



# **KALYANI FORGE LIMITED**

## **42<sup>nd</sup> Annual Report 2020-21**

# 42<sup>nd</sup> Annual General Meeting

## Message from the Executive Chairperson

Dear Shareholders,

I have great pleasure in extending you all, a warm welcome to the 42<sup>nd</sup> Annual General Meeting of your company.

We are pleased to present to you Kalyani Forge Limited Annual Report for FY 2020-21.

The year 2020-21 has been a challenging year for each one of us. The COVID-19 had a significant impact on each one of us. There were Operational Challenges faced during the year due to restricted movement and disrupted supply lines during the first quarter of the Financial Year apart from shortage of workforce. As the second wave of the pandemic unfolds with prediction of third wave erupts. Even in the difficult situation we have strived hard to overcome and deliver our best. I would like to assure the stakeholders that your Company has taken every step to ensure safety of the employees and community in the grim situation. In this formidable battle our passionate healthcare community and other frontline warriors are engaged in and I express my deepest respect for their remarkable efforts.

The Annual Report, for the year ended 31 March, 2021 has been in your hands for some time. With your permission, I shall take them as read.

### Performance:

The year 2020-21 was very challenging period for your company too. And I am happy to state that we stood upto the challenge with grit and determination. The relentless commitment and dedication of every member of the Kalyani Forge helped business overcome many challenges during the past year. As a result we present to you the result of financial year 2020-21 with robust set of numbers and ratios:

We have recorded total revenue of INR 182.26 Crores, EBITDA INR 13.55 Crores and PAT INR (1.76) Crores. Our decline in numbers is due to the COVID -19 impact which affected the First and Second Quarter of the production and sales. Rise in Steel prices impacted the production cost and gradually impact on the margins. Your company was able to achieve Cash profit of INR 13.52 Crores though Profit After Tax (PAT) was negative. There were no defaults in loan repayments even in these adverse situation. The company was able to bring its Manpower cost down to INR 26.38 Crores as compared to INR 30.76 Crores in earlier year. Due to these cautious approaches the break-even point of the company during the year has come down to INR 188.60 Crores as compared to INR 227.42 Crores in earlier year. Proper recovery plan was undertaken during the year resulting in reduction in trade receivables vis-a- vis previous year.

### Dividend:

The Company has always made efforts to increase value to its shareholders and reward them whenever possible and with this positive note your board has recommended a dividend of Rs. 01.50 (15%) on a face value of Rs. 10 each. This is even better as compared to the dividend of Re. 01.00 per equity share (10%) in the previous financial year.

### Outlook:

With the second wave hitting India and threatening the rural hinterland along with talks about a possible third wave, the year ahead will be uncertain and challenging. However, crisis or no crisis, I am confident in Kalyani Forge Limited. I am confident of our people and their ability to deliver innovative and best in-class products and solutions to our customers. While we will continue to streamline our cost structure, we will ensure investment in R&D and building increased capability internally. We are ready to face challenges!

It is expected that the automobile industry demand may remain subtle post COVID -19 impact during FY 21-22, and hence, considering this year as a year of consolidation, your Company will continue its momentum to reduce debt and control upon interest cost. Further, the Company is looking forward to positive change in productivity improvement and an increased topline.

Of Course, there is ample scope for improvements particularly in the area of costs, productivity improvement, and reduction of rejections. For the past periods, we have successfully approached customers for cost reimbursement, cost escalations for the future supplies.

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 take this opportunity to thank each one of you for continuing to believe in our vision and work. Equally I like to acknowledge the contribution of all our employees, network and business partners and customers for reposing faith in Kalyani Forge in these difficult times.

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

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 (Ceased: w.e.f. April 15, 2021)	(Independent Director)	(DIN: 07493694)
Mr. Adit M. Rath (Appointed w.e.f. April 14, 2021)	(Independent Director)	(DIN: 00084380)

### 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. Amol Khutwad

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Rohan Deshpande

## KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

### **BANKERS :**

State Bank of India  
HDFC Bank

### **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)
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 Limited

#### Summary of Financial Data

(₹ in Million)

PARTICULARS	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
TURNOVER/Revenue	1,823	2,037	2,928	2,723	2,567	2,338	2,429	2,078	2,624	2,793
PBIDT	134	98	302	279	192	186	164	259	334	400
INTEREST	26	40	56	58	36	49	62	53	69	83
DEPRECIATION	128	139	150	129	104	117	131	135	128	119
PBT	-21	-81	96	92	52	20	-30	72	137	198
PROVISION FOR TAX	-3	-12	27	26	17	9	-7	24	49	64
PAT	-18	-69	70	66	35	11	-23	48	88	134
DIVIDEND %	15	10	40	35	30	20	0	25	25	25
DIVIDEND AMOUNT	5	4	15	13	11	7	-	9	9	9
GROSS BLOCK	2,642	2,667	2,660	2,569	2,208	2,147	2,012	2,012	1,920	1,787
NET BLOCK	530	653	784	842	601	609	608	784	825	814
NET WORTH	1,002	1,021	1,116	1,068	1,020	985	974	1,028	991	913
BOOK VALUE PER SHARE	275	281	307	294	281	271	268	282	272	251
(₹)										
EARNING PER SHARE (₹)	(4.84)	(19.04)	19.14	18.04	9.57	3.00	(6.00)	13.00	24.00	37.00
SHAREHOLDERS (NO'S)	4217	4201	4155	4470	3298	3137	3040	3154	3244	3248
NO OF EMPLOYEES (NO'S)	576	848	1294	1282	1161	1250	1165	973	1050	1289



**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 Second Annual General Meeting of the Members of KALYANI FORGE LIMITED will be held through Video Conferencing "VC" or other Audio Visual Mode "OAVM" ("hereinafter referred to as "electronic mode"), on Saturday, 14th August, 2021, IST 02.00 P.M. 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, 2021 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, 2021;
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 Re-appoint as Statutory Auditors of the Company for Second Term of 5 years from the conclusion of this Annual General Meeting till the conclusion of the 47th Annual General Meeting of the Company to be held in the calendar year 2026 and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration, with applicable taxes if any, 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 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, R C K & Co. Cost Accountant Firm (Firm Reg. No 002587), 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, 2021, be paid remuneration of Rs. 1,25,000 (Rupees One Lakh Twenty Five Thousand Only) and with applicable taxes, if any, 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"

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 the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof or the time being in force) and Regulations 16(1)(b) and 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”) as amended, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Abhijit Sen (DIN: 0002593), who has submitted a written consent to act as a Director and intimation that he is not disqualified to act as a Director, and who has submitted a declaration that he meets the criteria for independence as prescribed in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company has received a notice in writing as per Section 160 of the Act and Rules made thereunder from a member proposing her candidature for the office of a Director, be and is hereby reappointed as an Independent Director of the Company for a second term of 5 (five) years commencing from February 2, 2021 upto February 1, 2026, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and other applicable provisions of the Companies Act, 2013, and Rules made there under, and Regulation 17 of SEBI Listing Regulations, 2015, Mr. Abhijit Sen be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits prescribed, or as may be prescribed from time to time.”

07. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. Adit Rathi (DIN: 00084380), who was appointed as an Additional Director by the Board of Directors with effect from April 14, 2021 and is eligible for appointment as Independent Director and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from April 14, 2021 till April 13, 2026.

RESOLVED FURTHER THAT the Board of Directors or any other person authorized by the Board be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution”

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

Place : Pune  
Date : June 10, 2021

**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, April 13, 2020 and January 13, 2021 and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued dated January 15, 2021 in relation to "Relaxation from Compliance with certain provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 due to the Covid-19 pandemic (hereinafter collectively referred to as "the Circulars") permitted 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 MCA Circular and SEBI circular the AGM of the members of the Company is being through VC/OAVM. The registered office of the Company shall be deemed to be the venue of the AGM.
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](mailto:nitinprabhunecs@gmail.com) with the copies marked to the Company at [companysecretary@kforge.com](mailto:companysecretary@kforge.com) and to its RTA at [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in).
5. The Company has fixed 7th August, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2021, 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](https://linkintime.co.in/EmailReg/Email_Register.html) or through their web site [www.linkintime.co.in](http://www.linkintime.co.in) > Investor Services > E mail / Bank Registration > select ' \_ (Name of your company)' and follow the registration process as guided therein by 10th August, 2021 (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](mailto: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 21-22 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 10th August, 2021 (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 10th August, 2021 (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](mailto: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.