARY

Mr. Nilesh Vitekar



KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BANKERS :

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

AUDITORS :

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

REGISTERED OFFICE :

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

WORKS :

1. Hot Forging Division (HFD)

2. Metal Forms Division (MFD)

Koregaon Bhima, Tal. - Shirur,
Pune - 412 216.

3. Precision Autocomp Division (PAD)

Gat No. 914/1 & 2, Sanaswadi
Tal. - Shirur, Pune - 412 208.

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

PARTICULARS	2018-19	2017-18	2016-17	2015 - 16	2014 - 15	2013 - 14	2012-13	2011-12	2010-11	2009-10
TURNOVER/Revenue	2,928	2,723	2,567	2,338	2,429	2,078	2,624	2,793	2,396	1,813
PBIDT	302	279	192	186	164	259	334	400	275	214
INTEREST	56	58	36	49	62	53	69	83	62	50
DEPRECIATION	150	129	104	117	131	135	128	119	112	105
PBT	96	92	52	20	-30	72	137	198	101	59
PROVISION FOR TAX	27	26	17	9	-7	24	49	64	34	20
PAT	70	66	35	11	-23	48	88	134	68	39
DIVIDEND%	40	35	30	20	0	25	25	25	20	18
DIVIDENDAMOUNT	15	13	11	7	0	9	9	9	7	7
GROSS BLOCK	2,660	2,569	2,208	2,147	2,012	2,012	1,920	1,787	1,680	1,563
NET BLOCK	784	842	601	609	608	784	825	814	823	814
NET WORTH	1,116	1,068	1,020	985	974	1,028	991	913	790	734
BOOK VALUE PER SHARE (RS.)	307	294	281	271	268	282	272	251	217	202
EARNING PER SHARE (RS)	19.14	18.04	9.57	3	-6	13	24	37	18	9
SHAREHOLDERS (NO'S)	4,155	4,470	3,298	3,137	3,040	3,154	3,244	3,248	3,428	3,352
NO OF EMPLOYEES (NO'S)	1,294	1,282	1,161	1,250	1,165	973	1,050	1,289	1,352	1,172

**KALYANI FORGE LIMITED**

(CIN: L28910MH1979PLC020959)

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

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

NOTICE

NOTICE is hereby given that the Fortieth Annual General Meeting of the Members of KALYANI FORGE LIMITED will be held at Poona Club Ltd., 6, Bund Garden Road, Pune-411 001 on Friday, 26th July, 2019 at 10.30 a.m., to transact the following business:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2019 together with reports of the Board of Directors and Auditors thereon;
02. To declare a dividend on equity shares for the Financial Year ended March 31, 2019.
03. To appoint a Director in place of Mr. Gaurishankar N. Kalyani (DIN: 00519610) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

04. **To appoint Mr. Viraj G. Kalyani (DIN 02268846) as a Director of the Company:**

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

"RESOLVED THAT, Mr. Viraj G. Kalyani (DIN 02268846) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 15th May, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 160(1) of the Companies Act, 2013 ("the Act") and Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

"RESOLVED FURTHER THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the appointment of Mr. Viraj G. Kalyani, who is eligible for appointment as a Director of the Company, for a term of five years commencing from 15th May, 2019 to 14th May, 2024, be and is hereby approved."

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

"RESOLVED THAT, in accordance with the provisions of section 139 and 141 and any other applicable provisions if any, of the Companies Act, 2013 and rules framed thereunder or any amendment thereto and pursuant to recommendation of Audit Committee, the appointment of M/s. K.S. Aiyar, Chartered Accountants, Mumbai (Firm Registration No. 100186W) as Statutory Auditors of the Company in the 37th Annual General Meeting of the Company be and is hereby ratified and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration, out of pocket and travelling expenses as may be incurred during the course of Audit."

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

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 the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, M/s R C K & Associates, Practicing Cost Accountant through their partner

Mr. Rahul A. Chincholkar, Cost Accountant, appointed as Cost Auditor by the Board of Directors to conduct an audit of the Cost Records of the Company for the financial year commencing from 01.04.2019, be paid remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) (exclusive of taxes, as applicable) in addition to reimbursement of out of pocket expenses and conveyance as recommended by the audit committee and approved by the Board of Directors of the Company.

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

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

Place : Pune
Date : 18th May, 2019

Nilesh Vitekar
Company Secretary

Registered Office :

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

**NOTES :**

- 01) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 20th July, 2019 to Monday, 29th July, 2019 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend, to be declared.
- 02) Explanatory Statement, pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the business under Item No. 06 above, is annexed hereto.
- 03) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON SHALL NOT ACT AS PROXY FOR MORE THAN FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A PERSON HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
- 04) Proxies, in order to be effective, must be deposited with the Company at its Registered Office not less than 48 hours before the time fixed for holding the Annual General Meeting.

A proxy shall not have a right to speak at the Annual General meeting. However, in case a member has not voted through the remote e-voting facility, the proxy may be entitled to vote through Ballot at the 40th Annual General Meeting of the Company.

In case of joint holders, the signature of any one holder on proxy form will be sufficient, but names of all the joint holders should be stated.
- 05) Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four hours before the time fixed for the commencement of the Annual General Meeting. However, a prior notice of not less than 2 (two) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
- 06) Members are requested to note the following:
 - a) Members holding shares in physical form are requested to address all their correspondence including change of address to the Company's Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd, Block No. 202, Second Floor, Akshay Complex, off Dhole Patil Road, Near Ganesh Mandir, Pune –411 001 and Members holding shares in dematerialized form should approach their respective Depository Participants for the same.
 - b) Quote client ID and DP ID numbers in respect of shares held in dematerialised form and ledger folio number in respect of shares held in physical form in all correspondence with the Company.
- 07) Members/ Proxies are requested to bring copy of Annual Report and attendance slip duly filled in and hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
- 08) Corporate members intending to send their authorized representative to attend meeting are requested to send a certified true copy of Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
- 09) Members holding equity shares in multiple folios in the identical order of names are requested to consolidate their holding into one folio.
- 10) Members holding shares in dematerialized form are requested to intimate any change in their address/ name, bank details, ECS Mandates, nominations, power of attorney, etc. to their respective DPs only.
- 11) Equity Shareholders who have not dematerialized are advised to dematerialize their shareholding, to avoid inconvenience in future and to reap benefits of de-materialization.
- 12) Pursuant to section 101 and 136 of the Companies Act, 2013 read with Rule 18 (1) of the Companies (Management and Administration) Rules, 2014, the Notice calling AGM along with the Annual Report for the

financial year ended 31st March, 2019 would be sent by electronic mode on the e-mail addresses as obtained from the depository/ Registrar and share Transfer Agent, unless the members have requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

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

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

Members may also note that the notice of the AGM and the Annual Report for the financial Year ended 31st March, 2019 will also be hosted on the Company's website www.kalyaniforge.co.in.

- 13) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
- 14) All documents referred 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 Sunday between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 40th Annual General Meeting of the Company.
- 15) Information required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 with respect to the Director retiring by rotation and being eligible seeking re-appointment is as under:

● **Item No. 3 – Re appointment of Mr. Gaurishankar N. Kalyani**

Name of the Director*	Mr. Gaurishankar N. Kalyani
Director Identification Number	00519610
Date of Joining the Board	26 th April, 2006
Profile of the Director	Mr. G. N. Kalyani born on August 31, 1954 is a Non-Executive Director of the Company. He is a Commerce Graduate (Hons.) besides being Director of the Company; he is also a Director of Private Limited Companies in the group. He is son of late Dr. Neelkanth A. Kalyani industrialist and founder of the Company and husband of Mrs. Rohini G. Kalyani, Chairperson & Managing Director of the Company.
Board Membership of other Public Limited companies as on March 31, 2019	Nil
Chairman/Member of the Committees of Director of the Company as on March 31, 2019	Stakeholders Relationship Committee
Chairman/Member of the Committees of Director of other Companies in which he is a Director as on March 31, 2019	Nil
Shareholding in KFL as on March 31, 2019	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 herself, Mr. Gaurishankar N. Kalyani, Non-Executive Director and Mr. Viraj G. Kalyani, Executive Director together with his relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in his re-appointment as a Director of the Company.

- 16) Pursuant to provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 executed by Company with BSE Limited & The National Stock Exchange of India Limited the Company is pleased to provide e-voting facility to all its shareholders to cast their votes electronically on the resolutions mentioned in the notice of 40th Annual General Meeting of the Company dated Friday, 26th July, 2019 (the AGM Notice). The Company has appointed CS Hrishikesh Rajhansa, of HR & Associates, Practising Company Secretary, Pune as Scrutinizer for conducting e-voting process in fair and transparent manner. The e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them at the end of business hours on 18th July, 2019. The instructions for e-voting are given below:
- (i) The voting period begins on Tuesday, 23rd July, 2019 and ends on Thursday, 25th July, 2019 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) Thursday, 18th July, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Instructions for shareholders to vote electronically:

❖ Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.

DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	<p>Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number.</p> <p>● Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</p>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.



❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

(ii) Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 19th July, 2019 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

(iii) The Scrutinizer shall after the conclusion of voting at general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two(2) witnesses not in the employment of the Company and shall make no later than two (2) days from the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any to the Chairman or the person authorised by him in writing, who shall counter sign the same and declare the result of voting forthwith.

(iv) The Results shall be declared on or after the 40th 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/CDSL within two (2) days of passing of the Resolutions at the 40th Annual General Meeting of the Company and communicated to the BSE Limited.

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

Important Note:

As Kalyani Forge Limited, being a listed company and having more than 1000 shareholders, is compulsorily required to provide e-voting facility to members in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 40th AGM in view of the further provisions of Section 107 read with Section 114 of the Companies Act, 2013.

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

Nilesh Vitekar
Company Secretary
ACS - 24877

Place : Pune
Date : 18th May, 2019

Annexure to Notice

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

Item No.: 04

The Board in its meeting held on 18th May, 2019 has appointed Mr. Viraj G. Kalyani (DIN: 02268846) as an Additional Director of the Company till the conclusion of the ensuing Annual General Meeting. Hence, therefore, it is proposed to confirm the appointment of Mr. Viraj G. Kalyani as a Director of the Company for the period of 05 years commencing from 15th May, 2019 till 14th May, 2024, his brief profile is as below:

Name of the Director	Mr. Viraj Gaurishankar Kalyani
DIN	02268846
Date of Joining the Board	15 th May, 2019
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 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 31 st March, 2019	Nil
Chairman/Member of the Committees of Board of Directors of the Company as on 31 st March, 2019	Member of Corporate Social Responsibility Committee.
Chairman/Member of the Committees of Board of Directors of the other Companies as on 31 st March, 2019	Nil
Shareholding in the Company as on 31 st March, 2019	33,285 Equity Shares having face value of Rs. 10/- each

The shareholder's approval is solicited for the resolution at Item no 4 of the accompanying Notice as an ordinary resolution.

*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 herself, Mr. Gaurishankar N. Kalyani, Non-Executive Director and Mr. Viraj G. Kalyani, Executive Director together with his relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in his appointment as a Director of the Company.

**Item No.: 06**

The Board at its meeting held on 18th May, 2019, on the recommendations of the Audit Committee, has appointed Mr. Rahul A. Chincholkar of M/s. R. C. K. & Co., Practicing Cost Accountants, (Firm Reg. No.002587) as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 on a remuneration of Rs.1,25,000 (Rupees One Lakh Twenty Five Thousand only) (exclusive of taxes, as applicable) plus reimbursement of out of pocket expenses and conveyance.

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

The shareholder's approval is solicited for the resolution at Item no. 06 of the accompanying Notice as an ordinary resolution.

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

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

Place : Pune
Date : 18th May, 2019

Nilesh Vitekar
Company Secretary

Route Map for the Venue of Annual General Meeting :

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The industrial growth in India did not attain the expected growth rate. The auto industry did not fare as much as expected and the auto component industry suffered more heavily when the giants OEMs recorded significant reduction in their scales of production which in turn reduced our sales schedules.

The company took cautious approach this year. The huge CAPEX that was common feature in recent past was not repeated in this year and management was very rigid in approving the CAPEX except some automation and R&D requirements of CAPEX.

Economic Scenario and industrial Structure:

With the GST in place the commercial world has become more transparent. The assessment procedure would become very simple and objective, as all the efforts we had to take at the assessment stage get addressed in day to day of recording of transactions. This has given a well-informed assurance of its income to the government. The foreign direct investment has risen to very high levels and the future expectation is that it would increase further. The US-China trade war initially would help Indian industry to benefit. It is a general view that India is among few economies that stand to benefit from the trade tensions between the two giants. This will be mainly in the form of increase in exports of Indian manufactures. Many companies have taken steps to shift their base to India. With the election results there is huge sense of stability in the minds of industrial world and this would further encourage many industrial units to shift to India. This will result in tremendous growth of Indian industry as a whole.

In the auto industry in particular, the emergence of electric vehicles and the Euro VI standards would require some additional steps and may affect some units adversely while those who would be able to quick enough in adaptation would benefit a lot. Our company has already taken necessary action in this regard and has already got some orders for products complying with the Euro VI standards.

Opportunities & Threats:

As mentioned above the electric vehicles and the Euro VI standards have necessitated the changes in products and the product processes. This would also require additional CAPEX. A lot of R&D efforts would be needed. The company applied for the DSIR's recognition as an "in house research unit" and has become eligible for benefits of sec 35 (2AB) of Income Tax Act 1961, in the form of weighted deduction in Tax computation. Our R&D infrastructure is already in place.

The concern we have is the tremendous cost escalations and reluctance of the OEMs and tier1 suppliers to accede to it. This involves a lot of efforts to convince them. It results into serious liquidity crunch and increased financial costs, further resenting into shrunk margins.

The company is majorly in auto and auto ancillary industry and the above hurdles have created necessity for diversification into other industries. Thanks to government of India's make in India drive, which also covered the defence sector having huge potential for forging products. We have already engaged ourselves to cater to the defense and in current year we expect a significant part of one sales or sales to defense establishments.

Outlook:

With many units shifting their base to India, the Euro VI norms, the make in India drive of the government and re-election of stable Central government have created a very positive outlook for the coming year. The defense sector would open another dimension for the forging industry. After increase in steel prices a no's of times recent past they are likely to decrease in current year. They are adopting the Ring Rolling Technology and expect a lot of new business where this technology can be used. To comply with environmental norms of light weighting components we have undertaken the research and development activities in the newly recognized R & D unit. In the years to come the commercial vehicles and construction equipment industries are expected to grow rapidly due to existing government policies. We have already received improved order from JCB. So far, they are only supplying "as forged" connecting rods, but in the periods to come we would supply the machined connecting rods for two wheelers.

**Risks and Concerns:**

The customers for some reduction in costs tend to switch over to a new supplier by making some allegations of quality concerns etc. This results in a very significant loss in the form of the machine line becoming idle, leaving a number of unpaid invoices and idle raw material. The legal course results in recovery of the dues but it takes considerable time. We are now insisting on agreement involving commitment of minimum schedules for certain number of years, so as to avoid untimely obsolescence of the machining lines.

Financial and Operational Performance:

Though the company recorded highest top line in this year, the increase is not as much as we had expected. There are inflationary components in the increase. Raw material price increase has also increased the sales value without any addition to the margins. Suppliers need quick payment while customers dictate payments terms. The increased costs not accepted/reimbursed by customers have resulted in same level of bottom-line even though the top line has grown by about 20 crores. The manpower costs, the power and fuel costs, the freight costs have all increased significantly without being compensated by customers. However we have already approached the customers with the rationale for our demand for approving cost escalations, which would be recognized once the formal approvals are obtained. We have already started receiving such approvals in the current year 2019-20 for the past periods as well as price revisions for the future periods. In some cases we have received partial amounts in the form of compromise after a lot of struggle.

Industrial Relations:

We could make 5 year agreements with the workers in two of the plants while the third plant agreement is in final stages, also for 5 years. We noted the productivity increase in these plants.

Cautionary Statements:

Statements in the management discussions and analysis section describing company's projections, estimations, expectations 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 ones. Important factors that would make the difference in the company's operations include demand supply conditions raw material and other cost escalations, changes in government regulations and tax regimes, competition, economic developments within and outside the country etc.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company are pleased to present the 40th Annual Report together with the Audited Statement of Accounts of **Kalyani Forge Limited** ("the Company") for the year ended March 31, 2019.

Financial Performance:

The summarized standalone results of your Company are given below.

₹ in Lakhs

Particulars	Financial Year ended 31st March, 2019 Standalone	
	31-03-2019	31-03-2018
Total income from operations (net)	28,635.26	26,536.00
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	3226.06	2,789.00
Finance Charges	758.84	634.00
Depreciation	1503.36	1,295.00
Tax Expenses	267.08	263.00
Net Profit/ (Loss) After Tax	639.55	608.37
Balance of Profit from Previous Year	8,660.05	8,183.04
Profit available for appropriation	9,299.60	8,791.41
Less- Transfer to General Reserve	-	-
Less- Dividend Paid	133.68	109.14
Less- Tax on above dividend	27.22	22.22
Surplus retained in Profit & Loss Account	9,138.70	8,660.05

Summary of Operations:

During the year, the net revenue from operations of your Company for FY 2018-2019 increased by 08% to Rs 28,635.26 Lakhs against Rs. 26,536.00 Lakhs for the FY 2017-2018, your Company's Profit after tax stood at Rs. 696.39 Lakhs as against profit of Rs 656.38 Lakhs last Year.

Change in the nature of business, if any:

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

Reserves:

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

Dividend:

Your Directors are pleased to recommend for approval of members a dividend of Rs. 04.00/- per equity share (40%) at the face value of Rs 10/- per share for the Year ended 31st March, 2019.



Capital/ Finance:

During the year, the Company has not issued/allotted equity or preference shares. As on 31st March, 2019, the issued, subscribed and paid up share capital of your Company is at Rs. 36,380,000/-, comprising 36, 38,000 equity shares of Rs.10/- each.

Fixed Deposits:

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

Extract of Annual Return:

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

Transfer of Amounts to Investor Education and Protection Fund:

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

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. July 27, 2018), with the Ministry of Corporate Affairs.

Details of Board meetings:

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

Date of the Meeting	No. of Directors attended the Meeting
May 12, 2018	6
July 27, 2018	5
October 30, 2018	5
January 29, 2019	5

Committees of Board:

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

Declaration by Independent directors:

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

Directors and Key Managerial Personnel:

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

Tenure of 5 Years of Mr. Viraj Gaurishankar Kalyani, Whole-time Director has expired on 15th May, 2019 and he has offered himself for reappointment, further, it was recommended by the Board of Directors of the Company in their meeting held on 18th May, 2019 to re-appoint him for the further period of 05 years subject to the approval of Shareholders of the Company in the ensuing Annual General Meeting.

Formal Annual Evaluation:

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

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

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

At a Separate meeting of Independent Directors held on 31st March, 2019, performance evaluation of Chairperson, Non- Independent Directors, and the Board of Directors was carried out by Independent Directors which has also reviewed the adequacy of the flow of information between the Company Management and Board.

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

Company's policy on appointment and remuneration:

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

Highlights on Company's policy on Sexual Harassment:

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

Holding and Subsidiaries:

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

Statutory Auditors, their Report and Notes to Financial Statements:

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

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

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

Your Directors seek ratification from the members for the appointment of M/s K.S. Aiyar & Co. Chartered Accountants as the Statutory Auditors of your Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company.

**Internal financial controls:**

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

Cost Audit:

As per the Cost Audit Orders, Cost Audit is applicable to the Company's forging business for the FY 2019-20.

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. R C K & Co, Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2019-20. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting.

Secretarial Audit:

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

Human Resources:

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

Related Party Transactions:

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

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

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

Risk Management Policy:

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

Management Discussion and Analysis:

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

Corporate Social Responsibility (CSR):

The Company has adopted the CSR policy pursuant to Sec 135 of the Companies Act, 2013. The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure 7**.

Highlights of Corporate Social Responsibility Policy:

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

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Protection of national heritage, art and culture including restoration of buildings and sites historical importance and works of art; setting-up public libraries, promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, Paralympics Sports and Olympic Sports.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development Projects.

Particulars of Employees:

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

Details of establishment of vigil mechanism for directors and employees:

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

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

Corporate Governance Certificate

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

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

The Company, in its continuous 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 of power cost.

**(a) Conservation of energy**

(i)	the steps taken or impact on conservation of energy	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 of power cost.
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipment	-

(b) Technology absorption

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

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	2018-19	2017-18
1)	POWER AND FUEL CONSUMPTION		
I)	Electricity		
a)	Purchased Units (KWH)	24,875,660	26,535,664
	Total Amount (In. Rs)	233,757,340	230,105,164
	Rate/Unit (Rs)	9.40	8.67
b)	Own Generation		
i)	Through Diesel Generator	35,101	204,212
ii)	Through Steam Generator (KWH)	-	-
II)	Coal	-	-
III)	Fuel Oil (FO + CBFS)		
	Quantity (Ltrs.)	964,420	978,298
	Total Amount (In Rs.)	39,005,722	32,362,092
	Average Rate /Litre (Rs.)- FO+CBFS	39	33
2)	CONSUMPTION PER UNIT OF PRODUCTION		
	Product : high quality closed tolerance die forgings	-	-
	Unit : M.T.	14,246	15,647
	Electricity (KWH/M.T.)	1,749	1,709
	Fuel Oil (KL/M.T.)	0.07	0.06
	Coal	-	-

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

We have a dedicated in-house R&D facility equipped with Design Centre, Proto Development Centre, Testing and Validation area for Development of New and Innovative Products.

The main objective of our R&D is to develop Forged, Machined and Assembled products by adopting the Latest Technology also with minimization of environmental pollution & wastages & our R&D facility is backed by highly experienced and technically qualified team.

With the new make in India policy, the R&D has become very much essential as newer and newer products may get added with challenge of cost competitiveness. R&D helps try new ways and means to produce the part with same features but at reduced costs keeping the environmental factor at the top.

I) Specific Areas of Research & Development-

Development of new products both in the area of forging as well as Machined components for Domestic & Export sales:

- 1) During the year 2018-19, 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 Machined Tripods, Machined Outer races, Machined Arm Front Suspension LH and RH, Inner and Outer Chain Links, Fracture Connecting Rod Assembly, Machined Nozzle Rings, Forged stub axles etc.



- 2) Introduced and established Induction Hardening technology for Inner and outer Hubs.
- 3) Die Locks introduced for Warm and hot forging components to reduce die setup time and to improve forging quality.
- 4) Introduced W303 Die material for Male & Female Tripot Dies to improve die life – by VAVE Approach.
- 5) On the above said research and development activities, the company has spent Rs 271.82/- lakhs during the year.

II) Future Plan of Action:

- 1) Introduce Spline Rolling technology for Outer Races.
- 2) Introduction of Water base lubrication for Tulips (Warm Forging parts) to maintain cleaner environment.
- 3) Bell Forging with Internal negative tracks (New Technology).
- 4) VMC – 5 Axis for Warm & Cold forging parts Die manufacturing.
- 5) Fully Automation for Connecting Rod Machining and Assembly to improve Quality and Productivity.
- 6) Research & Development in Single Minute Exchange of Dies (SMED) project.
- 7) Focused development of variety of warm and cold forging and machined premium components.
- 8) Planning to commence activities in bigger size forgings.
- 9) W360 Die Material Selection for Increasing the Life of small Con Rod Forging Dies – by VAVE Approach.
- 10) Research & Development on die weld over lays for increasing die life of complex profile parts.
- 11) Optimization of input material to improve maximum forging yield ratio.
- 12) The company has budgeted Rs. 350/- lakhs for the above activities during the next financial year.

(d) Foreign exchange earnings and Outgo:

During the year, the total foreign exchange used was Rs. 5,00,84,093/- and the total foreign exchange earned was Rs. 34,45,15,521/- .

(e) Technology Absorption, Adaptation and Innovation:

Through In-house Research and 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.

Directors' Responsibility Statement:

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs

of the company at the end of the financial year and of the profit and loss of the Company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement:

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

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

For and on behalf of the Board

Place : Pune
Date : 18th May, 2019

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



Annexure 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2019 of
KALYANI FORGE LIMITED[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of
the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

(i) Category-wise share holding

Sr. No	Category of Shareholder	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters:									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	144176	0	144176	3.9631	144176	0	144176	3.9631	0
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bodies Corporate	1988120	0	1988120	54.6487	1988120	0	1988120	54.6487	0
(d)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub Total (A)(1)	2132296	0	2132296	58.6118	2132296	0	2132296	58.6118	0
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000

Sr. No	Category of Shareholder	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Bodies Corporate	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Bank/Financial instructions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	2132296	0	2132296	'58.6118	2132296	0	2132296	'58.6118	0
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Central Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Venture Capital fund	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(g)	FII's	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Foreign Venture Capital Fund	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Bodies Corporate	199573	570900	770473	'21.1785	569600	24954	595254	'16.3621	-4.8164
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	3,17,249	101277	418526	11.5043	550604	622305	71701	17.1057	5.6014
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	99649	182000	281649	07.7419	14423	182000	196423	5.3992	-2.3427
(c)	Any Other (Specify)									
	Trusts	0	100	100	0.0027	0	100	100	'0.0027	0
	Hindu Undivided Family	20420	0	20420	0.5613	54763	0	54763	'1.5000	0.94
	Non Resident Indians (Non Repat)	2161	0	2161	0.0594	6181	0	6181	'0.1699	0.019
	Non Resident Indians (Repat)	3497	0	3497	'0.0961	7553	0	7553	'0.2076	0.1105
	Clearing Member	8878	0	8878	'0.2440	2399	0	2399	'0.0659	-0.1781
	IEPF	0	0	0	0	20726	0	20726	0.5697	'0.5697
	Sub Total (B)(2)	651427	854277	1505704	41.3882	651427	854277	1505704	'41.3882	'25.4222
	Total Public Shareholding(B)=(B)(1)+(B)(2)	651427	854277	1505704	41.3882	651427	854277	1505704	'41.3882	'25.4222
	Total (A)+(B)	2783723	854277	3638000	'100.0000	2783723	854277	3638000	'100.0000	'0.0000
C	Shares held by custodian for GDR/ADR	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	2783723	854277	3638000	'100.0000	2783723	854277	3638000	'100.0000	'0.0000

**(ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% Change In share holding During the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1.	Kalyani Consultants Pvt. Ltd.	377,280	10.37	NIL	377280	10.37	NIL	NIL
2.	Vakratund Investment Pvt. Ltd.	342,342	9.41	NIL	342342	9.41	NIL	NIL
3.	Pax Investments Pvt. Ltd.	340,074	9.35	NIL	340074	9.35	NIL	NIL
4.	Squirrel Financers And Investors Pvt. Ltd.	186,480	5.13	NIL	186480	5.13	NIL	NIL
5.	Bellona Investment Pvt. Ltd.	173,124	4.76	NIL	173124	4.76	NIL	NIL
6.	Kalyani Exports & Investments Pvt. Ltd.	95,600	2.63	NIL	95600	2.63	NIL	NIL
7.	Attila Investment Pvt. Ltd.	94,500	2.60	NIL	94500	2.60	NIL	NIL
8.	Monte Carlo Investment Private Limited	94,500	2.60	NIL	94500	2.60	NIL	NIL
9.	Vikat Investment Pvt. Ltd.	65,520	1.80	NIL	65520	1.80	NIL	NIL
10.	Dukhaharta Investment Pvt. Ltd.	64,260	1.77	NIL	64260	1.77	NIL	NIL
11.	Sukhakarta Investment Pvt. Ltd.	64,260	1.77	NIL	64260	1.77	NIL	NIL
12.	Gaurishankar Neelkanth Kalyani	47,020	1.29	NIL	47020	1.29	NIL	NIL
13.	Agasti Investment & Trading Private Limited	35,280	0.97	NIL	35280	0.97	NIL	NIL
14.	Rohini Gaurishankar Kalyani	32,236	0.89	NIL	32236	0.89	NIL	NIL
15.	Sheetal Gaurishankar Kalyani	31,635	0.87	NIL	31635	0.87	NIL	NIL
16.	Viraj Gaurishankar Kalyani	33,285	0.91	NIL	33285	0.91	NIL	NIL
17.	Rajgad Trading Company Pvt. Ltd.	28,200	0.78	NIL	28200	0.78	NIL	NIL
18.	Aboli Investment Pvt. Ltd.	26,500	0.73	NIL	26500	0.73	NIL	NIL
19.	Jannhavi Investment Private Limited	200	0.01	NIL	200	0.01	NIL	NIL

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

Sr. No.	Name of Shareholder	Share holding		Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year (1/04/2018 to 31/03/2019)	
		No. of Shares at the beginning of year (01/04/2018)	% of total shares of the company				No of shares	% of total shares of the Company
		End of the year (31/03/2019)						
1.	Kalyani Consultants Pvt. Ltd.	377,280 377,280	10.37 10.37	01/04/2018 31/03/2019	NIL	No change During the year	377,280	10.37
2	Vakratund Investment Pvt. Ltd.	342,342 342,342	9.41 9.41	01/04/2018 31/03/2019	NIL	No change During the year	342,342	9.41
3.	Pax Investments Pvt. Ltd	340,074 340,074	9.35 9.35	01/04/2018 31/03/2019	NIL	No change During the year	340,074	9.35
4	Squirrel Financers And Investors Pvt. Ltd	186,480 186,480	5.13 5.13	01/04/2018 31/03/2019	NIL	No change During the year	186,480	5.13
5	Bellona Investment Pvt. Ltd	173,124 173,124	4.76 4.76	01/04/2018 31/03/2019	NIL	No change During the year	173,124	4.76

Sr. No.	Name of Shareholder	Share holding		Date	Increase / De crease in shareholding	Reason	Cumulative shareholding during the year (1/04/2018 to 31/03/2019)	
		No. of Shares at the beginning of year (01/04/2018)	% of total shares of the company				No of shares	% of total shares of the Company
		End of the year (31/03/2019)						
6	Kalyani Exports & Investments Pvt. Ltd.	95,600 95,600	2.63 2.63	01/04/2018 31/03/2019	NIL	No change During the year	95,600	2.63
7	Attila Investment Pvt. Ltd.	94,500 94,500	2.60 2.60	01/04/2018 31/03/2019	NIL	No change During the year	94,500	2.60
8	Monte Carlo Investment Private Limited	94,500 94,500	2.60 2.60	01/04/2018 31/03/2019	NIL	No change During the year	94,500	2.60
9	Vikat Investment Pvt. Ltd.	65,520 65,520	1.80 1.80	01/04/2018 31/03/2019	NIL	No change During the year	65,520	1.80
10	Dukhaharta Investment Pvt. Ltd.	64,260 64,260	1.77 1.77	01/04/2018 31/03/2019	NIL	No change During the year	64,260	1.77
11	Sukhakarta Investment Pvt. Ltd.	64,260 64,260	1.77 1.77	01/04/2018 31/03/2019	NIL	No change During the year	64,260	1.77
12	Gaurishankar Neelkanth Kalyani	47,020 47,020	1.29 1.29	01/04/2018 31/03/2019	NIL	No change During the year	47,020	1.29
13	Agasti Investment & Trading Private Limited	35,280 35,280	0.97 0.97	01/04/2018 31/03/2019	NIL	No change During the year	35,280	0.97
14	Rohini Gaurishankar Kalyani	32,236 32,236	0.89 0.89	01/04/2018 31/03/2019	NIL	No change During the year	32,236	0.89
15	Sheetal Gaurishankar Kalyani	31,635 31,635	0.87 0.87	01/04/2018 31/03/2019	NIL	No change During the year	31,635	0.87
16	Viraj Gaurishankar Kalyani	33,285 33,285	0.91 0.91	01/04/2018 31/03/2019	Nil	No change During the year	33,285	0.91
17	Rajgad Trading Company Pvt. Ltd.	28,200 28,200	0.78 0.78	01/04/2018 31/03/2019	NIL	No change During the year	28,200	0.78
18	Aboli Investment Pvt. Ltd	26,500 26,500	0.73 0.73	01/04/2018 31/03/2019	NIL	No change During the year	26,500	0.73
19	Jannhavi Investment Private Limited	200 200	0.01 0.01	01/04/2018 31/03/2019	NIL	No change During the year	200	0.01

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 3638000 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the FY 2018-2019		Transactions during the year	Cumulative Shareholding at the end of the FY 2018-19	
		No. of Shares held	Shares as % of Total No. of Shares		No. of Shares held	Shares as % of Total No. of Shares
01	Mr. Satish Ashok Sabnis	0	0	23,467	23,467	0.65
02	M/s Saurashtra Solid Industries Pvt Ltd	0	0	10,000	10,000	0.28
03	Ms. Anita Rawat	0	0	9,000	9,000	0.25
04	Mr. Santosh Kishore Gupta	7,687	0.21	750	8,437	0.23
05	Ms. Sita Narendra Gupta	3,950	0.11	3,182	7,132	0.20
06	Mr. Champalal Jain	0	0	5,000	5,000	0.14
07	Mr. Mitraser Jain	3,940	0.11	715	4,655	0.13



Sr. No.	Name of the Shareholder	Shareholding at the beginning of the FY 2018-2019		Transactions during the year	Cumulative Shareholding at the end of the FY 2018-19	
		No. of Shares held	Shares as % of Total No. of Shares		No. of Shares held	Shares as % of Total No. of Shares
08	Mr. Suresh Dindayal Khatri	5,390	0.15	(1,300)	4,090	0.11
09	Mr. Raj Kumar Agarwal	4,000	0.11	0	4,000	0.11
10	Ms. Bhavna Govindbhai Desai	4,000	0.11	0	4,000	0.11

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of Director/KMP	Shareholding at the beginning of the year (01/04/2018)		Date wise increase/decrease in shareholding during the year	Cumulative shareholding at the end of the year (31/03/2019)	
		No. of shares	% of total shares of Company		No. of shares	% of total shares of Company
1.	Mrs. Rohini G. Kalyani, Chairperson & Managing Director	32,236	0.89	No Change	32,236	0.89
2.	Mr. Viraj Kalyani, Executive Director	33,285	0.91	No Change	33,285	0.91
3.	Mr. Gaurishankar N. Kalyani, Non-Executive Director	47020	1.29	No Change	47020	1.29
4.	Mr. Pradip Nadkarni, Independent Director	306	0.008	No Change	306	0.008
5.	Mr. Abhijit Sen, Independent Director	0	0	No Change	0	0
6.	Mr. Vishwas Chitrao, Independent Director	0	0	No Change	0	0
	Key Managerial Person:					
7.	Mr. Avinash Khare, CFO	0	0	No Change	0	0
8.	Mr. Nilesh Vitekar, Company Secretary & Compliance Officer	0	0	No Change	0	0

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	62,94,79,829	1,66,11,625		64,60,91,454
ii) Interest due but not paid	26,63,139			26,63,139
iii) Interest accrued but not due				
Total (i+ii+iii)	63,21,42,968	1,66,11,625	-	64,87,54,593
Change in Indebtedness during the financial year				
• Addition				-
• Reduction	16,12,01,435	1,45,12,554		17,57,13,989
Net Change	(16,12,01,435)	(1,45,12,554)	-	(17,57,13,989)
Indebtedness at the end of the financial year				
i) Principal Amount	46,67,06,649	20,99,071		46,88,05,720
ii) Interest due but not paid	42,34,884			42,34,884
iii) Interest accrued but not due				
Total (i+ii+iii)	47,09,41,533	20,99,071	-	47,30,40,604

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Executive Director	Total Amount
		Rohini G. Kalyani	Viraj G. Kalyani	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,75,220	20,75,220	41,50,440
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under	NIL	NIL	
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission- as % of profit- others, specify...	29,90,482	9,64,201	39,54,683
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	50,65,702	30,39,421	81,05,123
	Ceiling as per the Act	11%	11%	1,01,31,404

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors*				Total Amount
			Mr. Pradip Nadkarni	Mr. Vishwas Chitrao	Mr. Abhijit Sen	
1.	Independent Directors					
(a)	Fee for attending board and committee meetings		90,000	40,000	90,000	2,20,000
(b)	Commission		3,03,942	1,51,971	3,54,599	8,10,512
(c)	Others, please specify					
	Total (1)		3,93,942	1,91,971	4,44,599	10,30,512
		Mr. G N Kalyani				
2	Other Non-Executive Directors					
(a)	Fee for attending board and committee meetings	90,000				90,000
(b)	Commission	2,02,628				2,02,628
(c)	Others, please specify	-				-
	Total (2)	292628				2,92,628
	Total (B)=(1+2)	292628	393942	191971	444599	13,23,140
	Total Managerial Remuneration (A+B) *					94,28,263
	Overall Ceiling as per the Act					1,11,44,544

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



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/ WTD
All CEO, CS & CFO during FY 2018-19:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	Gross salary	6,96,669	11,87,856	18,84,525
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission- as % of profit- others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	6,96,669	11,87,856	18,84,525

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Place : Pune
Date : 18th May, 2019

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

Annexure 2

BOARD NOMINATION AND REMUNERATION COMMITTEE CHARTER

(Based on external and internal best practices)

1. Objectives of the Nomination and Remuneration Committee

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

2. Composition

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

3. Meetings and quorum

- 3.1 The Committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings.
- 3.2 The Committee may invite such of the executives, as it considers appropriate to be present at the meetings of the committee.
- 3.3 The Head of Company Secretary for the Company shall act as the secretary to the Committee.
- 3.4 The quorum for the Committee Meetings shall be two-thirds of the members of the Committee. However, at least one independent member must be present.
- 3.5 The Chairperson of the committee could be present at the Annual General Meeting to answer the shareholders queries, However it would be up to the Chairman to decide who should answer the queries.

4. Authority and Powers

The Committee shall have the powers:

- To investigate any activity within the scope of this Charter or referred to it by the Board;
- To seek any information or explanation from any employee or director of the Company;
- To ask for any records or documents of the Company;
- To engage independent consultants and other advisors and seek their advice.



5. Roles & Responsibilities

The responsibilities of the Committee shall be the following:

5.1 Relating to the Company:

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

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

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

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

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

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

To devise a policy on Board diversity

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

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

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

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

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

Evaluate executive team performance regularly to strengthen the cumulative annual assessment and to provide timely feed-back to the assessed individuals. Developing a view on the human resources capability in the business by periodically engaging with levels below the executive team.

Evaluate executives for elevation to Board level positions.

Review and recommend to the Board the remuneration & commission to the managing and executive directors. Relating to the Performance and Remuneration of the Non-executive Directors:

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

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

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

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

5.4 Other functions:

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

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

6. Reporting

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

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

7. Compensation

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

8. Evaluation

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

9. Review of Remuneration Committee Charter

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

For and on behalf of the Board

Rohini G. Kalyani

Chairperson & Managing Director
(DIN : 00519565)

Place : Pune
Date : 18th May, 2019



Annexure 3

Highlights of Sexual Harassment Policy

DISCLOSURE UNDER THE "SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013".

In terms of Section 22 of the above mentioned Act, read with Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Rule, 2013, we report as follows for the year ended on March 31, 2019:

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

For and on behalf of the Board

Place : Pune
Date : 18th May, 2019

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

Annexure 4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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

To,

**The Members,
Kalyani Forge Limited**

(CIN: L28910MH1979PLC020959)

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter, *subject to some observations in filing and submission of disclosures and documents/information under applicable Rules, Regulations and applicable Laws:*

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

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

I have examined the books, papers, minute books, records, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2019 according to the provisions of;

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

The Company has aligned its Insider Trading Policy with SEBI (Prohibition of Insider Trading) (Amendment) 2019, which includes "Procedure for Preclearance of Trade" as well, which is as on 31st March, 2019 subject to the review and adoption by the Board of the Company.



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

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

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

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

During the course of Audit, we understood from the management that, there were frequent attritions in Managerial Personnel, due to which mechanism was disturbed; however the management has appointed adequate Managerial Personnel, which has resulted in carrying out compliance effectively and efficiently.

I further report that-

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

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

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

For HR & Associates,
Company secretaries

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP: 8984

Date: 11th May, 2019
Place: Pune

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

Annexure A

To,

**The Members,
Kalyani Forge Limited**

(CIN: L28910MH1979PLC020959)

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

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

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

For HR & Associates,
Company secretaries

Date: 11th May, 2019
Place: Pune

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP: 8984

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

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

For HR & Associates,
Company secretaries

Date: 11th May, 2019
Place: Pune

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP: 8984

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

1. Memorandum and Articles of Association of the Company and Policies of the Company
2. Annual Reports for the Financial Year ended 31 March, 2018; 31 March, 2017 and 31 March, 2016
3. Minutes of Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee with Attendance Registers till March 31, 2019.
4. Minutes of General Meeting Minutes till March 31, 2019.
5. Statutory Register of the Company includes:
 - a. Register of Directors and KMP
 - b. Register of Members
 - c. Register of Directors' Shareholding
 - d. Register of Charge
 - e. Register of Contracts
 - f. Register of loans, guarantees, securities and acquisitions made by the Company
 - g. Register of Transfers
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 149 and Section 184 of the Companies Act, 2013.
7. Forms filed by the Company with Registrar of Companies, Pune till March 31, 2019.
8. Documents/correspondence made by the Company to Bombay Stock Exchange and National Stock Exchange, till March 31, 2019.
9. Information about various filings done by the Company to Bombay Stock Exchange and National Stock Exchange, till March 31, 2019

For HR & Associates,
Company secretaries

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP: 8984

Date: 11th May, 2019
Place: Pune

**Annexure 5**

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

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

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

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

During the Financial Year 2018-19, all the transactions entered into with related parties were at arm's length. However, these transactions were not material.

For and on behalf of the Board

Place : Pune
Date : 18th May, 2019

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

Annexure 6

Highlights of Risk Management Policy

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

The specific objectives of the Risk Management Policy shall be:

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

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

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

Risk Management Framework

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

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

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

Risk Management and Risk Monitoring

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

1. Economic Environment and Market conditions
2. Fluctuations in Foreign Exchange
3. Political Environment
4. Competition
5. Revenue Concentration



6. Inflation and Cost Structure
7. Technological Obsolescence
8. Financial Reporting Risks
9. Legal Risk
10. Compliance with Local Laws
11. Quality and Project Management
12. Environmental Risk Management

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

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

The Company functions under a well-defined organization structure.

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

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

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

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

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

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

(b) Liquidity Risks

Risk Mitigation Measures:

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

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

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

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

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

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

(c) Credit Risks:

Risk Mitigation Measures:

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

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

(d) Market Risks / Industry Risks:

Risk Mitigation Measures:

Raw materials are procured from different sources at competitive prices.

Alternative sources are developed for uninterrupted supply of raw materials.

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

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

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

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

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

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

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

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

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

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

Reporting Significant Risk

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

Audit

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

Necessity of the Risk Management policy:

The Company is passing through many unidentified risks, which have adversely impacted the Company's performance. The Company still continues to be exposed to these unidentified risks which shall have an adverse impact on the Company's business in near future. Quantification of the impact of these risks is not possible at this stage. These unidentified risks are because of the failure to identify and control at the operational/ground level. The Company is facing problems relating to failure of Quality and Delivery compliances with customers on day to day basis.

Some of the examples of the discontinuation of customers due to the above referred problems, which had and still continue to have major impact on the business, are VCST, Volvo, Honeywell, Caterpillar, Hero Honda, etc.

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

For and on behalf of the Board

Place : Pune
Date : 18th May, 2019

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



Annexure 7

REPORT ON CSR ACTIVITIES/ INITIATIVES

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

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

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

3. Average Net Profit of the company for last 3 financial years: Rs. 5,89,44,430/-

4. Prescribed CSR expenditure (2% of amount) : Rs. 11,78,889/-

The Current CSR Expenditure: Rs. NIL/-

5. Details of CSR Expenditure spent during the financial year:

(a) Total amount to be spent for the financial year: Rs NIL/-

(b) Amount unspent if any: Rs. 11,78,889/-

(c) Manner in which amount spent during the year is detailed below:

Sr. No	CSR Project or activity identified	Sector in which project is covered	Projects or programmes (1) Local areas or others (b) Specify the state and district where the programme or project was undertaken	Amount outlaying project or programme wise	Amount spent on the project or programs sub-heads (1) Direct expenditure on the projects or programs (2) Overheads	Cumulative expenditure upto reporting period	Amount spent Direct or through implementing agency
	We have identified the recipients of the CSR amount, however as per the arrangement amount is payable after submission of work report by the respective.			11,78,889.00			

Details of implementing agency: —

6. In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report:
7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

Mrs. Rohini Gaurishankar Kalyani
(Chairperson/ Managing Director)
(DIN : 00519565)

Mrs. Rohini G. Kalyani
Chairperson of CSR Committee
(DIN : 00519565)

Annexure 8

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

Sr. No.	Name	Designation/ Nature of Duties	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
NIL								

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

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

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

Sr. No.	Name of the Director/KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage increase in Remuneration during FY 2018-19
1	Mrs. Rohini G. Kalyani	Chairperson & Managing Director	21.81 :1	11.33
2	Mr. Viraj G. Kalyani	Executive Director	13.09 :1	11.32
3	Mr. G.N. Kalyani	Non- Executive Director	0.87 :1	-26.05
4	Mr. Pradip Nadkarni	Independent Director	1.31 :1	-11.39
5	Mr. Abhijit Sen	Independent Director	1.53 :1	-13.51
6	Mr. Vishwas Chitrao	Independent Director	0.65 :1	-13.90
7	Mr. Avinash Khare	Chief Financial Officer (CFO)	5.11 :1	-0.06
8	Mr. Nilesh Vitekar	Company Secretary & Compliance Officer	3.00 :1	21.47



3) Percentage increase in the median remuneration of employees in the financial year	-0.21%	
4) Number of permanent employees on the rolls of Company as at March 31, 2019	792	
5) Explanation on the relationship between average increase in remuneration and Company performance	Average increase in remuneration was 20.15%. The turnover of the Company increased by 7.52 % & Profit Before tax increased by 4.78 %	
6) 6) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total Revenue (Rs. In Lakhs)	29282.47
	Profit Before Tax (Rs. In Lakhs)	963.46
	Total Remuneration to KMPs (Rs. In Lakhs)	110.03
	Total Remuneration of KMPs as % to	-
	Total Revenue	0.38%
	Profit Before Tax	11.42%
7) i. Variations in the market capitalisation of the Company ii. Price Earnings ratio of the Company iii. Percentage increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year	The market capitalisation as on March 31, 2019 was Rs.101.48. crores (Rs.105 crores as at March 31, 2018)	
	14.57 as at March 31, 2019 and (16.09) as at March 31, 2018	
	The Company has come out with initial public offer (IPO) in March 1994. An amount of Rs. 55 invested in the said IPO would be worth Rs. 278.95 as on March 31, 2019 indicating a compounded annual growth rate of 07.13% which is including the dividend accrued thereon.	
8) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The Average increase in remuneration of the employees other than managerial personnel was 6 % as compared to the increase in the managerial remuneration by Refer Note above Table.	

9) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company

Names of the KMPs	Remuneration in FY 2018-19 (in Rs.)	Revenue (in Rs.)	Remuneration as % of revenue	Profit Before Tax (in Rs.)	Remuneration (as % of PBT)
Mrs. Rohini G. Kalyani	50,65,702	2,92,82,46,739	0.17%	9,63,46,211	5.26%
Mr. Viraj G. Kalyani	30,39,421	2,92,82,46,739	0.10%	9,63,46,211	3.15%
Mr. Avinash Khare (CFO)	11,87,856	2,92,82,46,739	0.04%	9,63,46,211	1.23%
Mr. Nilesh Vitekar (CS)	6,96,669	2,92,82,46,739	0.02%	9,63,46,211	0.72%

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

Note: INADEQUACY of PROFITS for Managerial Remuneration

As per Section 197 of the Companies Act, 2013 the total managerial Remuneration payable by a Public company to its Directors including Managing Director and whole time director in respect of any Financial Year shall not exceed 11% of the Net Profits of that Company for that Financial Year computed in the manner laid down in section 198 except that the Remuneration of the Directors shall not be deducted from the gross profits:

Provided that the company in general meeting may with the approval of Central Govt. authorize the payment of remuneration exceeding above subject to the provisions of Schedule V.

Subject to the provisions of Schedule V, if in any Financial Year, a company has no profits or its profits are inadequate, the company shall not pay its directors, including any Managing Director or whole time Director by way of Remuneration any sum exclusive of fees payable to directors except as per Schedule V or if not as per the approval of Central Govt.

The fact of inadequacy of profit shall be realized by the company only after having arrived at the profit as per section 198 of the Companies Act, 2013 that would not be sufficient to pay Managerial Remuneration as per the agreed terms and conditions contracted with those managerial personnel.

In case of Company Net profit as per section 198 of the Companies Act, 2013 for the Financial Year 2018-19 is not sufficient to pay remuneration to Managing Director and Executive Director as per the terms of contract of Remuneration. Hence the Profits for the Financial Year 2018-19 are inadequate and hence Company has taken recourse to Schedule V of the Companies Act, 2013.

For and on behalf of the Board

Place : Pune
Date : 18th May, 2019

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

**Annexure 9****Highlights of Whistle Blower Policy**

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

For and on behalf of the Board

Place : Pune
Date : 18th May, 2019

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

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

a) Composition and size of Board:

The Board of Directors of the Company has optimum combination of Executive and non – executive Directors who has in depth knowledge of business, in addition to expertise in their areas of operation. As on 31st March 2019, the strength of the Board of Directors was Six Directors, of which four are non – executive Directors including three Independent Directors.

b) Meetings of the Board of Directors:

During the year 2018-19, four Board Meetings were held on 12 May, 2018, 27 July 2018, 30 October 2018 and 29 January, 2019.

c) Directors Attendance Record and Directorships held:

The information on composition and category of the Board of directors as on 31st March 2019, attendance of each Director at Board Meetings held during the financial year 2018-19 and at the Annual General Meeting held on 27th day of July, 2018, 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 2018-19		Whether attended last AGM	No. of Directorship in other Public Ltd. Companies	Committee positions held in other Public Limited Companies	
		Held	Attended			Member	Chairperson
Rohini G. Kalyani (Chairman & Managing Director)	Executive	4	4	Yes	-	-	-
Mr. G. N. Kalyani	Non- Executive	4	4	Yes	-	-	-
Mr. Viraj G. Kalyani (Whole-Time Director)	Executive	4	1	No	-	-	-
Mr. Pradip Nadkarni	Non-Executive Independent	4	4	Yes	-	-	-
Mr. Abhijit Sen	Non-Executive Independent	4	4	Yes	3	3	2
Mr. Vishwas Chitrao	Non-Executive Independent	4	4	Yes	-	-	-



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

d) Relationship between directors *inter se*:

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

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

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

f) Code of Conduct:

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

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

The particulars of appointment/re-appointment of Non-Executive and Executive Directors are provided as Annexure – I to the Explanatory Statement annexed to the Notice of 40th Annual General Meeting and disclosed the relevant information as required hereunder pursuant to Regulation 17 of Listing obligation.

3. AUDIT COMMITTEE:

a) Brief Description and Terms of Reference:

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

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

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

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

Terms of reference to Audit Committee cover the matters specified under Regulation 18 of the Listing 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 12th May, 2018, 27th July, 2018, 30th October, 2018 and 29th January, 2019.

The composition of the Audit Committee as on 31st March, 2019 and attendance of members in the meetings held during the financial year 2018-19 is as under

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

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Brief Description and Terms of Reference:

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

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

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

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

During the year under review, only one meeting of the Nomination and Remuneration Committee took place on 12th May, 2018.

The composition of the Nomination & Remuneration Committee as on 31st March, 2019 and attendance of members in the meetings held during the financial year 2018-19 is as under

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

c) Remuneration Policy:

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

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

d) Nomination and Remuneration Committee Charter:

Nomination and Remuneration Charter has been formed to help the Board to discharge their responsibilities to shareholders, the investment community and other stakeholders with respect to (i) preparations relating to the election of members of the Board of Directors (ii) handling matters within



its scope of responsibility that relate to the conditions of employment and remuneration of senior management; (iii) setting the performance standards, budgets and targets for the Executive team of the Company; (iv) setting the compensation and performance bonuses of the Company's executive officers; (v) overseeing the Company's Human Resources and People strategy; (vi) Identifying independent Directors to be inducted to the Board from time to time; (vii) to recommend nomination for Chairmanship & memberships of various committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, etc functioning under the Board of Directors of the company.

e) Remuneration to Directors:

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

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

a) Brief Description and Terms of Reference:

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

The committee consists of three Non-Executive Directors out of which two are independent Directors.

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

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

During the year under review, two meetings of Stakeholders' Relationship Committee were held on 12th May 2018, 27th July, 2018, 30th October, 2018 and 29th January, 2019.

The composition of the Stakeholders' Relationship Committee as on 31st March, 2019 and attendance of members in the meetings held during the financial year 2018-19 is as under:

Name of the Member	Category	No. of meetings attended (held=4)
Mr. Gaurishankar N. Kalyani	Chairman Non – Executive Director	4
Mr. Pradip Nadkarni	Non – Executive & Independent Director	4
Mr. Abhiji Sen (Appointed on 16 th April 2016)	Non – Executive & Independent Director	4

The Company has not received any Complaints during the year. There were no pending share transfer and complaints as on 31st March, 2019.

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

6. DETAILS OF THE ANNUAL GENERAL MEETINGS:

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

Financial Year	Date and Time	Venue	Special Resolutions passed if any
2015-16	2 th August, 2016 at 11.00 A.M.	Poona Club Ltd; Camp Pune- 411001	1
2016-17	25 th July 2017 at 11.00 A.M.	Poona Club Ltd; Camp Pune- 411001	1
2017-18	27 th July, 2018 at 10.30 A.M.	Poona Club Ltd; Camp, Pune - 411001	1

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

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

7. DISCLOSURES:

a) **Materially Significant Party Transactions:**

For details regarding related party transactions, please refer notes to the financial statements

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

b) **Accounting Treatment:**

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

c) **Statutory Compliance, 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.

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

d) **Secretarial Audit:**

Pursuant to Regulation 7 of SEBI (Listing Obligation & Disclosure Requirement) with the Stock Exchanges, certificates, on half-yearly basis, have been issued by HR & Associates, Company Secretaries-in-Practice for due compliance of share transfer formalities by the Company for half year ended 30th September 2018 and for the second half year ended 31st March, 2019 was issued by HR & Associates, Practicing Company Secretary.

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

For quarter ended 31st March 2019 the report was provided by HR & Associates, Practicing Company Secretary

e) **Cost Audit:**

The Central Government has approved the appointment of Mr. Rahul Chincholkar as Cost Auditor of the Company for the financial year 2018-19.

f) **Vigil mechanism**

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

8. Managing Director / CFO Certification:

The Managing Director and Chief Financial Officer have certified to the Board of Directors, inter alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under Regulation 17 (8) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, for the year ended 31st March, 2019



9. MEANS OF COMMUNICATION:

Quarterly and Half-yearly results are published in one of the renowned English and Marathi dailies, published from Pune. The results are also updated on Company's website, www.kalyaniforge.co.in. There is hardly any official news required to be released on website or even in Press.

10. GENERAL SHAREHOLDER INFORMATION

a) AGM Information and Financial Year:

Day, Date and Time of AGM	: Friday, 26 th July, 2019 at 10.30 a.m.
Venue	: Poona Club Ltd., Camp, Pune – 411 001
Financial Year	: 1 st April 2018 to 31 st March 2019
Date of Book Closure	: 19 th July 2019 to 26 th July 2019 (both days inclusive)
Dividend payment Details	: Within 30 days after Annual General Meeting

b) Listing on Stock Exchanges and Scrip Code:

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

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

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

c) Market Price Data:

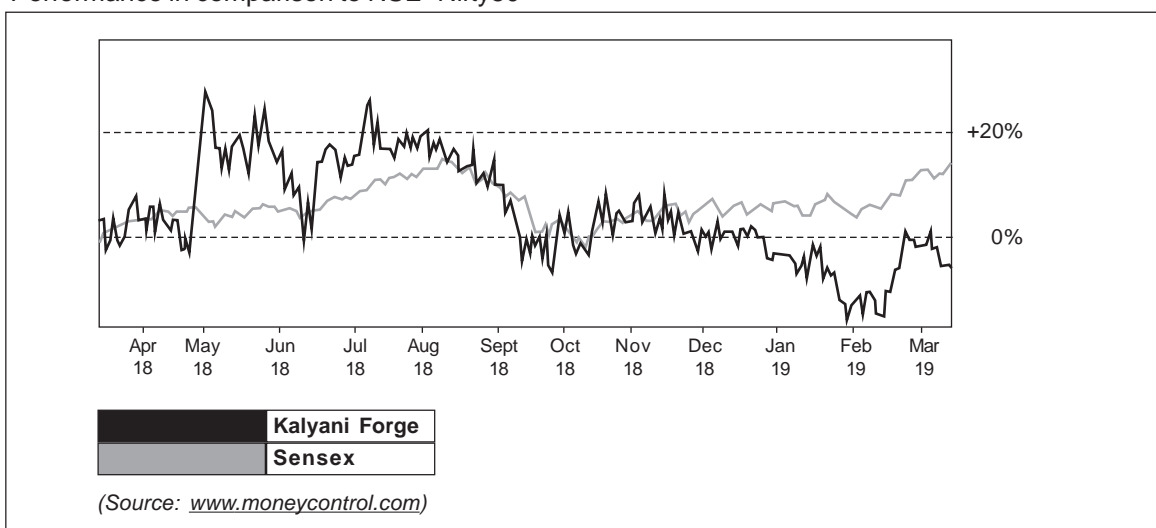
The monthly high and low quotations and volume of shares traded on BSE and NSE from 1st April, 2018 up to 31st March, 2019 is as follows:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
Apr-18	324.00	285.40	322.95	288.05
May-18	396.50	287.50	382.60	291.15
Jun-18	379.90	310.00	372.50	297.00
Jul-18	375.00	316.00	379.00	304.00
Aug-18	368.00	339.00	360.00	335.10
Sep-18	352.80	298.30	355.00	291.30
Oct-18	320.00	286.00	315.00	280.00
Nov-18	335.30	298.60	332.25	300.55
Dec-18	323.90	289.75	305.00	307.60
Jan-19	309.95	267.25	307.60	272.10
Feb-19	298.00	250.20	306.80	250.20
Mar-19	309.00	261.20	314.40	254.60

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

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

Performance in comparison to NSE- Nifty50

**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, 2019:

Category	Number of Shares	Percentage (%)
Promoter and Promoter Group	21,32,296	58.61
Non Resident Indians	13,734	0.37
Bodies Corporate	5,95,254	16.36
Resident Indians	8,18,728	22.50
Financial Institutions/Banks/Trust	100	0.0027
Hindu Undivided Family (HUF)	54,763	1.51
Clearing Member	2,399	0.07
Investor Education And Protection Fund	20,726	0.57

**Non-Executive Directors Shareholding**

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

h) Distribution of Shareholding as on 31st March, 2019:

Sr. No.	Share Holding of Shares	Number of ShareHolders	Percentage of Total (%)	Total Shares	Percentage of Total(%)
1.	1 to 500	3991	93.93	3,93,971	10.83
2.	501 to 1000	136	3.20	1,03,831	2.85
3.	1001 to 2000	64	1.51	92,865	2.55
4.	2001 to 3000	13	0.30	32,223	0.89
5.	3001 to 4000	9	0.21	33,667	0.93
6.	4001 to 5000	3	0.07	13,745	0.38
7.	5001 to 10000	6	0.14	49,253	1.35
8.	100001 to *****	27	0.64	29,18,445	80.22
	Total	4,249	100.00	3638000	100.0000

i) Dematerialization of shares and liquidity:

Company's equity shares are being dealt with in dematerialized form and the ISIN is INE314G0104. As on 31st March, 2019, 28,16,799 (76.61%) Number of Shares is in demat form.

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

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

k) Plant Location:

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

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

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

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

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

m) Unclaimed Dividend:

All unclaimed/unpaid dividend amounts for the financial year 2010-11 have been transferred to Investor Education & Protection Fund and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.

n) Address for Correspondence:**Registered Office:**

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

Factory:

Kalyani Forge Limited Koregaon
Bhima, Tal: Shirur Dist.- Pune,
Pin – 412 216
Phone: 02137-252335, 252755, 252757
Fax: 02137-252344, 252756

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

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

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



CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Kalyani Forge Limited

We have examined the compliance of conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") of **Kalyani Forge Limited** with the stock exchanges for the year ended March 31, 2019.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

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

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

Place: Mumbai
Date: 18th May, 2019

Satish Kelkar
Partner
Membership No.: 38934

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

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

I confirm that the Company has in respect of the financial year ended 31st March, 2019, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board

Place: Pune
Date: 18th May, 2019

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

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATE

To,

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

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

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of their knowledge and belief, we state that:
- (1) The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) The statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes, if any, in internal control over financial reporting during the year;
 - (2) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Kalyani Forge Limited,

Rohini G. Kalyani,
Chairperson & Managing Director

Place : Pune
Date : 18th May, 2019

Avinash Khare
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

To the Members of Kalyani Forge Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Kalyani Forge Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following matter to be the key audit matter to be communicated in our Report.

Key Audit Matter	Auditor's Response
Company has reversed the provision on account of doubtful debts made earlier amounting Rs. 257 Lakhs as no longer required.	We have gone through the order of the Court in favour of the Company, given in respect of a litigation with a party for recovery of overdue amount. We have also seen the Lawyer's opinion about likely recovery of this amount in case of further appeals. Based on these, the reversal of the provision is considered appropriate.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the

financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act read with the rules made thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 33.1 to Financial Statements;
 - ii. The Company doesn't have any long-term contracts including derivative contracts requiring provision for material foreseeable losses.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Satish Kelkar
Partner
Membership No.: 38934

Place: Pune
Date : May 18, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2019, of **Kalyani Forge Limited**)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) The Company has a program for physical verification of Fixed assets, which in our opinion is reasonable having regard to the nature of the business. Accordingly, the Fixed assets have been verified by the management and no material discrepancies were noticed. In our view the frequency of verification needs improvement.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans, investments guarantees and security are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, with regard to the deposits accepted from the public are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under 148 (1) of the Act, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanation given to us and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it. According to the information and explanation given to us, no undisputed material amounts payable in respect of statutory dues were in arrears as at 31st March, 2019, for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of dues of income tax and excise duty as at 31st March, 2019 which has not been deposited on account of disputes are as follows:



Name of the statute	Nature of dispute due	Amount under dispute not deposited (Rs.)	Period to which the amount related	Forum where the dispute pending
Central Excise Act, 1944	Cenvat Credit on Rejection Received from customer	5,67,018	From 2000-01 to 2011-12	High Court, Mumbai
	Cenvat Credit on outward transportation	11,28,985	From 2004-05 to 2007-08	Additional Commissioner, Pune.
	Interest on supplementary Invoices	4,25,113	From 2001-02 to 2004-05	High Court, Mumbai.
	Cenvat Credit on Rejection Received from customer	2,44,406	From 2008-09 to 2011-12	CESTAT Mumbai
Income Tax Act, 1961	Disallowance of Expenditure on expansion / upgradation of projects	6,95,976	AY 1992-93	CIT Appeals
	Loss on options settled.	17,64,485	AY 2008-09	Commissioner of Income Tax (Appeals) Pune.
	Expenditure incurred Bad debts and other expenses	81,37,980	AY 2011-12	Commissioner of Income Tax (Appeals) Pune.
	Assessment complete, Order received with demand, disallowance of late payment of TDS, Additional Depreciation, Stock Value	25,06,620	AY 2013-14	Commissioner of Income Tax (Appeals) Pune.
	Disallowance of Additional Depreciation, Prior period expenses and job work receipts	91,66,290	AY 2014-15	Commissioner of Income Tax (Appeals) Pune.
	Disallowance of Additional Depreciation on electrical installations	6,99,618	AY 2016-17	Commissioner of Income Tax (Appeals) Pune.

- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or government as at the balance sheet date.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The term loans have been applied for the purpose for which they were obtained.
- (x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds by or on the Company by its officers or employees noticed or reported during the year.
- (xi) In our opinion and according to information and explanations given to us, Managerial Remuneration has been paid or provided during the year in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of share fully or partly convertible debentures during the year under review. The requirements of section 42 of the Companies Act, 2013, therefore are not applicable.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-I(A) of the Reserve Bank of India Act, 1934.

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

Satish Kelkar
Partner
Membership No.: 38934

Place: Pune
Date : May 18, 2019



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
of even date on the Financial Statements of Kalyani Forge Limited.**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Kalyani Forge Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company needs to strengthen the controls in the areas of third party confirmations and reconciliations for effective internal controls, except for this, the Company in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Satish Kelkar
Partner
Membership No.: 38934

Place: Pune
Date : May 18, 2019



Financial Statements 2018-19

Balance Sheet as at March 31, 2019

Particulars	Note No.	As at 31 st March 2019 ₹ in lakhs	As at 31 st March 2018 ₹ in lakhs
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	1	7,828.35	8,377.24
(b) Capital work-in-progress	1	32.25	464.63
(c) Other Intangible assets	1	14.70	42.95
(d) Intangible assets under development		-	-
(i) Investments	2	0.50	0.50
(ii) Other non current financial assets	3	1.32	16.98
(e) Deferred tax assets (net)	4	34.02	-
(f) Income tax assets (net)	5	119.79	286.05
(g) Other non-current assets	6	365.65	600.52
Total Non - Current Assets		8,396.58	9,788.88
2 Current assets			
(a) Inventories	7	4,807.19	4,818.23
(b) Financial Assets			
(i) Trade receivables	8	7,527.63	7,007.94
(ii) Cash and cash equivalents	9	147.63	346.54
(iii) Other Bank Balances	10	355.71	145.15
(iv) Others current financial assets	11	10.65	14.69
(c) Other current assets	12	1,451.93	1,404.65
Total Current Assets		14,300.74	13,737.20
Total Assets (1 + 2)		22,697.32	23,526.08
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	13	363.90	363.90
(b) Other Equity	14	10,792.51	10,314.08
Equity attributable to owners of the Company (I)		11,156.41	10,677.98
Non-controlling interests (II)		-	-
Total equity (I+II)		11,156.41	10,677.98
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	622.34	1,757.61
(b) Provisions	16	376.23	249.79
(c) Deferred tax liabilities (Net)	17	-	130.38
Total Non - Current Liabilities		998.57	2,137.78
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	3,138.76	3,961.86
(ii) Trade payables	19		
Dues of micro enterprises and small enterprises		34.15	35.60
Dues of creditors other than micro enterprises and small enterprises		4,729.04	4,948.16
(iii) Other current financial liabilities	20	1,505.55	1,240.30
(b) Provisions	21	109.48	90.76
(c) Other current liabilities	22	1,025.36	433.63
Total Current Liabilities		10,542.34	10,710.32
Total Equity and Liabilities (1 + 2)		22,697.32	23,526.08

As per our attached report of even date.

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

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 18th May 2019

For and on behalf of the Board of Directors

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

AVINASH KHARE
Chief Financial Officer

Pune: 18th May 2019

ABHIJIT SEN
Director
(DIN: 00002593)

NILESH VITEKAR
Company Secretary

Pune: 18th May 2019


Statement of Profit and Loss for the period ended 31st March, 2019

Particulars	Note No.	As at 31 st March 2019 ₹ in lakhs	As at 31 st March 2018 ₹ in lakhs
Continuing Operations			
I Income			
Revenue from operations	23	28,635.26	26,536.17
Other Income	24	647.21	698.21
Total Revenue (I)		29,282.47	27,234.38
II EXPENSES			
(a) Cost of raw materials and components consumed	25	14,822.46	12,979.91
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(327.05)	(120.37)
(c) Excise duty on sale of goods	27	-	680.96
(d) Employee benefit expense	28	3,640.47	2,922.31
(e) Finance costs	29	758.84	633.75
(f) Depreciation and amortisation expense	30	1,503.76	1,294.68
(g) Other expenses	31	7,920.52	7,923.68
Total Expenses (II)		28,319.01	26,314.92
III Profit/(loss) before exceptional items tax (I-II)		963.46	919.47
IV Exceptional items- Gains/ (loss)		-	-
V Profit before tax (III-IV)		963.46	919.47
VI Tax Expense			
(a) Current tax		431.48	71.53
(b) Deferred tax		(164.40)	235.65
(c) Short / (Excess) provision for tax relating to prior years		-	(44.10)
Total tax expense		267.08	263.08
VII Profit/(loss) after tax from continuing operations (V-VI)		696.39	656.38
VIII Discontinued Operations			
(1) Profit/(loss) from discontinued operations			
(2) Tax Expense of discontinued operations			
Profit/(loss) after tax from discontinued operations		-	-
IX Profit/(loss) for the period (VII+VIII)		696.39	656.38
X Other comprehensive income			
A (i) Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		(85.33)	(71.74)
(ii) Income tax relating to items that will not be reclassified to profit or loss		28.49	23.72
B (i) Items that may be reclassified to profit or loss			
(ii) Income tax on items that may be reclassified to profit or loss			
Total other comprehensive income for the period		(56.85)	(48.02)
XI Total comprehensive income for the period (IX + X)		639.54	608.36
XII Earnings per equity share :			
Basic		19.14	18.04
Diluted		19.14	18.04

As per our attached report of even date.

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

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 18th May 2019

For and on behalf of the Board of Directors

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

AVINASH KHARE
Chief Financial Officer

Pune: 18th May 2019

ABHIJIT SEN
Director
(DIN: 00002593)

NILESH VITEKAR
Company Secretary

Pune: 18th May 2019

CASH FLOW STATEMENT FOR AS ON 31ST MARCH, 2019

	₹ in lakhs	31 st March 2019 ₹ in lakhs	31 st March 2018 ₹ in lakhs
A. CASH FROM OPERATING ACTIVITIES			
Profit before Taxation		963.46	919.47
Less: IND AS adjustments		(56.85)	(64.16)
Revised Profit before Taxation		906.62	855.31
Add: Depreciation	1,503.76		1,294.67
Provision for doubtful debts	28.37		36.10
Finance Cost	758.84		633.75
Sundry debit balances written offAdvances Written off	15.75		77.81
		2,306.72	2,042.34
		3,213.33	2,897.65
Less: Dividend Received	0.06		0.22
Surplus on sale of assets during the year	3.05		6.07
Provision no longer required	303.97		268.00
		307.08	274.29
Operating profit before working capital changes		2,906.26	2,623.36
(Increase)/Decrease in Current & Non-Current Assets			
Inventories	11.04		(331.46)
Trade Receivables	(548.07)		(874.63)
Other Current Assets and Loans & Advances	(170.63)		316.92
Trade Payable	(220.58)		786.55
Increase/(Decrease) in Current & Non-Current Liabilities	956.06		(1,052.66)
		27.82	(1,155.29)
Net cash generated from operations		2,934.08	1,468.07
Less : Income tax paid		(63.59)	233.82
NET CASH FROM OPERATING ACTIVITIES		2,997.67	1,234.25
B. CASH FROM INVESTING ACTIVITIES			
Expensed for Property, Plant and Equipment	(681.11)		(211.14)
Sale Proceeds of Assets	3.05		8.97
Dividend received	0.06		0.22
NET CASH FROM INVESTING ACTIVITIES		(678.00)	(201.95)
C. CASH FROM FINANCING ACTIVITIES			
Availment /(Repayment) in Cash Credit & PCFC from Banks	(823.10)		(167.14)
Availment /(Repayment)in Other Secured Loans	(753.35)		256.00
Availment /(Repayment) in Unsecured Loans	(39.69)		(105.44)
Interest & Finance Charges paid	(758.84)		(650.86)
Dividend paid	(160.90)		(119.91)
NET CASH FROM FINANCING ACTIVITIES		(2,535.88)	(787.35)
NET INCREASE/(USE) OF CASH AND CASH EQUIVALENTS		(216.20)	244.95
Opening Balances of Cash and Cash equivalents		363.84	118.89
Closing Balances of Cash and Cash equivalents		147.63	363.84

As per our attached report of even date.

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

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 18th May 2019

For and on behalf of the Board of Directors

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

AVINASH KHARE
Chief Financial Officer

Pune: 18th May 2019

ABHIJIT SEN
Director
(DIN: 00002593)

NILESH VITEKAR
Company Secretary

Pune: 18th May 2019

**NOTE 1 : Property, Plant and Equipment FY 2018-19**

Particulars	Original cost				Depreciation			Net Block	
	As at 01-04-2018	Additions during the year	Disposals during the year	Other adjust-ments	As at 31-03-2019	Upto 01-04-2018	For the year	Upto 31-03-2019	As at 31-03-2018
Freehold Land	213.04	-	-	-	213.04	-	-	-	213.04
Buildings	1,581.00	4.11	-	-	1,585.12	158.72	78.41	237.12	1,422.29
Roads	2.06	-	-	-	2.06	2.06	-	2.06	0.00
Plant & Machinery	8,223.47	543.81	-	-	8,767.28	1,905.01	1,273.71	3,177.74	5,589.54
Electrical Installation	163.89	282.83	-	-	446.72	71.34	55.00	126.34	320.38
Factory Equipment	261.43	23.38	-	-	284.81	79.90	41.17	121.08	163.74
Laboratory Equipments	111.83	52.67	-	-	164.51	12.18	20.07	32.25	99.66
Furniture & Fixtures	33.32	4.54	-	-	37.86	10.35	4.65	15.00	22.96
Office Equipment	33.86	3.05	-	-	36.90	10.25	6.01	16.26	23.61
Data Processing Equipment	52.24	1.20	-	-	53.44	38.82	7.97	46.79	13.42
Vehicles	14.96	10.02	-	-	24.98	12.70	1.04	13.74	11.24
Total	10,691.10	925.62	-	-	11,616.73	2,301.32	1,488.04	3,788.37	7,828.35
									8,389.78

NOTE 1 : Other Intangible assets FY 2018-19

Particulars	Original cost				Depreciation			Net Block	
	As at 01-04-2018	Additions during the year	Disposals during the year	Other adjust-ments	As at 31-03-2019	Upto 01-04-2018	For the year	Upto 31-03-2019	As at 31-03-2018
INTANGIBLE ASSETS	64.83	-	-	-	64.83	34.41	15.72	50.13	30.41
Total	64.83	-	-	-	64.83	34.41	15.72	50.13	30.41
Total	10,756	926	-	-	11,682	2,336	1,504	3,839	7,843.05
									8,420.19

NOTE 1 : Property, Plant and Equipment FY 2017-18

Particulars	Original cost				Depreciation			Net Block	
	As at 01-04-2017	Additions during the year	Disposals during the year	Other adjust-ments	As at 31-03-2018	Upto 01-04-2017	For the year	Upto 31-03-2018	As at 31-03-2017
Freehold Land	213.04	-	-	-	213.04	-	-	-	213.04
Buildings	1,581.00	-	-	-	1,581.00	79.36	79.36	158.72	1,501.65
Roads	2.06	-	-	-	2.06	2.02	0.04	2.06	0.04
Plant & Machinery	4,765.56	3,457.90	-	-	8,223.47	814.78	1,090.24	1,905.01	6,318.45
Electrical Installation	161.66	2.23	-	-	163.89	38.38	32.95	71.34	92.55
Factory Equipment	135.77	128.56	2.90	-	261.43	41.44	38.46	79.90	181.53
Laboratory Equipments	19.60	92.24	-	-	111.83	5.08	7.10	12.18	99.66
Furniture & Fixtures	33.32	-	-	-	33.32	5.54	4.82	10.35	22.96
Office Equipment	20.68	13.17	-	-	33.86	5.22	5.02	10.25	23.61
Data Processing Equipment	44.79	7.45	-	-	52.24	32.20	6.62	38.82	13.42
Vehicles	12.61	2.35	-	-	14.96	12.50	0.20	12.70	2.26
Total	6,990.09	3,703.91	2.90	-	10,691.10	1,036.51	1,264.82	2,301.32	8,389.78
									5,953.59

NOTE 1 : Other Intangible assets FY 2017-18

Particulars	Original cost				Depreciation			Net Block	
	As at 01-04-2017	Additions during the year	Disposals during the year	Other adjust-ments	As at 31-03-2018	Upto 01-04-2017	For the year	Upto 31-03-2018	As at 31-03-2017
INTANGIBLE ASSETS	64.83	-	-	-	64.83	4.55	29.86	34.41	60.27
Total	64.83	-	-	-	64.83	4.55	29.86	34.41	60.27
Total	7,054.92	3,703.91	2.90	-	10,755.93	1,041.06	1,294.68	2,335.74	8,420.19
									6,013.86

Particulars**As at March
31, 2019 (INR)****As at March
31, 2018 (INR)****Nos****INR****Nos****INR****Note 2: Investments**

INVESTMENTS CARRIED AT FVOCI [A]

-

C. COST

I. Quoted Investments

II. Unquoted Investments (all fully paid)

(a) Investments in Equity Instruments

The Shamrao Vithal Co-operative Bank Ltd

2000**0.50**

2000

0.50

TOTAL INVESTMENTS CARRIED AT AMORTISED
COST [C]**0.50**

0.50

TOTAL INVESTMENTS

0.50

0.50

D) Less : Aggregate amount of impairment in value of
investments

-

-

TOTAL IMPAIRMENT VALUE (D)

-

-

**TOTAL INVESTMENTS CARRYING VALUE
(A) + (B) + (C) - (D)****0.50**

0.50

Rs. in lakhs**Particulars****As at March
31, 2019****As at March
31, 2018****Note 3: Others Non current Financial Assets****I Financial assets at amortised cost**

a) Security Deposits

- Secured, considered good

1.32

4.42

- Unsecured, considered good

- Doubtful

Less : Allowance for bad and doubtful deposits

b) Fixed deposit more than 12 months

-

12.56

Total Financial assets at amortised cost**1.32**

16.98



₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Note 4: Deferred tax assets (net)		
A. Tax effect of items constituting deferred tax liabilities		
1) On difference between book balance and tax balance of fixed assets	268.25	-
2) On expenditure deferred in the books but allowable for tax purposes	-	-
	<u>268.25</u>	<u>-</u>
B. Tax effect of items constituting deferred tax assets		
1) Provision for compensated absences, gratuity and other employee benefits	162.15	-
2) Provision for doubtful debts / advances	140.13	-
	<u>302.28</u>	<u>-</u>
C. Tax on Other Comprehensive Income		
1) Revaluation of Property plant and Equipment		
2) Remeasurement of Defined Benefit Obligations		
Total	<u><u>34.02</u></u>	<u><u>-</u></u>

Note 5: Income tax assets (net)**Current Tax Asset:**

Advance income tax (net)	<u>119.79</u>	<u>286.05</u>
Total	<u><u>119.79</u></u>	<u><u>286.05</u></u>

₹ in lakhs

Particulars**As at March
31, 2019****As at March
31, 2018****Note 6: Other Non Current Assets**

(a) Capital advances		
(i) For Capital work in progress	3.40	178.57
(b) Advances to suppliers		
(c) Balances with government authorities (other than income taxes)	362.24	421.96
(d) Advances to Employees	-	-
TOTAL	365.65	600.52

Note 7: Inventories

(a) Raw materials	1,436.39	1,755.79
(b) Work-in-progress, at cost	2,288.86	1,921.43
(c) Completed Finished Goods	101.31	162.86
(d) Stores and spares	204.36	219.41
(e) Loose Tools	249.47	236.72
(f) Others - Scrap	392.14	370.97
(g) Die Room Inventory:		
(i) Dies at cost	38.37	38.37
(ii) Fabrication, at cost	96.29	112.68
Total Inventories at the lower of cost and net realisable value	4,807.19	4,818.23

Note 8: Trade Receivables

Trade receivables

(a) Secured, considered good	-	-
(b) Unsecured, considered good	7,527.63	7,007.94
(c) Unsecured, considered Doubtful	162.43	412.74
Impairment allowance (allowance for bad and doubtful assets)		
(a) Unsecured, considered doubtful	162.43	412.74
Total	7,527.63	7,007.94



₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Note 9: Cash and cash equivalents		
Current Cash and bank balances		
(a) Balances with banks		
In current accounts	147.17	345.67
In deposit accounts	-	-
(b) Cheques, drafts on hand	-	-
(c) Cash in hand	0.46	0.87
Total	147.63	346.54
Note 10: Other Bank Balances		
Other bank balances		
Balances held as margin money or security against borrowings, guarantees and other commitments	330.61	127.85
Earmarked accounts - unpaid dividend accounts	25.10	17.30
Total	355.71	145.15
Note 11: Other Current Financial Assets		
Financial assets at amortised cost		
a) Security Deposits		
- Secured, considered good	-	-
- Unsecured, considered good		
- Doubtful		
Less : Allowance for bad and doubtful deposits	-	-
b) Other items		
Interest Receivable	10.65	14.69
Total Financial assets at amortised cost	10.65	14.69
Total	10.65	14.69
Note 12: Other Current Assets		
(a) Advances to suppliers	1,288.18	1,192.60
(b) Advances to related parties	-	-
(c) Advances to employees	53.39	22.56
(d) Balances with government authorities (other than income taxes)*	89.70	166.41
(e) Prepayments	20.65	23.07
(f) Others (specify nature)	-	0.01
Total	1,451.93	1,404.65

Particulars	As at March 31, 2019 (INR)		As at March 31, 2018 (INR)	
	Nos	INR	Nos	INR

Note 13: Equity Share Capital**Authorised:**

Equity shares of Rs 10/- each	7,500,000	750.00	7,500,000	750.00
Cumulative Redeemable Preference Shares of Rs 10/- each	5,000,000	500.00	5,000,000	500.00
Unclassified Shares of Rs 10/- each	2,500,000	250.00	2,500,000	250.00
	15,000,000	1,500.00	15,000,000	1,500.00

Issued, Subscribed and Fully Paid:

Equity shares of Rs.10/- each	3,640,000	364.00	3,640,000	364.00
Forfeited Equity Shares	2,000	0.10	2,000	0.10
Total	3,638,000	363.90	3,638,000	363.90

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

	As at March 31, 2019 (INR)		As at March 31, 2018 (INR)	
	No. Of Shares	In Rs.	No. Of Shares	In Rs.
At the beginning of the period	3,638,000	363.80	3,638,000	363.80
Issued/ Reduction if any during the year	-	-	-	-
Outstanding at the end of the Period	3,638,000	363.80	3,638,000	363.80

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.

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 Shareholders	31st March 2019		31st March 2017	
		No. of Shares	% Of Holding	No. of Shares	% Of Holding
1	Kalayni Consultants Pvt. Ltd.	377,280	10.37	377,280	10.37
2	Bhalchandra Investments Pvt. Ltd.	349,000	9.59	349,000	9.59
3	Vakratund Investments Pvt. Ltd.	342,342	9.41	342,342	9.41
4	Pax Investments Pvt. Ltd.	340,074	9.35	340,074	9.35
5	Squirrel Financers & Investors Pvt. Ltd.	186,480	5.13	186,480	5.13

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



₹ in lakhs

Note 14: Statement of changes in equity for the period ended March 31, 2019**Equity share capital**

	Opening balance as at 1 Apr 2018	Changes in equity share capital during the year	Closing balance as at 31 Mar 2019
Equity shares of Rs.10 each	364	-	364
	<u>364</u>	<u>-</u>	<u>364</u>

Other Equity

Particular	Reserves and Surplus					Total
	Capital reserve	Securities premium reserve	General reserve	Other reserve Capital Redemption Reserve	Retained earnings	
Balance at the beginning of the reporting period	25.00	691.63	927.40	10.00	8,660.06	10,314.08
Total Comprehensive income for the year	-	-	-	-	639.54	639.54
Dividend and tax thereon	-	-	-	-	(160.90)	(160.90)
Transfer to retained earnings	-	-	-	-	-	-
Proposed dividend and tax thereon	-	-	-	-	-	-
Balance at the end of the reporting period	25.00	691.63	927.40	10.00	9,138.70	10,792.72

As per our attached report of even date.

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

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 18th May 2019

For and on behalf of the Board of Directors

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

AVINASH KHARE
Chief Financial Officer

Pune: 18th May 2019

ABHIJIT SEN
Director
(DIN: 00002593)

NILESH VITEKAR
Company Secretary

Pune: 18th May 2019

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Note 15: Non Current Borrowings		
Measured at amortised cost*		
A. Secured Borrowings:		
(a) Bonds / Debentures	-	-
(b) Term Loans	-	-
(1) From Banks		
State Bank of India (Note 1)	601.35	1,356.36
ICICI Bank (Note 3)	-	340.57
IOB		
(2) From Financial Institutions & Others		
Total Secured Borrowings	601.35	1,696.93
B. Unsecured Borrowings - at amortised Cost		
(a) Bonds / Debentures		
(b) Term Loans		
(1) From Banks		
(2) From Financial Institutions & Others		
(c) Deferred payment liabilities	20.99	60.68
Total Unsecured Borrowings	20.99	60.68
Total Borrowings carried at Amortised Cost	622.34	1,757.61
Measured at FVTPL		-
1) Bonds / Debentures		
2) Term Loans		
Total Borrowings carried at FVTPL		-
Total Borrowings	622.34	1,757.61

Terms of Repayment

- Term Loan of Rs. 21,62,79,499/- (Sanction Rs. 25,00,00,000/-) is availed from State Bank of India, IFB, Pune out of the total sanction limit at the rate of interest of 2.10% above MCLR-1Y. Balance outstanding as on 31 March 2019 is Rs. 11,53,72,646/- (P.Y. Rs. 18,73,27,582/-). Out of this, Rs. 5,40,00,000/- (P.Y. Rs. 4,95,00,000/-) is treated as current maturities of long term debts as on 31 March 2018 is . In addition to this, Interest accrued and due on borrowings amounted to Rs. 12,37,892/- (P.Y. Rs. 21,91,454/-). This loan is to be repaid in 56 instalments comprising of 44 instalments of Rs. 45 Lakh, 11 instalments of Rs. 43 Lakhs and 1 instalment of Rs. 47 Lakh starting from August 2017.
- Buyer's Credit of Rs. 3,54,25,440/- (P.Y. Rs. 3,41,30,932/-) is availed from ICICI Bank, Bundgarden Road, Pune out of the total sanction limit Rs. 5,00,00,000 at the Fixed Margin over USD London inter bank offer rate i.e. LIBOR
- Sales Tax Deferral Liability under package scheme of incentive 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 as on 31st March 2019 amounted to Rs.81,36,674/- (P.Y. Rs. 1,79,71,443/-). Out of these, Rs. 62,67,078/- (P.Y. Rs. 1,05,44,004/-) is treated as current maturities of long term debts as on 31st March 2019. This liability is to be repaid within 5 years starting from 2012-13.

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

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



₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Note 16: Non Current Provisions		
(a) Provision for employee benefits		
(i) Provision for compensated absences [Leave Encashment]	125.44	109.22
(ii) Gratuity	250.79	140.58
Total Provisions	376.23	249.80
Note 17: Deferred Tax Liability		
A. Tax effect of items constituting deferred tax liabilities		
1) On difference between book balance and tax balance of fixed assets	-	379.42
2) On expenditure deferred in the books but allowable for tax purposes	-	-
	-	379.42
B. Tax effect of items constituting deferred tax assets		
1) Provision for compensated absences, gratuity and other employee benefits	-	112.59
2) Provision for doubtful debts / advances	-	136.45
	-	249.04
C. Tax on Other Comprehensive Income		
1) Revaluation of Property plant and Equipment		
2) Remeasurement of Defined Benefit Obligations		
Total	-	130.38

₹ in lakhs

Particulars

As at March
31, 2019As at March
31, 2018**Note 18: Current Borrowings****A. Secured Borrowings - at Amortised cost:**

(a) Loans repayable on demand

(1) From Banks

- Working Capital Demand Loans

ICICI Bank FCNRB

950.81

992.69

IDBI Bank WCDL

300.00

-

- Cash Credit / Packing Credits

-

-

Cash credit from Bank

1,779.22

2,550.32

Packing credit foreign currency loan

108.73

418.85

- Overdraft facility

-

-

- Others

-

-

Total Secured Borrowings**3,138.76****3,961.86****B. Unsecured Borrowings - at Amortised cost:**

(a) Loans repayable on demand

From Banks

- Working Capital Demand Loans

- Cash Credit / Packing Credits

- Overdraft facility

- Others

Total Unsecured Borrowings

-

-

Total Current Borrowings**3,138.76****3,961.86****Notes :-**

1. Company's fund and non fund based working capital facilities of Rs. 87,40,00,000/- are secured by first charge by way of hypothecation on pari passu basis with existing working capital lenders (State Bank of India(Lead Bank), Bank of Maharashtra, IDBI Bank Ltd. and ICICI Bank Ltd.) over the company's entire current assets including stocks, WIP, receivables and finished goods and also the second charge on the whole of the fixed assets of the Company on pari passu basis with consortium working capital lenders.
2. The FCNRB loan is availed from ICICI Bank Ltd. at the rate of Interest of Fixed Margin over USD London inter bank offer rate i.e. LIBOR
3. The packing credit foreign currency loan is availed from Bank of Maharashtra and State Bank of India at the rate of Interest of Fixed Margin over USD London inter bank offer rate i.e. LIBOR
4. The working capital demand loan Rs. 3,00,00,000/- is short term loan facility for 90 days.



₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Note 19: Trade Payables		
A) Total outstanding dues of micro enterprises and small enterprises	34.15	35.60
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,729.04	4,948.16
Total trade payables	4,763.18	4,983.76

Note 20: Other Current Financial Liabilities**Other Financial Liabilities Measured at Amortised Cost**

(a) Current maturities of long-term debt	926.96	600.44
(b) Interest accrued and due on borrowings	42.35	26.63
(c) Unpaid dividends (Includes preference dividend of Rs. Nil, considered as interest)	25.10	17.30
(d) Other liabilities		
(i) Creditors for capital supplies/services	81.47	158.96
(ii) Other credit balances	429.68	436.97
Total other financial liabilities	1,505.55	1,240.30

Note 21: Current Provisions

(a) Provision for employee benefits		
(i) Leave Encashment	21.57	22.94
(ii) Gratuity	87.90	67.82
Total Provisions	109.48	90.76

Note 22: Other Current Liabilities

(a) Advances received from customers	602.27	38.49
(b) Government Grant	27.03	40.55
(c) Others		
- Employee Recoveries and Employer Contributions	193.75	127.90
- Statutory Dues (Excise duty, service tax, sales tax, TDS, Royalty etc.)	186.86	181.17
- Other credit balances	15.46	45.52
TOTAL OTHER LIABILITIES	1,025.36	433.63

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Note 23: Revenue from Operations		
(a) Sale of products (Gross)	28,467.69	26,427.13
(b) Other Operating Revenues		
- Export incentives	145.62	107.81
- Miscellaneous receipts	21.95	1.23
Total	28,635.26	26,536.17
Note 24: Other Income		
Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit and loss	14.79	38.02
Other gains and losses		
(a) Gain on foreign exchange fluctuations, net	73.29	16.96
(b) Sundry Balances Written Back	303.97	223.90
(c) Discount received	22.51	34.32
(d) Dividend received	0.06	0.22
(e) Deferred Income	13.52	13.52
(e) Miscellaneous Income*	216.02	365.20
(f) Gain on sale of assets	3.05	6.07
Total	647.21	698.21
Note 25: Cost of raw materials and components consumed		
(a) Raw materials consumed		
Opening stocks	1,755.79	1,378.35
Less : Value of obsolete and non-moving material written-down (net of realisable value)	-	-
Add : Purchases	14,281.97	13,191.46
Less : Stocks at close	1,436.39	1,755.79
Less : Sale of raw material	-	-
Total	14,601.37	12,814.03
(b) Dies consumed		
Dies	38.37	38.37
Die Blocks, Die Steel and Dies under fabrication	112.68	99.04
Opening stocks	151.05	137.41
Add: Purchases and processing charges	204.70	179.52
Sub total	355.75	316.93
Less: Stock at close		
Dies	38.37	38.37
Die Blocks, Die Steel and Dies under fabrication	96.29	112.68
Sub total	134.66	151.05
Total	221.09	165.88
Total	14,822.46	12,979.91



₹ in lakhs

As at March
31, 2018As at March
31, 2019**Particulars****Note 26: Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(Increase)/decrease in stocks

Stocks at close:

Work-in-process	2,288.86	1,921.43
Finished goods	101.31	162.86
Scrap	392.14	370.97
Less : Opening stocks		
Work-in-process	1,921.43	2,047.16
Finished goods	162.86	136.37
Scrap	370.97	177.04
	<u>(327.05)</u>	<u>(94.70)</u>
Increase/(Decrease) in excise duty on stocks		
Excise duty on opening inventories	-	25.67
	-	<u>(25.67)</u>
Total	<u>(327.05)</u>	<u>(120.37)</u>

Note 27: Excise duty on sale of goods

Excise duty on sales	-	680.96
Total	<u>-</u>	<u>680.96</u>

Note 28: Employee Benefit Expense

Salaries and wages, including bonus	3,137.03	2,660.92
Contribution to provident and other funds	161.75	136.28
Gratuity Expenses	51.00	(141.68)
Staff welfare expenses	290.68	266.79
Total	<u>3,640.47</u>	<u>2,922.31</u>

Note 29: Finance Cost

Interest expense		
Borrowings	192.80	197.14
Others- Cash credit	364.61	378.07
Other borrowing cost- Bank charges	152.89	74.37
Exchange differences regarded as an adjustment to borrowing costs	48.55	(15.83)
Total	<u>758.84</u>	<u>633.75</u>

Note 30: Depreciation and amortization expense

Depreciation		
Property, Plant and Equipment	1,488.04	1,277.35
Other Intangible assets	15.72	17.32
Total	<u>1,503.76</u>	<u>1,294.68</u>

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Note 31: Other Expenses		
Manufacturing Expenses		
Stores, spares and tools consumed	1,782.07	1,598.48
Processing charges	1,588.96	1,727.73
Power and fuel	2,727.63	2,626.06
Repairs to building	8.17	15.44
Repairs to machinery	609.52	574.01
Freight Charges	136.51	203.33
Other manufacturing expenses	18.64	23.83
Total	6,871.50	6,768.87
Selling Expenses		
Freight and forwarding	312.60	392.84
Other selling expenses	8.67	6.93
Total	321.27	399.77
Administration Expenses		
Rent	3.00	3.12
Rates and taxes	11.21	19.62
Insurance (Including Keyman Insurance)	42.53	13.89
Other repairs and maintenance	0.23	2.90
Travelling and conveyance	46.39	36.12
Vehicle Expenses(Including on hired vehicles)	147.54	148.71
Professional & consultancy fees	184.78	138.06
Auditor's remuneration	15.74	20.99
Director's Sitting Fees	3.10	2.94
Donation	-	0.05
Directors' commission	49.68	46.39
Miscellaneous expenses	179.44	208.34
Provision for doubtful debts	28.37	36.10
Sundry debit balances written off	15.75	77.81
Loss on foreign exchange fluctuations, net	-	-
Total	727.75	755.04
Total	7,920.52	7,923.68



NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE NO. 32

1. Statement on Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of Estimates

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

1.3 Property, plant and equipment and depreciation:

A) Since there is no change in the functional currency, the company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as deemed cost at the transition date viz. April 1, 2016. Property, plant and equipment are stated at their cost of acquisitions including incidental expenses related to acquisition and installation of the concerned assets (including cost of specific borrowings). The Property, plant and equipment manufactured internally by the Company are stated at manufacturing cost. Property, plant and equipment are shown net of accumulated depreciation, 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 measured on initial recognition at cost. Expenditure incurred in development phase, where it is reasonably certain that outcome of development will be commercially exploited to yield future economic benefit to the company is considered as an intangible asset. Such developmental expenditure is capitalized at cost including share of allocable expenses.

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

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

Cost of Power line is being amortized over a period of seven years when put to use.

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

1.4 Inventories:

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

Cost of Raw materials, Stores, Spares etc. are ascertained on weighted moving average basis.

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

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

Stock of Trial Product is valued at cost.

Dies are valued at cost.

Die Block and Die Steel are valued at material cost.

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

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

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

1.5 Research and Development Expenditure:

1. Capital Expenditure is included in Fixed Assets & Capital Work in Progress and depreciation is provided at the respective applicable rates.
2. Revenue expenditure incurred on R&D has been included in the respective account heads in the statement of accounts.

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

1.7 Post employment and other employee benefits:

Short terms employee benefits.

All employee benefits payable within 12 months of rendering the service are classified as short term benefits. Such benefits include salary, wages, bonus, short term compensated absences, awards,



ex-gratia, performance pay etc and the same are recognized in the period in which the employee renders the related service. The liabilities are presented under current provisions in the Balance sheet.

Provident Fund -

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

Gratuity -

The employees' gratuity fund scheme is Company's defined benefit plan. Payment for present liability of future payment of gratuity is being made to the approved gratuity funds under cash accumulation policy of the Life Insurance Corporation of India. The Employees' gratuity, a defined benefit plan, is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet and shortfall in the fair value of the Planned Asset is recognized as obligation. For post-retirement benefit plans, the amended standard removes the option to recognize Actuarial (gains)/ losses entirely through the Statement of Profit & Loss. Now as per Ind AS 19, all Actuarial (gains)/ losses will be termed as remeasurements and will be immediately recognized in Other Comprehensive Income on the face of Statement of Profit & Loss.

Privilege Leave Benefits-

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

Termination Benefits-

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

1.8 Foreign Currency Transactions

Initial recognition –

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

Conversion –

Monetary Assets and Liabilities, designated in foreign currencies are revalored at the rate prevailing on the date of Balance Sheet or forward contract rate or other appropriate contracted rate. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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 31 March 2009, as amended vide G.S.R. 378(E) dated 11 May 2011 and extension thereof.

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:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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.

Dividend is recorded in the year in which right to receive payment is established. Interest income is recognized using the effective interest method.

1.11 Cash Flow Statement:

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

1.12 Cash and cash equivalents:

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

1.13 Borrowing Costs:

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

1.14 Taxation:

Current 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. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

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 liabilities

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

1.18 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

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

1.19 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

1.20 Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.21 Financial instruments

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

Equity Investments

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

The classification is made on initial recognition and is irrevocable.



NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

NOTE NO. 33

33.1 Contingent Liability not provided for in respect of :

	As at 31st March, 2019 Rs.	₹ In lakhs As at 31st March, 2018 Rs.
i. Claims against the Company, not acknowledged as debts	380.32	380.32
ii Disputed Income Tax demand, matter under appeal	138.05	85.92
iii Disputed Excise demand, matter under appeal	53.66	53.66
iv In respect of Bank Guarantee (*)	620.30	685.36

*Guarantees given by the company's Banker's on behalf of the Company, against sanctioned guarantee limits (BG+LC-one way interchangeability from LC to BG limit) aggregating to **Rs. 1300 lakhs** as at 31st March 2019 (As at 31st March 2018 Rs. 1300 lakhs & As at 1st April 2017 Rs.1500 Lakhs) for contracts undertaken by the Company and other matters are secured by extension of charge by way of joint hypothecation of stock in trade, stores and spares etc., book debts subject to prior change in their favour. Amount outstanding as on 31st March, 2019 is **Rs. 620.30 lakhs** (31st March 2018 Rs. 685.36 Lakhs & 1st April 2017 Rs. 592.66 Lakhs)

	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
33.2 Estimated Amount of contracts remaining to be executed on Capital Account and Not provided for (net of advances)	8.83	185.45

	2018-19 Rs.	2017-18 Rs.
33.3 Payments to Auditors		
Statutory Audit	9.50	9.50
Tax Audit	2.00	2.00
In Other Capacity :	-	-
For Limited Review & Others	6.50	6.50
For Expenses	0.46	1.99
Total	18.46	19.99

33.4 Disclosure pursuant to Ind AS 19 Employee Benefits

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

a) **Funded Scheme - Gratuity.**

Particulars	31st March 2019 Gratuity	31st March 2018 Gratuity
(i) Amounts to be recognised in Balance Sheet		
a. Present Value of Defined Benefit Obligations		
Funded	510.79	393.17
b. Fair Value of Plan Assets	172.09	184.78
c. Net Asset /(Liability) recognised in the Balance Sheet	(338.70)	(208.39)

Particulars	₹ In lakhs	
	31st March 2019 Gratuity	31st March 2018 Gratuity
(ii) Amount to be recognised in Statement of Profit & Loss Account		
a. Current Service Cost	28.34	25.08
b. Interest on defined benefit obligations	16.46	7.70
c. Expected return on plan assets	-	-
d. Net Actuarial Losses/(Gain) Recognised in year	-	-
Total, included in "Employee Benefits"	44.80	32.79
(iii) Change in Defined Benefit obligation and reconciliation thereof		
a. Present value of Defined Benefit obligation at the beginning of the year	393.47	290.14
b. Interest Cost	30.10	20.35
c. Current Service Cost	28.34	25.08
d. Actuarial Losses/ (Gains)	85.09	72.62
e. Benefits Paid	25.87	(15.01)
f. Present value of Defined Benefit obligation at the close of the year	510.79	393.17
(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	184.78	178.14
b. Add : Expected return on Plan Assets	13.58	25.18
c. Add/ (Less) : Actuarial Losses/ (Gains)	(0.23)	(11.66)
d. Add : Contributions by employer	-	9.99
e. Less -Benefits Paid	(25.86)	(15.01)
f. Mortality charges & taxes	(0.16)	(1.86)
g. Fair value of Plan Assets at the closed of the year	172.11	184.78
(v) Broad Categories of plan assets as a percentage of total assets as at 31st March, 2019		
a. Insurer Managed Funds	100%	100%
TOTAL	100%	100%
(vi) Summary of the Actuarial Assumptions		
Discount Rate		
Particulars	31st March 2019	31st March 2018
Present Value of Unfunded Obligations		132.16
Discount Rate	7.90%	8.00%
Salary Escalation Rate %	5.00%	5.00%

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

Year	Opening Balance	Addition (Net)	Closing Balance
2018-19	132.16	14.85	147.01
2017-18	161.75	(29.59)	132.16



₹ In lakhs

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

Particulars	As at 31-03-2019	As at 31-03-2018
Principal Amount due to suppliers under MSMED Act, 2006, beyond the appointed day	4.38	47.00
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.73	4.80
Payment made to suppliers (other than interest) beyond the appointed day , during the year	5.56	47.00
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	0.83	1.31
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	1.56	6.11

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

33.7 (a) The company has single Product, viz.: “Forgings” consequently there are no Reportable Segments of the company as per Ind AS 108 “Operating segments”

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

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

Sr. No.	Nature of relationship / Name of related party	Nature of Transaction	2018-19		2017-18	
			Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)	Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)
1	Key Managerial Personnel Mrs. R. G. Kalyani (Chairperson and Managing Director)	Salary	20.75	1.73	20.75	1.73
		Commission	29.90	29.90	24.75	24.75
		Total	50.66	31.63	45.50	26.48
2	Relative of Key Managerial Personnel Mr. Viraj G. Kalyani (Executive Director)	Salary	20.75	1.73	20.75	1.73
		Commission	9.64	9.64	6.55	6.55
		Total	30.39	11.37	27.30	8.28
3	Relative of Key Managerial Personnel Mr. G.N. Kalyani (Director)	Commission	2.03	2.03	1.82	-
		Sitting fees	0.92	0.23	1.02	-
		Total	2.95	2.26	2.84	-

Sr. No.	Nature of relationship / Name of related party	Nature of Transaction	2018-19		2017-18	
			Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)	Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)
4	Enterprise in which Key Managerial Person is common NSF Trust					
		Rent	3.12	3.12	3.12	-
		Total	3.12	3.12	3.12	-
5	Enterprise in which Key Managerial Person is common Kalyani Property Pvt.Ltd.					
		Royalty	-	-	0.25	0.75
		Other	-	-	-	23.68
		Total	-	-	0.25	24.43
6	Enterprise in which Key Managerial Person is common Kalyani Consultant Pvt Ltd					
		Reimbursement	0.18	-	36.78	-
		Total	0.18	-	36.78	-

33.8 Earnings Per Share:	2018-19	2017-18
Earnings attributable to the equity share holder	696.39	656.38
Total weighted average No. of shares	3,638,000	3,638,000
(a) Basic	19.14	18.04
(b) Diluted	19.14	18.04

33.9 EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors has recommended dividend for the current year of **Rs. 4.00/-** per equity share (Nominal value Rs.10/-per equity share)

33.10 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Expenditure on Corporate Social Responsibility activities:

Particular	2018-19	2017-18
Amount required to be spent as per Section 135 of the Act	11.79	3.71
Amount spent during the year on		
(i) Construction/acquisition of any asset	0.00	1.50
(ii) On purpose other than (i) above	0.00	1.50
Total	0.00	3.00

Note:- We have identified the recipients of the CSR amount, however as per the arrangement amount is payable after submission of work report by the respective institutions.

33.11 RESEARCH AND DEVELOPMENT EXPENDITURE

	2018-19	2017-18
Capital Expenditure	40.92	
Revenue Expenditure	230.91	
Total	271.82	

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



34 CATEGORY-WISE CLASIFICATION OF FINANCIAL INSTRUMENTS

Particulars	Refer Note no.	Non-current		Current	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
Financial Assets measured at Fair value through Profit or loss (FVTPL)					
Investment in Equity shares (Net of provision)*	2	-	-	-	-
Financial Assets measured at Fair value through other comprehensive income (FVTOCI)					
		-	-	-	-
Financial Assets measured at amortised cost					
Security Deposit	3	1.32	4.42		
Security Deposits (Net of provision) **	3	-	-		
Fixed deposit more than 12 months	3	-	12.56		
Trade receivables	8			7,527.63	7,007.94
Cash and cash equivalents	9			147.63	346.54
Other balances with banks	10			355.71	145.15
Interest Accrued on Fixed Deposit	11			10.65	14.69
Security Deposit	11				
		1.32	16.98	8,041.62	7,514.31
Financial Liabilities measured at amortised cost					
Borrowings	15	622.34	1,757.61		
Borrowings	18			3,138.76	3,961.86
Trade payables	19			4,763.18	4,983.76
Current maturities of long-term debt	20			926.96	600.44
Interest accrued and due on borrowings	20			42.35	26.63
Unpaid Dividends	20			25.10	17.30
Payable towards expenses	20			81.47	158.96
Other credit balances	20			429.68	436.97
		622.34	1,757.61	9,407.50	10,185.94

FAIR VALUE MEASUREMENTS		Fair Value hierarchy		
Financial Assets / financial liabilities	Fair Value as at 31.03.2019	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit or loss*	-			-
Financial assets measured at fair value through other comprehensive income (OCI)	NA	NA	NA	NA

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

35 FINANCIAL RISK MANAGEMENT

35.1 Market risk

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

35.2 Interest rate risk :

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

35.3 Foreign currency risk:

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

The following table analyzes foreign currency risk from financial instruments:

Particulars	As at 31st March 2019			As at 31st March 2018		
	USD	Euro	JPY	USD	Euro	JPY
Unhedged Trade receivables	12.01	5.03	-	10.75	5.30	-
Unhedged Trade Payables	0.62	2.81	435.84	-	0.02	47.18
Unhedged Advances to Trade Payables	2.83	2.82	342.26	-	-	-
Total	15.46	10.67	778.10	10.75	5.32	47.18

35.4 Credit risk

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

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

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates.



Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

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

Movement in provisions of doubtful debts

	As at 31st March 2019	As at 31st March 2018
Opening provision	412.74	376.64
Add : Additional provision made	28.37	36.10
Less : Provision write off	278.68	-
Less : Provision reversed	-	-
Closing provisions	162.43	412.74

₹ In lakhs

35.5 Liquidity risk :

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

Maturity patterns of Financial Liabilities

Particulars	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
At 31st March, 2019				
Trade payables	4,456.53	306.66		4,763.19
Other financial liabilities (Current and non current)				-
At 31st March, 2018				
Trade payables	4,914.56	69.20		4,983.76
Other financial liabilities (Current and non current)				-

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

Particulars	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
At 31st March, 2019				
Trade receivables	6,886.19	641.44	-	7,527.63
At 31st March, 2018				
Trade receivables	6,373.68	634.26	-	7,007.94

36 1. Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 01, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain practical expedients on transition.

2. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

3. Amendment to Ind AS 19 – Employee Benefits

In connection with accounting for plan amendments, curtailments and settlements, the amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company is currently evaluating the effect of above amendments on the financials statements effective from 01st April, 2019.



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

₹ In lakhs

Particulars	2018-19	2017-18
Current tax		
Current Tax on taxable income for the year	431.48	71.53
Total current tax expense	431.48	71.53
Deferred Tax		
Deferred tax charge/(credit)	(164.40)	235.65
MAT Credit (taken)/utilised	0.00	-
Total deferred income tax expense/(benefit)	(164.40)	235.65
Tax in respect of earlier years	-	(44.10)
Total income tax expenses	267.08	263.08

₹ In lakhs

Particulars	2018-19	2017-18
Enacted income tax rate in India applicable to the Company	33.063%	33.063%
Profit before tax	963.46	919.47
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	318.55	304.01
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowances	9.38	11.94
Depreciation (net effect)	(90.14)	(219.62)
Deduction under section 43B of the Income Tax Act	(0.73)	(25.29)
Tax in respect of earlier years	-	(44.10)
Income exempted from income taxes	-	-
Other items	30.02	236.14
Total income tax expenses/(credit)	267.08	263.08

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

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 18th May 2019

For and on behalf of the Board of Directors

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

AVINASH KHARE
Chief Financial Officer

Pune: 18th May 2019

ABHIJIT SEN
Director
(DIN: 00002593)

NILESH VITEKAR
Company Secretary

Pune: 18th May 2019

[illegible]

KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

Regd. Office: Shangrila Gardens, "C" Wing,

1st floor, Opposite Bund Garden, Pune 411 001

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

Form no. MGT -11**PROXY**

[Pursuant to Section 105 (6) of the Companies Act,2013 and rule 19(3) of
the Companies (Management and Administration) Rules,2014].

Name of the member(s) _____

Registered address _____

E-mail ID _____

Folio / DP ID & CL ID No. _____

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

1. Name: _____ Address: _____

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

2. Name: _____ Address: _____

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

3. Name: _____ Address: _____

E-mail ID: _____ Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company, to be held on Friday, 26th day of July, 2019 at 10:30 a.m. at Poona Club Ltd., 6 Bund Garden Road, Pune 411001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res No	Resolution	For	Against
1	To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2019 together with reports of Board of Directors and Auditors thereon.		
2	To declare a dividend on equity shares for the financial year ended on March 31, 2019.		
3	To appoint a Director in place of Mr. Gaurishankar N. Kalyani (DIN: 00519610) who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint Mr. Viraj G. Kalyani (DIN: 02268846) as Director of the Company.		
5	Ratification of Appointment of Statutory Auditors from the conclusion of the ensuing annual general Meeting till the conclusion of next Annual General Meeting.		
6	Ratification of remuneration of Mr. Rahul A. Chincholkar, Cost Accountant, Pune as Cost Auditors for the Financial Year commencing from 01.04.2019.		

Signature of Shareholder

Signed this _____ day of _____ 2019.

Please Affix
Re. 1/-
Revenue
Stamp
here

Signature of first Proxy holder_____
Signature of second Proxy holder_____
Signature of third Proxy holder

Note:

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

KALYANI FORGE



KALYANI FORGE LIMITED
(CIN : L28910MH1979PLC020959)

Shangrila Gardens, 'C' Wing, 1st Floor,
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