



KALYANI

# **KALYANI FORGE LIMITED**

**37<sup>th</sup> ANNUAL REPORT  
2015-16**

KALYANI FORGE



## 37th Annual General Meeting - Chairperson's Speech

Dear Shareholder,

I have great pleasure in extending you all, a warm welcome to the 37th Annual General Meeting of your company.

The Annual Report, for the year ended 31<sup>st</sup> March 2016 has been in your hands for some time. With your permission, I shall take them as read.

This year the Revenues were Rs. 233 Crores as against Rs. 242 crores in last year but we have made a profit after tax this year. The reduction in the price of Raw Materials was one of the main reasons of reduction in Sales value along with deferment of some customer schedules.

In the year in progress the regulatory measures declared by govt. in regard to old diesel vehicles will result in revival of the auto and auto ancillary industry. This year there have been a number of new customers and new products and wherever we have firm orders, we are investing in machine lines which would be resulting in value addition, to the top line as well as bottom line would improve. Also we got business which would ensure of utilization of Forging capacity.

In the last year we have not been able to control some of the expenses, particularly the manpower and freight. Recently we have made structural changes in the organization to curtail manpower cost within Industry limits and have introduced some control measures to reduce spending on inward and outward freight charges. In current year we confident of getting fruits of the make in India campaign of our government and expect to get more and more business in the periods to come.

As usual, we have been very careful about the compliances and also have been prompt in settling financial commitments. Your company has consistently retained CRISIL rating A for last many years.

The Board has recommended a dividend of Rs.2 per share which is a 20% dividend.

I introduce you to the new members on the Board of your Company who are highly experienced in their respective fields. Mr. Abhijit Sen, who has worked as Head of Finance for CEAT Tyres and Citibank and currently an Advisor to a renowned International firm of Chartered Accountants. Mr. Vishwas Chitrao, has worked as CEO for Tata Motors in India and has headed their operations in UK and USA and is having long working experience with the TATA Group. Their joining the Board would be a great asset for your company.

I am very happy to inform you that a number of Shareholders visited our plant and showed interest in understanding the operations and gave valuable suggestions. I invite you to take similar participation in future. As usual, our employees and all stakeholders, customers, suppliers, bankers, financial institutions and consultants and our Internal Auditors, Cost Auditors and Statutory Auditors have extended a lot of support in working of the company.

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

With best wishes,

Rohini G. Kalyani  
(Chairperson & Managing Director)





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## KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

### BOARD OF DIRECTORS

Mrs. Rohini G. Kalyani	(Chairperson & Managing Director)	(DIN: 00519565)
Mr. Gaurishankar. N. Kalyani	(Director)	(DIN: 00519610)
Mr. C. H. Naniwadekar (resigned w.e.f. 12 <sup>th</sup> August 2015)	(Independent Director)	(DIN: 00031023)
Mr. Pradip P. Nadkarni	(Independent Director)	(DIN: 01670826)
Mr. A. R. Jamenis (resigned w.e.f. 13 <sup>th</sup> August 2015)	(Independent Director)	(DIN: 00082620)
Mr. S. Ravindran (resigned w.e.f. 14 <sup>th</sup> March 2016)	(Independent Director)	(DIN: 00229000)
Mr. Viraj G. Kalyani	(Executive Director)	(DIN: 02268846)
Mr. Abhijit Sen (appointed w.e.f. 2 <sup>nd</sup> February, 2016)	(Independent Director)	(DIN: 00002593)
Mr. D.S. Gupta (appointed w.e.f. 6 <sup>th</sup> November, 2015 & resigned w.e.f. 10 <sup>th</sup> March 2016)	(Independent Director)	(DIN: 00111666)
Mr. Vishwas Chit Rao (appointed w.e.f. 16 <sup>th</sup> April, 2016)	(Independent Director)	(DIN: 07493694)

### AUDIT COMMITTEE

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

### REMUNERATION & NOMINATION COMMITTEE

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE

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

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

### CHIEF FINANCIAL OFFICER

Mr. Avinash Khare

### COMPANY SECRETARY

Mr. Ravi Dugar



## KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

### **BANKERS :**

State Bank of India  
Bank of Maharashtra  
IDBI Bank Limited  
Indian Overseas Bank Limited

### **AUDITORS :**

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

### **REGISTERED OFFICE :**

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

### **WORKS :**

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

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

<b>PARTICULARS</b>	<b>2015 - 16</b>	<b>2014 - 15</b>	<b>2013 - 14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
TURNOVER	<b>2,338</b>	2,429	2,078	2,624	2,793	2,396	1,813	1,858	2,174	2,101
PROFIT BEFORE INTEREST	<b>184</b>	164	259	334	400	275	214	163	267	259
DEPRECIATION AND TAX										
INTEREST	<b>46</b>	62	53	69	83	62	50	52	35	19
DEPRECIATION	<b>117</b>	131	135	128	119	112	105	91	83	72
PROFIT BEFORE TAX	<b>20</b>	-30	72	137	198	101	59	20	148	168
PROVISION FOR TAX	<b>9</b>	-7	24	49	64	34	20	12	54	58
PROFIT FOR THE YEAR	<b>11</b>	-23	48	88	134	68	39	8	94	110
DIVIDEND %	<b>0</b>	0	25	25	25	20	18	12	22	22
DIVIDEND AMOUNT	<b>0</b>	0	9	9	9	7	7	4	8	8
GROSS BLOCK	<b>2,137</b>	2,012	2,012	1,920	1,787	1,680	1,563	1,370	1,224	1,117
NET BLOCK	<b>632</b>	608	784	825	814	823	814	724	668	635
NET WORTH	<b>985</b>	974	1028	991	913	790	734	708	716	644
BOOK VALUE PER SHARE (RS.)	<b>271</b>	268	282	272	251	217	202	195	197	177
EARNINGS PER SHARE (RS)	<b>3</b>	-6	13	24	37	18	9	3	26	30
SHAREHOLDERS (NO'S)	<b>3,137</b>	3,040	3,154	3,244	3,248	3,428	3,352	3,522	3,412	3,056
NO OF EMPLOYEES (NO'S)	<b>1,250</b>	1,165	973	1,050	1,289	1,352	1,172	1,015	1,414	1,572



**KALYANI FORGE LIMITED**

(CIN: L28910MH1979PLC020959)

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

1<sup>st</sup> floor, Opposite Bund Garden, Pune 411 001

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

**NOTICE**

NOTICE is hereby given that the Thirty-Seventh Annual General Meeting of the Members of KALYANI FORGE LIMITED will be held at Poona Club Ltd., 6, Bund Garden Road, Pune-411 001 on Tuesday, the 2<sup>nd</sup> day of August, 2016 at 11.00 a.m., to transact the following business:

**ORDINARY BUSINESS:**

01. To receive, consider and adopt the Balance Sheet as at 31st March, 2016 and Profit & Loss Account as on that date together with reports of Directors and Auditors thereon;
02. To declare a dividend on equity shares.
03. To appoint a Director in place of Mr. Viraj G. Kalyani (DIN : 02268846) who retires by rotation and being eligible, offers himself for re-appointment.
04. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. K.S. Aiyar, Chartered Accountants, Mumbai (Firm Reg No. 100186W), to hold office as Statutory Auditors of the Company from the conclusion of this Annual General Meeting upto the conclusion of the 42nd Annual General Meeting of the Company to be held in the calendar year 2021 (subject to ratification of the appointment by the Members at every Annual General Meeting to be held during their tenure) and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration, plus Service Tax, out of pocket and travelling expenses as may be recommended by the Audit Committee for each year during the said period.

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

**SPECIAL BUSINESS:**

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

"RESOLVED THAT pursuant to sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modifications or re-enactment thereof and pursuant to Regulation 17 of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 entered into with the Stock Exchanges, Mr. Abhijit Sen (DIN : 00002593), Director of the Company whose term of office was not liable to be determined by retirement of director by rotation and in respect of whom the Company has received Notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature of Mr. Abhijit Sen for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years commencing from November 6, 2015, not liable to retire by rotation.

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

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

RESOLVED THAT pursuant to sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014

including any statutory modifications or re-enactment thereof and pursuant to Regulation 17 of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 entered into with the Stock Exchanges, Mr. Vishwas Chitarao (DIN : 07493694), Director of the Company whose term of office was not liable to be determined by retirement of director by rotation and in respect of whom the Company has received Notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature of Mr. Vishwas Chitarao for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years commencing from April 16 2016 , not liable to retire by rotation.

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

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

RESOLVED THAT pursuant to Section 197 and other applicable provisions of the Companies Act, 2013, if any, and subject to such permission consent and approvals, as may be required, approval of members be and is hereby accorded, to the payment & distribution, for Five (5) financial years commencing from April 1, 2016 of a commission not exceeding one percent (1%) of net profits of the company calculated in accordance with the provision of Sections 197, 198 of the Companies Act, 2013 amongst the non-executive directors of the company or any one or more of them in such proportion and in such manner and in all respects as decided by board of directors of company from time to time and such payment shall be made in respect of profits of the company for each financial year, provided that for the purpose of calculating the commission payable for any part of the financial year of the company, such profits shall be deemed to have accrued or arisen at an even rate throughout the year and shall be pro-rated to each director having regard to the period during which he has served as director during the relevant financial year.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, Mr. Rahul A Chincholkar, Cost Accountant, appointed as Cost Auditor by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year commencing from 01.04.2016, be paid a remuneration of Rs. 1,00,000 (Rupees One Lac Only) (excluding service tax, as applicable) in addition to reimbursement of out of pocket expenses and conveyance as recommended by the audit committee and approved by the Board of Directors of the Company.

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

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

Place : Pune  
Date : 27<sup>th</sup> May , 2016

**Ravi Dugar**  
Company Secretary

**Registered Office :**

Shangrila Gardens, 'C' Wing, 1<sup>st</sup> Floor,  
Opp Bund Garden, Pune - 411001