



KALYANI

**38th ANNUAL REPORT
2016-17**

KALYANI FORGE



38th Annual General Meeting - Chairperson's Speech

Dear Shareholders,

I have a great pleasure in welcoming you all at this 38th Annual General Meeting of shareholders of your company.

The year just finished was better for the Company with consistent improvement in the bottom line. Last time I had mentioned about the new orders. We have finished the CAPEX for all those orders. In some cases the production and supply have commenced, while in some other cases it will commence in a couple of months. These new orders would add Rs.70 crores in the current year 2017-2018.

The Company has fully prepared itself for the GST era. As expected, we will derive full benefits of the simplicity in Indirect Taxation.

The Company sales have been almost at same levels but the profits have improved over last year. We have been able to achieve reduction in material costs and finance costs. The manpower costs, the manufacturing costs and the freight costs have remained at high levels, still we could book PBT of over Rs.6 crores. In view of this and to compensate for the absence of dividend in the year 2015 when we had booked loss, your board has recommended a higher dividend of Rs. 3 per share i.e. @30% dividend on the face value of Rs. 10/- per share

In the year ahead we expect a more stable economy and a growing auto market. However we are trying our best to diversify to non-auto market and hope we will get some opportunity of that in the current year.

Last year many shareholders visited the plant. We invite you to contact our company secretary for any intended visit.

Shareholders' suggestions have always inspired us to improve and I invite your continued contribution in giving valuable suggestions.

I thank all the employees, shareholders, customers, suppliers, bankers and expert consultants, our statutory, cost, internal and secretarial auditors for their invaluable support throughout the year.

I thank you all for your time in attending this Annual General Meeting.

With best wishes,

Rohini G. Kalyani
(Chairperson & Managing Director)
DIN : 00915565

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KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BOARD OF DIRECTORS

Mrs. Rohini G. Kalyani	(Chairperson & Managing Director)	(DIN: 00519565)
Mr. Viraj G. Kalyani	(Executive Director)	(DIN: 02268846)
Mr. Gaurishankar. N. Kalyani	(Director)	(DIN: 00519610)
Mr. Abhijit Sen	(Independent Director)	(DIN: 00002593)
Mr. Pradip P. Nadkarni	(Independent Director)	(DIN: 01670826)
Mr. Vishwas Chit Rao (appointed w.e.f. 16 th 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	(Chairperson)
Mr. Pradip Nadkarni	Non- Executive Independent Director	
Mr. Viraj G Kalyani	Executive Director	

CHIEF FINANCIAL OFFICER

Mr. Avinash Khare

COMPANY SECRETARY

Mr. Chandranil Belvalkar



KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BANKERS :

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

AUDITORS :

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

REGISTERED OFFICE :

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

WORKS :

1. Hot Forging Division (HFD)

2. Metal Forms Division (MFD)

Koregaon Bhima, Tal. : Shirur,
District : Pune 412 216.

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

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

PARTICULARS	2016-17	2015 - 16	2014 - 15	2013 - 14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
TURNOVER	2,313	2,338	2,429	2,078	2,624	2,793	2,396	1,813	1,858	2,174
PROFIT BEFORE INTEREST DEPRECIATION AND TAX (PBIDT)	205	186	164	259	334	400	275	214	163	267
INTEREST	34	49	62	53	69	83	62	50	52	35
DEPRECIATION	104	117	131	135	128	119	112	105	91	83
PROFIT BEFORE TAX	67	20	-30	72	137	198	101	59	20	148
PROVISION FOR TAX	22	9	-7	24	49	64	34	20	12	54
PROFIT FOR THE YEAR	45	11	-23	48	88	134	68	39	8	94
DIVIDEND %	30	20	0	25	25	25	20	18	12	22
DIVIDEND AMOUNT	11	7	0	9	9	9	7	7	4	8
GROSS BLOCK	2,208	2,147	2,012	2,012	1,920	1,787	1,680	1,563	1,370	1,224
NET BLOCK	601	609	608	784	825	814	823	814	724	668
NET WORTH	1,022	985	974	1,028	991	913	790	734	708	716
BOOK VALUE PER SHARE (RS.)	281	271	268	282	272	251	217	202	195	197
EARNINGS PER SHARE (RS)	13	3	-6	13	24	37	18	9	3	26
SHAREHOLDERS (NO'S)	3,298	3,137	3,040	3,154	3244	3,248	3,428	3,352	3,522	3,412
NO OF EMPLOYEES (NO'S)	1,161	1,250	1,165	973	1,050	1,289	1,352	1,172	1,015	1,414

**KALYANI FORGE LIMITED**

(CIN: L28910MH1979PLC020959)

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

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

NOTICE

NOTICE is hereby given that the Thirty-Eighth 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 25th day of July, 2017 at 11.00 a.m., to transact the following businesses:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Balance Sheet as at 31st March, 2017 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 Mrs. Rohini G. Kalyani (DIN : 00519565) who retires by rotation and being eligible, offers herself 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 in accordance with the provisions of section 139 and 141 and any other applicable provisions if any, of the Companies Act, 2013 and rules framed thereunder or any amendment thereto and pursuant to recommendation of Audit Committee, the appointment of M/s. K.S. Aiyar, Chartered Accountants, Mumbai (Firm Registration No. 100186W) as Statutory Auditors of the Company in the 37th Annual General Meeting of the Company be and is hereby ratified and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration, out of pocket and travelling expenses as may be incurred during the course of Audit.

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

SPECIAL BUSINESS:

05. 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 to conduct an audit of the Cost Records of the Company for the financial year commencing from 01.04.2017, be paid remuneration of Rs. 1,25,000 (Rupees One Lac Twenty Five Thousand 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 the above resolution"

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

Place : Pune
Date : 23/05/2017

Chandranil Belvalkar
Company Secretary

Registered Office :

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

**NOTES :**

- 01) The Register of Members and the Share Transfer Books of the Company will remain closed from 19th July 2017 to 25th July 2017(both days inclusive) for the purpose of Annual General Meeting and payment of Dividend, to be declared.
- 02) Explanatory Statement, pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the business under Item No. 05 above, is annexed hereto.
- 03) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON SHALL NOT ACT AS PROXY FOR MORE THAN FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A PERSON HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
- 04) Proxies, in order to be effective, must be deposited with the Company at its Registered Office not less than 48 hours before the time fixed for holding the Annual General Meeting.

A proxy shall not have a right to speak at the Annual General meeting. However, in case a member has not voted through the remote e-voting facility, the proxy may be entitled to vote through Ballot at the 38th Annual General Meeting of the Company.

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



Annual Report for the financial year ended 31st March 2017 would be sent by electronic mode on the e-mail addresses as obtained from the depository/ Registrar and share Transfer Agent, unless the members have requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

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

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

Members may also note that the notice of the AGM and the Annual Report for the financial Year ended 31st March 2017 will also be hosted on the Company's website www.kalyaniforge.co.in

- 13) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
- 14) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Sunday between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 38th Annual General Meeting of the Company.
- 15) Information required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 with respect to the Director retiring by rotation and being eligible seeking re-appointment is as under:

● Item No. 3 – Re appointment of Mrs Rohini Gaurishankar Kalyani

Name of the Director	Mrs. Rohini Gaurishankar Kalyani
Director Identification Number	00519565
Date of Joining the Board	16 th October 2013
Profile of the Director	Mrs. Rohini G Kalyani was born on 17.07.1964. She is Bachelor of Science from Shivaji University, Maharashtra. She also holds Diploma in Financial Management from Symbiosis University and an Executive Diploma in Strategic Business from Wharton School, University of Pennsylvania. Mrs. Rohini Kalyani has vast experience of managing forging business which also includes administrative, financial and legal aspects of forging industry. She has a grand vision for the future of company to make Kalyani Forge limited a truly world class auto and non-auto components manufacturing unit with aggressive growth targets. Under the guidance and with the hard core efforts of Mrs. Rohini Kalyani, the Kalyani Forge Limited was the first company in India to successfully developed fracture-split connecting rods in-house and soon the company became well known for its prowess in connecting rods. The company is known for the Connecting Rod Forging capability. Besides being the Managing Director of the Company, she is also a Director of host of Private Limited Companies in the group.