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KALYANI FORGE LIMITED



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KALYANI

Kalyani Forge Limited

KOREGAON BHIMA, TEHSIL SIRUR, DIST. PUNE 412 207
☎ : (02137) 252335, 252755, 252757 FAX : (02137) 252344/252756
E–MAIL : kalyaniforge@vsnl.com
WEBSITE : www.kalyaniforge.com

From the Chairman's Desk

Dear Shareholders,

I have the pleasure to send herewith unaudited Financial results of your Company for the quarter ended 30th September, 2003, and for the half year ended on the same date.

Unaudited Financial Results for the Three Months ended : 30-9-2003.

(Rs. in Lakhs)

	1	2	3	4	5
	3 months ended on 30/09/2003	Corresponding 3 months ended on 30/09/2002 in the previous year	Year to date figures for six months ended 30/9/2003	Year to date figures for corresponding period ended on 30/9/2002 in the previous year	Previous accounting year ended on 31/03/2003 (Audited)
1. Net Sales/Income from operations	2843	2149	5349	3752	8095
2. Other Income	9	3	16	4	38
3. Total Expenditure					
a) (Increase)/decrease in stock in trade					
b) Consumption of raw materials	954	723	1794	1284	2518
c) Staff Cost	254	210	487	417	866
d) Power & Fuel	210	185	409	351	693
e) Excise Duty	356	294	671	497	1064
f) Other expenditure	642	405	1152	629	1736
4. Interest	6	35	20	68	117
5. Depreciation	120	127	240	244	437
6. Profit(+)/Loss(-) before Tax (1+2-3-4-5)	310	173	592	266	702
7. Provisions for taxation					
Current	108	36	199	78	284
Deferred	8	12	(4)	(3)	(59)
8. Net profit(+)/Loss(-)(6-7)	194	125	397	191	477
9. Paid up equity share capital Face value Rs.10/- per share	363.90	363.90	363.90	363.90	363.90
10. Reserves excluding revaluation reserves					2241
11. Basic and diluted EPS for the period, for the year to date and for the previous	5.33	3.44	10.91	5.25	13.10
12. Aggregate of non-promoter Shareholding					
- No. of Share			1510760		1510760
- Precentage of shareholding			41.53		41.53

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Note :

1. Previous year' s figures are regrouped wherever necessary.
2. The company operates in a single segment only.
3. Current and Deferred Tax Liability for the quarter and half year ended September 2003, has been provided bases on the estimated tax computation for the whole year and excess short provision will be suitably adjusted in the following quater.
4. Company has received 24 invetsors' complaints, all of which have been redressed.
5. Board of Directors have recommended dividend @15% on equity shares of the Company.

Financial Results of the current year six months as compared to corresponding period of last year are very much encouraing. Sales have increased by 42% and Profit before tax by more than 100%. Company has repaid entire term loans which has reflected in reduction in interest cost from 68 lakhs to 20 lakhs. Our effort to reduce cost are continued, and I am sure, we will do better and better in future.

I would like to take this opportunity to thank you for your support, and wish you all a very happy Diwali and the new year.

Dr. N. A. Kalyani
Executive Chairman

Pune
09th October, 2003.

CAUTIONARY STATEMENT

Statement in this letter describing the Company's objectives, projections, estimates, and expectations, may be 'forward looking statement' within the meaning of applicable laws and regulations. Actual *results might differ substantially or materially from those expressed or implied.* Important factors that could affect the Company's operations include developments in the automobile industry – global or domestic or both, significant changes in political and economic environment in India or key market abroad, tax laws, litigation, labour relations and costs.

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KALYANI FORGE LIMITED

Regd.Office : Shangrila Gardens, 'C' Wing, 1st floor,
Opposite Bund Garden Road, Pune 411001.

PROXY

I / We, _____

of _____

being a Member / Members of KALYANI FORGE LIMITED, Pune, hereby appoint _____

_____

of _____

failing him _____

of _____ as my / our proxy to vote for me / us on my / our behalf, at the TWENTY FOURTH Annual General Meeting of the Company, to be held on Monday the 24th November, 2003 at 9.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2003.

Please Affix 30 Paise Revenue Stamp here

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

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

cut here

KALYANI FORGE LIMITED

Regd.Office : Shangrila Gardens, 'C' Wing, 1st floor,
Opposite Bund Garden Road, Pune 411001.

ATTENDANCE SLIP

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

L.F. No.(s)

NAME OF THE SHAREHOLDER / PROXY _____

ADDRESS _____

No. of shares held : _____

I / We hereby record my / our presence at the TWENTY FOURTH Annual General Meeting of the Company, being held on Monday, the 24th November, 2003 at 9.30 a.m. at Poona Club, Bund Garden Road, Pune 411 001.

SIGNATURE OF THE SHAREHOLDER / PROXY * _____

*Strike out whichever is not applicable.

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KALYANI

KALYANI FORGE LIMITED

Regd.Office : Shangrila Gardens, 1st floor,
'C' Wing, Opposite Bund Garden, Pune 411001.

NOTICE

NOTICE is hereby given that the twenty fourth Annual General Meeting of the members of KALYANI FORGE LIMITED, will be held at Poona Club Ltd., Bund Garden Road, Pune on Monday, the 24th day of November, 2003 at 9:30 A.M. (I.S.T.) to transact the following business:

ORDINARY BUSINESS :

1) To receive, consider and adopt the Balance Sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended on 31st March, 2003 and the Report of the Directors and of the Auditors.

2) To declare dividend on Equity Shares.

3) To appoint a Director in place of Mr. Anil Rege, who retires by rotation, but being eligible, offers himself for re–appointment.

4) To appoint a Director in place of Mr. D. C. Agashe, who retires by rotation but being eligible, offers himself for re–appointment.

5) To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT THE COMPANY'S AUDITORS, M/S. DALAL & SHAH, CHARTERED ACCOUNTANTS, MUMBAI BE AND THEY ARE HEREBY REAPPOINTED AS AUDITORS OF THE COMPANY TO HOLD OFFICE FROM THE CONCLUSION OF THIS MEETING UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY AND THAT THE BOARD OF DIRECTORS BE AND IS AUTHORISED TO FIX THEIR REMUNERATION FOR THE SAID PERIOD".

SPECIAL BUSINESS :

6) To consider and, if thought fit, to pass, with or without modification, the following resolution as a ORDINARY RESOLUTION.

RESOLVED THAT MR. G. N. KALYANI WHO WAS APPOINTED AS AN ADDITIONAL DIRECTOR OF THE COMPANY BY THE BOARD OF DIRECTORS ON 26 TH APRIL, 2003 AND WHO HOLD THE OFFICE UNDER SECTION 260 OF THE COMPANIES ACT, 1956, UP TO THE DATE OF CONCLUSION OF THIS ANNUAL GENERAL MEETING AND IN RESPECT OF WHOM THE COMPANY HAS RECEIVED A NOTICE IN WRITING PROPOSING HIS CANDIDATURE FOR THE OFFICE OF DIRECTOR, UNDER SECTION 257 OF THE COMPANIES ACT, 1956 BE AND IS HEREBY APPOINTED A DIRECTOR OF THE COMPANY.

7) To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT PURSUANT TO SECTION 17 AND THE OTHER APPLICABLE PROVISIONS IF ANY OF THE COMPANIES ACT, 1956 THE MEMORANDUM OF ASSOCIATION OF COMPANY BE AND IS HEREBY AMENDED BY ADDITION OF SUB CLAUSE NO. 143 IN CLAUSE III (C)

"To carry on the business of dealers and/or investors in India and outside India in shares, stocks, debentures, debenture stock, bonds, obligations and securities of any kind issued by any company constituted or carrying on business in India or elsewhere and debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any Government state, dominions, sovereign rulers, commissioners, public body, or authority, municipal, local or otherwise, firm or person whether in India or elsewhere".

RESOLVED FURTHER THAT THE AFORESAID SPECIAL RESOLUTION FOR ALTERATION OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION BEING DULY PASSED AND BECOMING EFFECTIVE, THE APPROVAL OF THE MEMBERS OF THE COMPANY BE AND IS HEREBY ACCORDED PURSUANT TO THE PROVISIONS OF SECTION 149(2-A) AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 1956, FOR COMMENCING AND CARRYING ON ALL OR ANY OF THE NEW BUSINESS AND ACTIVITIES AT SUCH TIME AS MAY BE DEEMED FIT BY THE BOARD OF DIRECTORS.

By Order of the Board of Directors
for KALYANI FORGE LTD.,

Place : Pune
Date : 9h October, 2003.

D. S. GADE
Company Secretary

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NOTES:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of business under Item Nos. 6 & 7 of the Notice to be transacted at the Annual General Meeting is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. Members are requested to intimate any change in their address, bank details, etc. to

MCS LIMITED
116/118, Akshay Complex, Off. Dhole Patil Road
Near Ganesh Mandir, Pune- 411 001.
Tel./Fax - 9520 6129597
E-mail : mcspune@hotmail.com

4. If the dividend on Equity Shares as recommended by the Board of Directors is declared at the meeting, the dividend warrants will be posted on and from the 8th day of December, 2003 to those shareholders whose names appeared in the Company's List of Shareholders on November 24, 2003.

5. The Share Transfer Books and the Register of Members of the Company will remain closed from Monday, the 17 th day of November, 2003 to Monday, the 24th day of November, 2003 (both days inclusive)

6. Documents referred to in any of the items of the Notice are available for inspection at the Rehgistered Office of the Company on any working day upto the 24th day of November, 2003 during business hours of the Company.

7. Those Members who have not encashed/received their Dividend Warrants for the previous years may approach the Secretarial Department at the Registered Office of the Company for obtaining payment of such outdated warrants.

8. Dividends which remain unclaimed/unencashed for a period of 7 years will be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim by the shareholders shall lie for the unclaimed dividend transferred to IEPF.

9. As required by Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the resolution set out at item No. 7 will not be proposed at the Annual General Meeting but will be passed by a Postal Ballot.

By Order of the Board of Directors
for KALYANI FORGE LTD.,

Place : Pune
Date : 9h October, 2003.

D. S. GADE
Company Secretary

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ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956

Item No. 6

Mr. G. N. Kalyani was appointed as an Additional Director of the Company on 26 th day of April, 2003 by the Board of Directors of the Company. According to the provisions of section 260 of the Companies Act, 1956, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required by section 257 of the Act, a notice has been received from some Member signifying his intention to propose his appointment as a Director. Mr. Kalyani has more than 20 years experience in industries. The Board recommends the members to approve his appointment.

Dr. N. A. Kalyani - Executive Chairman and Mrs. R. G. Kalyani - Executive Director of the Company being relatives of Mr. G. N. Kalyani, are deemed to be concerned with or interested in the resolution. No other director is concerned with or interested in the resolution.

Item No. 7

It is proposed that Company should have the power to carry on the business of dealing in and invest in Shares, Stock, Debentures and such other Securities. To enable this activity it is necessary to amend the Object Clause of the Memorandum of Association of the Company.

Pursuant to the provisions of Section 149 (2-A) of the Companies Act, 1956, the approval of the Members in General Meeting is required before commencement of any new activity set out in the Object Clause of the Memorandum of Association of a Company. Approval of the Members is therefore sought for amendment to the Object Clause and for the commencement and carrying on of new business and activities as detailed in the Resolution. The said new business and activities would be commenced at such time or times as the Board may deem fit in the interest of the Company.

The Directors recommend the adoption of the Resolution.

No Director is in any way concerned or interested in the Resolution.

By Order of the Board of Directors
for KALYANI FORGE LTD.,

D. S. GADE
Company Secretary

Date : 9h October, 2003.

Registered Office :
Kalyani Forge Limited
Shangrila Gardens,
'C' Wing, I" Floor,
Bund Garden Road,
Pune - 411 001

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KALYANI FORGE LIMITED

BOARD OF DIRECTORS

NEELKANTH A. KALYANI
(Executive Chairman)

MRS. R. G. KALYANI
(Executive Director)

G. N. KALYANI

D.C. AGASHE

ANIL REGE

UMESH R. LAHOTI

BANKERS :

Bank of Maharashtra
Dena Bank
The Shamrao Vithal Co-operative Bank Limited

SOLICITORS & ADVOCATES :

Kanga & Company
Mumbai.

AUDITORS :

Dalal and Shah
Chartered Accountants,
Mumbai.

REGISTERED OFFICE :

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

WORKS :

Koregaon Bhima,
Taluka : Sirur,
District : Pune 412 207.

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HIGHLIGHTS

(Rupees in Lakhs)

	2002–03	2001–02	2000–01	1999–2000	1998-99
TURNOVER	**8 132.73**	5886.29	5555.84	5448.80	4593.82
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX	**1 256.22**	898.77	825.80	898.66	706.86
INTEREST	**117.10**	181.59	196.23	178.93	149.97
DEPRECIATION	**436.88**	412.88	379.67	321.67	279.81
PROFIT BEFORE TAX	**702.24**	304.30	249.90	398.06	277.08
PROVISION FOR TAX	**225.50**	92.82	19.11	62.13	36.19
PROFIT FOR THE YEAR	**476.74**	211.48	230.79	335.93	240.89
DIVIDEND – %	**15**	12	12	20	16
AMOUNT	**54.57**	43.66	43.66	72.76	58.21
GROSS BLOCK	**5 345.33**	5288.02	5067.19	4926.45	4472.04
NET BLOCK	**2 700.65**	2960.77	2725.51	2468.63	2098.26
NET WORTH	**2 594.81**	2161.80	2451.18	2259.50	2045.21
BOOK VALUE PER SHARE (Rs.)	**71.30**	59.42	67.38	62.11	56.22
EARNINGS PER SHARE (Rs.)	**13.09**	5.92	6.08	9.18	6.62

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DIRECTORS' REPORT
For the year ended 31st March, 2003

To,
Members,

The Directors present their 24th Annual Report on the business and operations of the Company together with audited statement of accounts for the year ended 31st March, 2003.

1. FINANCIAL RESULTS :

	2002–2003	(Rs.in lakhs) 2001–2002
Total Income	**8 133**	5 886
Gross Profit before depreciation	**1 139**	717
Profit after depreciation	**702**	304
Profit for the year	**477**	211
Add/(Less): Adjustments in respect of earlier years	**—**	4
Add : Balance of Profit from previous year	**882**	717
Profit available for appropriation	**1 359**	932
Less : Transfer to General Reserve	**25**	6
Less : Proposed Dividend on Equity Capital	**55**	44
Less : Tax on above Dividend	**7**	—
Surplus retained in Profit & Loss A/c	**1 272**	882

2. DIVIDEND :

Your Directors recommend payment of dividend for the year ended on 31.03.2003 at the rate of Rs. 1.50 per equity share of Rs.10/– each.

3. OPERATIONS :

Your Directors are pleased to report that the Company has achieved a turnover of **Rs. 8 133** lakhs as against last year's turnover of **Rs. 5 886** lakhs which shows an increase of **38%** over the previous year. Exports of the Company during the year have increased to **Rs. 366** lakhs from **Rs. 310** lakhs last year. The net profit after tax for the year has also gone up to **Rs. 477** lakhs, as against **Rs. 211** lakhs last year.

4. DIRECTORS :

ICICI withdrew the nomination of Mr. Balaji Swaminathan from Directorship of the Company with effect from 16-4-2003. Mr. G.N. Kalyani was appointed as Additional Director of the Company with effect from 26-4-2003. Mr. R. G. Shende resigned from Directorship of the Company w.e.f. 08.10.2003. Mr. Anil Rege and Mr. D. C. Agashe Directors are retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

5. AUDITOR'S REPORT :

With reference to note no. 18 to the Accounts referred by the auditors in their report to the Members, the Directors wish to state that the said note is self explanatory and do not call for any further explanation u/s 217(3) of the Companies Act, 1956.

6. AUDITORS :

The Auditors of the Company M/s. Dalal & Shah, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting. You are requested to reappoint Auditors for the current year to hold office from the conclusion of this Annual General Meeting until the conclusion of the following Annual General Meeting.

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