

GAINING STRENGTH, SHAPING THE FUTURE



Corporate Information

BANKERS:

State Bank of India
HDFC Bank
Bajaj Finance Limited

AUDITORS:

M/S Kalyaniwala & Mistry LLP
Chartered Accountants,
Pune.

COMPANY SECRETARY

Ms. Rachana Agarwal

REGISTERED OFFICE:

CIN: L28910MH1979PLC020959
Shangrila Gardens, 'C' Wing, 1st Floor, Opp. Bund Garden, Pune-411 001.
Tel. +91 2137 252 335/755 Fax +91 2137 252344
Email: companysecretary@kforge.com
Website: www.kalyaniforge.co.in

WORKS:

Hot Forging Division (HFD)
Koregaon Bhima,
Tal. - Shirur,
Pune - 412 216.
Metal Forms Division (MFD)
Koregaon Bhima,
Tal. - Shirur,
Pune - 412 216.

Precision Autocomp Division (PAD)
Gat No. 914/1 & 2,
Sanaswadi Tal. - Shirur,
Pune - 412 208.

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Corporate Overview



Gaining Strength, shaping the future



As Kalyani Forge is on a journey of growth and expansion, the first step of the process is to gain strength in all areas to be able to do more, take on bigger challenges, address larger markets and compete for more market share. At every stage of growth in the company's history, it has had

to gain new strengths and level up in core areas.

In FY2024, we honed in on modernizing many of our processes and facilities, improving efficiencies and speed.



Strengths in Business Mix

Strengths in Core Products

Strengths in Order Winning

Strengths in Manufacturing Processes

Strengths in Digital Technologies

// Most important strength of all is that of Strategy. The company now has a stronger strategy, which plays to our advantages which we have accumulated over several decades. //

**- Viraj Kalyani
Managing Director**

Message from the Executive Chairperson!



Mrs. Rohini G. Kalyani
Executive Chairperson

Dear Shareholders,

It is my honor to present to you this year's Annual Report. Kalyani Forge is moving steadfastly in the strategic path of growth as per our Vriddhi Mission 2027. To propel this growth it has been important to play to our strengths and get rid of weaknesses and hence our theme for the year has been Gaining Strength. Through deeper engagement with our customers and the market, we have achieved strategic clarity in terms of thrust areas and have recorded gains in the same. Our machined conrod business has touched record levels this year, drivelines and axle business have grown. Exports business has been maintained, and we have grown our pipeline of new exports business. In the passenger car segment, our EV-agnostic business has increased which gives us additional strength to be ready for a multi-powertrain future. We have taken some conscious calls to phase out certain business or stop pursuing too many opportunities in order to focus better. Let me take you through some of these areas in more detail.

Encouraging Economic Activity

Globally there have been supply chain disruptions and certain events in Ukraine and the Red Sea which pose challenges, but many economies are on the path to recovery. Many markets are now looking at India as a serious sourcing hub for critical manufacturing products. Kalyani Forge is at the right place and the right time to capitalize these trends which align well with its long term strategy.

The Indian economy has been continuing to grow as a leader in the world and this is seen in the

increased or sustained demand in automotive and industrial segments, notwithstanding certain stock corrections that occur in between.

Accomplishments

Allow me to highlight some of our noteworthy accomplishments during the financial year 2023-24.

The company clocked total revenue of Rs. 236.78 crores in FY24 compared to Rs. 272.83 in FY23. We have achieved Profit After Tax of Rs. 4.55 crores which is 2577% higher than the previous year. This achievement demonstrates our resilience and ability to adapt to the changing market dynamics.

Although we experienced some degrowth in topline, it was largely due to a few lines of automotive businesses which had come to end-of-life and had lower value addition. Consequently, these were typically lower margin businesses and the company took a conscious call not to pursue them further and instead focus on the winning orders on the latest technology platforms of OEMs which have longer life ahead. Our efforts to regain our preferred supplier status for new programs is reflected in the record new business order wins in FY24 which have been at an all time high 20 New Order Wins during the year, totalling an average annual business value of approximately Rs. 75 cr or \$9 million. These order wins are a mix of exports and domestic business as well as automotive and industrial segments.

The topline trend is hiding a more important trend of growth for the company. This year we achieved our highest revenue from machined

connecting rods, which is the most critical part in an engine, and is a core strength of Kalyani Forge since we were the first in India to develop machined fracture-split connecting rods in the early 2000s. Our strategy to be the Last-Man-Standing for products like connecting rods in the ICE market will propel our growth prospects while focusing on what we do best and serving our core customers better.

Our dedication to innovation and operational excellence has never been more critical. We are investing in advanced technologies and sustainable practices to enhance our efficiency and reduce our environmental footprint.

Our engagement in EV development programs represents a pivotal step in aligning our forging

of our first roof-top solar power system which will help move closer to our sustainability targets as well. This project is already operational as on the date of this annual report.

We successfully completed several internal milestones of shopfloor upgrades in all of our plants. We have kicked off a major digitization drive across all departments for which there will surely be more specific updates next year.

This year as I take on the role of Executive Chairperson, Mr. Viraj Kalyani is promoted as Managing Director, and new Independent Directors have joined the Board, we have more leadership bandwidth with a mandate of growth. In summary, I am confident that the Company is moving towards the target of growth as set out last year in our Vriddhi Mission 2027 to at least

double revenues with significantly higher profit margins.

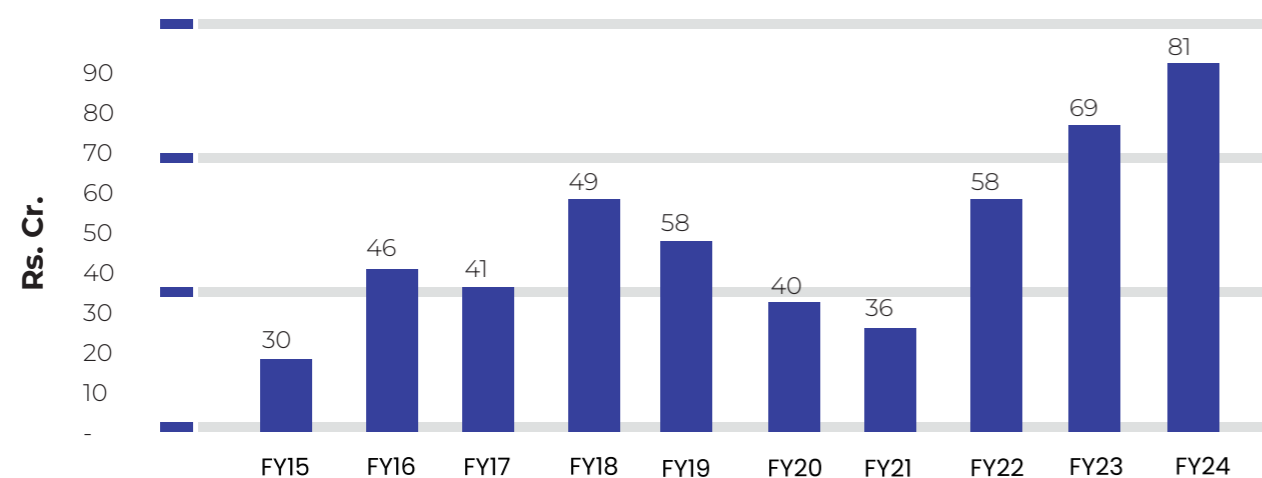
I would like to thank all of our employees, customers, shareholders and investors, supply chain partners, bankers, financial institutions and all other stakeholders for your continuous support and trust that you have bestowed in us for many years.

We are gaining strength across the length and breadth of our organization. I look forward to your continued partnership and working with each of you to take Kalyani Forge to the next level.

Warm regards,

Rohini G. Kalyani
Executive Chairperson

Machined Conrod Sales



This transition is part of the strategy to focus on its core products offerings of engine, driveline, axle and turbocharger components with a healthy mix of ICE and EV/EV Agnostic products.

Gaining Strengths

In the year, we executed on our Capex program with additional capacities of machining lines. Two new press line projects were also initiated in the second half of FY24 and are currently under completion. Of note is a 4000T press line which is our largest capacity forging press so far and will unlock new business in larger sized forgings. This was a long due project which we had shelved for many years as we were focused on smaller size businesses.

capabilities with the demands of this new era. We are leveraging our expertise to provide high-quality, precision-forged components that meet the stringent requirements of electric powertrains. Our partnerships with top automotive manufacturers not only reinforce our position as a key player in the industry but also underscore our commitment to supporting the transition to sustainable transportation solutions. Another notable achievement, your company is now certified by the American Bureau of Shipping (ABS) and Bureau Veritas (BV) for supply of critical forgings for Marine applications.

For cost optimization, we embarked on a power cost reduction program which will yield savings in the coming year. We also started installation



Focused Expertise

Kalyani Forge has more than 40 years of experience in forging technology and has been a pioneer in technology advancement in India. The company started its machining division in 2004

and became one of the few fully integrated forged and machined component manufacturers in the country.

Market Segment	Strengths and Strategy	Certifications & compliance
Passenger Car	Capability of achieving close tolerances in forging stage. Leverage both ICE and EV-agnostic component portfolios.	IATF 16949:2016 OEMs Operating Systems
Trucks/CVs	Heritage and strongest portfolio with marquee clients. Focus on market share growth in India and expand international business.	IATF 16949:2016 OEMs Operating Systems
Industrials	Leverage automotive expertise for similar products in construction, power-generation, mining, off-road engines.	ISO 9001:2015 ABS Marine BV Marine
Agro	Grow market share with leading brands in their transitioning from conventional connecting rods to fracture split machined connecting rods.	ISO 9001:2015
Turbocharger	Drive value and profitability in stainless steel forgings. Complete R&D in Aluminium Forging components	IATF 16949:2016



Passenger Vehicles	
FY 2022-23	Report
4,897.37	Decrease
FY 2023-24	% Growth
4,741.55	-3%



Commercial Vehicle (In Rs. Lakhs)	
FY 2022-23	Report
5,341.92	Increase
FY 2023-24	% Growth
5,816.55	9%



Power + Turbochargers	
FY 2022-23	Report
7,707.22	Decrease
FY 2023-24	% Growth
3,022.64	-61%



Industrial	
FY 2022-23	Report
2,298.24	Increase
FY 2023-24	% Growth
5,982.02	160%



Agro & Rural	
FY 2022-23	Report
3,482.62	Decrease
FY 2023-24	% Growth
1,918.34	-45%w



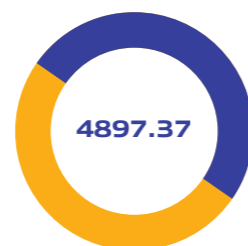
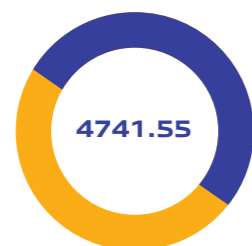
FY-2023-24

FY - 2022-23

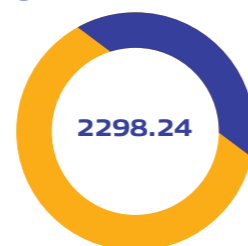
Commercial Vehicle



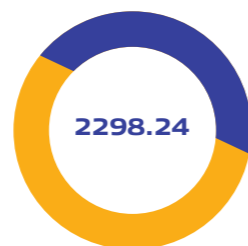
Passenger Vehicles



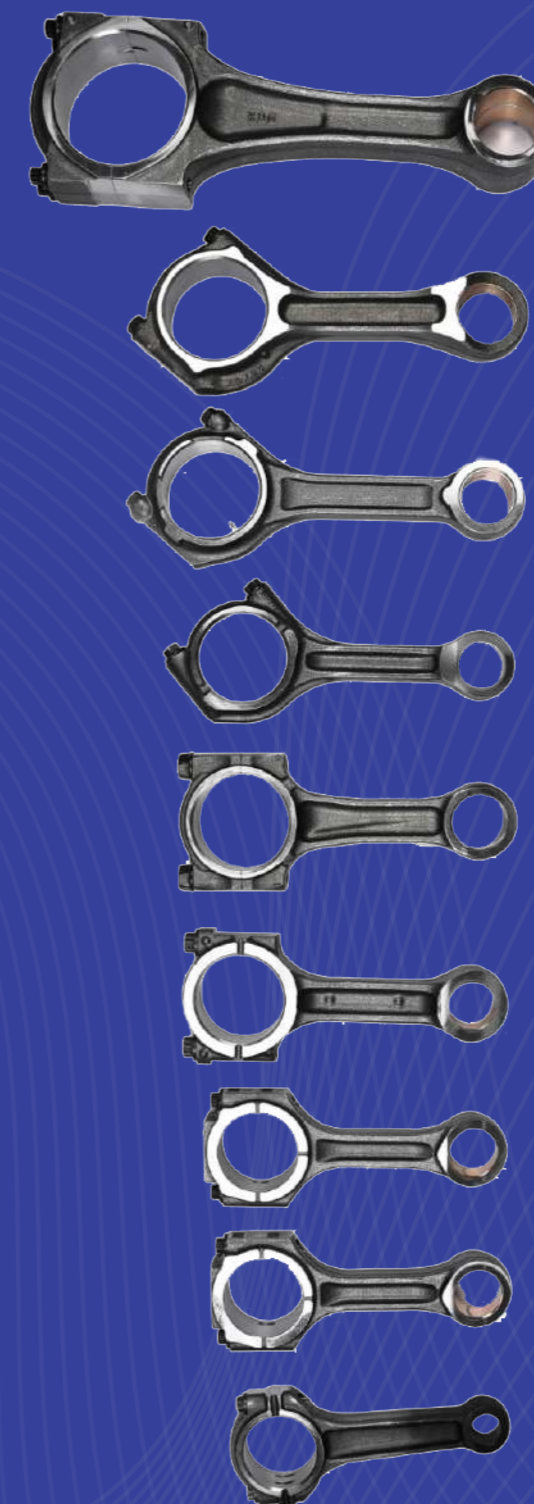
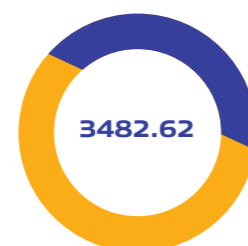
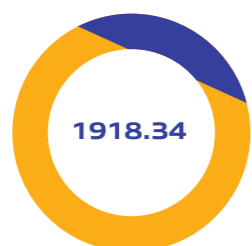
Industrial



Power + Turbochargers



Agro & Rural



Kalyani Forge is a global supplier for critical forged & machined components like connecting rods.

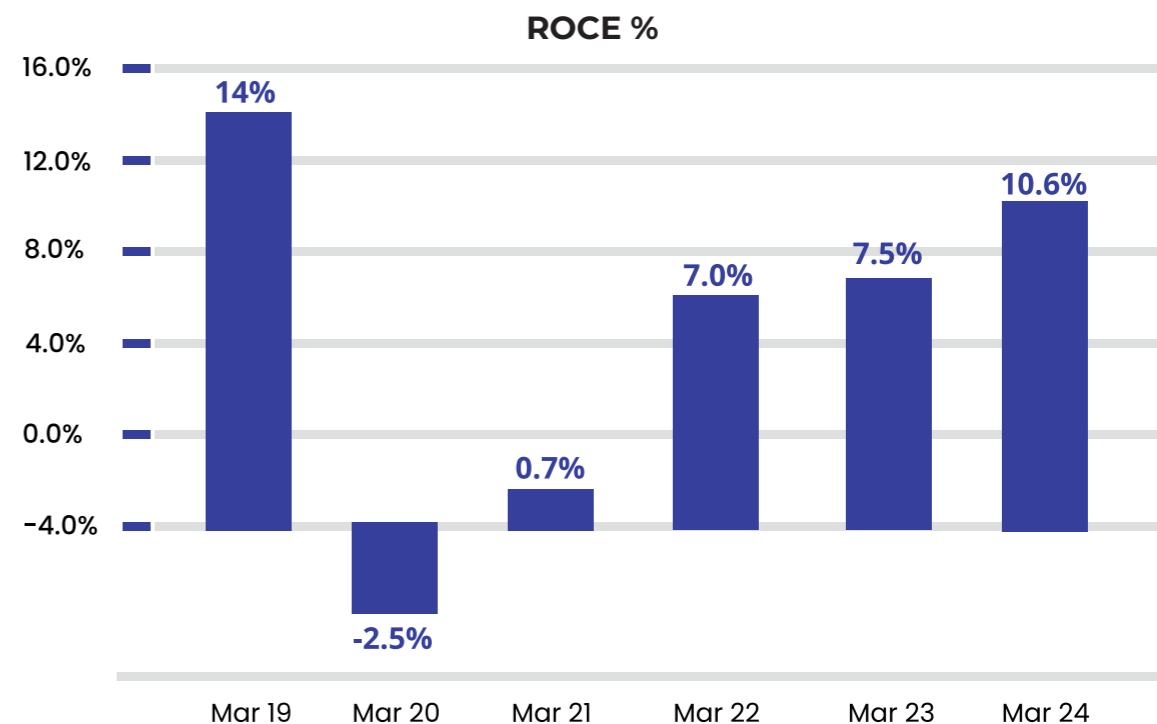


Financial Performance

In spite of lower revenues, the company has improved profitability by focusing on improved business mix, cost control measures and elimination of excess indirect costs. Our capital allocation strategy is also getting refined to align with the long term growth plan and ROCE goals. This year we saw a major improvement in ROCE to 10.6%.

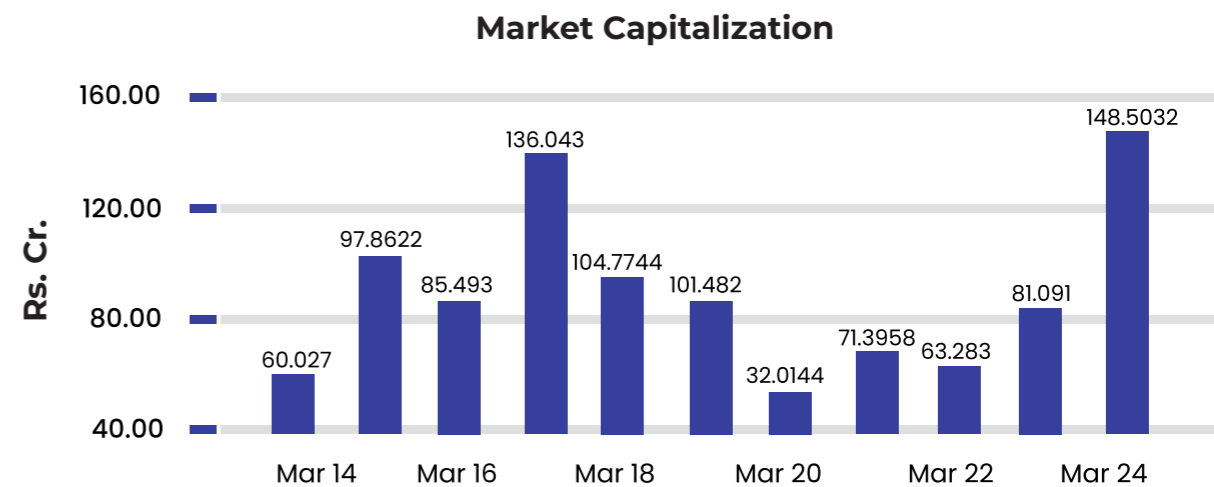
Improving ROCE

ROCE has improved from 7.5% in FY23 to 10.6% in FY24 based on increased EBIT and better capital allocation strategies.

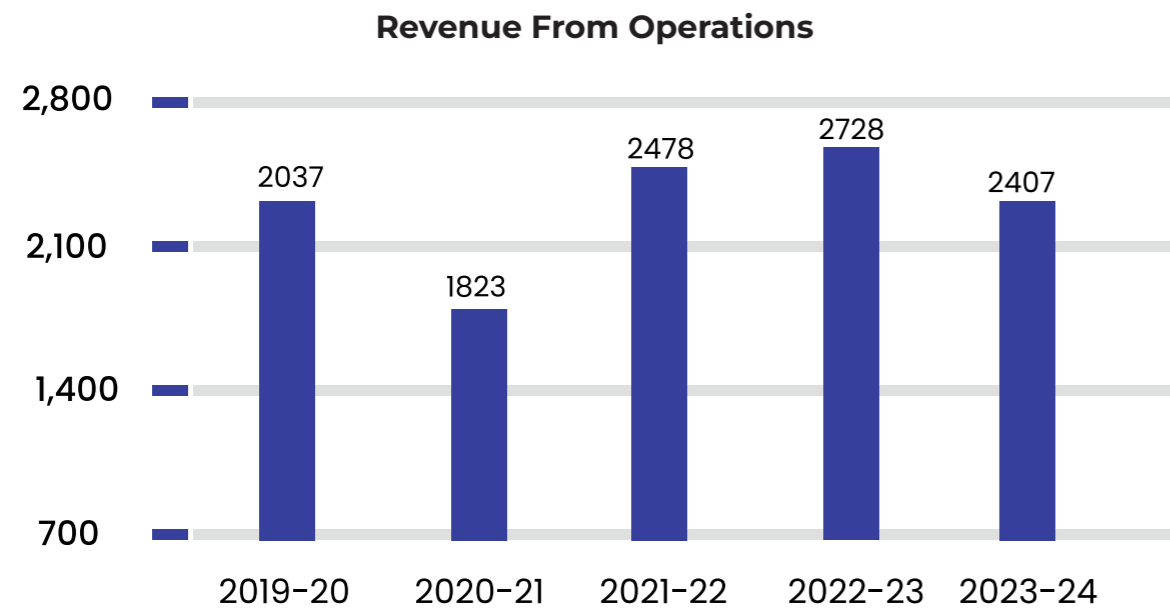


Market Capitalization

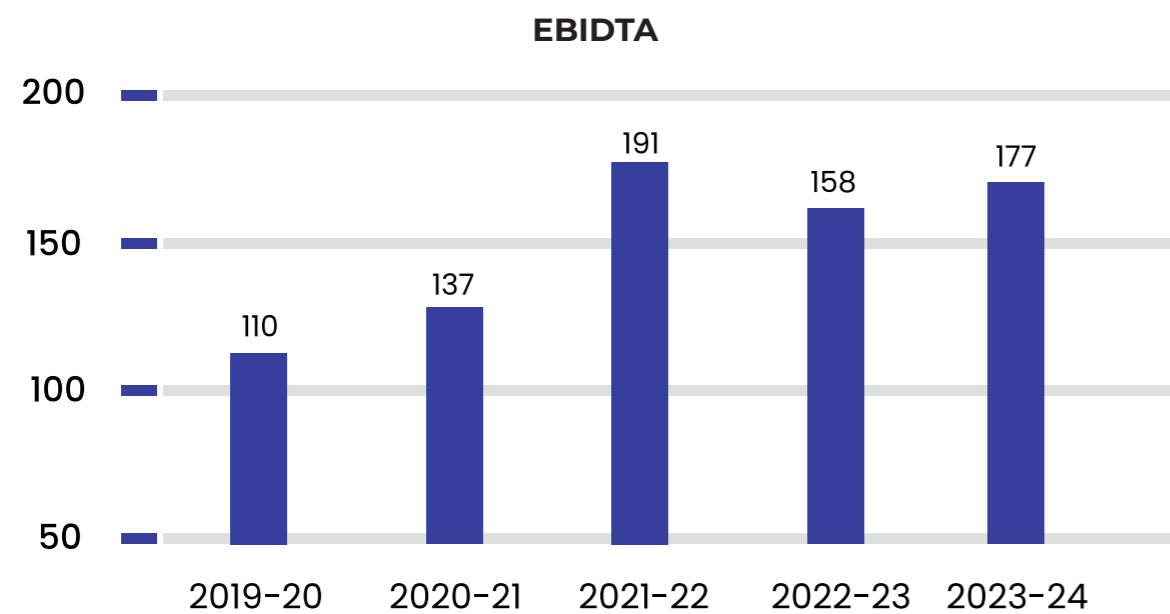
Value created for shareholders has increased to an all time high. The company is increasing its Investor Relations efforts as part of our Vriddhi 2027 goals.



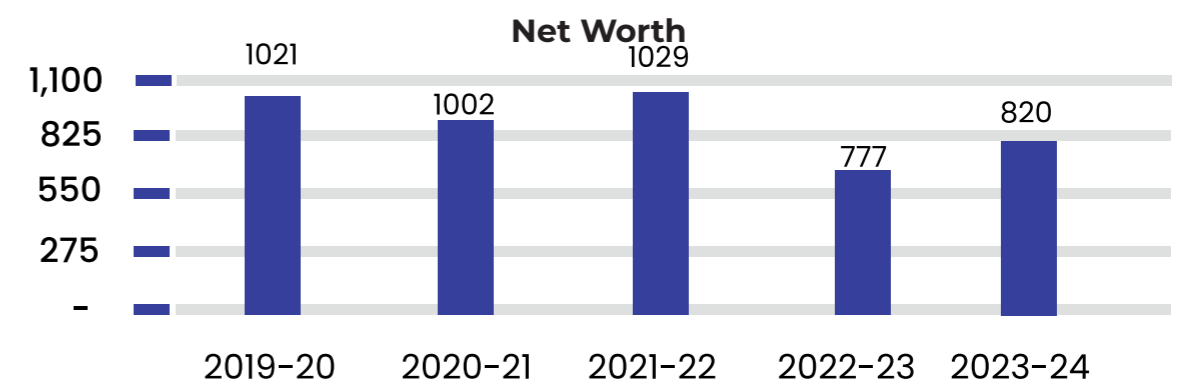
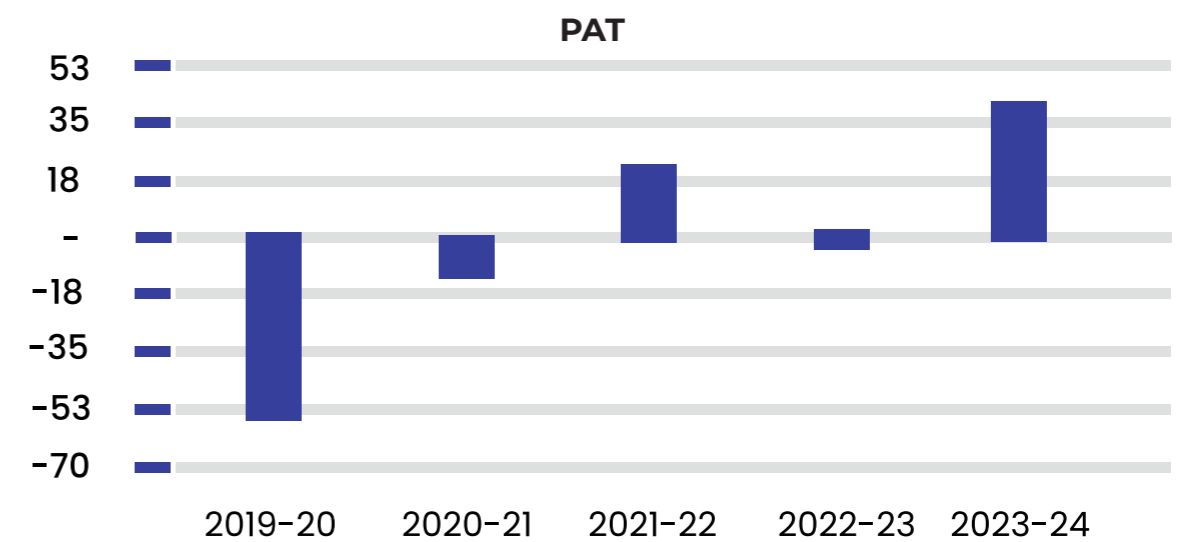
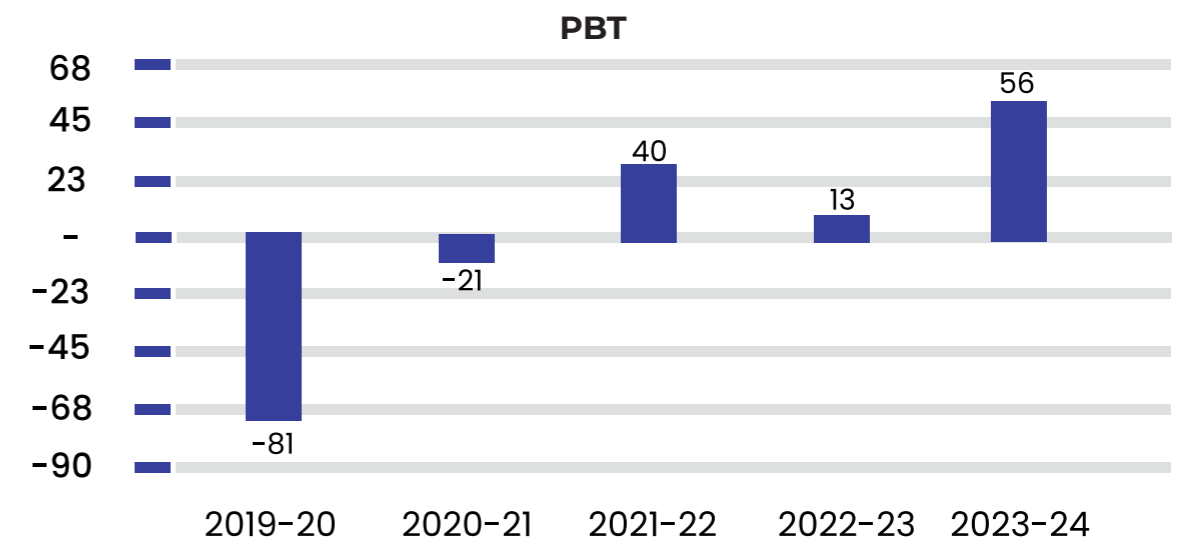
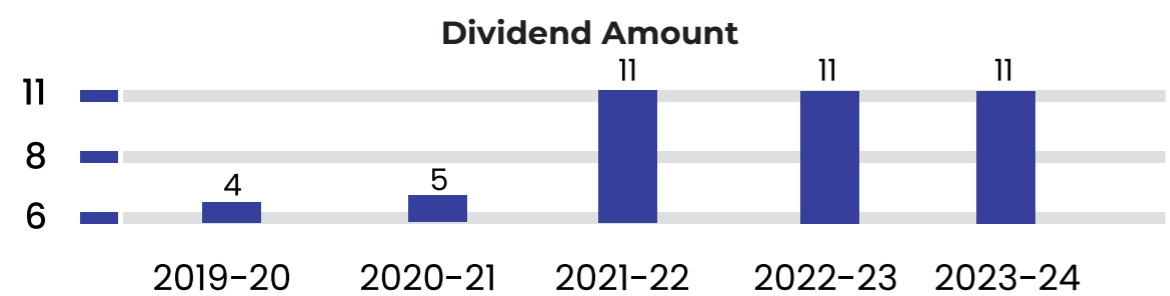
Summary of Financial Performance



Revenue from operations decreased by 12% to Rs 2,407 million in FY 2023-24, that of the previous year.



EBITDA increased by 12% to Rs 177 million in FY 2023-24 due to change in product mix.



Net worth increased by 5.53% to Rs 820 million in FY 2023-24 as the profit for the period is retained as reserved.

Board Of Directors

Mrs. Rohini G. Kalyani
Executive Chairperson
(DIN: 00519565)

Mr. Viraj G. Kalyani
Managing Director
(DIN: 02268846)

Mr. Gaurishankar N. Kalyani
Non - Executive Director
(DIN: 00519610)

Mr. Abhijit Sen
Independent Director
(DIN: 00002593)

Mr. Pradeep Nadkarni*
Independent Director
(DIN: 01670826)

Mr. Adit Rathi**
Independent Director
(DIN: 00084380)

Audit Committee

Mr. Abhijit Sen
Independent Director
(Chairman)

Mr. Pradip P. Nadkarni*
Independent Director

Mr. Viraj G. Kalyani
Executive Director

Nomination & Remuneration Committee

Mr. Pradip P. Nadkarni*
Independent Director
(Chairman)

Mr. Abhijit Sen
Independent Director

Mr. Gaurishankar N. Kalyani
Non - Executive Director

Stakeholders Relationship Committee

Mr. Gaurishankar N. Kalyani
Non - Executive Director
(Chairman)

Mr. Abhijit Sen
Independent Director

Mr. Pradip P. Nadkarni*
Independent Director

Corporate Social Responsibility Committee

Mrs. Rohini G. Kalyani
Executive Chairperson
(Chairman)

Mr. Pradip P. Nadkarni*
Independent Director

Mr. Viraj G. Kalyani
Executive Director

(*The term of Mr. Pradeep Nadkarni, as an Independent Director has expired on 31st March, 2024.)

(**Mr. Adit Rathi tendered has resigned as an Independent Director of the Company w.e.f. 30th January, 2024)

Gaining Strength

Management Discussion and Analysis

Economic Review

Global Economy

The Indian forging industry embodies elasticity, adaptability and revolution, which are pivotal in driving economic growth and industrial development. With its technical expertise, geographical spread and strategic investments, the industry is poised to capitalise on emerging opportunities while addressing challenges posed by market dynamics and external disruptions. Growth rates have varied significantly across different regions, with emerging markets and developing economies often outperforming advanced economies in terms of growth.

Industrial output, particularly in manufacturing and automation, has experienced fluctuations in past years, which is now stabilized and inclining towards the growth. Countries are now more focused in rapid growth in investments in infrastructure, technology, and automation which is resulting in stronger industrial growth.

Indian Economy

To align with the global advances, India's economy is showing very rapid changes and which is giving the forging industry a moderate growth overall and assured future in the sector involved. While the GDP growth rate has fluctuated, it has generally remained positive, supported by strong domestic consumption and a growing services sector. There has been a steady improvement in industrial production, with sectors like automotive and manufacturing seeing moderate growth, which is crucial for a company like Kalyani Forge Limited.

According to the National Statistics Office (NSO), India's GDP growth for FY 2023-2024 is projected to be around 6.0-6.5%. This growth is driven by robust domestic consumption, continued government spending on infrastructure, and a rebound in investment and industrial activities. India's strong economic growth and implementation of favorable government schemes have yielded positive outcomes.

Government initiatives and investments in technology are supportive of this sector. India's potential to emerge as a key manufacturing hub is attracting attention from major global players, as they seek to diversify their manufacturing operations beyond other competitor countries. The automation industry, which includes companies like Kalyani Forge Limited, benefits from the broader push towards digitization and efficiency improvements in manufacturing processes. The sector is likely to see increased demand as industries invest in automation technologies to enhance productivity.

Future Outlook

Indian economic outlook for FY 2023-2024, as projected by the NSO, presents a favorable environment for Kalyani Forge Limited. With GDP growth projected at 6.0-6.5%, supportive government policies, and increased investment in infrastructure and automation, the company is well-positioned to benefit. However, effective management of cost pressures and strategic alignment with technological trends will be crucial for maximizing growth and maintaining competitive advantage.

Business Environment

Automotive Business

The company has established itself as the partner of choice in the CV industry and is replicating the same success in the PV segment. It has developed capabilities for tighter tolerances through robust engineering, process capability and supply chain dynamism.

The automotive sector is a significant contributor to Kalyani Forge Limited's revenue. With the automotive industry's shift towards electric vehicles (EVs) and advanced driver-assistance systems (ADAS), there is growing demand for high-precision forged components which is our forte.

Kalyani Forge Limited supplies various automotive parts such as engine components, driveline, axle and turbocharger components. These cater to both ICE and x-EV applications. With the installation of a new 4000T press which was started in Q4 FY24 and scheduled to be commission in FY25, Kalyani Forge will now expand its weight range of product offerings from a maximum of 10kg to a maximum of 25 kg forging weight. Thus we will be able to cater to products like stub-axles for medium and heavy duty trucks as well as crankshafts for passenger car applications.

Industrial Business

Industrial Segment is a vast market segment that encompasses sub-segments like power generation, construction, mining, infrastructure, rail, marine and several off-road applications. With growth in the Indian economy, all these sub-segments are witnessing growth. Globally the need for power generation is increasing with rising demand for data centers which is in turn driven by new technologies like Artificial Intelligence (AI) and IoT.

Kalyani Forge has made a strategic bet to focus on its existing core, ICE products and go deeper to gain market share in the Industrial segment. During the initial years of talk around electric vehicles, we attempted to explore multiple new product categories in industrial segments with the hope of diversifying our portfolio and opening up new areas of growth. Based on an improved understanding of the industrial market we found a lot more headroom to increase market share and customers with our existing core products portfolio in the industrial segments. Hence ICE based products in these segments are where we have made more headway and can easily achieve risk mitigation vis a vis automotive cyclicality. We are able to easily transfer expertise from our Automotive segment to the Industrial segments which are today transitioning to better emission norms and product quality.

Kalyani Forge was awarded a certification by Bureau Veritas as well as American Bureau of Shipping for marine standards and this has unlocked new opportunities for growth in marine engines.

Outlook

Kalyani Forge Limited is well-positioned to capitalize on growth opportunities in the automotive, industrial automation, oil & gas, aerospace, and other industrial sectors. The company's achieved tremendous strategic clarity and focus after deeper engagement with key customers and global industry leaders which was a major theme outlined in FY23.

Financial Review

Income Statement Summary

Kalyani Forge's performance for 2023-24 has demonstrated significant growth, with a total revenue of 24,066.32 Lakhs, representing a 12% decrease over 2022-23. The Company's earnings before interest, taxes, depreciation amortisation (EBITDA), and profit after tax (PAT) also exhibited strong momentum, reaching Rs. 1,773.35 Lakhs and 455.01 Lakhs respectively which is an uptick of 12% and 2577% compared to previous year.

Particulars	2023-24	2022-23	YoY%
Total Revenue	24,066.32	27,282.74	-12%
Operating Expenses	22,292.97	25,699.01	-13%
EBITDA	1,773.35	1,583.73	12%
Other Income	387.67	698.73	-45%
Finance Charges	589.76	337.16	75%
Depreciation and Amortisation	621.67	1,119.14	-44%
Profit Before Tax	561.92	127.43	341%
Tax Expenses	106.91	145.80	-27%
Profit After Tax	455.01	-18.37	2577%
EPS (Basic)	12.51	-0.50	

Key Financial Ratio Changes

Key financial ratios along with the details of significant changes (25% or more) in FY 2024 compared to FY 2023 is as follows:

Particulars	2023-24	2022-23	% Change	Reasons For Change
Debtors Turnover Ratio (in times)	3.46	3.62	-4%	Decrease in turnover and debtors
Inventory Turnover Ratio (in times)	4.58	7.01	-35%	Increase in average inventory
Interest Service coverage Ratio	1.95	1.38	42%	Increase in interest cost
Current Ratio	1.42	1.39	2%	Increase in working capital borrowings
Debt Equity Ratio	0.74	0.49	51%	Increase in debt
Operating Margin (%)	7.37%	5.80%		Change in product mix
Net Profit Margin (%)	1.89%	-0.07%		Change in product mix

Human Resources

The Company values its Human Recourse, it gives the value addition to the Company in long run, as it's a backbone of the Company, the structure of organisation is defined in a such a way that there shall be a transparency and friendly communication at all its level and locations. The Company is striving to create a trained and functionally expert work force to align the team and its capability matrix to elevate business strategies from time to time.

To boost the work environment and enthusiasm in the employees, the Company has started quarterly Kaizen awards since 2023, and looking at past year record, the Company has received overwhelming response from its employees for cost effective ideas which are resulting in productivity enhancement and better strategic implementation.

Several employee welfare facilities were upgraded, new training programs initiated with digital talent management initiatives in FY24. Shopfloor training method of operators were overhauled with stronger linkage to quality and productivity requirements. The company also filled in some critical role vacancies and updated organization structures of all departments to align with the Vriddhi Growth Mission 2027.

Information Technology

The company launched digital operations in multiple departments to digitize workflows, improve knowledge management and boost productivity especially in corporate departments which are focused on growth activities.

The company implemented a Customer Relationship Management (CRM) software, Recruitment Management software and Project Management software during the year FY24. These have catapulted the respective business processes and increased speed of operations.

Corporate Social Responsibility

Our Company believe in sustainable development of the society at large, and it continuously making efforts to returning the Society generously and passionately. One of the Company's CSR focus area is skill development and job creation. Towards this end, it has supported and sponsored an Automobile Racing Team at College of Engineering Pune in their efforts to develop a new vehicle and race in engineering college competitions.

The company plans to continue its endeavours as per the CSR Policy outlined by the CSR Committee.

Risk Management

The Company believes that, the Risk management is a very crucial and important part of the business where organisa-tion has to deal with operational, financial, strategic and Environmental & social risks. The Company has implemented a structured risk management process to identify, prioritize, mitigate, and monitor risks. Some risks identified and covered by the Risk Management Policy are highlighted below:

- Supply disruption due to Raw material shortage.
- Supply disruption due to forging press break down.
- Supply disruption due to die break down
- Supply disruption due to power failure
- Impact of Government Policy changes

- Impact of Trade Regulations on global competitiveness
- Supply chain disruption due to Geopolitical Instability
- Natural disasters like heavy rains or floods
- New competitors and market changes
- Technological changes affecting core business

Kalyani Forge Limited is well-positioned to capitalize on growth opportunities in the automotive, industrial automation, oil & gas, aerospace, and other industrial sectors. The company's ability to innovate, manage costs, and expand globally will be critical to its success. While there are significant opportunities, including increased demand for advanced components and global expansion, the company must also navigate challenges such as economic volatility, technological disruptions, and intense competition.

The Board of Directors regularly overviews external and internal risks associated with the operations of the company and carries out its impact assessment and effective implementation of the mitigation plans and risks reporting is concluded.

Internal Control Systems and Their Adequacy

An effective internal control system is crucial for our Company, as company engaged in forging and automation, to ensure operational efficiency, financial integrity, compliance with laws, and protection against risks. And to have an effective control on the systems, the Company has well framed internal control system which automates the safeguarding from possible loss to the Company. Further the Company also takes checks and enhance the internal control through various ways such as timely internal audit, training and awareness within various stages, integration of technology and data integrity.

The Company maintaining an effective internal control system is essential to managing risks, ensuring compliance, and supporting operational efficiency. By implementing robust controls, regularly assessing their adequacy, and integrating technology, the company can safeguard its assets, enhance performance, and achieve its business objectives in the forging and automation sectors. Regular updates and continuous improvement of the internal control system will ensure its effectiveness in a dynamic business environment.

The Company has a well-framed internal control system that authorizes, records, and reports transactions to safeguard assets and protect against loss from unauthorized use or disposition. Internal controls are in place to ensure reliable data and financial information is reported for all assets. The internal control systems include several processes including but not limited to extensive internal audits, management review, and documented KOS policies, guidelines, and procedures.

Directors Report

The Board of Directors of your Company are pleased to present the 45th Annual Report together with the Audited Statement of Accounts of Kalyani Forge Limited ("the Company") for the year ended March 31, 2024.

I. Financial Performance:

The summarized standalone results of your Company are given below.

Rs. in Lakhs

Particulars	Financial Year ended 31 st March, 2024 Standalone	
	31-03-2024	31-03-2023
Total income from operations (net)	24,066.32	27,282.74
Profit/(loss) before Exceptional Items and Tax	561.92	309.50
Exceptional Items and Tax Expenses	106.91	145.80
Net Profit/ (Loss) After Tax for the Year	455.01	(18.37)
Balance of Profit from Previous Year (Retained Earnings plus Other Comprehensive Income)	7,406.31	9,929.93
Other Comprehensive income for the year	84.64	2.32
Dividend Amount Paid	(109.14)	(109.14)
Balance of Total at the end of reporting period includes Retained Earnings and Other Comprehensive Income	7,836.82	7,406.31

2. Summary of Operations:

During the year, the net revenue from operations of your Company for FY 2023-24 decreased to Rs. 24,066.32 Lakhs against Rs. 27,282.74 Lakhs for the FY 2022-23. Your Company's Profit after tax stood at Rs. 455.01 Lakhs as against Loss of Rs. 18.37 Lakhs for FY 2022-23.

3. Change in the nature of business, if any:

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

4. Reserves:

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

5. Dividend:

Your Directors are pleased to recommend for approval of members a dividend of Rs. 3.00 per equity share (30%) at the face value of Rs.10/- per share for the Year ended 31st March, 2024.

6. Capital/ Finance:

During the year, the Company has not issued/allotted equity or preference shares. As on 31st March, 2024, the issued, subscribed and paid-up share capital of your Company is at Rs.3,63,80,000/-, comprising 36,38,000 equity shares of Rs.10/- each.

7. Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements. (Refer Note 3 of the Financial Statements)

8. Related Party Transactions:

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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 particulars of any contract / arrangement / transaction with related parties which could be considered material entered into 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 1. Related Party disclosures as per Ind AS 24 have been provided in Note 30.7(b) to the financial statements.

9. 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.

10. Material Events Occurring after Balance Sheet Date

There were no material changes, events and commitments affecting the financial position of your Company between the end of the Financial Year and the date of this report.

11. Annual Return:

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual return in Form MGT -7 as on March 31, 2024 will be placed on the Company's website available at the following link.

<https://www.kalyaniforge.co.in/investors/annual-reports/>

12. Transfer of Amounts to Investor Education and Protection Fund:

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the declared dividends, which are unpaid or unclaimed for a period of seven (7) years and the shares thereof, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

13. Details of Board meetings:

The Board met Seven times during year from 1st April 2023 to 31st March 2024. The intervening gap between the meetings was within the period prescribed under Act.

14. Composition of Board and its attendance:

The composition of the Board of Directors as on 31st March, 2024 and attendance of members in the meetings held during the financial year 2023-24 are as under:

Name of the Director	Designation	Category	No. of meetings attended
Mrs. Rohini G. Kalyani	Chairperson of the Board	Executive Chairperson	7
Mr. Gaurishankar N. Kalyani	Member of the Board	Non – Executive & Non Independent Director	7
Mr. Viraj G. Kalyani	Member of the Board	Managing Director & CFO	7
Mr. Abhijit Sen	Member of the Board	Non – Executive & Independent Director	7
Mr. Pradip Nadkarni	Member of the Board	Additional Non – Executive & Independent Director	7

15. Committees of Board:

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

16. Declaration by Independent directors:

Pursuant to the provisions of section 149 of the Companies Act, 2013 ('the Act'), Mr. Ajay Tandon, Mr. Jeevan Mahaldar, Mr. Abhijit Sen, Mr. Pradip P. Nadkarni & Mr. Adit Rathi are the independent directors and have submitted declarations that each of them meets the criteria of independence as provided in section 149(6) of the act along with rules framed thereunder and regulation 16(1)(b) of the SEBI Listing Regulations. There has no change in the circumstances affecting their status as Independent Directors of the Company. Further Mr. Adit Rathi & Mr. Pradip P. Nadkarni ceased to be Independent Director of the Company w.e.f. 30th January, 2024 and 31st March, 2024 respectively.

17. Directors and Key Managerial Personnel:

As per the provisions of Companies Act 2013, Mrs. Rohini G. Kalyani who retired by rotation were reappointed at the Annual General Meeting of the Company held on 20th September 2023.

Based on his long tenure and expertise as Executive Director of Kalyani Forge and in line with the leadership succession plan deliberated by the NRC of the Company, Mr. Viraj G. Kalyani, was appointed as Managing Director of the Company for the period of Five years w.e.f. 11th August, 2023 to 10th August, 2028, who shall not be liable to retire by rotation.

The members have approved the term of Mr. Pradeep Nadkarni, Independent Director, in its 44th Annual General Meeting held on 20th September, 2023, for continuation as an Independent Director of the Company up to the conclusion of his term as an independent director notwithstanding that he attains the age of 75 years.

Mr. Adit Rathi tendered his resignation from the post of Independent Director of the Company with effect from closure of business hours on 30th January, 2024. The Board at its meeting held on 13th February, 2024, accepted the resignation and put on record its sincere appreciation and expressed their gratitude for sincere contributions made by Mr. Adit Rathi during his association with the Company as an Independent Director which given the company growth trajectory.

Material changes in the Board structure which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

The term of Mr. Pradeep Nadkarni, as an Independent Director has expired on 31st March, 2024, the Board has expressed their gratitude and acknowledged his sincere efforts towards the wellbeing and stabilized growth of the Company during his tenure.

The Board at its meeting held on 27th April, 2024, approved the appointment of Mr. Ajay Tandon (DIN: 00128667) as Independent Director of the Company Mr. Ajay Tandon, has Strong Academic Background of Engineering and rich work experience including Executive and Non-Executive roles.

The Company has appointed Mr. Jeevan Mahaldar (DIN: 00137467) as Additional Director in the capacity of Independent Director w.e.f. May 30, 2024. Mr. Jeevan Mahaldar has Academic Background of Master of Business Administration along with the rich experience of over 26 years' in automotive industry, 5 years in Consumer Durable Industry and 2 years in Light Engineering Industry which will benefit to the Company in near future.

Mr. Aniruddha Hubalikar, tendered his resignation from the post of Company Secretary and Compliance Officer of the Company w.e.f. 9th April, 2024. The Board placed same on record and took the note of the same.

18. 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 23rd February, 2024, 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, business model of the Company, etc. was undertaken by the Company.

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out. Led by the Nomination & Remuneration Committee, the evaluation was carried out using individual questionnaires. As part of the evaluation process, the performance of Non-Independent Directors, the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated.

19. Nomination and Remuneration Policy:

The Nomination and Remuneration Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Listing Regulations. The Policy is also available on the Company's website at: <https://www.kalyaniforge.co.in/investors/corporate-information/>

20. Holding, Subsidiaries, Associates or Joint Venture Companies:

During the period under review the Company does not have any holding, Subsidiary, Associates or Joint Venture company.

21. Statutory Auditors and their Report:

The Board appointed M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) as a statutory auditors of the Company, w.e.f. 4th July, 2023. The said appointment was than ratified the Members of the Company in last Annual General Meeting held on 20th September, 2023 and appointed M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants for the term of Five years i.e. upto the Annual General Meeting to be held in 2028.

The Notes to the financial statements referred in the Auditors Report are self-explanatory. In the Statutory Auditor's Report there are following qualifications to which suitable and sufficient comments are provided by the Board of Directors. under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Disclaimers by the Statutory Auditors and Management Responses are as follows:

"The Company is in the process of refining its stock valuation process by updating the standard rates of material, labour and overheads based on the current prevailing rates and relevant data. As the said process is not completed,

the consequential financial impacts, if any, have not been considered in the Statement. The quantities and valuation of inventories amounting to INR 5678.06 Lakh as at June 30, 2024 and the consequential impact thereof on the cost of raw materials and components consumed and the changes in inventories of finished goods, work in progress and stock in trade amounting to INR 3012.57 Lakh and INR (78.68) Lakh respectively are as represented by the Company."

Management Response: The Company has completed stock revaluation for A Class items and is taking due precautions in validating standard costs of the B and C class items considering the volume and variety of the stock kept by the Company. However, the Management is confident that the current quantities and valuations are reliable.

"Balance of Trade receivables, Trade payables are subject to confirmations, reconciliations, and consequential adjustments, if any."

Management Response: the Company has received confirmations for a significant portion of the value of receivables and payables. It is in discussion with remaining vendors and suppliers and would complete the same in the first quarter of 2024-25.

"We have been given to understand that the Company is in the process of updating the relevant documentation for internal financial control over financial reporting. In the absence of necessary documentation, we could not determine if the Company has established adequate internal financial control with reference to financial results and whether such internal financial controls were operating effectively as at June 30, 2024."

Management Response: The Company and management is of the opinion that, the Company has adequate financial control over financial reporting and taking required steps in improving and implementing the financial control policies from time to time to have better reporting system in place. The IFC system is updated in line with latest requirements and testing of controls for the current financial year is also in process

22. Internal financial controls:

The Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Act. The Board has laid down policies and processes in respect of internal financial controls and such internal financial controls were adequate and were operating effectively. The internal financial controls covered the policies and procedures adopted by your Company for ensuring orderly and efficient conduct of business including adherence to your Company's policies, safeguarding of the assets of your Company, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information

23. Cost Audit:

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014 and as per the Cost Audit Orders, the cost audit records maintained by the Company in respect of its Forging Business are required to be audited.

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 (Firm Registration No. 002587), Mr. Rahul Chincholkar, Partner (F-27063) have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2024-25. 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.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounts and records.

24. Secretarial Audit:

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, Mr. Nitin Prabhune (Membership No.

FCS 6707) Company Secretary in practice has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as Annexure 2 to this report. There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors in their report.

25. Reporting of fraud by auditors:

During the year under review, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act to the Audit Committee.

26. Secretarial Standards

The company has complied with the revised Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2).

27. Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the regulators and courts which would impact the going concern status of the company.

28. 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.

29. Risk Management Policy:

The Company has implemented a structured risk management process to identify, prioritize, mitigate, and monitor risks. The management is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions plan on a continuing and rigorously.

The Company has adopted various measures concerning the development and implementation of a Risk Management Policy after identifying the elements of risks, which in the opinion of the Board may threaten the Company. To have management on same pathway, 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.

30. 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.

31. Corporate Social Responsibility (CSR):

The Company has adopted the CSR policy pursuant to Sec 135 of the Companies Act, 2013. The disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as Annexure 3. The detailed Corporate Social Responsibility Policy is available on Company's website.

Highlights of Corporate Social Responsibility Policy:

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

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans; setting up old age homes, day care centers 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 recognized 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.

32. Highlights on Company's policy on Sexual Harassment:

Your Company's always aims to create an open and safe workplace for every employee to feel empowered, irrespective of gender, sexual preferences, and other factors and has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules made thereunder. Not only women but entire staff, persons associated (permanent, temporary, contractual and trainees) as well as any visiting faculty to the Company's office premises or service providers are covered under this Policy. Your Company has gone beyond the intention of the law and has made this policy gender-neutral. Your Company follows this practice as a part of equal employment opportunity including gender equality.

During the year under review, physical as well as video-based training on POSH awareness was conducted for all the employees at factory premises as well as office premises and is being hosted on the employee portal to create greater awareness on this subject. During the year under review, the Company did not receive any complaints from any party as mentioned hereinabove and disclosure in this regard are attached in **Annexure - 4**.

33. Particulars of Employees:

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as Annexure 5.

34. Details of establishment of vigil mechanism for directors and employees:

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations and in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/Whistle Blower and the same has been hosted on the website of the Company. Over the years, the Company has established

a reputation for doing business with integrity and displays zero tolerance for any form of unethical behavior. The mechanism under the Policy has been appropriately communicated within and outside the organization. This Policy inter-alia provides direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee

During the year under review, the Company has not received any complaints. The details of establishment of vigil mechanism/ whistle blower policy for directors and employees to report genuine concerns are available at the website of the company at <https://www.kalyaniforge.co.in/investors/corporate-information/>.

35. 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.

36. Details of conservation of energy, technology absorption, foreign exchange earnings and outgo, the particulars relating to the conservation of energy, technology absorption, foreign exchange earnings and outgo:

The particulars relating to the conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 are appended as Annexure 6 to this report.

37. 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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any
- 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 of the Company for the year;
- 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;
- the directors had prepared the annual accounts on a going concern basis; and
- 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.
- 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.

38. 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

Rohini G. Kalyani

Executive Chairperson

(DIN: 00519565)

Pune, May 30, 2024

Annexure 1

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 2023-24, all the transactions entered into with related parties were at arm's length.

For and on behalf of the Board

Rohini G. Kalyani

Executive Chairperson

(DIN: 00519565)

Pune, May 30, 2024

Annexure 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014] and

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 (CIN: L28910MH1979PLC020959) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Kalyani Forge Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and records made available to me either physically or electronically and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 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 reporting made hereinafter,

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Kalyani Forge Limited for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; (Not applicable to the company during the period of audit)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Provisions of the Foreign Exchange Management Act, 1999 and Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing (Not applicable to the company during the period of audit).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the period of audit 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 to the company during the period of audit 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 to the company during the period of audit as the Company has not issued any debts securities during the Financial Year under review)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the period of audit as 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; and (Not applicable to the company during the period of audit as the Company has not delisted/ proposed 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 to the company during the period of audit as the Company has not brought back/proposed to Buy- back any of its securities during the Financial Year under review)

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

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

- (i) The Secretarial Standards issued 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 subject to the following observations:

1. NSE and BSE imposed a fine for non compliance with the requirements of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), 2015 which has been paid by the Company within prescribed time limit.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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 except for one meeting where 4 days notice was given and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

The decisions at the Board meetings, as represented by the management, were taken unanimously/ by majority.

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.

CS Nitin B Prabhune
FCS. 6707
CP No. 3800
UDIN:
PRN: 2197/2022
Pune, May 30, 2024

*This report is to be read with letter of even date of Secretarial Auditors which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,

Kalyani Forge Limited

(CIN: L28910MH1979PLC020959)

Shangrila Gardens C Wings 1st Floor Opp Bund Garden,

Pune 411001, Maharashtra

I. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on the secretarial records based on our audit.

II. I 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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.

III. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and relied on the Statutory Auditor and Tax Auditor of the Company for Financial and taxation matters.

IV. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

V. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis. I have relied and done audit based upon the disclosures made and information provided by the management, its representatives and employees of the company more specifically for other laws.

CS Nitin B Prabhune
FCS. 6707
CP No. 3800
UDIN:
PRN: 2197/2022
Pune, May 30, 2024

Annexure – 3

Annual Report on CSR Activities and CSR Policy

1. Brief outline on CSR Policy of the Company: - A brief outline of the Company's CSR policy, including overview of projects proposed to be undertaken and a reference to the web-link to the CSR policy and projects to program.

The main objective of CSR Policy is to lay down the guidelines for the Company to make CSR as a key business process for sustainable development of the society. It aims at supplementing Government's role in enhancing welfare measures of the society. We propose to take our CSR activities to a higher scale by designing various projects related to needy, economically deprived children, woman and senior citizens, deprived and marginalized sections of the society etc. In addition to this, we also wish to provide an opportunity to our employees to contribute to these efforts through volunteering various CSR projects undertaken by the Company.

The Company's CSR Policy is available on website of the Company: <https://www.kalyaniforge.co.in/investors/corporate-information/>
Company had undertaken CSR Activities Voluntarily.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Rohini G. Kalyani	Chairperson of the Committee & Executive Chairperson Director	1	1
2	Mr. Viraj Kalyani	Committee Member & Executive Director	1	1
3	Mr. Pradip Nadkarni	Committee Member & Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company <https://www.kalyaniforge.co.in/investors/corporate-information/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. NA

5. (a) Average net profit of the company as per section 135(5) :NA
 (b) Two percent of average net profit of the company as per section 135(5):NA
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:- NIL
 (d) Amount required to be set off for the financial year, if any: NIL
 (e) Total CSR obligation for the financial year [(b) +(c)-(d)]:NA

6. (a) Amount spend on CSR Projects (both ongoing Projects and other than ongoing projects):
 I. Ongoing projects: NIL
 II. Other than Ongoing Projects: 316,000/-
 (b) Amount spend on Administrative Overheads: NIL
 (c) Amount Spend on Impact Assessment, if Applicable: NIL
 (d) Total Amount Spend for the Financial Year [(a)+(b)+(c)]:
 (e) CSR Amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3,16,000/-	0	NA	NA	0	NA

(f) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in Rs.)
1	Two percent of the Average net profit of the Company as per Section 135(5)	NA
2	Total amount spent for the Financial Year	3,16,000/-
3	Excess Amount Spent for the Financial year [(ii)-(i)]	NA
4	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	NA
5	Amount available for set off in succeeding financial years [(iii) - (iv)]	NA
	years [(iii) - (iv)]	

7. Details of Unspent CSR for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.	2020-21	7,31,341	8,30,341	-	-	-	-
2.	2021-22	0	0	-	-	-	-
3.	2022-23	0	0	-	-	-	-
	Total	7,31,341	8,30,341	-	-	-	-

8. Whether any capital assets have been created or acquired through CSR Amount Spent in Financial year: NO

Furnish the details relating to such asset(s) created or acquired through Corporate Social Responsibility amount spent in the Financial Year – NA

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5) - NA

Mr. Ajay Tandon
 (Director)
 (DIN: 00128667)

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

Annexure 4

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, 2024:

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

Annexure 5

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 1.2 Crore / year.

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 Director's & 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 2023-24
1	Mrs. Rohini G. Kalyani	Executive Chairperson	0.99:1	0%
2	Mr. Viraj G. Kalyani	Executive Director and CEO	0.99:1	0%
3	Mr. G.N. Kalyani	Non- Executive Director	0:1	0%
4	Mr. Pradip Nadkarni	Independent Director	0:1	0%
5	Mr. Abhijit Sen	Independent Director	0:1	0%
6	Mr. Adit Rathi*	Independent Director	0:1	0%
8	Mr. Laxmi Narayan Patra**	Chief Financial Officer	NA	NA
10	Mr. Aniruddha Hublikar	Company Secretary & Compliance Officer	NA	NA

- *Mr. Adit Rathi was Independent Director of the Company till January 30,2024.
- **Mr. Laxmi Narayan Patra was Chief Financial Officer of the Company till April 06, 2023.

3) Percentage increase in the median remuneration of employees in the financial year	NIL
4) Number of permanent employees on the rolls of Company as at March 31, 2024	851
5) 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 the managerial personnel was NIL as compared to the increase in the managerial remuneration
6) 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 organization performance. Non-Executive Directors - Parameters such as responsibilities undertaken, Membership or Chairmanship of the Committees, time spent in carrying out duties etc.
7) Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMPs and other Employees

Annexure 6

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo, the particulars relating to the conservation of energy, technology absorption, foreign exchange earnings and outgo

a. 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.

1. 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.

2. Steps taken by the company for utilizing alternate sources of energy

- The company commenced installation of a rooftop solar power plant in one of its plants. This is expected to be commissioned and go live in FY25.

3. Capital investment on energy conservation equipment

- Latest upgraded induction billet heaters with per Kw extra out puts. It will save units per MT.

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. • Yield improvements for forging parts
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import; (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	-

c. Research & Development (R&D):

The Company's R & D facility is backed by highly experienced and qualified team. Our R & D team follows the principle to accept zero defects, produce zero effects and pass on zero defects

The main objectives of the Company's R & D programs are:

- A. To develop new and innovative forgings and engineering components.
- B. To improve in the areas of technologies up gradation.
- C. To conserve energy through reduction in fuel consumption.
- D. To take measures for improvements in the material yield.
- E. To optimize forging and machining processes and minimization of pollution.

Highlights of R & D initiatives undertaken during the Financial Year 2023-24 were as follows:

1. Pro-active development of negative draft inner track Outer race forging with machining.
2. In-house machining capability of Spindle Knuckle forging.
3. In-house machining capability of Suspension Arm forging.
4. New Bolster development with Hydraulic Clamping & Power Pack.
5. VAVE - Stainless Steel Nozzle Ring forging material yield improvement of D1253 by 150 gm / pc done successfully.

6. Pro-active development of new profile Triglide TGEM Housing forging for its application in EVs.
7. Pro-active development of complex profile rocker arm forging.
8. VAVE - Eliminate finishing & grinding operation by reducing flash extension during trimming operation after forging, within drawing specification.
9. VAVE - Crank shaft forging material yield improvement of D1488 by 150 gm / pc done successfully.
10. New Technology of rack rolling operation introduced for machined supply condition
11. To enhance environmental cleanliness and reduce soil pollution, polymer coating operation introduced before ironing operation in warm forging process replacing hazardous zinc phosphate coating operation.
12. To promote quality assurance in warm forging parts supply to the Customers, Eddy current testing process has been introduced to avoid material mix up.
13. Being one step forward in product roadmap in Turbo parts, critical inner diameter groove manufacturing capability established.

Core Focus areas of R&D Department of the Company:

1. New product family development distinguishing in profile complexity, manufacturing difficulties & material properties in terms of strength, wear resistance and fatigue life.
2. New process development with aim of reducing process cycle time, increase product safety and reduce operator fatigue, protect environmental aspects from pollution.
3. Introduce New technology with aim of enhancing customer satisfaction by expanding supply condition limits, improve quality and quantity of products supplied.

d. Foreign exchange earnings and Outgo:

During the year, the total foreign exchange used was Rs. 12,47,19,923.31 and the total foreign exchange earned was Rs. 26,30,02,030.97.

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.

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

We believe that Corporate Governance signifies ethical highest standards of transparency, integrity and accountability towards all its stakeholders. These ethical standards can be ingrained in the character of the organization through tradition, value systems and commitment to the later as much as the spirit of laws and regulations. Corporate Governance is the cornerstone of Kalyani Forge Limited governance philosophy of the trusteeship, transparency, accountability and ethical corporate citizenship.

In our endeavor to adopt the best Corporate Governance and disclosure practices, the Company complies with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations").

Pursuant to Regulation 34 read with Part C of Schedule V of the Listing Regulations, the Company hereby presents a Report on Corporate Governance to its members for the Financial Year 2023-24.

II. BOARD OF DIRECTORS

The Board of Directors provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company while adhering to the highest standards of good corporate governance and is in conformity of Regulation 17 of the Listing Regulations. The Independent Directors are trustees of good corporate governance. Combined, they truly safeguard the rights and interests of the shareholders of the Company. The Board of the Company comprises of a diverse and fine blend of experienced and responsible Executive and Independent Directors.

a. Size and Composition 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, 2024, the strength of the Board of Directors was five Directors, of which 3 are non-executive Directors including 2 Independent Directors. The Composition of Board is in conformity with Regulation 17 of the Listing Regulations.

Relationship between Directors inter-se: Mrs. Rohini G. Kalyani is wife of Mr. Gaurishankar N. Kalyani & Mr. Viraj G. Kalyani is son of Gaurishankar & Rohini Kalyani. Rest none of the directors are related with each other.

None of the Directors on the Board is a member of more than ten committees or Chairman of more than five committees across all the Companies in which he/she is a Director. Necessary disclosures regarding committee positions in other public companies as on 31 March, 2024 have been made by the Directors to the Company.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and number of Directorships and Committee Chairmanship/Membership held by them in other Companies are given herein below. Other Directorship does not include Alternate Directorships, Directorship of Private Limited Companies, Section 8 Companies and of Companies Incorporated outside India. Chairmanship / Membership of Board Committees include Audit Committee and Stakeholders' Relationship Committees:-

Name of Director	Category	Number of Board Meetings held during the year 2023-24		Whether attended last AGM held on 20 th September, 2023	No. of Directorship(s) and Committee positions held in other Public Limited Companies as on 31 st March 2024			Directorship in Other Listed Entity (Category of the Directorship)
		Held	Attended		Directorships	Chairperson	Member	
Mrs. Rohini G. Kalyani (Executive Chairperson & Director)	Executive	7	7	Yes	-	-	-	--

Mr. Gaurishankar N. Kalyani	Non- Executive	7	7	Yes	-	-	-	--
Mr. Viraj G. Kalyani	Executive	7	7	Yes	-	-	-	--
Mr. Pradip Nadkarni*	Non- Executive Independent	7	7	Yes	0	0	0	--
Mr. Abhijit Sen	Non- Executive Independent	7	7	Yes	5	6	6	1. Manappuram Finance Limited 2. Urgo Capital Limited 3. Tata Investment Corporation Limited
Mr. Adit Rathi**	Non- Executive Independent	7	5	Yes	-	-	-	Z F STEERING GEAR (INDIA) LIMITED

Seven Board Meetings were held during the year from 1st April, 2023 to 31st March, 2024 and the gap between two meetings did not exceed 120 days. The dates on which the board meeting were held as follows : During the year 2023-24, Seven Board Meetings were held as follows –

- » 25th May, 2023
- » 30th May, 2023
- » 04th July, 2023
- » 11th August, 2023
- » 20th September, 2023
- » 11th November, 2023
- » 13th February, 2024
- » During the year, information as mentioned in Part A of Schedule II of the Listing Regulations has been placed before the Board for its consideration. Based on the information placed before the Board, strategic and vital decisions are taken for effective governance of the Company.
- » Among other important information, minutes of all the Committee meetings, are regularly placed before the Board in their meetings.

The Board periodically reviewed compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances, if any.

b. BOARD, DIRECTOR AND COMMITTEE EVALUATION AND CRITERIA

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for performance evaluation of individual Directors, the Board and its Committees.

The criteria for evaluation of individual Directors includes inter alia aspects such as knowledge and competency, fulfillment of functions, ability to function as a team, initiative taken, availability and attendance at the meeting, commitment, integrity, independence, contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer the meetings, impartiality, and ability to keep shareholders' interests in mind and motivating and providing guidance to the Executive Directors.

The criteria for Board Evaluation includes inter alia, structure of the Board, meetings and functions of the Board, degree of fulfillment of key responsibilities, establishment and delineation of responsibility to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and the Management.

The criteria for Committee evaluation includes inter alia, mandate and composition, effectiveness of the Committee, structure of the Committee and meetings, independence of the Committee from the Board, contribution to decisions of the Board, effectiveness of the meetings and quality of relationship of the Committee with the Board and the Management.

c. BOARD SKILLS, CAPABILITIES AND EXPERIENCES

The Board comprises directors who have a range of experiences, capabilities and diverse points of view. This helps the Company to create an effective and well-rounded board. The capabilities and experiences pursued in the directors are outlined here:

Sr. No.	Name of the Director	Skills/expertise/competence
1	Mrs. Rohini G. Kalyani	Expertise in managing the forging business which also includes administrative, financial and legal aspects of forging industry.
2	Mr. Gaurishankar N. Kalyani	Expertise in management and financial sector of the Company
3	Mr. Viraj G. Kalyani	Expertise in implementation of expansion plans, business systems, research potential new business opportunities and diversification and financial sector of the Company
4	Mr. Abhijit Sen	Expertise in Finance Sector of the Company
5	Mr. Pradip P. Nadkarni*	Expertise in International Business, Strategic Planning and Global Supply Chain Management

d. FAMILIARISATION PROGRAMMES FOR INDEPENDENT BOARD MEMBERS

The Board members are provided with necessary documents, reports and policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, business environment, business strategy and risks involved.

The details of such familiarization programs for Independent Directors are posted on the website of the Company and can be accessed at: www.kalyaniforge.co.in

In the opinion of the Board, all the Independent Directors of the Company fulfill the conditions specified in Regulation 17 of Listing Regulations and are independent of the management.

Mr. Adit Rathi (DIN:00084380) Independent Director of the Company resigned w.e.f 30th January, 2024 due to personal reasons. He confirmed that there are no other material reasons other than provided.

e. SEPARATE MEETING OF INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) & (4) of the Listing Regulations, the Independent Directors of the Company are required to hold at least 1 (One) meeting in a year, without the presence of Non-Independent Directors and members of the management.

During the financial year 2023-24, the separate meeting of Independent Director i.e. Mr. Abhijit Sen, and Mr. Pradip P. Nadkarni* was held on 23rd February, 2024 in accordance with the aforementioned provisions.

f. AUDIT COMMITTEE

The Audit Committee of the Company has been formed in accordance with Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and comprises of three members, in which majority are Independent Directors. Company Secretary of the Company acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee is an Independent Director and was present at the last Annual General Meeting of the Company. The Executive Chairperson and Chief Financial Officer are permanent invitees to the Audit Committee Meetings.

a. Terms of Reference to Audit Committee

The Audit Committee is entrusted, inter alia, with the following:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing with the management, the quarterly and annual financial statements and Auditors' Report thereon before submission to the Board for approval
- Review of management discussion and analysis of financial condition and results of operations;
- Review with the management, the statement of uses/ application of funds raised through an issue;
- Approval or any subsequent modification of transactions of the Company with related parties;
- The detailed terms of reference pursuant to the provisions of the Listing Regulations and in accordance with the Act are placed on the website of the Company at the link: <https://www.kalyaniforge.co.in/investors/investor-services/>

b. Meetings during the year

During the year under review six Audit Committee Meetings were held as follows –

- » 25th May, 2023
- » 30th May, 2023
- » 4th July, 2023
- » 11th August, 2023
- » 11th November, 2023
- » 13th February, 2024

c. Composition of Audit Committee and attendance

The composition of the Audit Committee as on 31st March, 2024 and attendance of members in the meetings held during the financial year 2023-24 are as under:

Name of the Member	Designation	Category	No. of meetings attended
Mr. Abhijit Sen	Chairman	Non – Executive & Independent Director	6
Mr. Pradip P. Nadkarni*	Member	Non – Executive & Independent Director	6

Mr. Viraj G. Kalyani	Member	Executive Director	6
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Note – *Mr. Pradip Nadkarni ceased to be independent director as well as member of the audit committee on 31st March, 2024 due completion of his tenure. He had attended all the meetings of committee till end of the financial year.

Viraj G. Kalyani was further appointed as Managing Director in the board meeting held on 11th August, 2023 as per the recommendation of the Audit Committee.

g. NOMINATION AND REMUNERATION COMMITTEE

The purpose of the Nomination and Remuneration Committee ('NRC') is to oversee the Company's nomination process including succession planning for the senior management & the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with the criteria as stated by the Board in its Policy on Appointment and Removal of Directors. The NRC also assists the Board in discharging its responsibilities relating to compensation of the Company's Executive Directors and Senior Management.

a. Terms of Reference to Nomination and Remuneration Committee

- » To recommend to the Board appointment, re-appointment of Directors, Executive Directors and Key Managerial Personnel and determination, fixation of the remuneration and revision in the remuneration payable to the Executive Directors of the Company and removal of the director/Executive Director/Key Managerial Personnel;
- » To formulate the criteria for determining qualifications, positive attributes and independence of the director;
- » To recommend the Board the policy related to the remuneration of Directors, Key Managerial Personnel, Senior Management Personnel (SMP) and other employees;
- » To formulate the criteria for effective evaluation of performance of Board of Directors, its Committees, Chairperson and individual Directors (including Independent Directors), to be carried out either by the Board or by NRC or through an independent external agency and review its implementation and compliance;
- » To carry out evaluation performance of every Director of the Company;
- » To determine whether to extend or continue the term of appointment of the independent Director, based on the report of performance evaluation of Independent Directors;
- » To devise a policy on diversity of Board of Directors;
- » To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- » To formulate and recommend to the Board of Directors the policy relating to the stock options to the employees, grant the stock options to the eligible employees and review the management of stock option scheme;
- » To allot shares under ESOS to the employees who has exercise the options granted to them;
- » To recommend to the board, all remuneration, in whatever form, payable to senior management;
- » Carry out functions as may be entrusted (i) by the Board of Directors from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013 (iii) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as may be amended from time to time.

b. Meetings of Nomination and Remuneration Committee

During the year under review, three meetings of the Nomination and Remuneration Committee which were held as follows –

- » 25th May, 2023
- » 11th August, 2023
- » 20th September, 2023

c. Composition of Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee as on 31st March, 2024 and attendance of members in the meetings held during the financial year 2023–24 are as under:

Name of the Member	Designation	Category	No. of meetings attended
Mr. Pradip P. Nadkarni*	Chairman	Non – Executive & Independent Director	3
Mr. Abhijit Sen	Member	Non – Executive & Independent Director	3
Mr. Gaurishankar N. Kalyani	Member	Non – Executive Director	3

d. Performance evaluation criteria for Independent Directors

On the basis of 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.

e. 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.

f. 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 Employee.

Company has complied with Section 178 of The Companies Act, 2013 and Regulation 19 the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

g. Remuneration to the Directors:-

The details of remuneration paid/ payable to the Directors(including sitting fees) paid for attending Board Meeting and Committee Meetings) during the financial year 2023–24 are given below:

Name	Fixed Salary			Commission	Sitting Fees	Total Compensation	Fully paid-up Ordinary Shares Nos. (Rs. 10 Each)
	Basic	Perquisites/ Allowance	Total Fixed Salary				
Mrs. Rohini G. Kalyani		-	17.75	-	3.00	20.75	
Mr. Viraj G. Kalyani		-	17.75	-	3.00	20.75	
Mr. Gaurishankar N. Kalyani				-	0.44	0.44	
Mr. Pradip Nadkarni*				-			
Mr. Adit Rathi**				-			
Mr. Abhijit Sen				-			

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

h. Criteria of making payments to non-executive directors

The Criteria for making payments to non-executive directors is disclosed on website of the company at <https://www.kalyaniforge.co.in/>

H. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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 Directors out of which two are independent Directors. Mr. Gaurishankar N. Kalyani is the Chairperson of the committee.

Mr. Aniruddha Hublikar, Compliance Officer & Company Secretary resigned w.e.f 9th April, 2024 who was appointed w.e.f 14th November, 2022. The Board is in process to appoint the concerned person.

a. Terms of Reference to Stakeholders' Relationship Committee

- » Redressal of the investors' complaints like non-receipt of annual reports, dividend payments, change or deletion of name, issue of new/duplicate share certificates, general meetings etc.;
- » Dematerialization, re-materialization, transfer, transmission, consolidation, sub-division of shares, debentures and securities and other allied transactions;
- » Delegation of power to the executives of the Company and to the Registrar and Transfer Agent of the Company to accomplish aforesaid objectives;
- » Review of measures taken for effective exercise of voting rights by shareholders;
- » Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- » Review of the various measures and initiatives taken by Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- » The Company has given authority to its Registrar and Transfer Agent i.e. Link Intime India Private Limited to resolve the complaints of shareholders of the Company. As on 31st March, 2024 the 80.63% shares of the Company are held in Dematerialized form.

b. Meeting

During the year under review, one meeting of Stakeholders' Relationship Committee was held on 11th August, 2023.

c. Composition and attendance of Stakeholders' Relationship Committee

The Composition of the Committee as on 31st March 2024 is as follows:

Name of the Member	Designation	Category	Attendance for the meeting held
Mr. Gaurishankar N. Kalyani	Chairman	Non-Executive Director	1
Mr. Abhijit Sen	Member	Independent Director	1

d. Shareholders / Investors Complaint Status:

The details and status of complaint from the 01st April 2023 up to 31st March 2024 is as follows:

Opening Complaints as on 1st April 2023	0
Number of complaints received	0
No. of complaints resolved	0
No. of Complaints not solved to the satisfaction of the Shareholders	0

i. I.SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system i.e. SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

J. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company set up under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 comprises of three members, in which one member is Independent Director.

a. Terms of Reference to Corporate Social Responsibility Committee

- » To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
- » To recommend the amount of expenditure to be incurred on the CSR activities;
- » To monitor the implementation of the framework of CSR Policy; and
- » To recommend the Board, approval of CSR expenditure including contribution to corpus for projects/ programs related to CSR activities.

b. Meeting

During the financial year 2023-24, one Corporate Social Responsibility Committee was held on 25th May, 2023.

c. Composition of Corporate Social Responsibility Committee

The composition of the Corporate Social Responsibility Committee is as follows:

Name of the Member	Designation	Category	Attendance
Mrs. Rohini G. Kalyani	Chairperson of the Committee	Executive Director	1
Mr. Pradip P. Nadkarni*	Member	Independent Director	1
Mr. Viraj G. Kalyani	Member	Executive Director	1

d. DETAILS OF THE ANNUAL GENERAL

The details of previous three Annual General Meetings of the Company are as follows:

Financial Year	Date and Time	Venue And Time	Special Resolution passed	Purpose of Special Resolution
2023-24	20 th September, 2023	Through Video Conferencing	Yes	Apointment of Mr. Viraj Kalyani as Managing Director for period of 5 Years and approve the continuation of Term of Independent Director Mr. Pradip Nadkarni* as he attains the age of 75 years.
2022-23	18 th August, 2022	Through Video Conferencing	No	-

k. POSTAL BALLOT:

The Company has not obtained any approval of members by way of postal ballot (e-voting and postal ballot) during FY 2023-24.

l. MEANS OF COMMUNICA-

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers in India which include Financial Express and Loksatta. The results are also displayed on Company's website: www.kalyaniforge.co.in

Electronic Filing with NSE and BSE

All periodical compliance filings like shareholding pattern, corporate governance report, financial results, media releases, among others are also filed electronically on the NSE Electronic Application Processing System and BSE Listing Centre.

M. GENERAL SHAREHOLDER INFORMATION

A. Corporate Identification Number (CIN)

The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is CIN: L28910MH1979PLC020959

B. AGM Information and Financial Year

Day, Date and Time of AGM : Friday, 27th September, 2024 at 11.00 A.M.

C. Venue :

Ministry of Corporate Affairs (MCA) has vide its circular dated 5th September, 2023, 5th May, 2022, read with the circular dated 5th May, 2020 and 13th January, 2021 (Collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ("AGM") Through VC/ OAVM 01st April 2023 to 31st March 2024

Financial Year:

Book Closure : 21st September 2024, to 27th September, 2024

Dividend Payment Details: On and from 1st October, 2024 (subject to approval of the shareholders at the AGM)

Listing on Stock Exchanges and Scrip Code

D. Listing on Stock Exchanges and Scrip Code

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

i. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051

NSE Code: KALYANIFRG

ii. BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.

Scrip Code

BSE Code: 513509

E. Payment of annual listing fees and custodian charges.

Annual listing fees have been paid for the financial year 2023-24 to NSE & BSE.

Annual custodian charges/issuers fees have been paid for the financial year 2023-24 to CDSL and NSDL.

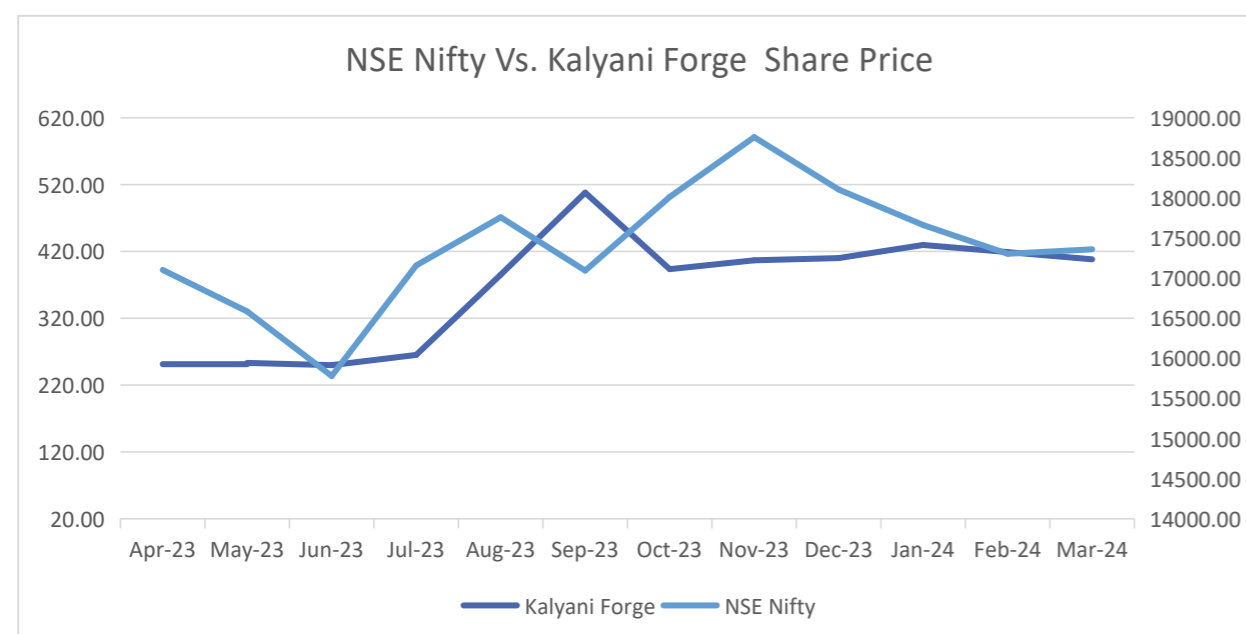
F. Market Price Data.

The monthly high and low quotations and volume of shares traded on BSE and NSE from 01st April 2023 upto 31st March 2024 is as follows:

Month	National Stock Exchange (NSE)				Bombay Stock Exchange (BSE)			
	High (Rs.)	Low (Rs.)	Close Price (Rs.)	No. of Shares traded	High (Rs.)	Low (Rs.)	Close Price (Rs.)	No. of Shares traded
28-Apr-23	265.65	225.00	251.30	21000	267.80	222.05	254.95	1,977
31-May-23	273.70	235.15	253.20	22000	268.90	240.05	255.50	5,878
30-Jun-23	262.50	232.05	249.85	37000	259.80	232.75	251.00	9,634
31-Jul-23	284.00	250.10	265.15	36000	287.90	251.00	266.05	10,663
31-Aug-23	385.15	257.50	385.15	75000	384.75	253.80	384.75	31,368
29-Sep-23	573.30	392.85	507.95	137000	567.30	389.00	502.70	34,045
31-Oct-23	497.80	393.50	393.50	28000	492.65	404.75	404.75	11,493

30-Nov-23	488.25	372.95	406.70	52000	496.10	373.10	411.85	23,119
29-Dec-23	439.00	380.65	410.05	55000	437.00	380.00	404.75	27,929
31-Jan-24	491.70	405.05	429.65	71000	485.20	401.95	424.40	24,852
29-Feb-24	443.15	391.15	419.00	48000	455.55	391.40	419.80	14,402

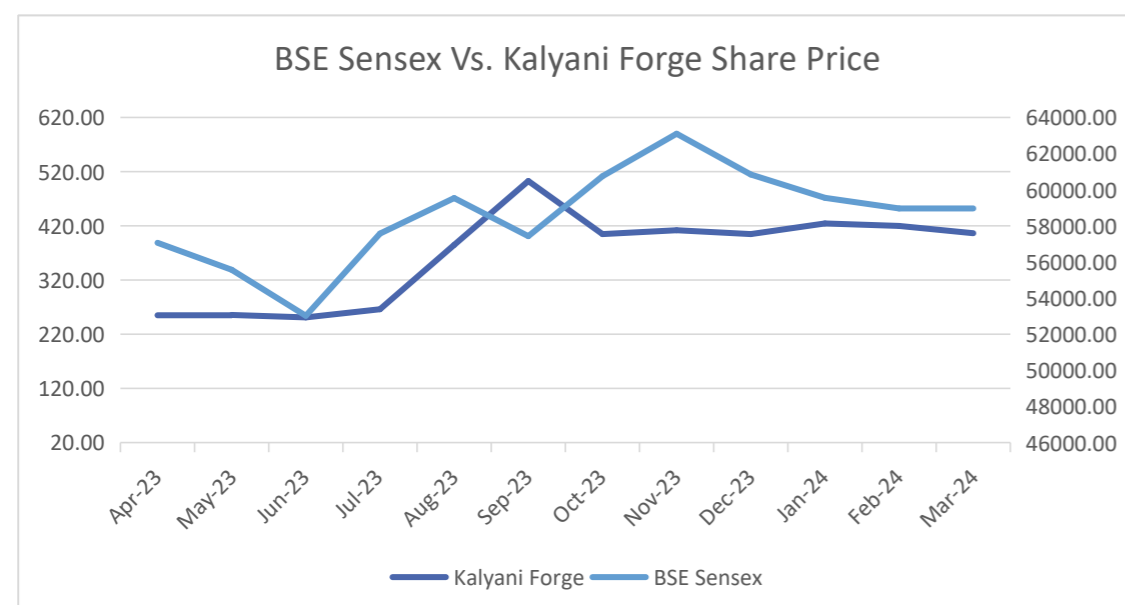
G. PERFORMANCE IN COMPARISON TO THE BOARD-BASED INDICES PERFORMANCE IN comparison to NSE Nifty



Source: <https://www.niftyindices.com/reports/historical-data>

PERFORMANCE IN COMPARISON TO BSE

SENSEX



Source: <https://www.bseindia.com/Indices/IndexArchiveData.html>

H. DEMATERIALIZATION OF SHARES AND LIQUIDITY

Equity shares of the Company representing 80.63% of the Company share capital are dematerialised as on 31st March 2024. International Securities Identification Number (ISIN) allotted to the Company by NSDL and CDSL is INE314G01014 ISIN Number.

I. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

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

J. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is not involved in commodity price market and hedging activities hence there is no risk for commodity price, foreign exchange and hedging activities.

K. PLANT LOCATION

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

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

L. NOMINATION

Every holder of securities of a company may, at any time, nominate, in the prescribed manner, any person to whom his securities shall vest in the event of his death. Members can avail nomination facility. Blank nomination forms will be supplied on request.

M. CREDIT RATING

The Company has obtained credit rating as CRISIL BBB/Stable (Long Term) and CRISIL A3+ (Short Term) for the total bank facilities of 100 Crores from CRISIL.

N. TOTAL FEES PAID FOR ALL SERVICES AVAILED FROM STATUTORY AUDITOR FOR THE COMPANY

The total fees paid for all services availed from statutory auditor for the company are set out in note no. 30.3 of the financial statement, forming part of the annual report.

O. THE COMPANY HAS COMPLIED WITH THE MANDATORY CORPORATE GOVERNANCE REQUIREMENTS STIPULATED UNDER REGULATION 17 TO 27 READ WITH SCHEDULE V AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

P. THE COMPANY HAS NOT RAISED FUNDS THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7).

Q. RECONCILIATION OF SHARE CAPITAL:

A qualified Practicing Company Secretary carried out a Reconciliation of Shares Audit on quarterly basis to reconcile the total share capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) along with physical holding and the total issued and listed share capital. The audit confirms that the total issued/paid-up capital is in agreement with total number of shares in physical form and total number of dematerialized shares held with NSDL & CDSL.

R. 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:

Name of RTA: Link Intime India Private Limited

Address: Block No. 202, 2nd Floor, Akshay Complex, Off. Dhole Patil Road, Near Ganesh Mandir, Pune 411001.

Tel/Fax : 020 26160084

E-mail : pune@linkintime.co.in

Website : linkintime.co.in

S. DISTRIBUTION OF SHAREHOLDING / SHAREHOLDING PATTERN AS ON 31ST MARCH 2024.

iii The distribution of shareholding of the Company as on 31st March 2024 is as follows:

Sr.No.	Share Holding of Shares	Number of Shareholders	Percentage of Total (%)	Total Shares	Percentage of Total(%)
1.	1 to 5000	5924	99.45	6,06,245	16.66
2.	5001 to 10000	6	0.10	40,529	1.11
3.	10001 to 20000	4	0.07	64,686	1.78
4.	20001 to 30000	2	0.03	54,700	1.50
5.	30001 to 40000	7	0.12	2,26,743	6.23
6.	40001 to 50000	1	0.02	46,820	1.29
7.	50001 to 100000	6	0.10	4,78,640	13.16
8.	100001 to *****	7	0.12	21,19,637	58.26

iv The Shareholding pattern as on 31st March, 2024 is as follows:

Category	Number of Shares	Percentage (%)
Promoter and Promoter Group	21,35,805	58.71
Non Resident Indians	10,930	0.30
Bodies Corporate	6,35,116	17.16
Resident Indians	6,91,150	19
Limited Liability Partnership (LLP)	2	0
Trust	100	0.00275
Hindu Undivided Family (HUF)	33,861	0.93
Clearing Member	299	0.01
Investor Education And Protection Fund	1,30,737	3.59
Total	36,38,000	100%

N. DISCLOSURES:**A. Subsidiary Companies**

Company does not have any subsidiary Company.

B. Insider Trading Code

The company has formulated Code of fair disclosure. The said code can be accessed at www.kalyaniforge.co.in

The Company regularly monitors the transactions in terms of the Code undertaken by the employees of the Company. The Company also informs the stock exchange(s) periodically about the transaction(s) undertaken by the designated employees and their shareholdings as per the regulations.

C. Materially Significant Related Party Transactions

There were no materially significant related party transactions with its promoters, directors or its management, their subsidiaries/associates or relatives, etc. that had a potential conflict with the interest of the Company.

All related party transactions are done on arms' length basis, and are intended to further the Company's interests.

The company has formulated a policy on Related Party transaction. The said policy can be accessed at: www.kalyaniforge.co.in

D. Non-compliance/strictures/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 financial year 2023-24.

E. Whistle Blower Mechanism/Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulation, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.

The Company seeks to maintain the highest ethical and business standards in the course of its business and has put in place mechanism of reporting illegal or unethical behavior. Directors, employees, vendors or customers may report violations of the laws, rules, regulations or unethical conducting by writing to the notified person. The report received from employees will be reviewed by Audit Committee. The Directors and Management Personnel are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices. No person has been denied access to the Audit Committee.

The said policy can be accessed at following link: www.kalyaniforge.co.in.

F. Adoption of Mandatory Requirements

The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with the requirements with respect to the Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

G. Code of Conduct

The Board of Directors of your Company have laid down its code of conduct and ethics for all Board Members and Senior Management personnel of the Company and the same has been posted on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the code. A declaration signed by Executive Chairperson is annexed to this report.

H. OTHER DISCLOSURES:

- a. Related party transactions during the year have been disclosed as part of financial statements as required under Indian Accounting Standard issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions. The Policy on Related Party Transactions has been uploaded on the website of the Company i.e. www.kforge.com under Investor relation/Investor Information tab.
- b. There were no instances of non-compliance by the company or penalties, strictures imposed on the company by stock exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the reporting period.
- c. Company has posted policy for determining 'material' subsidiaries is disclosed on the website of the company i.e. www.kforge.com
- d. Company has posted policy on dealing with related party transactions is disclosed on the website of the company i.e. www.kforge.com
- e. The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has whistle blower policy wherein the employees are encouraged to report violation of laws, rules and regulations. The confidentiality of such reporting is maintained and is not subject to any discriminatory practice. We affirm that no employee has been denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company.
- f. During the year, the Company has fully complied with the mandatory requirements of corporate governance as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- g. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).
- h. Certificate from Practicing Company Secretary
- The Company has obtained a certificate from CS Nitin B. Prabhune (Membership No. FCS 6707), Practicing Company Secretary, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as per item 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- i. There was no recommendation that has been proposed by the committees, which has not been approved by the Board.
- j. Total fees paid for all services availed from Statutory Auditor for the Company
- k. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has adopted a policy on prevention and redressal of Sexual Harassment at workplace. Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place an Internal Complaints Committee for prevention and redressal of complaints of sexual harassment of women at the workplace.

Status of Complaints received during the year under review:

Received during the year	Resolved	Pending at the year end
0	0	0

- l. The Company has complied provisions as prescribed in Regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

Registrar and Share Transfer Agent:

Link Intime India Private Limited 202, 2nd Floor Akshay Complex,

Off. Dhole Patil Road, Near Ganesh Mandir, Pune- 411 001

Tel: (020) 26161629

Fax: No.(020)- 2616 3503

E-mail:pune@linkintime.co.in

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

(Footnote: *The term of Mr. Pradip Nadkarni, as an Independent Director has expired on 31st March, 2024.)

(**Mr. Adit Rathi tendered has resigned as an Independent Director of the Company w.e.f. 30th January, 2024))

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members

Kalyani Forge Limited

I.This Certificate has been issued in accordance with the terms of our engagement letter dated October 10, 2023.

II.We have examined the compliance of conditions of Corporate Governance by Kalyani Forge Limited ("the Company"), for the year ended March 31, 2024, as stipulated in Regulation 17 to 27 and 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) Regulation, 2015, as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management Responsibility

III.The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor Responsibility

IV.Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations referred to in paragraph 2 above for the year ended 31 March 2024.

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

VI. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

VII. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

VIII. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

IX. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations as applicable during the year ended 31 March 2024.

X. 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.

Restrictions on use

XI. This Certificate is addressed and provided to the members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

Firm Registration No.: 104607W/W100166

Anil A. Kulkarni

Partner

Membership No.: 047576

UDIN:

Place: Pune

Date: May 30, 2024

Certificate No: XKF034

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

Kalyani Forge Limited,

Shangrila Gardens C Wings 1st Floor

Opp Bund Garden,

Pune 411001, Maharashtra

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kalyani Forge Limited (hereinafter referred to as 'the Company'), having CIN: L28910MH1979PLC020959 and having registered office at Shangrila Gardens C Wings 1st Floor Opp Bund Garden, Pune 411001, Maharashtra produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal(www.mca.gov.in) as considered necessary) and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr No	Name of Director	DIN	"Date of appointment in Company"
1	Rohini Gaurishankar Kalyani	00519565	16/10/2013
2	Gaurishankar Neelkanth Kalyani	00519610	26/04/2003
3	Viraj Gaurishankar Kalyani	02268846	17/05/2013
4	Abhijit Sen	00002593	02/02/2016
5	Pradip Prabhakar Nadkarni	01670826	28/07/2007

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune

Date: 30.05.2024

PRN: 2197/2022

CS Nitin B Prabhune

FCS. 6707

CP No. 3800

UDIN:

CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

(Under Regulation 17 read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Board of Directors, Kalyani Forge Limited.

As required under regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of our knowledge and belief, I certify that:

- a. i. I have reviewed financial statements and the cash flow statement for the Financial Year ended 31 March 2024 and that to the best of my knowledge and belief:
 - ii. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - iii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my 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. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps taken or proposed to be taken to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee that:
 - i. there are no significant changes in internal control over financial reporting during the year;
 - ii. there are no significant changes in accounting policies during the year;
 - iii. there are no instances of significant fraud of which we have become aware nor the involvement therein of the management or an employee having significant role in the company's internal control system over financial reporting.

Place : Pune
Date : May 30, 2024

For Kalyani Forge Limited,
Mr. Viraj G. Kalyani
Managing Director and CFO
(DIN: 02268846)

Code of conduct

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, Rohini G. Kalyani, Executive Chairperson and Director of Kalyani Forge Limited, hereby confirm that the Company has in respect of the financial year ended 31st March, 2024, 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.

Place : Pune
Date : May 30, 2024

For Kalyani Forge Limited,
Rohini G. Kalyani
Executive Chairperson
(DIN : 00519565)

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of

Kalyani Forge Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of **Kalyani Forge Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred as the "financial statements").

We do not express an opinion on the accompanying financial statements of the Company because of the significance of the matters described in the basis for disclaimer of opinion paragraph of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements as to whether these financial statements give a true and fair view in conformity with the applicable accounting standards ("Ind-AS") and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2024.

Basis for Disclaimer of Opinion

- I. The Company is in the process of refining its stock valuation process by updating the standard rates of material, labour and overheads based on the current prevailing rates and relevant data. Accordingly, we were unable to determine the consequential impacts thereof, on inventory and other elements of financial statements, if any. As represented to us, the quantities and the valuation of the inventories amounting to INR 5,610.03 Lakh was determined by the Company based on available records.
- II. Balance of Trade receivables, Trade payables are subject to confirmations, reconciliations, and consequential adjustments, if any, as a result of which we are unable to obtain sufficient and appropriate audit evidence.
- III. As mentioned in note '36' of the financial statements, the Company has restated the financial statements of previous year ended March 31, 2023 and Opening Balance Sheet as at April 01, 2022 due to prior period errors identified in various account balances basis a review and analysis conducted during the year. Consequently, adjustments have been made to the balances of Inventories, Trade payables, Trade receivables, Deposits and Balance with Government authorities. In the absence of sufficient and appropriate information and necessary evidence, we are unable to comment on the accuracy and completeness of such adjustments and their consequential impact on the financial statements for the year ended March 31, 2024 and the respective comparative previous years.
- IV. We have been given to understand that the Company is in the process of updating the relevant documentation for internal financial control over financial reporting. In the absence of necessary documentation, we could not determine if the Company has established adequate internal financial control with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2024.

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. The Company's board report is expected to be made available to us after the date of this auditor's report.

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 otherwise appears to be materially misstated.

When we read the board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

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 Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2023 included in these financial statements, are audited by the predecessor auditor whose report for the year ended March 31, 2023 dated May 30, 2023 expressed a qualified opinion on those financial statements.

These financial amounts have been adjusted to give the effects of the prior period adjustments as stated in paragraph (iii) of Basis of Disclaimer of Opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

- a. As described in Basis for Disclaimer of Opinion paragraph, we have sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the

purposes of our audit.

- b. Due to possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether, 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. Due to possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows, dealt with by this Report are in agreement with the books of account.
- d. Due to possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. The matters described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'. Our report expresses disclaimer of opinion on the Company's internal financial control over financial reporting with reference to financial statements.
- h. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report, we are unable to comment whether the managerial remuneration paid/provided by the Company during the year is in accordance with the provisions of Section 197 of the Act.
- i. 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. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" Section of this report, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32.1 to the financial statements.
 - ii. The Company does not have any material foreseeable losses on long term contracts including derivative contracts requiring provision under the applicable law or Indian Accounting Standards.
 - iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company on account of unclaimed dividend.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management has represented, that, to the best of its knowledge and belief, no funds

have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (i)(iv)(a) and (i)(iv)(b) above contain any material misstatement.

- v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except for the Accounting Software (SAP ERP) wherein the audit trail has not been enabled at application level for modification to customized tables and at database level. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with for softwares maintained by the Company.
- vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Registration No.: 104607W/W100166

Anil A. Kulkarni

Partner

Membership No.: 047576

UDIN:

Place: Pune

Date: May 30, 2024

Certificate No: XKFO34

Annexure A to the Independent Auditor's Report

As referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date on the financial statements of **Kalyani Forge Limited** for the year ended March 31, 2024.

Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"):

Except for the possible effects of the matters described under 'Basis for Disclaimer of opinion' paragraph of the independent auditor's report and in terms of the information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- I.
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. The Company does not have a formal policy of physical verification of property plant and equipment. In the absence of the information, we are unable to comment on the reasonableness of the frequency. As informed to us, the Company has not carried out the physical verification during the year.
 - c. Based on our examination, we report that the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements, are held in the name of the Company.
 - d. The Company has not revalued any of its property, plant and equipment (including Right of Use Assets) and intangible assets during the year.
 - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- II.
 - a. As referred in para (i) and (iii) of Basis of Disclaimer of Opinion and due to absence of sufficient information, we were unable comment on reasonableness of frequency of physical verification of inventory and to determine whether discrepancies of 10% or more in the aggregate for each class of inventory were noticed during physical verification of inventory and whether they have been properly dealt with in the books of accounts.
 - b. The Company has been sanctioned working capital limits in excess of five crore rupees in aggregate, from a bank on the basis of security of current assets. In the absence of information with respect to the quarterly returns or statements filed by the Company with such bank we are unable to comment on whether the returns/statements are in agreement with the books of account.
- III. According to the information and explanation given to us and the records examined by us, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, hence reporting under clauses 3 (iii) (a), (b), (c), (d), (e) and (f) is not applicable.
- IV. The Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Act and the Company has not provided any guarantee or security as specified under Section 186 of the Act. Further, the Company has complied with the provisions of Section 186 of the Act in relation to investments made.
- V. The Company has not accepted any deposit or amounts which are deemed to be deposits under section 73 to 76 of the Act. Hence, reporting under Clause 3 (v) of the Order is not applicable.
- VI. Pursuant to the rules made by Central Government of India, the Company is required to maintain cost records as specified under section 148(1) of the Act. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion"

VII. paragraph of the independent auditor's report and in the absence of sufficient and necessary information, we are unable to comment whether such accounts and records have been so made and maintained.

VIII. In respect of statutory dues:

- a. In our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except for delays in depositing provident fund due to UAN and Aadhar linking not done by employees.
- b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of Due	Amount in INR	Period	Forum where the dispute is pending
Central Excise Act, 1944	Interest on supplementary Invoices	4,25,113	From FY 2001-02 to 2004-05	High Court of Bombay Mumbai.
Central Excise Act, 1944	Cenvat Credit on Rejection Received from customer	2,44,406	From FY 2008- 09 to 2011- 12	CESTAT Mumbai
Goods And Services Tax Act, 2017	E-way bill expired	3,01,400	FY 2018- 19	Additional Commissioner of GST and Central Excise, (Appeals) Coimbatore
Central Goods and Service Tax, 2017	Excess outward Tax in e-way Bills Excess ITC claimed	1,35,50,267	FY 2018-19	Deputy / Joint Commissioner of GST, Pune (Appeals)
Income Tax Act, 1961	Disallowance of Expenditure on expansion / upgradation of projects	6,95,976	FY 1991- 92	High Court of Bombay, Mumbai.
Income Tax Act, 1961	Loss on options settled.	23,24,857	FY 2007- 08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Expenditure incurred Bad debts and other expenses	22,93,529	FY 2010- 11	Commissioner of Income Tax (Appeals) Pune.

Income Tax Act, 1961	Disallowance of late payment of TDS, Additional Depreciation, Stock Value.	7,76,426	FY 2012- 13	Commissioner of Income Tax (Appeals) Pune.
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Name of the Statute	Nature of Due	Amount in INR	Period	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance of Additional Depreciation on electrical installations	3,09,074	FY 2015- 16	Commissioner of Income Tax (Appeals) Pune
Income Tax Act, 1961	Disallowance of Liabilities Written Back u/s 41(1) (a) of the Act	21,00,172	FY 2020- 21	Commissioner of Income Tax (Appeals) Pune

In the absence of sufficient and appropriate information, we are unable to comment on the completeness and accuracy of the disputed dues reported above

VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- IX
- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - The Company is not declared wilful defaulter by any bank or financial institution or other lender.
 - The term loans were applied for the purpose for which the loans were obtained.
 - On an overall examination of the financial statements of the Company, funds raised on short-term basis have been, prima facie, not been used during the year for long-term purposes by the Company.
 - The Company does not have any investment in subsidiaries, hence reporting under Clause 3(ix)(e) of the Order is not applicable.
 - The Company does not have any investment in subsidiaries, hence reporting under Clause 3(ix)(f) of the Order is not applicable.
- X
- The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3 (x) (a) of the Order is not applicable.

- During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Accordingly, the reporting under Clause 3 (x) (b) of the Order is not applicable.
- XI
- Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
 - No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - As represented to us by the management, there were no whistle blower complaint received by the Company during the year.
- XII. The Company is not a Nidhi Company and hence reporting under Clause 3 (xii) of the Order is not applicable.
- XIII. All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- XIV
- The Company has an internal audit system, wherein an external consulting firm is carrying out the internal audit work. In our opinion, it's scope and coverage need to be increased so as to be commensurate with the size and nature of the business of the Company.
 - (In the absence of timely availability of internal audit reports, we have not considered the internal audit reports for the year under audit.
- XV. During the year, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI
- (a) In our opinion, the Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934. Hence reporting under Clause 3 (xvi) (a), (b) and (c) of the Order is not applicable.
 - (d) According to the information given to us, there are no Core Investment Companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause 3 (xvi) (d) of the Order is not applicable.
- XVII. The Company has not incurred cash losses in the financial year under the audit and the immediately preceding financial year.
- XVIII. K.S. Aiyar & CO, the previous statutory auditors of the Company have resigned with effect from June 16, 2023 and No issues, objections or concerns raised by the outgoing auditor.
- XIX. According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company, hence reporting under Clause (xx) (a) and (b) of the Order is not applicable.

XXI. As the Company does not have any subsidiary, associate and Joint Venture Company, reporting under Clause 3 (xxi) of the Order is not applicable.

For Kalyaniwalla & Mistry LLP Chartered Accountants

Firm Registration No.: 104607W/W100166

Anil A. Kulkarni

Partner

Membership No.: 047576

UDIN: 24047576BKBJIW1228

Place: Pune

Date: May 30, 2024

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our Independent auditors' report of even date on the financial statements of Kalyani Forge Limited for the year ended March 31, 2024)

Report on Internal Financial Controls with reference to the Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

We were engaged to audit the internal financial controls over financial reporting of **Kalyani Forge Limited** (the "Company") as of March 31, 2024, in conjunction with our audit of the accompanying financial statements of the Company for the year ended on that date.

Disclaimer of Opinion

As described in the "basis for Disclaimer of Opinion" paragraph below, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control as stated in Guidance Note on Audit of Internal Control over Financial reporting issued by the Institute of Chartered Accountants of India (ICAI).

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer has affected our opinion on the financial statements of the Company, and we have issued a disclaimer of opinion on the financial statements.

Basis of Disclaimer of Opinion

We have been given to understand that the Company is in the process of updating the relevant documents for the setup of system of internal financial control over financial reporting and in the absence of necessary evidence, we could not determine if the Company has established adequate internal financial control with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2024.

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 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 the 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 Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We were engaged to audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph of our auditor's report on the financial statement of the Company, we were not able to obtain sufficient appropriate audit evidence to provide basis for an opinion on internal financial control with reference to the financial statements of the Company.

Meaning of internal financial controls over financial reporting with reference to these financial statements

A Company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that:

- I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

Firm Registration No.: 104607W/W100166

Anil A. Kulkarni

Partner

Membership No.: 047576

UDIN: 24047576BKBJW1228

Place: Pune

Date: May 30, 2024

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	Turnover / Total income	24,066.32	ot applicable - Refer Item II (d) below
	Total Expenditure	23,504.40	
	Net Profit/(Loss)	455.01	
	Earnings Per Share	12.51	
	Total Assets	20,474.50	
	Total Liabilities	12,273.78	
	Net Worth	8,200.72	
	Any other financial item(s) (as felt appropriate by the management)		
Audit Qualification (each audit qualification separately):			
Details of Audit Qualification:	<ol style="list-style-type: none"> 1. The Company is in the process of refining its stock valuation process by updating the standard rates of material, labour and overheads based on the current prevailing rates and relevant data. Accordingly, we were unable to determine the consequential impacts thereof, on inventory and other elements of financial results, if any. As represented to us, the quantities and the valuation of the inventories amounting to INR 5,610.03 Lakh was determined by the Company based on available records. 2. Balance of Trade receivables, Trade payables are subject to confirmations, reconciliations, and consequential adjustments, if any, as a result of which we are unable to obtain sufficient and appropriate audit evidence. 3. As mentioned in note '5' of the financial results, the Company has restated the financial results of previous year ended March 31, 2023 and Opening Balance Sheet as at April 01, 2022 due to prior period errors identified in various account balances basis a review and analysis conducted during the year. Consequently, adjustments have been made to the balances of Inventories, Trade payables, Trade receivables, Deposits and Balance with Government authorities. In the absence of sufficient and appropriate information and necessary evidence, we are unable to comment on the accuracy and completeness of such adjustments and their consequential impact on the financial results for the year ended March 31, 2024 and the respective comparative previous periods. 4. We have been given to understand that the Company is in the process of updating the relevant documentation for internal financial control over financial reporting. In the absence of necessary documentation, we could not determine if the Company has established adequate internal financial control with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2024. 		

(b) Type of Audit Qualification:	Disclaimer of Opinion
(c) Frequency of qualification:	Disclaimer of Opinion for the first time
(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
(e) For Audit Qualification(s) where the impact is not quantified by the auditor:	NA, Not quantified
(i) Management's estimation on the impact of audit qualification:	There is no impact of the qualification as per Management's best assessment.
(ii) If management is unable to estimate the impact, reasons for the same:	NA
(iii) Auditors' Comments on (i) or (ii) above:	Because of the significance of the matters described in the details of audit qualification in II (a) above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial results for the year ended March 31, 2024.

Viraj Kalyani**Chief Financial Officer****Abhijit Sen****Audit Committee Chairman****Anil Kulkarni****Statutory Auditor****Place:** Pune**Date:** May 30, 2024**Balance Sheet as on March 31, 2024**

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	5,569.41	3,912.04
(b) Capital work-in-progress	3a	527.71	310.76
(c) Other Intangible assets	4	64.98	-
(d) Investments	5	0.50	0.50
(e) Deferred tax assets (net)	6	356.17	416.29
(f) Income tax assets (net)	7	236.35	45.17
(g) Other non-current assets	8	120.28	124.54
Total Non - Current Assets		6,875.40	4,809.30
Current Assets			
(a) Inventories	9	5,610.03	4,730.73
(b) Financial Assets			
(i) Trade receivables	10	6,186.33	7,486.93
(ii) Cash and cash equivalents	11	91.76	102.87
(iii) Other Bank Balances	12	501.65	443.56
(iv) Others current financial assets	13	16.89	9.72
(c) Other current assets	14	1,192.44	469.35
Total Current Assets		13,599.10	13,243.16
Total Assets (1 + 2)		20,474.50	18,052.46
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	363.90	363.90
(b) Other Equity	16	7,836.82	7,406.31
Total Equity		8,200.72	7,770.21
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	1,943.26	89.20
(b) Provisions	18	772.88	661.09
Total Non - Current Liabilities		2,716.14	750.29
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	4,147.95	3,730.06
(ii) Trade payables			
a. Dues of micro enterprises and small enterprises	20	163.26	204.23
b. Dues of creditors other than micro enterprises and small enterprises	20	4,394.76	4,239.06
(iii) Other current financial liabilities	21	203.66	688.49
(b) Provisions	22	53.97	216.08
(c) Other current liabilities	23	594.04	454.04
Total Current Liabilities		9,557.64	9,531.96
Total Equity and Liabilities (1 + 2)		20,474.50	18,052.46
Summery of Material Accounting Policies	2		

The accompanying notes are an integral part of financial statements

As per our attached report of even date
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration Number: 104607W/W100166

Anil A. Kulkarni
Partner
Membership no.: 047576
Place: Pune
Date: May 30, 2024

For and on behalf of the Board
Rohini G. Kalyani
Executive Chairperson
DIN: 00519565

Abhijit Sen
Director
DIN: 00002593

Viraj Kalyani
Chief Financial Officer
DIN: 02268846

Place: Pune
Date: May 30, 2024

Statement of Profit and Loss for the year ended March 31, 2024

INR in Lakhs			
Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	24	23,678.65	26,584.01
Other Income	25	387.67	698.73
Total Income (I)		24,066.32	27,282.74
Expenses			
(a) Cost of raw materials and components consumed	26	10,204.76	16,071.08
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	1,165.62	(866.14)
(c) Employee benefit expense	28	3,836.65	3,678.92
(d) Finance costs	29	589.76	337.16
(e) Depreciation and amortisation expense	30	621.67	1,119.14
(f) Other expenses	31	7,085.94	6,633.08
Total Expenses (II)		23,504.40	26,973.24
Profit/(loss) before exceptional items tax (I-II)		561.92	309.50
Exceptional items- Gains/ (Loss)		-	(182.07)
Profit before tax (III-IV)		561.92	127.43
Tax Expense			
(a) Current tax	35	128.79	200.49
(b) Deferred tax		26.70	(54.69)
(c) Short / (Excess) provision for tax relating to prior years		(48.58)	-
Total tax expense		106.91	145.80
Profit/(loss) after tax from continuing operations (V-VI)		455.01	(18.37)
Profit/(loss) for the period (VII+VIII)		455.01	(18.37)
Other comprehensive income			
(i) Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		117.27	3.22
(ii) Income tax relating to items that will not be reclassified to profit or loss		(32.63)	(0.90)
Total other comprehensive income for the period		84.64	2.32
Total comprehensive income for the period (IX + X)		539.65	(16.05)
Earnings per equity share :			
Basic	32.8	12.51	(0.50)
Diluted		12.51	(0.50)
Summary of material accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our attached report of even date
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration Number: 104607W/W100166

Anil A. Kulkarni
Partner
Membership no.: 047576

Place: Pune
Date: May 30, 2024

For and on behalf of the Board
Rohini G. Kalyani
Executive Chairperson
DIN: 00519565

Viraj Kalyani
Chief Financial Officer
DIN: 02268846

Place: Pune
Date: May 30, 2024

Abhijit Sen
Director
DIN: 00002593

Statement of Cash Flow for the year ended March 31, 2024

INR in Lakhs

		March 31, 2024	March 31, 2023
A. CASH FROM OPERATING ACTIVITIES			
Profit/(Loss) before Tax		561.92	127.43
Less:	IND AS adjustments	(84.64)	(2.32)
	Revised Profit before Taxation	646.56	129.75
Add:	Depreciation	621.67	1,119.14
	Bad Debts Written off	665.13	351.70
	Provision for doubtful debts	92.41	-
	Finance Cost	589.76	337.16
		1,968.97	1,808.00
		2,615.53	1,937.75
Less:	(Profit) or loss on sale of assets	(6.51)	(172.41)
	Provision no longer required and others	(188.33)	(302.98)
		(194.84)	(475.39)
Operating profit before working capital changes		2,420.69	1,462.36
(Increase)/Decrease in Current & Non-Current Assets			
	Inventories	(879.30)	(1,880.45)
	Trade Receivables	543.06	(622.13)
	Other Current Assets and Loans & Advances	(753.35)	(179.57)
	Trade Payable	114.73	833.81
	Increase/(Decrease) in Non-Current Liabilities	(207.47)	304.39
		(1,182.33)	(1,543.95)
	Net cash generated from operations	1,238.36	(81.59)
Less:	Income tax paid	237.97	168.41
NET CASH FROM OPERATING ACTIVITIES		1,000.39	(250.00)
B. CASH FROM INVESTING ACTIVITIES			
	Expenses/Advance for Property, Plant and Equipment	(2,595.92)	(764.52)
	Sale Proceeds of Assets	11.03	180.00
NET CASH FROM INVESTING ACTIVITIES		(2,584.89)	(584.52)
C. CASH FROM FINANCING ACTIVITIES			
	Availment / (Repayment) in Cash Credit & PCFC from Banks	417.89	1,132.29
	Availment / (Repayment) in Other Secured Loans	1,853.69	37.77
	Interest & Finance Charges paid	(589.76)	(337.15)
	Dividend paid (including out of unpaid dividend)	(108.43)	(82.13)
NET CASH FROM FINANCING ACTIVITIES		1,573.39	750.78
NET INCREASE/(USE) OF CASH AND CASH EQUIVALENTS		(11.11)	(83.74)
Opening Balances of Cash and Cash equivalents		102.87	186.61
Closing Balances of Cash and Cash equivalents		91.76	102.87
Summary of material accounting policies		2	

The accompanying notes are an integral part of financial statements

As per our attached report of even date
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration Number: 104607W/W100166

Anil A. Kulkarni
Partner
Membership no.: 047576

Place: Pune
Date: May 30, 2024

For and on behalf of the Board
Rohini G. Kalyani
Executive Chairperson
DIN: 00519565

Viraj Kalyani
Chief Financial Officer
DIN: 02268846

Place: Pune
Date: May 30, 2024

Abhijit Sen
Director
DIN: 00002593

Statement of changes in equity for the period ended March 31, 2024

Equity share capital					
Particulars	"Opening balance as at April 1, 2022"	Changes in equity share capital during the year	"Opening balance as at March 31, 2023"	Changes in equity share capital during the year	"Closing balance as at March 31, 2024"
Equity shares of ₹ 10 each	363.90	-	363.90	-	363.90
Total	363.90		363.90	-	363.90

Other Equity**Reserves and Surplus**

Particulars	Capital reserve	Securities premium reserve	General reserve	"Other reserve Capital Redemption Reserve"	Other comprehensive income (OCI)	Retained earnings	Total
Balance at the beginning of the reporting period April 01, 2022	25.00	691.63	927.40	10.00	(232.75)	8,508.65	9,929.93
Prior Period Adjustments pertaining to period before March 31, 2022	-	-	-	-	-	(2,398.43)	(2,398.43)
Balance at the beginning of the reporting period April 01, 2022 after Prior period adjustments	25.00	691.63	927.40	10.00	(232.75)	6,110.22	7,531.50
Total Comprehensive income for the year	-	-	-	-	2.32	360.84	363.16
Prior Period Adjustments for the period April 01, 2022 to March 31, 2023	-	-	-	-	-	(379.21)	(379.21)
Total Comprehensive income for the year after Prior period adjustment	-	-	-	-	2.32	(18.37)	(16.05)

Dividend and tax thereon	-	-	-	-	-	(109.14)	(109.14)
Balance at the end of the reporting period March 31, 2023	25.00	691.63	927.40	10.00	(230.43)	5,982.71	7,406.31

Other Equity**Reserves and Surplus**

Particulars	Capital reserve	Securities premium reserve	General reserve	"Other reserve Capital Redemption Reserve"	Other comprehensive income (OCI)	Retained earnings	Total
Balance at the beginning of the reporting period April 01, 2023	25.00	691.63	927.40	10.00	(230.43)	5,982.71	7,406.31
Total Comprehensive income for the year	-	-	-	-	84.64	455.01	539.65
Dividend and tax thereon	-	-	-	-	-	(109.14)	(109.14)
Balance at the end of the reporting period March 31, 2024	25.00	691.63	927.40	10.00	(145.79)	6,328.58	7,836.82

The accompanying notes are an integral part of financial statements

As per our attached report of even date

For and on behalf of the Board**For Kalyaniwalla & Mistry LLP**

Chartered Accountants

Firm Registration Number: 104607W/W100166

Rohini G. Kalyani

Executive Chairperson

DIN: 00519565

Abhijit Sen

Director

DIN: 00002593

Anil A. Kulkarni

Partner

Membership no.: 047576

Viraj Kalyani

Chief Financial Officer

DIN: 02268846

Place: Pune

Date: May 30, 2024

Place: Pune

Date: May 30, 2024

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED MARCH 31, 2024

I. Corporate Information

"Kalyani Forge Limited ("the Company") incorporated on January 29, 1979, is engaged in engineering and manufacturing of connecting rods, forgings, crank shaft, cam shaft, retainer valve, injector clamp, balance weight and many more. The Company has 4 manufacturing facilities at Koregaon Bhima, Shirur Pune. The Company has hot forging, cold forging, machining, die manufacturing facilities at the plant.

2. Summary of material accounting policies

2.1. 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') 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 amendments 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.

These financial statements were approved and authorised for issue with the resolution of the Board of Directors on May 30, 2024."

2.2 Use of Estimates

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS which requires the 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.

2.3 Property, plant and equipment and depreciation:

- i. 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 and 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 and, which is at cost.

- ii. 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.

- iii. 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.

- iv. 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 7.5 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.

2.4 Inventories:

- i. 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.
- ii. Cost of Raw materials is ascertained on weighted moving average basis.
- iii. Work-in-process, Dies under fabrication and Finished Goods are valued at the lower of cost or net realizable value.
- iv. Scrap and Non-moving semi-finished goods, slow-moving and obsolete items, are valued at the lower of cost or net realizable value.
- v. Stock of Trial Product is valued at cost.
- vi. Dies, Die Block and Die Steel are valued at material cost.
- vii. Goods in transit are stated at actual cost up to the date of Balance Sheet.

2.5 Research & Development costs:

- i. Capital Expenditure is included in Fixed Assets & Capital Work in Progress and depreciation is provided at the respective applicable rates.
- ii. Revenue expenditure incurred on R&D is included in the respective account heads in the financial

statements.

2.6 Share Issue expenses

Share issue expenses are written off over a period of ten years

2.7 Post employment and other employee benefits:

- i. Short terms employee benefits -
Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.
- ii. Provident Fund -
Benefits in the form of Provident Fund and Pension Scheme whether in pursuance of law or otherwise which are defined contributions and are accounted on accrual basis and charged to statement of profit and loss of the year.
- iii. 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 fund under cash accumulation policy of the Life Insurance Corporation of India. The Employees' gratuity, a defined benefit plan, is determined based on valuations, as at the balance sheet date, made by an independent actuary using the Projected Unit Credit Method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur and is not eligible to be reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.
- iv. Privilege Leave Benefits -
Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occurred.
- v. Termination Benefits -
Termination benefits such as compensation under voluntary retirement scheme is recognized as liability in the year of termination.

2.8 Foreign Currency Transactions

- i. 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.

- ii. Conversion -
Monetary Assets and Liabilities, designated in foreign currencies are revalued 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 revalued.
- iii. Exchange Differences -
Exchange difference arising on the settlement and conversion on foreign currency transactions is recognized as income or expenses in the year in which it arises.

2.9 Investments and Other Financial Assets:

- i. Initial Recognition
In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly 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.
- ii. Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in following categories:-
 - i. Financial Assets at Amortised Cost
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.
 - ii. Financial Assets Measured at Fair Value
Financial assets are measured at fair value through Other Comprehensive Income ('OCI') if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

2.10 Revenue Recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 "Revenue from contract with customers.

- i. Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the transaction price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- ii. 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 date of Bill of Lading. Export incentives are accounted for on Export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.
- iii. Dividend is recorded in the year in which right to receive payment is established.
- iv. Interest income is recognized using the effective interest method.

2.11 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 operating, investing and financing activities of the Company are segregated.

2.12 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.

2.13 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 be put 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.

2.14 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.

2.15 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, is recognised in the Profit and Loss Account.

2.16 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.

2.17 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.

2.18 Taxation**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 tax is recognized in statement of profit and loss, except when it relates to items that are recognized in

Other Comprehensive income or Equity, in which case Current Tax is also recognized in Other Comprehensive income or 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.

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:

- i. 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.
- ii. 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 is recognized in statement of profit and loss, except when it relates to items that are recognized in Other Comprehensive income or Equity, in which case Deferred Tax is also recognized in Other Comprehensive income or Equity.

2.19 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.

2.20 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

"The areas involving critical estimates or judgements are:

Tax expense Note 35

Estimation of contingent liabilities refer Note 32.1"

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2.21 Recent Pronouncements

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

2.22 Additional regulatory information required by Schedule III

1. Wilful Defaulter

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

2. Relationship with struck off Companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

3. Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

4. Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

5. Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

6. Utilisation of Borrowed funds and Share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the Group to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

7. Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

9. Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

10. Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

2.23 Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

1. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

b. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

3. Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

4. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

5. Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 2024.

Balance Sheet:

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

Ind AS 116, Leases

Practical expedient relating to rent concessions occurring as a direct consequence of COVID-19 has been modified. Accordingly, a lessee is not required to account for rent concessions as lease modifications if the reduction in lease payments affects only payments originally due on or before 30th June 2022 (earlier 30th June 2021) and subject to compliance with other specified conditions.

Effective date: A lessee should apply the amendment for annual reporting periods beginning on or after 1 April

2021. In case a lessee has not yet approved.

the financial statements for issue before the issuance of the amendment, then the same may be applied for annual reporting periods beginning on or after the 1st April 2020.

A lessee should apply the amendment retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the annual reporting period in which it is first applied.

Ind AS 107, Financial Instruments: Disclosures

Additional disclosures included relating to interest rate benchmark reform. Those, inter alia, include information about:

- a. Nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform and how the entity manages these risks and
- b. Entity's progress in completing the transition to alternative benchmark rates and how the entity is managing the transition.

Effective date: An entity should apply the amendments when it applies amendments to Ind AS 109, Ind AS 104 or Ind AS 116.

Ind AS 109, Financial Instruments

A new paragraph included on changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform.

As per the guidance provided, the basis for determining the contractual cash flows of a financial asset or financial liability can change in the following manner:

- a. By amending the contractual terms specified at the initial recognition of the financial instrument
- b. In a way that was not considered by or contemplated in the contractual terms at the initial recognition of the financial instrument, without amending the contractual terms
- c. Due to the activation of an existing contractual term.

Effective date: An entity should apply the amendments for annual reporting periods beginning on or after 1st April, 2021.

Kalyani Forge Limited

Notes forming part of the financial statements for year ended March 31, 2024 (All amounts are in INR Lakhs, unless otherwise stated)

Note 3: Property Plant and Equipment

Particulars	Freehold Land	Buildings	Roads	Plant & Machinery	Electrical Installation	Factory Equipment	Laboratory Equipments	Furniture & Fixtures	Office Equipment	Data Processing Equipment	Vehicles	TOTAL	CAPITAL WORK IN PROGRESS
Gross carrying amount													
Cost as at April 01, 2023	213.04	1,629.48	58.06	8,630.97	484.45	427.86	168.11	38.00	38.94	82.00	40.96	11,811.89	
Additions	-	83.65	47.21	1,938.65	22.68	133.17	26.81	4.90	-	6.63	13.32	2,277.01	
Disposals	-	-	-	-	-	-	-	-	-	-	(12.60)	(12.60)	310.76
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	2,493.96
Closing gross carrying amount as at March 31, 2024	213.04	1,713.13	105.27	10,569.62	507.13	561.03	194.92	42.90	38.94	88.63	41.68	14,076.30	-
													(2,277.01)
Accumulated depreciation													527.71
Accumulated depreciation as at April 01, 2023	-	555.97	4.97	6,409.38	345.61	302.82	135.04	30.05	33.82	58.88	23.31	7,899.85	
Depreciation charge during the year	-	81.02	6.95	440.48	27.37	30.45	12.97	2.82	1.54	8.88	2.71	615.19	
Disposals	-	-	-	-	-	-	-	-	-	-	(8.14)	(8.14)	-
Closing accumulated depreciation as at March 31, 2024	-	636.99	11.92	6,849.86	372.98	333.27	148.01	32.87	35.36	67.76	17.87	8,506.90	-
													-
Net carrying amount as at 31.03.2024	213.04	1,076.15	93.35	3,719.76	134.15	227.76	46.91	10.03	3.58	20.86	23.81	5,569.41	-
													527.71
Gross carrying amount													
Cost as at April 01, 2022	213.04	1,613.31	2.06	8,324.52	482.20	340.11	168.11	38.00	38.94	58.73	31.03	11,310.05	
Additions	-	16.17	56.00	449.17	2.26	87.75	-	-	-	23.27	9.94	644.56	
Disposals	-	-	-	(142.72)	-	-	-	-	-	-	-	(142.72)	230.93

Transfers	-	-	-	-	-	-	-	-	-	-	-	-	79.83
Closing gross carrying amount as at March 31, 2023	213.04	1,629.48	58.06	8,630.97	484.46	427.86	168.11	38.00	38.94	82.00	40.97	11,811.89	-
													-
Accumulated depreciation													310.76
Accumulated depreciation as at 01 April 2022	-	476.58	2.06	5,645.52	296.97	251.03	109.57	27.22	31.31	56.50	19.39	6,916.15	
Depreciation charge during the year	-	79.39	2.92	898.99	48.63	51.79	25.46	2.83	2.51	2.38	3.92	1,118.83	
Disposals	-	-	-	(135.13)	-	-	-	-	-	-	-	(135.13)	-
Closing accumulated depreciation as at March 31, 2023	-	555.97	4.98	6,409.38	345.60	302.82	135.03	30.05	33.82	58.88	23.31	7,899.85	-
													-
Net carrying amount as at April 01, 2022	213.04	1,136.73	-	2,679.00	185.23	89.08	58.54	10.78	7.63	2.23	11.64	4,393.90	-
Net carrying amount as at March 31, 2023	213.04	1,073.51	53.08	2,221.59	138.86	125.04	33.08	7.95	5.12	23.12	17.66	3,912.04	230.93
													310.76

Note 3a: Property Plant and Equipment**Capital work-in-progress – Tangible Assets****Capital work-in-progress ageing**

Particulars	Capital work-in-progress Ageing Schedule as on 31.03.2024 (Amount in INR lakhs)				
	Amounts in capital work-in-progress for a period of				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
(i) Projects in progress	180.81	346.90	-	-	527.71
(ii) Projects temporarily suspended	-	-	-	-	-

Particulars	Capital work-in-progress Ageing Schedule as on 31.03.2023 (Amount in INR lakhs)				
	Amounts in capital work-in-progress for a period of				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
(i) Projects in progress	244.14	66.51	-	0.11	310.76
(ii) Projects temporarily suspended	-	-	-	-	-

Particulars	Capital work-in-progress Ageing Schedule as on 31.03.2022 (Amount in INR lakhs)				
	Amounts in capital work-in-progress for a period of				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
(i) Projects in progress	230.93	-	-	-	230.93
(ii) Projects temporarily suspended	-	-	-	-	-

Kalyani Forge Limited**Notes forming part of the financial statements for year ended March 31, 2024****(All amounts are in INR Lakhs, unless otherwise stated)****Note 4 : Intangible assets**

Particulars	COMPUTER SOFTWARE	TOTAL	CAPITAL WORK IN PROGRESS
Year ended 31 March 2024			
Gross carrying amount			
Cost as at April 01, 2023	64.83	64.83	-
Additions	71.22	71.22	-
Disposals	-	-	-
Transfers	-	-	-
Closing gross carrying amount as at March 31, 2024	136.05	136.05	-
Accumulated depreciation			
Accumulated depreciation as at April 01, 2023	64.83	64.83	-
Depreciation charge during the year	6.24	6.24	-
Disposals	-	-	-
Closing accumulated depreciation as at March 31, 2024	71.07	71.07	-
Net carrying amount as at March 31, 2024	64.98	64.98	-
Year ended 31 March 2023			
Gross carrying amount			
Cost as at April 01, 2022	64.83	64.83	-
Additions	-	-	-
Disposals	-	-	-

Transfers	-	-	-
Closing gross carrying amount as at March 31, 2023	64.83	64.83	-
Accumulated depreciation			
Accumulated depreciation as at April 01, 2022	64.50	64.50	-
Depreciation charge during the year	0.33	0.33	-
Disposals	-	-	-
Closing accumulated depreciation as at March 31, 2023	64.83	64.83	-
Net carrying amount as at April 01, 2022	0.32	0.32	-
Net carrying amount as at March 31, 2023	-	-	-

Kalyani Forge Limited

Notes forming part of the financial statements for year ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

Note 5: Investments

INR in Lakhs

Particulars	March 31, 2024		March 31, 2023		April 01, 2022	
	Nos	INR in Lakh	Nos	INR in Lakh	Nos	INR in Lakh
A. INVESTMENTS CARRIED AT AMORTISED 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	2000	0.50
TOTAL INVESTMENTS CARRIED AT AMORTISED COST [A]		0.50		0.50		0.50
TOTAL INVESTMENTS CARRYING VALUE (A) - (B)		0.50		0.50		0.50

Kalyani Forge Limited**Notes forming part of the financial statements for year ended March 31, 2024****(All amounts are in INR Lakhs, unless otherwise stated)****Note 6: Deferred tax assets (net)**

INR in Lakhs			
Particulars	March 31, 2024	March 31, 2023	April 01, 2022
A. Tax effect of items constituting deferred tax liabilities			
1) On difference between book balance and tax balance of fixed assets	38.08	150.84	88.43
	38.08	150.84	88.43
1) Provision for compensated absences, gratuity and other employee benefits	252.07	259.05	253.42
2) Provision for doubtful debts / advances	25.71	-	
3) MSME Non-Payment	28.69		
4) Provision for Local Taxes	11.62	6.40	19.75
	318.09	265.45	273.17
Deferred Tax Asset/(Liability) (Net)	356.17	416.29	361.60

Kalyani Forge Limited**Notes forming part of the financial statements for year ended March 31, 2024****(All amounts are in INR Lakhs, unless otherwise stated)****Note 7: Income tax assets (net)**

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Current Tax Asset:			
Advance income tax (net)	236.35	45.17	77.24
Total	236.35	45.17	77.24

Note 8: Other Non Current Assets

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
(a) Capital advances	114.38	83.64	43.17
(b) Balances with government authorities (other than income taxes)	-	35.00	254.79
(c) Security Deposits			
Secured, considered good	5.90	5.90	-
TOTAL	120.28	124.54	297.96

Note 9: Inventories

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Raw materials including dies	2,865.58	1,413.86	67.44
Work-in-progress, at cost	1,565.78	2,673.52	1,835.10
Completed Finished Goods	342.96	163.87	202.16
Stores and spares	330.43	236.83	198.85
Loose Tools	301.35	196.90	171.84
(f) Others - Scrap	203.93	45.75	374.89
TOTAL	5,610.03	4,730.73	2,850.28

Note 10: Trade Receivables

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Trade receivables			
(a) Secured, considered good			
(b) Unsecured, considered good	6,186.33	7,486.93	7,216.50
(c) Unsecured, considered Doubtful	92.41	-	-
Impairment allowance (allowance for bad and doubtful assets)			
(a) Unsecured, considered doubtful	(92.41)	-	-
Total	6,186.33	7,486.93	7,216.50

Note 11: Cash and cash equivalents

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Current Cash and bank balances			
(a) Balances with banks			
In current accounts	91.72	102.83	186.60
(b) Cash in hand	0.04	0.04	0.01
Total	91.76	102.87	186.61

Note 12: Other Bank Balances

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Other bank balances			
(a) Balances held as margin money or security against	411.76	404.38	290.97
(b) Earmarked accounts - unpaid dividend accounts	39.89	39.18	12.18
(c) FD with Maturity less than 12 months	50.00	-	-
Total	501.65	443.56	303.15

Note 13: Other Current Financial Assets

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Financial assets at amortised cost			
a) Other items			
Interest Receivable	16.89	9.72	6.38
Total	16.89	9.72	6.38

Note 14: Other Current Assets

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
(a) Advances to suppliers	1,061.46	327.52	65.93
(b) Advances to employees	19.83	19.47	20.88
(c) Balances with government authorities (other than income taxes)*	75.70	64.72	89.54
(d) Prepayments	35.03	57.23	42.88
(e) Others	0.42	0.41	0.41
Total	1,192.44	469.35	219.64

*This includes Export Incentive receivable of INR 22.68 lakhs and RODTP/Duty Drawback INR 53.02 lakhs

Note 15: Equity Share Capital

Particulars	March 31, 2024		March 31, 2023		April 01, 2022	
	Nos	INR in Lakhs	Nos	INR in Lakhs	Nos	INR in Lakhs
Authorised:						
Equity shares of INR 10 each	75,00,000	750.00	75,00,000	750.00	75,00,000	750.00
Cumulative Redeemable Preference Shares of INR 10 each	50,00,000	500.00	50,00,000	500.00	50,00,000	500.00
Unclassified Shares of INR 10 each	25,00,000	250.00	25,00,000	250.00	25,00,000	250.00

	1,50,00,000	1,500.00	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued, Subscribed and Fully Paid:			1,50,00,000			
Equity shares of INR 10 each	36,40,000	364	36,40,000	364	36,40,000	364
Forfeited Equity Shares	2,000	0.10	2,000	0.10	2,000	0.10
Total	36,38,000	363.90	36,38,000	363.90	36,38,000	363.90

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

Particulars	March 31, 2024		March 31, 2023		April 01, 2022	
	No. Of Shares	INR in Lakhs	No. Of Shares	INR in Lakhs	No. Of Shares	INR in Lakhs
At the beginning of the period	36,38,000	363.90	36,38,000	363.90	36,38,000	363.90
Issued/Reduction if any during the year	-	-	-	-	-	-
Outstanding at the end of the Period	36,38,000	363.90	36,38,000	363.90	36,38,000	363.90

2.Terms/Rights attached to the equity shares

The Company has only one class of equity shares having par value of INR 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

Name of Shareholders	March 31, 2024		March 31, 2023		April 01, 2022	
	No. of Shares	% Of Holding	No. of Shares	% Of Holding	No. of Shares	% Of Holding
1 BF Investments Limited	5,69,600	15.66	5,69,600	15.66	5,69,600	15.66
2 Kalyani Consultants Pvt. Ltd.	3,77,280	10.37	3,77,280	10.37	3,77,280	10.37
3 Vakratund Investments Pvt. Ltd.	3,42,342	9.41	3,42,342	9.41	3,42,342	9.41
4 Pax Investments Pvt. Ltd.	3,40,074	9.35	3,40,074	9.35	3,40,074	9.35
5 Squirrel Financers & Investors Pvt. Ltd.	1,86,480	5.13	1,86,480	5.13	1,86,480	5.13

5.Details of promoters Shareholding percentage in the Company is as below:

Particulars	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	"% of Issued Share Capital"	% Change during the year	No. of Shares	"% of Issued Share Capital"	% Change during the year
A Name of Promoter						
1. Gaurishan-kar Neelkanth Kalyani	47020	1.2925	Nil	47020	1.2925	Nil
2. Viraj Gaurishan-kar Kalyani	36794	1.0114	Nil	36794	1.0114	0.0965
3. Rohini Gaurishan-kar Kalyani	32236	0.8861	Nil	32236	0.8861	Nil
4. Sheetal Gaurishan-kar Kalyani	31635	0.8696	Nil	31635	0.8696	Nil
B Name of Promoter group						

1. Kalyani Consultants Pvt.Ltd.	377280	10.3705	Nil	377280	10.3705	Nil
2 Vakratund Investment Pvt Ltd	342342	9.4102	Nil	342342	9.4102	Nil
3 Pax Investments Pvt Ltd	340074	9.3478	Nil	340074	9.3478	Nil
4 Squirrel Financers And Investors Pvt Ltd	186480	5.1259	Nil	186480	5.1259	Nil
5 Bellona Investment Pvt Ltd	173124	4.7588	Nil	173124	4.7588	Nil
6 Kalyani Exports & Investments Pvt.Ltd.	95600	2.6278	Nil	95600	2.6278	Nil
7 Attila Investment Pvt Ltd	94500	2.5976	Nil	94500	2.5976	Nil
8 Monte Carlo Investment Private Limited	94500	2.5976	Nil	94500	2.5976	Nil
9 Vikat Investment Pvt Ltd	65520	1.801	Nil	65520	1.801	Nil
10 Dukhaharta Investment Pvt Ltd	64260	1.7664	Nil	64260	1.7664	Nil
11 Sukhakarta Investment Pvt Ltd	64260	1.7664	Nil	64260	1.7664	Nil
12 Agasti Investment & Trading Private Limited	35280	0.9698	Nil	35280	0.9698	Nil

13 Rajgad Trading Company Pvt.Ltd.	28200	0.7752	Nil	28200	0.7752	Nil
14 Aboli Investment Pvt Ltd	26500	0.7284	Nil	26500	0.7284	Nil
15Jannhavi Investment Private Limited	200	0.0055	Nil	200	0.0055	Nil

Note 16. Other Equity

Reserves and Surplus

Particulars	Capital reserve	Securities premium reserve	General reserve	" Other reserve Capital Redemption Reserve "	Other comprehensive income (OCI)	Retained earnings	Total
Balance at the beginning of the reporting period April 01, 2022	25.00	691.63	927.40	10.00	(232.75)	8,508.65	9,929.93
Prior Period Adjustments pertaining to period before March 31, 2022						(2,398.43)	(2,398.43)
Balance at the beginning of the reporting period April 01, 2022 after Prior period adjustments	25.00	691.63	927.40	10.00	(232.75)	6,110.22	7,531.50
Total Comprehensive income for the year	-	-	-	-	2.32	360.84	363.16

Prior Period Adjustments for the period April 01, 2022 to March 31, 2023					-	(379.21)	(379.21)
Total Comprehensive income for the year after Prior period adjustment	-	-	-	-	2.32	(18.37)	(16.05)
Dividend and tax thereon	-	-	-	-	-	(109.14)	(109.14)
Balance at the end of the reporting period March 31, 2023	25.00	691.63	927.40	10.00	(230.43)	5,982.71	7,406.31

Other Equity

Reserves and Surplus

Particulars	Capital reserve	Securities premium reserve	General reserve	"Other reserve Capital Redemption Reserve"	Other comprehensive income (OCI)	Retained earnings	Total
Balance at the beginning of the reporting period April 01, 2023	25.00	691.63	927.40	10.00	(230.43)	5,982.71	7,406.31
Total Comprehensive income for the year	-	-	-	-	84.64	455.01	539.65
Dividend and tax thereon	-	-	-	-	-	(109.14)	(109.14)
Balance at the end of the reporting period March 31, 2024	25.00	691.63	927.40	10.00	(145.79)	6,328.58	7,836.82

Note 17: Non - Current Borrowings

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Measured at amortised cost			
A. Secured Borrowings:			
(a) Term Loans			
(i) From Banks			
State Bank of India*	-	89.20	8.60
Bajaj Finance Ltd**	1,943.26	-	-
Total Secured Borrowings	1,943.26	89.20	8.60
Total Borrowings	1,943.26	89.20	8.60

Terms of Repayment

* State bank of India - Term loan of INR 365.20 lakh sanctioned limit is INR 1150.00 lakh was availed from State Bank of India, IFB, Pune of the total sanction limit at the rate of interest 4.45% above MCLR-6M.

*** Term Loan of ₹ 2000 Lakhs was availed from Bajaj Finance Limited, at the rate of interest of 10.25%.

Nature of security for

Term loan from State bank of India:

"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.

Term loan from Bajaj Finance:

The Company has created the first Pari passu charge on fixed assets (immovable and movable) with minimum FACR of 1.4X.

Note 18: Non - Current Provisions

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
(a) Provision for employee benefits			
(i) Provision for compensated absences [Leave Encashment]	123.06	165.42	230.50
(ii) Gratuity	649.82	495.67	416.72
Total Provisions	772.88	661.09	647.22

Note 19: Current Borrowings

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
A. Secured Borrowings - at Amortised cost:			
(a) Loans repayable on demand			
(i) From Banks			
Cash credit from Bank	4,016.08	3,454.06	2,597.76
(b) SBI Term Loans	90.20	276.00	-
(c) Bajaj Term Loan	41.67	-	-
Total Secured Borrowings	4,147.95	3,730.06	2,597.76
Total Current Borrowings	4,147.95	3,730.06	2,597.76

Notes :-

- The Company's fund and non fund based working capital facilities of INR 74,50,00,000 are secured by first charge by way of hypothecation on pari passu basis with existing working capital lenders (State Bank of India-Lead Bank and HDFC 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

Note 20: Trade Payables

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
A) Creditors for supplies / services	4,558.02	4,443.29	3,609.48
i) Total outstanding due to micro enterprises and small enterprises	163.26	204.23	302.89
ii) Total outstanding due to creditors other than micro enterprises and small enterprises	4,394.76	4,239.06	3,306.59
Total trade payables	4,558.02	4,443.29	3,609.48

Note 21: Other Current Financial Liabilities

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Other Financial Liabilities Measured at Amortised Cost			
(a) Current maturities of long-term debt*	-	-	42.47
(b) Unpaid dividends	39.89	39.18	12.18
(c) Other liabilities			
(i) Creditors for capital supplies/ services	-	12.03	21.78
(ii) Other credit balances	163.77	637.28	522.69
Total other financial liabilities	203.66	688.49	599.12

* For terms of repayment & security refer Note No. 14

Note 22: Current Provisions

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
(a) Provision for employee benefits			
(i) Leave Encashment	16.94	36.50	52.02
(ii) Gratuity	37.03	179.58	177.86
Total Provisions	53.97	216.08	229.88

Note 23: Other Current Liabilities

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
(a) Others			
- Employee Recoveries and Employer Contributions	304.50	325.54	275.61
- Statutory Dues (GST, sales tax, TDS, Royalty etc.)	289.54	128.50	281.94
TOTAL OTHER LIABILITIES	594.04	454.04	557.55

Note 24: Revenue from Operations

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023
(a) Sale of products	23,600.99	26,481.23
(b) Other Operating Revenues		
- Die development charges	0.13	12.66
- Export incentives/Duty Drawback/RODTEP	77.53	90.12
Total	23,678.65	26,584.01

Note 25: Other Income

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023
Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit and loss	33.49	14.79
Other gains and losses		
(a) Gain on foreign exchange fluctuations, net	141.42	135.62
(b) Sundry Balances Written Back	188.39	302.98
(c) Discount received	17.66	27.50
(d) Miscellaneous Income	0.20	45.43
(e) Gain on sale of property plant and equipment's	6.51	172.41
Total	387.67	698.73

Note 26: Cost of raw materials and components consumed

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023
(a) Raw materials and dies consumed		
Opening stock	1,413.86	67.44
Add : Purchases	11,656.48	17,417.50
Less : Closing Stock	2,865.58	1,413.86
Total	10,204.76	16,071.08

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

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023
(Increase)/decrease in stocks		
Less : Opening stocks		
Work-in-process	2,673.52	1,835.10
Finished goods	163.87	202.16
Scrap	440.90	374.89
Stocks at close:		
Work-in-process	1,565.78	2,673.52
Finished goods	342.96	163.87
Scrap	203.93	440.90
Total	1,165.62	(866.14)

Note 28: Employee Benefit Expense

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023
Salaries and wages, including bonus	3,331.18	3,163.04
Contribution to provident and other funds	135.34	143.04
Gratuity Expenses	94.13	83.76
Staff welfare expenses	276.00	289.08
Total	3,836.65	3,678.92

Note 29: Finance Cost

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023
Interest expense		
- On Bank Borrowings	145.83	19.48
- On Cash credit	402.29	260.19
Other borrowing cost- Bank charges	41.64	57.49
Total	589.76	337.16

Note 30: Depreciation and amortization expense

INR in Lakhs

Particulars	March 31, 2024	March 31, 2023
Depreciation		
Property, Plant and Equipment	615.42	1,118.82
Other Intangible assets	6.25	0.32
Total	621.67	1,119.14

Note 31: Other Expenses

Particulars	March 31, 2024	March 31, 2023
Manufacturing Expenses		
Stores, spares and tools consumed	1,563.06	1,617.17
Processing charges	468.17	526.87
Power and fuel	2,622.17	2,538.91
Repairs to building	4.70	-
Repairs to machinery	390.63	337.73
Freight Charges	174.58	109.69
Other manufacturing expenses	38.52	35.44
Freight and forwarding	260.23	303.66
Royalty, technical and license fees etc.	0.25	0.25
Other selling expenses	4.78	30.23
Rent	3.35	3.24
Rates and taxes	88.80	23.00
Insurance (Including Keyman Insurance)	76.96	87.94
Other repairs and maintenance	5.10	0.64
Travelling and conveyance	58.45	30.11
Vehicle Expenses(Including on hired vehicles)	110.88	107.14
Professional & consultancy fees	139.08	102.89
Auditor's remuneration (refer note 31.3)	28.54	27.30
Director's Sitting Fees	4.12	0.90
Miscellaneous expenses	221.07	263.72
Sales Tax Expences	-	134.55
Provision for doubtful debts	92.41	-
Loss on foreign exchange fluctuations, net	64.96	-
Bad Debts written off	665.13	351.70

Particulars	March 31, 2024	March 31, 2023
Total	7,085.94	6,633.08

32.1 Contingent Liability not provided for in respect of :

Particulars	March 31, 2024	March 31, 2023
Claims against the Company, not acknowledged as debts	107.14	107.14
ii Disputed Income Tax demand, matter under appeal	94.24	94.24
iii Disputed Excise demand, matter under appeal	366.88	366.88
iv In respect of Bank Guarantee (*)	241.30	220.30

*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 INR 1300 lakhs as at March 31, 2024 (As at March 31, 2023 INR 1300 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 March 31, 2024 is INR 241.30 lakhs (March 31, 2023 INR 220.30 Lakhs)

32.2

Particulars	March 31, 2024	March 31, 2023
Estimated Amount of contracts remaining to be executed on Capital Account and Not provided for (net of advances)	463.93	154.38

32.3 Payments to Auditors

Particulars	March 31, 2024	March 31, 2023
Statutory Audit	20.30	23.20
Tax Audit	2.30	3.60
In Other Capacity :		
For Certification	1.00	-
For Expenses	-	0.50
Total	23.60	27.30

32.4 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	March 31, 2024	March 31, 2023
(i)	Amounts to be recognised in Balance Sheet		
	a. Present Value of Defined Benefit Obligations		
	Funded	792.95	791.87
	b. Fair Value of Plan Assets	106.10	116.61
	c. Net Asset / (Liability) recognised in the Balance Sheet	(686.85)	(675.25)
(ii)	Amount to be recognised in Statement of Profit & Loss Account		
	a. Current Service Cost	44.17	41.54
	b. Interest on defined benefit obligations	49.96	42.22
	c. Expected return on planed assets	-	-
	d. Net Actuarial Losses/(Gain) Recognised in year	-	-
	Total, included in "Employee Benefits"	94.13	83.76
(iii)	Change in Defined Benefit obligation and reconciliation thereof		
	a. Present value of Defined Benefit obligation at the beginning of the year	791.87	748.00
	b. Interest Cost	57.94	51.47
	c. Current Service Cost	44.17	41.54
	d. Actuarial Losses/ (Gains)	(83.26)	(3.02)
	e. Benefits Paid	(17.75)	(46.12)
	f. Transfer out	1.31	-
	f. Present value of Defined Benefit obligation at the close of the year	794.27	791.87
(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	116.61	153.41
	b. Add : Expected return on Plan Assets	7.97	9.26
	c. Add/ (Less) : Actuarial (Losses) / Gains	(0.69)	0.19
	d. Add : Contributions by employer	-	-
	e. Less -Benefits Paid	(17.75)	(46.12)
	f. Mortality charges & taxes	(0.05)	(0.13)
	g. Fair value of Plan Assets at the closed of the year	106.10	116.61
(v)	Broad Categories of plan assets as a percentage of total assets as at 31st March, 2024		
	a. Insurer Managed Funds	100%	100%
	TOTAL	100%	100%
(vi)	Summary of the Actuarial Assumptions		
	Discount Rate	7.20%	7.40%
	Expected Rate of Return on Assets	7.40%	7.10%
	Salary Escalation Rate	6.00%	6.00%

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

Year	Opening Balance	Addition (Net)	Closing Balance
2023-24	201.92	(61.92)	140.00
2022-23	282.52	(80.60)	201.92
2021-22	261.80	20.72	282.52
2020-21	183.92	77.88	261.80

32.6 The disclosure pursuant to the MSMED Act, 2006 is as under:

Particulars		March 31, 2024	March 31, 2023
a)	(i) The principal amount remaining unpaid to any supplier	163.26	204.23
	(ii) The interest due on above.	6.21	12.59
	The total of (i) & (ii)	169.47	217.00
b)	The amount of interest paid by the Company in terms of section 16 of the MSMED Act.	-	-
c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	87.93	73.32
d)	The amounts of interest accrued and remaining unpaid at the end of financial year	6.21	12.59
e)	The amount of further interest remaining due and payable even in the succeeding years, included in (d) above, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

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.

32.7

- 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	2023-24		2022-23	
			Transaction Value (INR)	Outstanding Amounts carried in the Balance Sheet (INR)	Transaction Value (INR)	Outstanding Amounts carried in the Balance Sheet (INR)
	Key Managerial personnel					
1	Mrs. R. G. Kalyani	Salary	17.75	1.73	17.75	1.73

	(Executive Chairperson)	Sitting fees	3.00	-	3.00	-
		Total	20.75	1.73	20.75	1.73
2	Mr. Viraj G. Kalyani	Salary	17.75	1.73	17.75	1.73
	(Managing Director and CFO)	Sitting fees	3.00	-	3.00	-
		Total	20.75	1.73	20.75	1.73
	Relative of Key Managerial Personnel					
3	Mr. G.N. Kalyani (Director)	Commission	-	-	-	-
		Siting fees	0.44	-	0.36	-
		Total	0.44	-	0.36	-
4	Mr. Annirudha Mohan Hublikar					
	(Company Secretary)	Salary	6.83	0.47	6.83	0.47
		Total	6.83	0.47	6.83	0.47
5	Enterprise in which Key Managerial Person is common					
	NSF Trust	Rent	0.81	-	3.24	-
		Total	0.81	-	3.24	-
6	Enterprise in which Key Managerial Person is common					
	Kalyani Property Pvt.Ltd.	Royalty	0.25	-	0.25	-
		Total	0.25	-	0.25	-
7	Enterprise in which Key Managerial Person is common					

	Shrid Metal Technologies Pvt. Ltd.	Rent income	0.29	-	0.73	-
		Other advances (not considered in the nature of loan)	-	-	12.00	-
		Total	0.29	-	12.73	-
8	Enterprise in which Key Managerial Person is common					
	Kalyani Studio Pvt. Ltd.	Cross Charge (Office Utilities)	6.35	-	-	-
		Total	6.35	-	-	-

32.8 Earnings Per Share:

Particulars	2023-24	2022-23
Earnings attributable to the equity share holder	455.01	(18.37)
Total weighted average No. of shares	36,38,000	36,38,000
(a) Basic earning per share	12.51	(0.50)
(b) Diluted earning per share	12.51	(0.50)

32.9 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

a.Amount required to be spent by the company during the year: NIL

b.Gross amount spent by the Company on CSR activities during the financial year ended March 31, 2024 is Rs. 316.000/-.

c.Shortfall at the end of the year: NIL

d.Total of previous year shortfall: NIL

e.Reason for shortfall: Not Applicable

f.Nature of CSR activities: Donation to Social Welfare

g.Details of related party transaction: No related party transaction for CSR during current year.

h.Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard: No such contribution during the year.

i.During the year there was no CSR liability pursuant to section 135(5) as per Companies Act 2013.

32.10 Research and Development:

The Company has obtained approval of its In-house Research & Development (R&D) facility u/s 35(2AB) TU/IV-15(1737)/35(2AB)/3CM/(1499)/2019 dated 29.11.2019. Accordingly the Company has incurred expenses on it's in house R&D Facility as follows-

Financial Year	Revenue Expenditure	Capital Expenditure	Total R&D Expenditure
2020-21	262.66	-	262.66
2021-22	224.44	16.52	240.96
2022-23	290.39	282.85	573.24
2023-24	218.42	210.35	428.77
Total	995.91	509.72	1,505.63

33.11 Relationship with stuck of companies

Details of struck of companies with whom the company has transaction during the year or outstanding balance:

Name of struck of company	Nature of Transaction	As on 31st March-2024	As on 31st March-2023
Sukrut export private ltd	Written off	5.07	-
Sukrut export private ltd	Trade payable- Services	-	5.07
KEON SOLUTIONS PVT.LTD.	Write Back	1.56	-
KEON SOLUTIONS PVT.LTD.	Trade payable- Services	-	(1.56)

CATEGORY-WISE CLASIFICATION OF FINANCIAL INSTRUMENTS

Particulars	Refer Note no.	Non-current		Current	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
Financial Assets measured at Fair value through Profit or loss (FVTPL)					
Investment in Equity shares	5	0.50	0.50	-	-
		0.50	0.50	-	-
Financial Assets measured at Fair value through other comprehensive income (FVTOCI)		-	-	-	-
		-	-	-	-
Financial Assets measured at amortised cost					
		-	-	-	-
Trade receivables	10	-	-	6,186.33	7,486.93
Cash and cash equivalents	11	-	-	91.76	102.87
Other balances with banks	12	-	-	501.65	443.56

Interest Accrued on Fixed Deposit	13	-	-	16.89	9.72
Security Deposit	8	5.90	5.90	-	-
		5.90	5.90	6,796.63	8,043.08
Financial Liabilities measured at amortised cost					
Borrowings	17 & 19	1,943.26	89.20	4,147.95	3,730.06
Trade payables	20	-	-	4,558.02	4,443.29
Unpaid Dividends	21	-	-	39.89	39.18
Payable towards expenses	21	-	-	-	12.03
Other credit balances	21	-	-	163.77	637.28
		1,943.26	89.20	8,909.63	8,861.84

FAIR VALUE MEASUREMENTS	Fair Value as at 31.03.2024	Fair Value hierarchy		
		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 as at 31.03.2024	Fair Value hierarchy		
		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

34 FINANCIAL RISK MANAGEMENT

34.1 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.

34.2 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.

34.3 Foreign currency risk:

The 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 March 31, 2024			As at March 31, 2023		
	USD	Euro	JPY	USD	Euro	JPY
Unhedged Trade receivables	736.39	369.76	-	6.82	2.63	-
Unhedged Trade Payables	-	-	374.60	0.11	-	157.38
Unhedged Advances to Trade Payables	0.05	-	-	-	-	-
Total	736.44	369.76	374.60	6.92	2.63	157.38

34.4 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 provision for Credit Losses (provision for doubtful debts)

Particulars	" As at 31st March 2024 "	" As at 31st March 2023 "
Opening provision	-	-
Add : Additional provision made	757.54	351.70
Less : Provision write off/ Bad Debt	665.13	351.70
Less : Provision reversed	-	-
Closing provision	92.41	-

34.5 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.

34.6 Trade Payables Ageing

Particulars	Trade Payable Ageing Schedule as on 31.03.2024 (Amount in INR lakhs)					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Gross MSME Credit	(126.22)	(34.76)	(2.24)	(0.03)	-	(163.25)
(ii) Gross Others Credit	(1,696.02)	(2,673.03)	(21.98)	(0.81)	(2.93)	(4,394.77)
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	(1,822.24)	(2,707.79)	(24.22)	(0.84)	(2.93)	(4,558.02)

Particulars	Trade Payable Ageing Schedule as on 31.03.2024 (Amount in INR lakhs)					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Gross MSME Credit	(139.47)	(63.10)	(1.62)	-	(0.04)	(204.23)
(ii) Gross Others Credit	(1,976.59)	(2,262.47)	-	-	-	(4,239.06)
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	(2,116.06)	(2,325.57)	(1.62)	-	(0.04)	(4,443.29)

34.7 Trade receivable ageing schedule

Particulars	Trade Receivables Ageing Schedule as on 31.03.2024 (Amount in INR lakhs)						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	5,289.74	726.27	25.80	52.11	-	-	6,093.92
(ii) Undisputed Trade Receivables - considered doubtful	-	39.90	-	22.12	16.26	14.13	92.41
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
Total	5,289.74	766.17	25.80	74.23	16.26	14.13	6,186.33

Particulars	Trade Receivables Ageing Schedule as on 31.03.2023 (Amount in INR lakhs)						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5,477.74	1,333.97	132.80	100.03	111.32	47.40	7,203.26
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	209.85	73.82	283.67
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Total	5,477.74	1,333.97	132.80	100.03	321.17	121.22	7,486.93

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

Particulars	2023-24	2022-23
Current tax		
Current Tax on taxable income for the year	128.79	200.49
Total current tax expense	128.79	200.49
Deferred Tax		
Deferred tax charge/(credit)	26.70	(54.69)
MAT Credit (taken)/utilised	-	-
Total deferred income tax expense/(benefit)	26.70	(54.69)
Tax in respect of earlier years	(48.58)	-
Total income tax expenses	106.91	145.80

Particulars	2023-24	2022-23
Enacted income tax rate in India applicable to the Company	27.82%	27.82%
Profit before tax	561.92	127.43
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	156.33	35.45
Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income		
Permanent Disallowances	1.84	3.50
Depreciation (net effect)	112.76	(62.41)
Disallowance under section 43B of the Income Tax Act	(26.93)	7.73
Tax in respect of earlier years	(48.58)	-
Other items	(88.51)	56.04
Prior period Items	-	105.49
Total income tax expenses/(credit)	106.91	145.80

36 The Company has undertaken a comprehensive review of all legacy issues to restructure its operations for growth and initiated a detailed analysis during the year to identify the inconsistencies in the account balances. As a result of this activity, the Company has identified the certain adjustments pertaining to the previous periods. Accordingly, the Company has restated the financial results of previous year ended March 31, 2023 and the opening balance sheet as at April 01, 2022. Following are the details:

Sr. No.	Particulars	Element of Financial results	Amount in INR lakhs
1	Suppliers Old debit notes	Trade Payables	219.31
2	Customers Old debit notes	Trade receivables	148.60
3	Unrecoverable ITC of VAT and excise duty	Balance with Government authorities	98.46
4	Difference in inventory as per FI VS MM SAP Module	Inventories	333.47
5	Manual booking for goods in transit not reversed	Inventories	137.78
6	Issues in ERP configuration for consumption and scrap entries	Inventories	395.15
7	Rejections of previous periods	Inventories	1,414.99
8	Other Deposits and advances	Deposits	29.89
	Total		2,777.65

37."The Company uses SAP ERP as the accounting software. SAP ensures an audit trail, providing standard functionality and logging in all changed data in the system. This functionality and audit trail feature in SAP has been operational throughout the year for all relevant transactions recorded through the application.
"

38.The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

39.The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

40.No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41.No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

42.The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

43.The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

44.As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Company are maintained in electronic mode. The Company has server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode.

45.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 Kalyaniwalla & Mistry LLP

Chartered Accountants
Firm Registration Number: 104607W/W100166

Anil A. Kulkarni

Partner
Membership no.: 047576

Place: Pune
Date: May 30, 2024

For and on behalf of the Board

Rohini G. Kalyani

Executive Chairperson
DIN: 00519565

Viraj Kalyani

Chief Financial Officer
DIN: 02268846

Place: Pune
Date: May 30, 2024

Abhijit Sen

Director
DIN: 00002593

KALYANI FORGE



KALYANI

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