



KALYANI FORGE LIMITED

41st Annual Report 2019-20

41st Annual General Meeting

Message from the Executive Chairperson

Dear Shareholders,

I have great pleasure in extending you all, a warm welcome to the 41st Annual General Meeting of your company. I hope you are safe and secure during this global health crisis

We are pleased to present to you our Annual Report for FY 2019-20. Every Country and Organization is fighting on two fronts, protecting the lives and safeguarding the livelihoods. This year has been challenging due to economic slowdown and in later part with health hazard due to COVID 19. Even in this difficult situation we have strived hard to overcome and deliver our best. I would like to assure the shareholders that your company has taken every step to ensure the safety of employees and the community in this grim situation. We have applied all the recommended safety and precautionary measures at all units of your company.

The Annual Report, for the year ended 31 March, 2020 has been in your hands for some time. With your permission, I shall take them as read.

Performance:

The year gone by was very difficult as the India's Auto Industry which consists of automobiles and auto components witnessed one of its challenging year with declining sales figures vis-a vis the previous year owing to weak domestic demand and falling exports. Your company had taken various steps to face the situation, including controlling the operational costs and reduction in Fixed costs to bring down company's break-even point.

We have recorded total revenue of INR 203.69 Crores, EBITDA INR 11.13 Crores and recorded a loss of 6.92 Crores. This dip in numbers is the direct result of low production among our key OEM clients which is again due to an extremely weak demand scenario in automobile industry and a cautious approach taken by manufacturers due to introduction of BS VI and electric vehicles. Your company was able to achieve Cash Profitability of INR 5.76 Crores inspite of Profit After Tax (PAT) being negative. There are no defaults in loan repayments even in this recessionary situation. Term Loan Borrowings in this financial has decreased by INR 4.87 Crores. By productivity improvement the company was able to bring its Manpower cost down to INR 30.76 Crores as compared to INR 36.40 Crores in earlier year. Due to these measures the break-even point of the company during the year has come down to INR 226.30 Crores as compared to INR 266.56 Crores in earlier year. Proper Sales recovery plan was undertaken during the year resulting in reduction in trades receivables vis-a vis

previous year. Inventory was reduced to INR 40 Crores from INR 48 Crores in earlier year with continued efforts to reduce it further. Some Key Financial Ratios like Debt ratio (0.45), Debt Equity ratio (0.25), Current Ratio (1.46) and Operation Cash Flow ratio (0.32) are indicating the financial stability of your company in this financial year.

Dividend:

The Company has always made efforts to increase value to its shareholders and reward them for their continuous support and loyalty, with these positive notes your board has recommended a dividend of Rs. 01.00 (10%) on a face value of Rs. 10 each out of its accumulated reserves. In the previous year a dividend of Rs. 4 per share was declared.

Outlook:

We expect an improved performance in FY 2020-21 but the pandemics continues to impact the business in the first half of the year and to a limited extent it is likely to affect the 2nd half also. It is expected that the automobile industry demand may remain subtle during second half of the FY 2020-21, and hence considering this year as a year of consolidation, your Company has targeted to achieve sales performance as per previous year level but with profitability improvement. Further, the Company is looking forward to positive change in productivity improvement.

Your company is striving hard to achieve growth in revenue and profitability. Prime Focus will be on new customers and exploring new market areas and at same time to reduce production cost and achieving maximum productivity. We have progressed well in our diversification efforts mainly in the Defence sector and hope to be operational in that soon.

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, Secretarial 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. Take care.

With best wishes,

Rohini G. Kalyani
Executive Chairperson



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KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BOARD OF DIRECTORS

Mrs. Rohini G. Kalyani	(Executive Chairperson)	(DIN: 00519565)
Mr. Viraj G. Kalyani	(Executive Director and Chief Executive Officer)	(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 P. Nadkarni	Non- Executive Independent Director	
Mr. Gaurishankar N. Kalyani	Non- Executive Director	

NOMINATION & REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Avinash Khare



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,
Pune - 412 216.

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

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

PARTICULARS	2019-20	2018-19	2017-18	2016-17	2015 -16	2014 -15	2013 -14	2012-13	2011-12	2010-11
TURNOVER/Revenue	2,037	2,928	2,723	2,567	2,338	2,429	2,078	2,624	2,793	2,396
PBIDT	98	302	279	192	186	164	259	334	400	275
INTEREST	40	56	58	36	49	62	53	69	83	62
DEPRECIATION	139	150	129	104	117	131	135	128	119	112
PBT	-81	96	92	52	20	-30	72	137	198	101
PROVISION FOR TAX	-12	27	26	17	9	-7	24	49	64	34
PAT	-69	70	66	35	11	-23	48	88	134	68
DIVIDEND%	10	40	35	30	20	0	25	25	25	20
DIVIDENDAMOUNT	4	15	13	11	7	-	9	9	9	7
GROSS BLOCK	2,667	2,660	2,569	2,208	2,147	2,012	2,012	1,920	1,787	1,680
NET BLOCK	653	784	842	601	609	608	784	825	814	823
NET WORTH	1,021	1,116	1,068	1,020	985	974	1,028	991	913	790
BOOK VALUE PER SHARE (RS.)	281	307	294	281	271	268	282	272	251	217
EARNING PER SHARE (RS)	-19.04	19.14	18.04	9.57	3.00	-6.00	13.00	24.00	37.00	18.00
SHAREHOLDERS (NO'S)	4201	4155	4470	3298	3137	3040	3154	3244	3248	3428
NO OF EMPLOYEES (NO'S)	848	1294	1282	1161	1250	1165	973	1050	1289	1352

**KALYANI FORGE LIMITED**

(CIN: L28910MH1979PLC020959)

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

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

NOTICE

NOTICE is hereby given that the Forty First Annual General Meeting of the Members of KALYANI FORGE LIMITED will be held through Video Conferencing "VC" or other Audio Visual Mode "OVAM" ("hereinafter referred to as "electronic mode"), on Friday, 25th September, 2020, IST 2.00 P.M. in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 5th May, 2020, 8th April, 2020 and 13th April, 2020 respectively, to transact the following businesses:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2020 together with reports of the Board of Directors and Auditors thereon;
02. To declare a dividend on equity shares for the Financial Year ended 31st March, 2020
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.

Special Business:

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 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 1st April, 2020, be paid remuneration of Rs. 1,25,000 (Rupees One Lakh 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 this resolution"

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 the provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the approval of members is hereby accorded for appointment of Mrs. Rohini G Kalyani, as the Executive Chairperson of the Company for a period of five years with effect from January 29, 2020 and the remuneration of the Executive Chairperson to be approved in reference to the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the draft Agreement.

06. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, Mr. Pradip Prabhakar Nadkarni (DIN : 01670826), who

has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is eligible for re-appointment for the next term of five consecutive years under the Companies Act, 2013 and the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Pradip Prabhakar Nadkarni candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not subject to retirement by rotation, for a second term of 5 (Five) consecutive years till 2024 subject to approval of shareholders of the Company.

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

Place : Pune
Date : 17th August, 2020

Rohan M. Deshpande
Company Secretary

Registered Office :

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

**NOTES :**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip and Road Map for the venue of the Annual General Meeting are not annexed to this Notice.
4. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s) who are authorised to vote, to the Scrutinizer at e-mail ID: nitinprabhunecs@gmail.com with the copies marked to the Company at companysecretary@kforge.com and to its RTA at umesh.sharma@linkintime.co.in.
5. The Company has fixed 18th September, 2020 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2020, if approved at the AGM.
6. Further in order to receive dividend in a timely manner, Members who have not updated their mandate for receiving dividends directly in their bank accounts through Electronic Clearing Service or any other means can register their Electronic Bank Mandate to receive dividends by following the below process:-
 - Members holding shares in Physical mode may visit and update the details with Link Intime India Private Limited (RTA) at https://linkintime.co.in/EmailReg/Email_Register.html or through their web site www.linkintime.co.in > Investor Services > E mail / Bank Registration > select ' _ (Name of your company)' and follow the registration process as guided therein by 21st September, 2020 (upto 5.00 p.m. IST) along with scan copy in PDF or JPEG format (up to 1 MB) of following details/ documents:-

A signed request letter mentioning your name (as recorded on the share certificate), folio number, complete address, scanned copy of the share certificate (front and back), along with:-

1. Name and Branch of Bank and Bank Account Type
2. Bank account Number allotted by your Bank after implementing Core Banking Solutions
3. 11 digit IFSC Code
4. 9 digit MICR Code Number
5. Self-attested scan copy of cancelled cheque bearing the name of the Member or First Holder
6. Self-attested scan copy of PAN, AADHAR Card

On submission of the shareholder's details, an OTP will be received by the shareholder, which needs to be entered in the link for verification.

For queries related to updation of email ID and bank account details members may contact at pune@linkintime.co.in

- Members holding shares in Demat form, please update your Electronic Bank Mandate through Depository Participants.
- a. In case the Company is unable to pay dividend to any Member directly in their bank account through Electronic Clearing Services or any other means due to non-registration of Electronic Bank Mandate,

the Company shall dispatch the dividend warrants to such member at the earliest once the normalcy is restored.

- b. Pursuant to Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) and depository participants (in case shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during FY 20-21 does not exceed ' 5000/-.

7. A resident individual shareholder with PAN who is not liable to pay income tax can submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax at Company's RTA at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by 21st September, 2020 (upto 5.00 p.m. IST). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending to Company's RTA at <https://linkintime.co.in/formsreg/submission-ofform-15g-15h.html>. The said declarations need to be submitted by 21st September, 2020 (upto 5.00 p.m. IST).

On the said link, the user shall be prompted to select / share the following information to register their request:-

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document)

Notice

Incomplete and/or unsigned forms and declarations will not be considered by the Company. All communications/ queries in this respect should be addressed to the RTA, by email to tmntaxexemption@linkintime.co.in and Exemption Forms if forwarded to this email id will not be considered for the purpose of processing. Shareholders who have uploaded exemption forms (valid in all respect) on the portal are also required to forward the original form to the Company.

8. 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.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.kalyaniforge.co.in, websites