KALYANI

KALYANI FORGE LIMITED

39th ANNUAL REPORT

2017-18

39th Annual General Meeting - Chairperson's Speech

Dear Shareholders,

I have great pleasure in extending you all, a warm welcome to the 39th Annual General Meeting of your company.

The Annual Report, for the year ended 31 March 2018 has been in your hands for some time. With your permission, I shall take them as read.

Your Company has reported about 17% YoY growth in the total revenue and about 37% in the PBT this year. Considering the existing business opportunities in the industry, growth over 50% is estimated in the year to come.

Company's outlook has been revised from stable to Positive by Crisil. As the GST has now been stabilized resulting into efficient, simpler and transparent indirect taxation procedures.

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

With these positive notes your board has recommended a dividend of Rs. 3.50 per share.

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

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

With best wishes,

Rohini G. Kalyani
(Chairperson & Managing Director)

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KALYANI FORGE

KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Mr. Abhijit Sen	Non- Executive Independent Director	(Chairman)
Mr. Pradip 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. Nilesh Vitekar

KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BANKERS :

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

AUDITORS :

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

REGISTERED OFFICE :

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

WORKS :

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

KALYANI

Kalyani Forge Limited

Summary of Financial Data

(Rupees in Million)

PARTICULARS	2017-18	2016-17	2015-16	2014 - 15	2013 - 14	2012-13	2011-12	2010-11	2009-10	2008-09
TURNOVER	2,723	2,567	2,338	2,429	2,078	2,624	2,793	2,396	1,813	1,858
PBIDT	279	192	186	164	259	334	400	275	214	163
INTEREST	58	36	49	62	53	69	83	62	50	52
DEPRECIATION	129	104	117	131	135	128	119	112	105	91
PBT	92	52	20	-30	72	137	198	101	59	20
PROVISION FOR TAX	26	17	9	-7	24	49	64	34	20	12
PAT	66	35	11	-23	48	88	134	68	39	8
DIVIDEND %	35	30	20	0	25	25	25	20	18	12
DIVIDEND AMOUNT	13	11	7	0	9	9	9	7	7	4
GROSS BLOCK	2,569	2,208	2,147	2,012	2,012	1,920	1,787	1,680	1,563	1,370
NET BLOCK	842	601	609	608	784	825	814	823	814	724
NET WORTH	1,068	1,020	985	974	1,028	991	913	790	734	708
BOOK VALUE PER SHARE (RS.)	294	281	271	268	282	272	251	217	202	195
EARNINGS PER SHARE (RS)	18.04	9.57	3	-6	13	24	37	18	9	3
SHAREHOLDERS (NO'S)	4,470	3,298	3,137	3,040	3,154	3244	3,248	3,428	3,352	3,522
NO OF EMPLOYEES (NO'S)	1,282	1,161	1,250	1,165	973	1,050	1,289	1,352	1,172	1,015

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-Ninth Annual General Meeting of the Members of KALYANI FORGE LIMITED will be held at Poona Club Ltd., 6, Bund Garden Road, Pune-411 001 on Friday, the 27th day of July, 2018 at 10.30 a.m., to transact the following businesses:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Financial Statements as on dated 31st March, 2018 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. Gaurishankar N. Kalyani (DIN : 00519610) who retires by rotation and being eligible, offers himself for re-appointment.

04. 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.

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

    "RESOLVED THAT in accordance with the provisions of section 139 and 141 and any other applicable provisions if any, of the Companies Act, 2013 and rules framed thereunder or any amendment thereto and pursuant to recommendation of Audit Committee, the appointment of M/s. K.S. Aiyar, Chartered Accountants, Mumbai (Firm Registration No. 100186W) as Statutory Auditors of the Company in the 39th 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:

06. 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 01.04.2018, be paid remuneration of Rs. 1,25,000 (Rupees One Lac Twenty Five Thousand Only) (exclusive of taxes, as applicable) in addition to reimbursement of out of pocket expenses and conveyance as recommended by the audit committee and approved by the Board of Directors of the Company.

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

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

Nilesh Vitekar
Company Secretary

Place : Pune
Date : 12 May, 2018

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 21st July, 2018 to 27th July, 2018(both days inclusive) for the purpose of Annual General Meeting and payment of Dividend, to be declared.

02) Explanatory Statement, pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the business under Item No. 06 above, is annexed hereto.

03) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON SHALL NOT ACT AS PROXY FOR MORE THAN FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A PERSON HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

04) Proxies, in order to be effective, must be deposited with the Company at its Registered Office not less than 48 hours before the time fixed for holding the Annual General Meeting.

A proxy shall not have a right to speak at the Annual General meeting. However, in case a member has not voted through the remote e-voting facility, the proxy may be entitled to vote through Ballot at the 39th 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 a 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 2018 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