



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 tmltaxexemption@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



of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

10. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. Members holding equity shares in multiple folios in the identical order of names are requested to consolidate their holding into one folio.
12. 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
13. Equity Shareholders who have not dematerialized are advised to dematerialize their shareholding, to avoid inconvenience in future and to reap benefits of de-materialization.
14. Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:

Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

- i) Open the internet browser and launch the URL for InstaMeet <https://instameet.linkintime.co.in> and register with your following details:

DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company

PAN: Enter your 10 digit Permanent Account Number (PAN)

Mobile No.

Email ID

- ii) Click "Go to Meeting"

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175).

15. Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at companysecretary@kforge.com. The same will be replied by the company suitably

16. 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.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available at Registered Office of the Company.
18. 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 Executive Chairperson of the Company, she is also a Director of host of Private Limited Companies in the group
Board Membership of other Public Limited companies as on March 31, 2020	Nil
Chairman/Member of the Committees of Director of the Company as on March 31, 2020	Corporate Social Responsibility Committee
Chairman/Member of the Committees of Director of other Companies in which he is a Director as on March 31, 2020	Nil
Shareholding in KFL as on March 31, 2020	32,236 Equity Shares

*Note : Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies and their Committee memberships are excluded from this declaration. Membership and Chairmanship of Committees of only public Companies have been included in the aforesaid table.



Except Mrs. Rohini G Kalyani, Executive Chairperson herself, Mr. Gaurishankar N. Kalyani, Non-Executive Director and Mr. Viraj G. Kalyani Executive Director together with her relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in her re-appointment as a Director of the Company

19. Pursuant to provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 executed by Company with BSE Limited & The National Stock Exchange of India Limited the Company is pleased to provide e-voting facility to all its shareholders to cast their votes electronically on the resolutions mentioned in the notice of 41st Annual General Meeting of the Company dated Friday, 25th September, 2020 (the AGM Notice). The Company has appointed CS. Nitin Prabhune, Practising Company Secretary, Pune as Scrutinizer for conducting e-voting process in fair and transparent manner. The e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them at the end of business hours on 18th September, 2020. The instructions for e-voting are given below:

- (i) The voting period begins on Tuesday, 22nd September, 2020 (9.00 am IST) and ends on Thursday, 24th September, 2020 (5.00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Friday, 18th September, 2020 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

Instructions for shareholders to vote electronically:

❖ Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number

	which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> ● Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.



10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

20. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- i. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
- ii. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on ‘Submit’.
- iii. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- iv. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired.
- v. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’.
- vi. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
- vii. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

- viii. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 18th September, 2020 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- ix. The Scrutinizer shall after the conclusion of voting at general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two(2) witnesses not in the employment of the Company and shall make no later than two (2) days from the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any to the Chairman or the person authorised by him in writing, who shall counter sign the same and declare the result of voting forthwith.
- x. The Results shall be declared on or after the 41st Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kalyaniforge.co.in within two (2) days of passing of the Resolutions at the 41st Annual General Meeting of the Company and communicated to the BSE Limited and NSE Limited.
- xi. **Instructions for Members to Register themselves as Speakers during Annual General Meeting Through Instameet:**
 1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number / folio number, email id, mobile number at companysecretary@kforge.com upto 21st September, 2020.
 2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
 3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
 4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
 5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Important Note:

As Kalyani Forge Limited, being a listed company and having more than 1000 shareholders, is compulsorily required to provide e-voting facility to members in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 41st AGM in view of the further provisions of Section 107 read with Section 114 of the Companies Act, 2013.

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

Place : Pune
Date : 17th August, 2020

Rohan M. Deshpande
Company Secretary



Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF COMPANIES ACT, 2013

Item No.: 04

The Board at its meeting held on 30th July, 2020, on the recommendations of the Audit Committee, has appointed Mr. Rahul A Chincholkar, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March 2021 on a remuneration of Rs.1,25,000 (Rupees One Lakh Twenty Five Thousand only) (excluding service tax, as applicable) plus reimbursement of out of pocket expenses and conveyance.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the cost auditor is required to be ratified by the shareholders of the Company.

The shareholder's approval is solicited for the resolution at Item no 4 of the accompanying Notice as an ordinary resolution.

None of the Directors of the Company, the key managerial personnel of the Company or their relatives are concerned or interested in the aforesaid ordinary resolution.

Item No. 05

The Board of Directors of the Company ('the Board') at the meeting held on 12th February, 2020, on the recommendation of the Nomination & Remuneration Committee ('the Committee'). The term of Mrs. Rohini G. Kalyani, Chairperson & Managing Director of the Company has expired on 28th January, 2020 and is due for extension by 5 years.

As per the recommendation of the Nomination and Remuneration Committee on the extension of the term and it was decided to appoint Mrs. Rohini G. Kalyani as Executive Chairperson of the Company for a period of 5 years subject to the approval of the shareholders of the Company at AGM of 2020

The Board of Directors of the Company ('the Board') at the meeting held on 12th February, 2020, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), recommended for the approval of the Members re-appointment of Mrs. Rohini G. Kalyani as Executive Chairperson of the Company in terms with the provisions Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Mrs. Rohini G. Kalyani and contribution to Board processes by them, her continued association would benefit the Company.

The shareholder's approval is solicited for the resolution at Item no 5 of the accompanying Notice as an ordinary resolution.

Except Mrs Rohini Gaurishankar Kalyani, Mr. Gaurishankar N. Kalyani and Mr Viraj Gaurishankar Kalyani none of the other Directors of the Company, the key managerial personnel of the Company or their relatives are concerned or interested in the aforesaid ordinary resolution.

Item No. 06

According to the provisions of the Companies Act, 2013, the appointment of Independent Director(s) of the company shall be approved at the meeting of shareholders. Section 149 (4) of the Companies Act, 2013 states that every listed public company shall have at least one-third of the total number of directors as Independent Directors. Further, Section 149 (10) of the Companies Act, 2013, inter alia, provides that subject to the provisions of Section 152, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company.

Name of the Director*	Mr. Pradip Prabhakar Nadkarni
Director Identification Number	01670826
Date of Joining the Board	28 July, 2007
Profile of the Director	Mr. Pradip P. Nadkarni was born on 14.09,1948. he is B. Tech Engineer from IIT Bombay, MS (Mechanical Engineering) Ahmedabad, SUNY, US, DBM & MMS from Pune University. Mr. Pradip P. Nadkarni has expertise in International Business, Strategic Planning and Global Supply Chain Management.
Board Membership of other Public Limited companies as on March 31,2020	Nil
Chairman/Member of the Committees of Director of the Company as on March 31, 2020	Chairman : Nomination Remuneration Committee Member : Audit Committee, Stakeholders Committee and Corporate Social Responsibility.
Chairman/Member of the Committees of Director of other Companies in which he is a Director as on March 31, 2020	Nil
Shareholding in KFL as on March 31, 2020	306 Equity Shares

The shareholder's approval is solicited for the resolution at Item no 6 of the accompanying Notice as an ordinary resolution.

Except Mr. Pradip Prabhakar Nadkarni none of the other Directors of the Company, the key managerial personnel of the Company or their relatives are concerned or interested in the aforesaid ordinary resolution.

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

Place : Pune
Date : 17th August, 2020

Rohan M. Deshpande
Company Secretary



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The global economy came across several uncertainties during the year 2019. Rising tensions in world trade, delay in the Brexit deal, disruptions in the oil market and an impending recession in some of the major economies created a negative sentiment across the world. In calendar year (CY) 2019, the US economy grew by 2.3% and was one of the fastest growing nations among the developed countries. The major reasons being increased manufacturing activity, employment generation and consumer spending. This growth in the US has also helped in reducing the impact of slowed growth in the European Union (EU) countries, thereby aiding in a stable growth in world output. However, with the outbreak of COVID-19, things have become more challenging. As governments across the world focus on containment of the disease, the measures adopted have led to shortage of labour supply and movement of goods. As a result of this economic fallout, the global economy is forecasted to sharply contract by -3% during CY 2020 which would be worse than the 2008-09 financial crisis. However, the global economy is projected to grow by 5.8% in CY 2021 when economic activity normalises.

Economic Scenario and industrial Structure:

Global economic slowdown and challenges on the domestic front resulted in slow growth rate of Indian economy to 4.2% in FY20 down from 6.1% in FY19. The slowdown in FY20 resulted from a disruptive global trade environment, sluggish domestic demand, stress in the financial sector and from the COVID-19 outbreak in the last quarter. The government took corrective measure to keep economy on track and provided monetary support for easing the stressed economy. These measures were expected to lift the economy in FY21, the recent breakout of COVID-19 pandemic may delay the recovery. As a result, India's growth in FY21 is estimated to drop drastically as we expect not only exports but also domestic demand to be impacted, largely due to Covid-19 situation.

India has emerged as the fastest growing major economy in the world and is expected to be considered among the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. However, during FY 2019-20, India's economy grew by just 4.2%, as compared to 6.8% in FY 2018-19. The major factors behind this low growth rate being decline in domestic demand, slowdown in growth of rural income and inefficiency in the operations of Non-Banking Financial Corporations (NBFCs). This further led to fall in export demand, lower capacity utilisation of industries and thereby reduction in fresh investments.

To bring back the wheels of the economy in place, steps such as reduction in corporate tax rates, offering credit guarantee for financially sound NBFCs, slashing down of repo rate were taken up. These initiatives had gradually started delivering results in the second half of FY 2019-20, when the outbreak of COVID-19 put up fresh challenges. Various steps were undertaken to stop its outbreak, such as nationwide restrictions and a complete lockdown, which impacted economic activity on a significant scale. The severe disruptive impact on demand caused by the pandemic has created large cash flow gaps for corporates. Understanding the requirement of the situation, the Government of India has announced a relief package worth Rs 20 lakh crores, which is roughly 10% of the GDP of India. This economic package has the objective of increasing growth and help the country accelerate towards achieving the aim of building a self-reliant India.

Opportunities & Threats:

The company is trying to explore new business opportunities in era of electric and the Euro VI standards vehicles. The company has already taken R&D Registration from DSIR's for recognition as an "in house research unit" and has become eligible for benefits of sec 35 (2AB) of Income Tax Act 1961, in the form of weighted deduction in Tax computation.

The company has scope to diversify into sectors other than auto sector, particularly the defense sector where the government intends to source defence requirements indigenously. The year to come would certainly unfold concrete policy steps in this direction.

Covid 19 impact will affect Automobile sector which will result is lower order board for forging and machining industry.

Outlook:

The automobile segment is significantly impacted by economic sentiments and consumer purchasing power. As a result, we expect that the demand for vehicles (two/four-wheelers) as well as commercial vehicles would remain low. Liquidity and cash crunch have already put a dent in sales to fleet operators and with the breakout of COVID-19, the demand for commercial vehicles is expected to further decline in the coming months. Auto original equipment manufacturers (OEMs) would have to delay any new launches by at least a few quarters or till the sentiments get better. However, Indian auto components industry can emerge in medium to long term as an alternative source of supply if the industry receives support by policy framework in the months, going forward. The fact that the world is globalising rapidly would also open newer avenues for the transportation industry, especially shifts towards electric, electronic and hybrid cars and providing new opportunities. With many units shifting their base to India, the Euro VI norms, the make in India drive of the government and stable Central government have created a very positive outlook for the coming year. The defense sector would open another dimension for the forging industry.

Risks and Concerns:

General slowdown in automobile sector will result non utilization of capacity of Installed machinery resulting in increasing the fixed cost of the company. Estimated Lower sales will result in machine line becoming idle and idle raw material. The growing cost of key raw materials may impact revenues and net profitability of the organization. The company is focusing on exploring new business opportunities by quoting competitive prices to survive in current scenario. Action plans of increasing productivity and other measures are taken to keep the production cost in control.

Financial and Operational Performance:

This financial year was challenging for the company due to slowdown in automobile Sector. There are inflationary components in the increase. Suppliers need quick payment while customers dictate payments terms. The manpower costs, the power and fuel costs, the freight costs have all increased significantly without being compensated by customers. Due to decrease in sales, percentages of fixed expenses has gone up. We have started approaching customers for cost escalations, which would be recognized once the formal approvals are obtained. We have implemented strict control on raw material purchase and implemented productivity measures, both manpower and machine productivity, Also a number of cost control and cost management measures were initiated during the periods of slowdown this year to improve the financial performance.

Manpower Development in HR and Industrial relations:

Over the years Company has maintained consistency in its efforts in training and developing its human resource with a view to face the competition. Industrial relations were in order throughout the year and there was satisfactory co-operation between the management and the workers in working towards the overall objectives of the Company.

Cautionary Statements:

Statements in the management discussions and analysis section describing company's projections, estimations, expectations and predictions may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Actual results could defer materially from the expressed or implied ones. Important factors that would make the difference in the company's operations include demand supply conditions raw material and other cost escalations, changes in government regulations and tax regimes, competition, economic developments within and outside the country etc.



DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company are pleased to present the 41st Annual Report together with the Audited Statement of Accounts of **Kalyani Forge Limited** ("the Company") for the year ended March 31, 2020.

Financial Performance:

The summarized standalone results of your Company are given below.

₹ in Lakhs

Particulars	Financial Year ended 31st March, 2020 Standalone	
	31-03-2020	31-03-2019
Total income from operations (net)	20,094.85	28,635.26
Profit/(loss) before Exceptional Items and Tax	(812.92)	963.46
Exceptional Items and Tax Expenses	(120.40)	267.08
Net Profit/ (Loss) After Tax	(692.52)	696.39
Balance of Profit from Previous Year	9,138.70	8,660.06
Total Comprehensive income for the year	(76.62)	(56.85)
IND AS adjustments – reversal of proposed dividend and tax thereon	(175.15)	(160.9)
Balance at the end of reporting period	8,194.39	9,138.70

Summary of Operations:

During the year, the net revenue from operations of your Company for FY 2019-2020 decreased by 30.44% to Rs. 20,094.85 Lakhs against Rs. 28,635.26 Lakhs for the FY 2018-2019, your Company's Profit after tax stood at Rs. (692.52) Lakhs as against profit of Rs 696.39 Lakhs last Year.

Change in the nature of business, if any:

There is no change in the nature of the business of the Company during the year.

COVID 19 :

Material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report are given below. GLOBAL PANDEMIC – COVID-19. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 3, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as investments, loans, intangible assets, Goodwill, Trade receivable etc. the Company has considered internal and external information. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions and the Company expects to recover the carrying amount of the assets

Reserves:

The Company has not transferred any amount to General Reserves for the year under review.

Dividend:

Your Directors are pleased to recommend for approval of members a dividend of Re.01.00/- per equity share (10%) at the face value of Rs.10/- per share for the Year ended 31st March, 2020.

Capital/ Finance:

During the year, the Company has not issued/allotted equity or preference shares. As on 31st March, 2020, the issued, subscribed and paid up share capital of your Company is at Rs.3,63,80,000/-, comprising 36,38,000 equity shares of Rs.10/- each.

Fixed Deposits:

Your Company has not accepted any deposits from public, Therefore, details relating to deposits covered under Chapter V of the Companies Act, 2013 are not applicable to the Company.

Material Events Occurring after Balance Sheet Date

There were no material changes and commitments affecting the financial position of your Company between the end of the Financial Year and the date of this report.

Extract of Annual Return:

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as **Annexure 1**.

Transfer of Amounts to Investor Education and Protection Fund:

Your Company has transferred funds lying unpaid or unclaimed for a period of seven years to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company is in process of filing the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. July 26, 2019), with the Ministry of Corporate Affairs.

Details of Board meetings:

During the year, four meetings of Board of Directors were held, details of which are given below:

Date of the Meeting	No. of Directors attended the Meeting
18 th May, 2019	5
26 th July, 2019	5
12 th November, 2019	5
12 th February, 2020	6

Committees of Board:

The composition of the Committees of the Board of Directors has been detailed in the Corporate Governance annexure to this report.

Declaration by Independent directors:

Mr. Pradip P. Nadkarni, Mr. Abhijit Sen & Mr. Vishwas Chitrao are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in section 149 of the Companies Act, 2013 and the Rules made thereunder about their status as Independent Directors of the Company.

Directors and Key Managerial Personnel:

Mrs. Rohini G. Kalyani, Executive Chairperson retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

Tenure of 5 Years of Mr. Pradip P. Nadkarni, Independent Director expired and he has offered himself for reappointment, further, it was recommended by the Board of Directors of the Company in their meeting held on 26th July, 2019 to re-appoint him for the further period of 05 years subject to the approval of Shareholders of the Company in the ensuing Annual General Meeting.

The term of Mrs. Rohini G. Kalyani, as Chairperson and Managing Director of the Company were expired on 28th January, 2020. Further w.e.f. 29th January, 2020 she has been appointed as Executive Chairperson of the Company for 5 (five) years i.e. till 28th January, 2025.

Mr. Viraj G. Kalyani, Executive Directors of the Company has given additional charge as Executive Director and Chief Executive Officer of the Company w.e.f. 29th January, 2020.

Formal Annual Evaluation:

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. Also, the Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. In addition, Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

In pursuance of above, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Director.

The Company commenced with the review of the best practices prevalent in the industry and evaluation of Board members. On the basis of review and the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

At a Separate meeting of Independent Directors held on 12th February 2020, performance evaluation of Chairperson, Non- Independent Directors, and the Board of Directors was carried out by Independent Directors which has also reviewed the adequacy of the flow of information between the Company Management and Board.

The detailed programme for familiarisation of Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of business, AOP, business model of the Company, etc. was undertaken by the Company.

Company's policy on appointment and remuneration:

The policies relating to selection of Directors and determining Directors independence and Remuneration Policy for Directors, Key Managerial Personnel and other employees is attached herewith and marked as **Annexure 2**.

Highlights on Company's policy on Sexual Harassment:

As per "SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013", the highlights of the policy adopted by the company is attached herewith marked as **Annexure 3**.

Holding and Subsidiaries:

During the period under review the Company does not have any holding or Subsidiary company.

Statutory Auditors, their Report and Notes to Financial Statements:

The Company in its Annual General Meeting held on August 2, 2016 appointed M/s. K.S. Aiyar & Co. Chartered Accountants as Statutory Auditors of the Company for a period of five years with effect from the conclusion of 37th Annual General Meeting of the Company held on August 2, 2016.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 the appointment of Statutory Auditors shall be placed for ratification at every Annual General Meeting.

Accordingly a letter is received from M/s K.S. Aiyar & Co. Chartered Accountants confirming that appointment if made shall be as per eligibility required under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Your Directors seek ratification from the members for the appointment of M/s K.S. Aiyar & Co. Chartered Accountants as the Statutory Auditors of your Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company.

Internal financial controls:

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

Cost Audit:

As per the Cost Audit Orders, Cost Audit is applicable to the Company's forging business for the FY 2020-21.

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. R. A Chincholkar & Co, Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2020-21. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting.

Secretarial Audit:

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, Mr. Nitin Prabhune (Membership No. FCS 6707) Company Secretary in practice has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as **Annexure 4** to this report. The Directors have noted the observations given in Secretarial Audit Report and necessary actions have been taken by the Board.

Secretarial Standards

The company has complied with the revised Secretarial Standards on meetings of the Board of directors (SS-1) and Secretarial Standards on general meetings (SS-2).

Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the regulators and courts which would impact the going concern status of the company

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial statements. (Refer Note 2 of the Financial Statements)

Material Changes and Commitments

There have been no material changes and commitments, affecting the financial position of the company, which have occurred between the end of the financial year and the date of this report.

Human Resources:

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company’s thrust is on the promotion of talent internally through job rotation and job enlargement.

Related Party Transactions:

All contracts/ arrangement/ transactions entered by the Company during the Financial Year with related party were in the ordinary course of business and on arm’s length basis. Such transaction forms part of the notes to the financial statements provided in the Annual Report.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions which is available on the Company’s Website: www.kalyaniforge.co.in.

The summary of related party transaction in Form AOC-2 is enclosed as **Annexure 5**.

Risk Management Policy:

In terms of the requirement of the Companies Act, 2013 the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically. The detailed Risk Management Policy is available on Company’s website. Highlights of the same are enclosed in **Annexure 6**.

Management Discussion and Analysis:

Management Discussion and Analysis comprising an overview of the financial results, operations / performance and the future prospects of the Company form part of this Annual Report.

Corporate Social Responsibility (CSR):

The Company has adopted the CSR policy pursuant to Sec 135 of the Companies Act, 2013. The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure 7**.

Highlights of Corporate Social Responsibility Policy:

The Company proposes to undertake CSR projects and programmes in respect of the activities stated below with a preference to implement these projects and programme in the areas in which it operates:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;

- Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Protection of national heritage, art and culture including restoration of buildings and sites historical importance and works of art; setting-up public libraries, promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, Paralympics Sports and Olympic Sports.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development Projects.

Particulars of Employees:

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure 8**.

Details of establishment of vigil mechanism for directors and employees:

The details of establishment of vigil mechanism for directors and employees to report genuine concerns are to be disclosed.

Highlights of Whistle Blower Policy are enclosed in **Annexure 9**.

Corporate Governance Certificate

The Compliance certificate from the Auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed with the report.

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

The Company, in its continuous endeavour to conserve energy, has adopted various innovative measures to reduce waste and to achieve optimum utilization of energy resulting into good earning of Power Factor incentive from MSEB and in turn resulting into reduction of power cost.

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	The Company, in its continuous endeavor to conserve energy, has adopted various innovative measures to reduce waste and to achieve optimum utilization of energy resulting into good earning of Power Factor incentive from MSEB and in turn resulting into reduction of power cost.
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipment	-

**(b) Technology absorption**

(i)	the efforts made towards technology absorption	-
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> ● Productivity improvement in both forged and machined components together with competitive quality. ● Process technology improvements to achieve competitive advantage in the business. ● Successful commercial scale up of forged and machined parts. ● Capability building for attracting new customers.
(iii)	<p>in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</p> <p>(a) the details of technology imported</p> <p>(b) the year of import;</p> <p>(c) whether the technology been fully absorbed</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof</p>	-
(iv)	the expenditure incurred on Research and Development	-

Total energy consumption and energy consumption per unit of production as per Form – A of the Annexure to the Rules is as given below:

Sr. No.	Description	2019-20	2018-19
1)	POWER AND FUEL CONSUMPTION		
I)	Electricity		
	a) Purchased Units (KWH)	17,235,952	24,875,660
	Total Amount (In. Rs)	178,239,621	233,757,340
	Rate/Unit (Rs)	10.34	9.40
	b) Own Generation		
	i) Through Diesel Generator	14,094	35,101
	ii) Through Steam Generator (KWH)	-	-
II)	Coal		
III)	Fuel Oil (FO + CBFS)		
	Quantity (Ltrs.)	942,420	964,420
	Total Amount (In Rs.)	28,044,203	39,005,722
	Average Rate /Litre (Rs.)- FO+CBFS	30	40

Sr. No.	Description	2019-20	2018-19
2)	CONSUMPTION PER UNIT OF PRODUCTION		
	Product : high quality closed tolerance die forgings		
	Unit : M.T.	10,047	14,246
	Electricity (KWH/M.T.)	1,717	1,749
	Fuel Oil (KL/M.T.)	0.09	0.07
	Coal	-	-

(c) Research & Development (R&D):

I) Specific Areas of Research & Development-

Development of new products both in the area of forging as well as Machined components for Domestic & Export sales:

- 1) During the year 2019-20, Company made significant achievements in the area of product Development. The Company developed variety of products as per the specific requirements of the customers such as Machined Tripods, Machined Outer races, Machined Arm Front Suspension LH and RH, Inner and Outer Chain Links, Fracture Connecting Rod Assembly, Machined Nozzle Rings, Forged stub axles etc.
- 2) Introduced and established Induction Hardening technology for Inner and outer Hubs.
- 3) Die Locks introduced for Warm and hot forging components to reduce die setup time and to improve forging quality.
- 4) Introduced W303 Die material for Male & Female Tripot Dies to improve die life – by VAVE Approach.
- 5) Procurement of equipment's for the research and development activity.

On the above said research and development activities, the company has spent Rs. 2,40,10,950 Lakhs during the year.

II) Future Plan of Action:

- 1) Introduce Spline Rolling technology for Outer Races.
- 2) Introduction of Water base lubrication for Tulips (Warm Forging parts) to maintain cleaner environment.
- 3) Bell Forging with Internal negative tracks (New Technology).
- 4) VMC – 5 Axis for Warm & Cold forging parts Die manufacturing.
- 5) Fully Automation for Connecting Rod Machining and Assembly to improve Quality and Productivity.
- 6) Research & Development in Single Minute Exchange of Dies (SMED) project.
- 7) Focused development of variety of warm and cold forging and machined premium components.
- 8) Planning to commence activities in bigger size forgings.
- 9) W360 Die Material Selection for Increasing the Life of small Con Rod Forging Dies – by VAVE Approach.

- 10) Research & Development on die weld over lays for increasing die life of complex profile parts.
- 11) Optimization of input material to improve maximum forging yield ratio.

The company has budgeted Rs. 2,70,00,000 for the above activities during the next financial year.

(d) Foreign exchange earnings and Outgo:

During the year, the total foreign exchange used was Rs. 4,60,28,417 /- and the total foreign exchange earned was Rs. 23,08,86,947/-.

(e) Technology Absorption, Adaptation and Innovation:

Through In-house Research and Development activities Company has developed Outer race forgings for driveline assemblies with internal tracks by warm and cold forging method. With the help of fracture split technology, the Company is now moving towards adoption of technology for critical automotive connecting rods for the overseas markets.

Directors' Responsibility Statement:

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement:

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support. Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board

Place : Pune
Date : 17th August, 2020

Rohini G. Kalyani
Executive Chairperson
(DIN : 00519565)

Annexure 1

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2020 of
KALYANI FORGE LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of
the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L28910MH1979PLC020959
ii)	Registration Date	:	29/01/1979
iii)	Name of the Company	:	KALYANI FORGE LIMITED
iv)	Category / Sub-Category of the Company	:	Company limited by shares
v)	Address of the Registered Office and contact details	:	Shangrila Gardens C Wings 1 st Floor, Opp Bund Garden, Pune 411001
vi)	Whether listed company	:	Yes
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	:	Link Intime India Pvt. Ltd. 202 Akshay Complex, Off. Dhole Patil Road, Pune - 411001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1.	Single Business Segments	25910	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share capital breakup as percentage of total equity):

(i) Category-wise share holding

Sr. No	Category of Shareholder	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters:									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	144176	0	144176	3.9631	144176	0	144176	3.9631	0
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bodies Corporate	1988120	0	1988120	54.6487	1988120	0	1988120	54.6487	0
(d)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub Total (A)(1)	2132296	0	2132296	58.6118	2132296	0	2132296	58.6118	0
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000



Sr. No	Category of Shareholder	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Bodies Corporate	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Bank/Financial instructions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	2132296	0	2132296	'58.6118	2132296	0	2132296	'58.6118	0
	(B) Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Central Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Venture Capital fund	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(g)	FII's	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Foreign Venture Capital Fund	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Bodies Corporate	24954	570300	595254	'16.3621	28313	570300	598613	'16.4545	0.0924
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	550604	71701	622305	17.1057	531643	66689	598332	16.4467	-0.6590
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	14423	182000	196423	5.3992	36999	182000	218999	6.0198	0.6206
(c)	Any Other (Specify)									
	Trusts	0	100	100	0.0027	0	100	100	'0.0027	0
	Hindu Undivided Family	54763	0	54763	'1.5053	48973	0	48973	'1.3500	-0.1591
	Non Resident Indians (Non Repat)	6181	0	6181	'0.1699	7422	0	7422	'0.2040	0.0341
	Non Resident Indians (Repat)	7553	0	7553	'0.2076	8429	0	8429	'0.2317	0.0241
	Clearing Member	2399	0	2399	'0.0659	2110	0	2110	'0.0580	-0.0079
	IEPF	20726	0	20726	0.5697	22776	0	22776	0.6247	'0.0550
	Sub Total (B)(2)	681603	824101	1505704	'41.3882	686615	819089	1505704	'41.3882	'00.0000
	Total Public Shareholding(B)=(B)(1)+(B)(2)	681603	681603	1505704	41.3382	686615	819089	1505704	'41.3882	'00.0000
	Total (A)+(B)	2813899	2813899	3638000	'100.0000	2813899	819089	3638000	'100.0000	'0.0000
C	Shares held by custodian for GDR/ADR	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	2813899	2813899	3638000	'100.0000	2818911	819089	3638000	'100.0000	'0.0000

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% Change In share holding During the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1.	Kalyani Consultants Pvt. Ltd.	377,280	10.37	NIL	377280	10.37	NIL	NIL
2.	Vakratund Investment Pvt. Ltd.	342,342	9.41	NIL	342342	9.41	NIL	NIL
3.	Pax Investments Pvt. Ltd.	340,074	9.35	NIL	340074	9.35	NIL	NIL
4.	Squirrel Financers And Investors Pvt. Ltd.	186,480	5.13	NIL	186480	5.13	NIL	NIL
5.	Bellona Investment Pvt. Ltd.	173,124	4.76	NIL	173124	4.76	NIL	NIL
6.	Kalyani Exports & Investments Pvt. Ltd.	95,600	2.63	NIL	95600	2.63	NIL	NIL
7.	Attila Investment Pvt. Ltd.	94,500	2.60	NIL	94500	2.60	NIL	NIL
8.	Monte Carlo Investment Private Limited	94,500	2.60	NIL	94500	2.60	NIL	NIL
9.	Vikat Investment Pvt. Ltd.	65,520	1.80	NIL	65520	1.80	NIL	NIL
10.	Dukhaharta Investment Pvt. Ltd.	64,260	1.77	NIL	64260	1.77	NIL	NIL
11.	Sukhakarta Investment Pvt. Ltd.	64,260	1.77	NIL	64260	1.77	NIL	NIL
12.	Gaurishankar Neelkanth Kalyani	47,020	1.29	NIL	47020	1.29	NIL	NIL
13.	Agasti Investment & Trading Private Limited	35,280	0.97	NIL	35280	0.97	NIL	NIL
14.	Rohini Gaurishankar Kalyani	32,236	0.89	NIL	32236	0.89	NIL	NIL
15.	Sheetal Gaurishankar Kalyani	31,635	0.87	NIL	31635	0.87	NIL	NIL
16.	Viraj Gaurishankar Kalyani	33,285	0.91	NIL	33285	0.91	NIL	NIL
17.	Rajgad Trading Company Pvt. Ltd.	28,200	0.78	NIL	28200	0.78	NIL	NIL
18.	Aboli Investment Pvt. Ltd.	26,500	0.73	NIL	26500	0.73	NIL	NIL
19.	Jannhavi Investment Private Limited	200	0.01	NIL	200	0.01	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Name of Shareholder	Share holding		Date	Increase / De crease in shareholding	Reason	Cumulative shareholding during the year (1/04/2019 to 31/03/2020)	
		No. of Shares at the beginning of year (01/04/2019)	% of total shares of the company				No of shares	% of total shares of the Company
		End of the year (31/03/2020)						
1.	Kalyani Consultants Pvt. Ltd.	377,280 377,280	10.37 10.37	01/04/2019 31/03/2020	NIL	No change During the year	377,280	10.37
2	Vakratund Investment Pvt. Ltd.	342,342 342,342	9.41 9.41	01/04/2019 31/03/2020	NIL	No change During the year	342,342	9.41
3.	Pax Investments Pvt. Ltd	340,074 340,074	9.35 9.35	01/04/2019 31/03/2020	NIL	No change During the year	340,074	9.35
4	Squirrel Financers And Investors Pvt. Ltd	186,480 186,480	5.13 5.13	01/04/2019 31/03/2020	NIL	No change During the year	186,480	5.13
5	Bellona Investment Pvt. Ltd	173,124 173,124	4.76 4.76	01/04/2019 31/03/2020	NIL	No change During the year	173,124	4.76



Sr. No.	Name of Shareholder	Share holding		Date	Increase / De crease in shareholding	Reason	Cumulative shareholding during the year (1/04/2019 to 31/03/2020)	
		No. of Shares at the beginning of year (01/04/2019)	% of total shares of the company				No of shares	% of total shares of the Company
		End of the year (31/03/2020)						
6	Kalyani Exports & Investments Pvt. Ltd.	95,600 95,600	2.63 2.63	01/04/2019 31/03/2020	NIL	No change During the year	95,600	2.63
7	Attila Investment Pvt. Ltd.	94,500 94,500	2.60 2.60	01/04/2019 31/03/2020	NIL	No change During the year	94,500	2.60
8	Monte Carlo Investment Private Limited	94,500 94,500	2.60 2.60	01/04/2019 31/03/2020	NIL	No change During the year	94,500	2.60
9	Vikat Investment Pvt. Ltd.	65,520 65,520	1.80 1.80	01/04/2019 31/03/2020	NIL	No change During the year	65,520	1.80
10	Dukhaharta Investment Pvt. Ltd.	64,260 64,260	1.77 1.77	01/04/2019 31/03/2020	NIL	No change During the year	64,260	1.77
11	Sukhakarta Investment Pvt. Ltd.	64,260 64,260	1.77 1.77	01/04/2019 31/03/2020	NIL	No change During the year	64,260	1.77
12	Gaurishankar Neelkanth Kalyani	47,020 47,020	1.29 1.29	01/04/2019 31/03/2020	NIL	No change During the year	47,020	1.29
13	Agasti Investment & Trading Private Limited	35,280 35,280	0.97 0.97	01/04/2019 31/03/2020	NIL	No change During the year	35,280	0.97
14	Rohini Gaurishankar Kalyani	32,236 32,236	0.89 0.89	01/04/2019 31/03/2020	NIL	No change During the year	32,236	0.89
15	Sheetal Gaurishankar Kalyani	31,635 31,635	0.87 0.87	01/04/2019 31/03/2020	NIL	No change During the year	31,635	0.87
16	Viraj Gaurishankar Kalyani	33,285 33,285	0.91 0.91	01/04/2019 31/03/2020	Nil	No change During the year	33285	0.91
17	Rajgad Trading Company Pvt. Ltd.	28,200 28,200	0.78 0.78	01/04/2019 31/03/2020	NIL	No change During the year	28,200	0.78
18	Aboli Investment Pvt. Ltd	26,500 26,500	0.73 0.73	01/04/2019 31/03/2020	NIL	No change During the year	26,500	0.73
19	Jannhavi Investment Private Limited	200 200	0.01 0.01	01/04/2019 31/03/2020	NIL	No change During the year	200	0.01

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 3638000 Shares.

2. The details of holding have been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the FY 2019-20		Transactions during the year	Cumulative Shareholding at the end of the FY 2019-20	
		No. of Shares held	Shares as % of Total No. of Shares		No. of Shares held	Shares as % of Total No. of Shares
1.	BF Investment Pvt. Ltd.	569600	15.65	0	569600	15.65
2.	Satish Ashok Sabnis	23467	0.64	2532	25999	0.71
3.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	20726	0.57	2000	22726	0.62
4.	Aparnaa Sarees Private Limited	1647	0.04	9529	11176	0.31
5.	Saurashtra Solid Indust Pvt Ltd	10000	0.27	-9250	750	0.02
6.	Anita Rawat	9000	0.25	2000	11000	0.30
7.	Santosh Kishore Gupta	8437	0.23	800	9237	0.25

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the FY 2019-20		Transactions during the year	Cumulative Shareholding at the end of the FY 2019-20	
		No. of Shares held	Shares as % of Total No. of Shares		No. of Shares held	Shares as % of Total No. of Shares
8.	Sita Narendra Gupta	7132	0.20	0	7132	0.20
9.	Kalpana Hemant Shroff	225	0.06	5475	5700	0.15
10.	Champalal L Jain	5000	0.14	0	5000	0.14

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of Director/KMP	Shareholding at the beginning of the year (01/04/2019)		Date wise increase/decrease in shareholding during the year	Cumulative shareholding at the end of the year (31/03/2020)	
		No. of shares	% of total shares of Company		No. of shares	% of total shares of Company
1	Mrs. Rohini G. Kalyani, Executive Chairperson	32,236	0.89	No Change	32,236	0.89
2.	Mr. Viraj Kalyani, Executive Director & CEO	33,285	0.91	No Change	33,285	0.91
3.	Mr. Gaurishankar N. Kalyani, Non-Executive Director	47020	1.29	No Change	47020	1.29
4.	Mr. Pradip Nadkarni, Independent Director	306	0.008	No Change	306	0.008
5.	Mr. Abhijit Sen, Independent Director	0	0	No Change	0	0
6.	Mr. Vishwas Chitrao, Independent Director	0	0	No Change	0	0
	Key Managerial Person:					
7.	Mr. Avinash Khare CFO	0	0	No Change	0	0
8.	Mr. Nilesh Vitekar Company Secretary & Compliance Officer*	0	0	No Change	0	0

V. INDEBTEDNESS:**Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	46,04,39,571	83,66,149		46,88,05,720
ii) Interest due but not paid	42,34,884			42,34,884
iii) Interest accrued but not due				
Total (i+ii+iii)	46,46,74,455	83,66,149	-	47,30,40,604
Change in Indebtedness during the financial year				
• Addition	3,99,14,366	5,40,184		4,04,54,550
• Reduction	19,32,34,732	51,06,772		19,83,41,504
Net Change	(15,33,20,366)	(45,66,588)	-	(15,78,86,954)
Indebtedness at the end of the financial year				
i) Principal Amount	31,06,78,166	37,99,561		31,44,77,728
ii) Interest due but not paid	6,75,923			6,75,923
iii) Interest accrued but not due				
Total (i+ii+iii)	31,13,54,089	37,99,561	-	31,51,53,650



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager/Ex. Ch.		Executive Director & CEO	Total Amount
		Rohini G. Kalyani	Viraj G. Kalyani		
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,75,220	20,75,220		41,50,440
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				0
	(c) Profits in lieu of salary under Stock Option				0
	Sweat Equity				0
	Commission- as % of profit- others, specify...	-	-	-	-
	Others, please specify	-	-	-	-
	Total (A)	20,75,220	20,75,220		41,50,440
	As per Schedule V of the Co. Act Total Ceiling:				1,20,00,000

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors*			Total Amount	
		Mr. Pradip Nadkarni	Mr. Vishwas Chitrao	Mr. Abhijit Sen		
1.	Independent Directors					
(a)	Fee for attending board and committee meetings	92,000	40,000	92,000	2,24,000	
(b)	Commission	1,51,971	75,986	1,77,300	4,05,256	
(c)	Others, please specify				0	
	Total (1)	2,43,971	1,15,986	2,69,300	6,29,256	
		Mr. G N Kalyani				
2.	Other Non-Executive Directors					
(a)	Fee for attending board and committee meetings	92,000			92,000	
(b)	Commission	1,01,314			1,01,314	
(c)	Others, please specify	-			-	
	Total (2)	1,93,314			1,93,314	
	Total (B)=(1+2)	1,93,314	2,43,971	1,15,986	2,69,300	8,22,570
	Total Managerial Remuneration (A+B) *				49,73,010	
	Overall Ceiling as per the Schedule V of the Act				1,20,00,000	

* Total remuneration to Managing Director, Whole Time Director and other Directors within the limits of Schedule V of the Companies Act, 2013

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD
All CEO, CS & CFO during FY 2019-20:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	Gross salary	4,03,528	6,72,481	10,76,010
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
(b)	Value of perquisites u/s17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission- as % of profit- others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	4,03,528	6,72,481	10,76,010

*The Salary or Remuneration of the Company Secretary & Compliance Officer is Consider till 14th November 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
B.	DIRECTORS					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
C.	OTHER OFFICERS IN DEFAULT					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Rohini G. Kalyani
Executive Chairperson
(DIN : 00519565)

Place : Pune
Date : 17th August, 2020



Annexure 2

BOARD NOMINATION AND REMUNERATION COMMITTEE CHARTER

(Based on external and internal best practices)

1. Objectives of the Nomination and Remuneration Committee

- 1.1 The Nominations and Remuneration Committee (the “Committee”) of the Board of Directors (the “Board”) of Kalyani Forge Limited (the “Company”) shall discharge the Board’s responsibilities to shareholders, the investment community and other stakeholders with respect to (i) preparations relating to the election of members of the Board of Directors (ii) handling matters within its scope of responsibility that relate to the conditions of employment and remuneration of senior management; (iii) setting the performance standards, budgets and targets for the Executive team of the Company; (iv) setting the compensation and performance bonuses of the Company’s executive officers; (v) overseeing the Company’s Human Resources and People strategy; (vi) Identifying Independent Directors to be inducted to the Board from time to time; (vii) to recommend nomination for Chairmanship & memberships of various committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, etc functioning under the Board of Directors of Kalyani Forge Limited; and (viii) performing such other duties and responsibilities as may be consistent with the provisions of this charter.
- 1.2 The Committee will report periodically to the Board on its activities.

2. Composition

- 2.1 The Committee shall comprise of three or more non-executive directors out of which not less than one half shall be independent directors as members. The Chairman of the Committee shall be an independent director and the Chairperson of the Company may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- 2.1 The Chairman of the Committee shall be an independent director, elected from amongst the members of the Committee.

3 Meetings and quorum

- 3.1 The Committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings.
- 3.2 The Committee may invite such of the executives, as it considers appropriate to be present at the meetings of the committee.
- 3.3 The Head of Company Secretary for the Company shall act as the secretary to the Committee.
- 3.4 The quorum for the Committee Meetings shall be two-thirds of the members of the Committee. However, at least one independent member must be present.
- 3.5 The Chairperson of the committee could be present at the Annual General Meeting to answer the shareholders queries, However it would be up to the Chairman to decide who should answer the queries.

4 Authority and Powers

The Committee shall have the powers:

To investigate any activity within the scope of this Charter or referred to it by the Board; To seek any information or explanation from any employee or director of the Company; To ask for any records or documents of the Company;

To engage independent consultants and other advisors and seek their advice.

5 Roles & Responsibilities

The responsibilities of the Committee shall be the following:

5.1 Relating to the Company:

Identify the person qualified to become directors and may be appointed in senior management and recommend their appointment and removal and also carry out evaluation of every director.

Evaluate & approve the Company's remuneration plan, annual salary increase principles and budgets, policies & programs such as succession plan, employment agreements, severance agreements, and any other benefits.

Evaluate issues pertaining to the appointment and remuneration payable to senior executives.

Evaluate terms & conditions relating to the Annual and Long Term Incentive Plans of the Company, including plan design, supervision and pay outs.

Consider & approve matters relating to Normal retirement plans, Voluntary Retirement & Early Separation Schemes for employees of the Company.

Evaluate the terms and conditions for induction of independent Directors to the Board and review the processes to refresh the composition of the Board and its Committees.

To devise a policy on Board diversity

Such other matter as the Board may from time to time request the Committee to examine & recommend or approve.

The Nomination and Remuneration Committee shall ensure while formulating the policy determining qualifications, positive attributes and independence of a Director that –

5.1.1 The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

5.1.2 Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

5.1.3 Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals; Provided that such policy shall be disclosed in the Board's report.

5.2 Relating to the Performance and Remuneration of the MD, ED's and the KMP's:

Establish key performance metrics to measure the performance of the Managing Director and the KMP's including the use of financial, non-financial and qualitative measures.

Evaluate executive team performance regularly to strengthen the cumulative annual assessment and to provide timely feed-back to the assessed individuals. Developing a view on the human resources capability in the business by periodically engaging with levels below the executive team.

Evaluate executives for elevation to Board level positions.

Review and recommend to the Board the remuneration & commission to the managing and executive directors. Relating to the Performance and Remuneration of the Non-executive Directors:

Define the principles, guidelines and process for determining the payment of commissions to non-executive directors of the Company.

Assist the Board in fulfilling its corporate governance responsibilities relating to non-executive directors' remuneration.

5.3 Relating to the induction of independent Directors and the nomination to the Committees of the Board:

Evaluate the terms and conditions for induction of independent Directors to the Board and review and frame the processes to recommend the nomination on the Committees of the Board. Formulation of criteria for evaluation of performance of independent directors.



5.4 Other functions:

Perform other activities related to this Charter as requested by the Board of Directors.

Carry out additional functions as required by other regulatory requirements applicable to the Company or in the terms of reference of the Committee.

6 Reporting

6.1 The Committee will periodically report to the Board on various matters that it has considered.

6.2 The Annual Report of the Company shall disclose the composition of the Committee, brief description of the scope of the Committee Charter, names of members, Chairperson, Meetings and attendance.

7 Compensation

Members of the Committee shall receive such sitting fees and / or commission, if any, for their services as Committee members as may be determined by the Board in its sole discretion.

8 Evaluation

The Committee shall conduct an annual self-evaluation of its performance and report the result to the Board of Directors. It shall confirm annually to the Board that the responsibilities outlined above have been carried out.

9 Review of Remuneration Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Committee annually. Appropriate Recommendations shall be made to the Board, (based on changes that may be brought about to the regulatory framework or otherwise) from time, to time to update the Charter.

For and on behalf of the Board

Place : Pune
Date : 17th August, 2020

Rohini G. Kalyani
Executive Chairperson
(DIN : 00519565)

Annexure 3**Highlights of Sexual Harassment Policy****DISCLOSURE UNDER THE “SEXUAL HARASSMENT OF WOMAN AT WORKPLACE
(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013”.**

In terms of Section 22 of the above mentioned Act, read with Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Rule, 2013, we report as follows for the year ended on March 31, 2020:

1	No. of Complaints received in the year	:	Nil
2	No. of Complaints disposed off in the year	:	Nil
3	Cases pending for more than 90 days	:	Nil
4	No. of workshops and awareness programmes conducted in the year	:	Nil

For and on behalf of the Board

Place : Pune
Date : 17th August, 2020

Rohini G. Kalyani
Executive Chairperson
(DIN : 00519565)



Annexure 4
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[Pursuant to section 204 of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Kalyani Forge Limited

(CIN: L28910MH1979PLC020959)

Shangrila Gardens,
C- Wings 1st Floor Opp,
Bund Garden,
Pune- 411001, Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KALYANI FORGE LIMITED (CIN: L28910MH1979PLC020959)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Kalyani Forge Limited books, papers, minute books, forms and returns filed and other records maintained by the Company records made available to me either physically or by way of email in view of the prevailing pandemic situation of COVID-19 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter, subject to some observations in filing and submission of disclosures and documents/ information under applicable Rules, Regulations and applicable Laws :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Kalyani Forge Limited for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; **(Not applicable to the company during the period of audit)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Provisions of the Foreign Exchange Management Act, 1999 and Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing **(Not applicable to the company during the period of audit).**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the period of audit since the Company has not made any further issue of Shares during the financial Year under review)**
 - d) The Securities and Exchange Board. of India (Employee stock option scheme and Employee stock purchase scheme) Guidelines, 1999; **(Not applicable to the company during the period of audit as the Company has not introduced any such scheme during the Financial Year under review)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; **(Not applicable to the company during the period of audit as the Company has not issued**

any debts securities during the Financial Year under review)

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the company during the period of audit as the Company has not registered as Issue and Share Transfer Agent during the Financial Year under review)**
- g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; and **(Not applicable to the company during the period of audit as the Company has not delisted/ proposed delist its Equity Shares from any Stock Exchange(s) during the Financial Year under review)**
- h) The Securities And Exchange Board Of India (Buyback of securities) Regulations, 1998;) **(not applicable to the company during the period of audit as the Company has not brought back/ proposed to Buy- back any of its securities during the Financial Year under review)**
- (vi) Other laws applicable to the Company mentioned in 'Annexure B' to this Report.

I have also examined compliance with the applicable clauses and regulations of:

- (i) The Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.
- (iii) SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. Section 203 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 requires a listed company to appoint a Company Secretary. The Office of Company Secretary was vacant for the period 15th November, 2019 to 31st March, 2020.
2. Pursuant to Regulation 6(1) of the (iii) SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 a listed entity is required to appoint a qualified Company Secretary as the Compliance Officer. The Office of Compliance Officer was vacant for the period 15th November, 2019 to 31st March, 2020.
3. There was a shortfall of Rs 7 Lakh in the amount required to be spent by the Company on Corporate Social Responsibility activities as required under section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.
4. Pursuant to section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has not transferred Unpaid amount to Investor Education And Protection fund Rs 1.22 Lakh for the financial year 2011-12

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at the Board meetings, as represented by the management, were taken unanimously/ by majority.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

CS Nitin B Prabhune

FCS. 6707

CP No. 3800

UDIN: F006707B000574241

Place: Pune

Date: 17.08.2020

*This report is to be read with our letter of even date which is annexed as Annexure A, Annexure B and Annexure C which form an integral part of this report.

**Annexure A**

To,

**The Members,
Kalyani Forge Limited**

(CIN: L28910MH1979PLC020959)

**Shangrila Gardens,
C- Wings 1st Floor Opp,
Bund Garden,
Pune- 411001, Maharashtra**

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on the secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and relied on the Statutory Auditor and Tax Auditor of the Company for Financial and taxation matters.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis. We have relied and done our audit based upon the disclosures made and information provided by the management, its representatives and employees of the company more specifically for other laws.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

CS Nitin B Prabhune

FCS. 6707

CP No. 3800

UDIN: F006707B000574241

Place: Pune

Date: 17.08.2020

ANNEXURE B**List of applicable laws to the Company**

1. Labour laws
2. Competition Act, 2002
3. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act , 2013 and the rules made thereunder
4. Environment (Protection) Act, 1986
5. Electricity Act, 2003
6. Indian Stamp Act, 1999
7. Negotiable Instrument Act, 1881
8. Water (Prevention & Control of Pollution) Act, 1974 and rules there under
9. Air (Prevention & Control of Pollution) Act, 1981 and rules there under
10. Local Municipal Laws

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

Place: Pune
Date: 17.08.2020

CS Nitin B Prabhune
FCS. 6707
CP No. 3800
UDIN: F006707B000574241

**ANNEXURE-C****List of documents verified during the course of Audit:**

1. Memorandum and Articles of Association of the Company.
2. Annual Reports for the Financial Year ended 31st March, 2019, 31st March, 2018 and 31st March, 2017.
3. Minutes of Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee with Attendance Registers till 31st March, 2020.
4. Minutes of General Meeting Minutes till 31st March, 2020.
5. Statutory Register of the Company includes
 - (a) Register of Directors and KMP.
 - (b) Register of Members
 - (c) Register of Directors shareholding
 - (d) Register of Charge
 - (e) Register of Contracts
 - (f) Register of loans, guarantees, securities and acquisitions made by the Company.
 - (g) Register of Transfers
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 149 and Section 184 of the Companies Act, 2013
7. Forms filed by the Company with the Registrar of Companies, Pune till 31st March, 2020. Documents/ correspondence made by the Company to Bombay Stock Exchange and National Stock Exchange.
8. Information about various filings done by the Company to the Bombay Stock Exchange and National Stock Exchange.

Place: Pune
Date: 17.08.2020

CS Nitin B Prabhune
FCS. 6707
CP No. 3800
UDIN: F006707B000574241

Annexure 5

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Not Applicable as there are no related party transactions during the year which were not on arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis:

During the Financial Year 2019-20, all the transactions entered into with related parties were at arm's length. However, these transactions were not material.

For and on behalf of the Board

Place : Pune
Date : 17th August, 2020

Rohini G. Kalyani
Executive Chairperson
(DIN : 00519565)



Annexure 6

Highlights of Risk Management Policy

With the past experience and to ensure sustainable business growth with stability, the Company proposes to promote and implement a Risk Management policy, a pro-active approach in reporting, evaluating and resolving risks associated with the business.

The specific objectives of the Risk Management Policy shall be:

1. To ensure that all the current and future material risk exposures of the Company to be identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

The Company recognizes that risk is an integral and unavoidable component of business and further wishes to manage the risk in a proactive and effective manner. The Company further believes that the Risk cannot be eliminated, but can try to eliminate the same using the following:

1. Transfer to another party, who is willing to take risk, say by buying an insurance policy or entering into a forward contract;
2. Reduced, by having good internal controls;
3. Avoided, by not entering into risky businesses;
4. Retained, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk, and;
5. Shared, by following a middle path between retaining and transferring risk.
6. Ensure customer continuity by way of Quality satisfaction, Quantity requirements and meeting with other business compliances.
7. Contingency Plans, in case of discontinuation of customer.

Risk Management Framework

Activities at all levels of the organization, viz., Enterprise level; Division level; Business Unit level shall be considered in the risk management framework. Since these components are interrelated and drive the Enterprise Wide Risk Management, the company initially shall focus on three key elements, viz.,

- (1) Risk Assessment
- (2) Risk Management
- (3) Risk Monitoring

Risks are to be analyzed, considering likelihood and impact, as a basis for determining how they should be managed. Risk Assessment shall consist of a detailed study of threats and vulnerability and resultant exposure to various risks.

Risk Management and Risk Monitoring

In the management of Risk the probability of risk assumption is estimated with available data and information and appropriate risk treatments worked out in the following areas:

1. Economic Environment and Market conditions
2. Fluctuations in Foreign Exchange
3. Political Environment
4. Competition
5. Revenue Concentration

6. Inflation and Cost Structure
7. Technological Obsolescence
8. Financial Reporting Risks
9. Legal Risk
10. Compliance with Local Laws
11. Quality and Project Management
12. Environmental Risk Management

Risks specific to the Company and the mitigation measure to be adopted:

- (a) Business dynamics & Operations Risks Risk mitigation measures: The Company functions under a well-defined organization structure.

Flow of information is well defined to avoid any conflict or communication gap between two or more Departments.

Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.

Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes.

Effective steps are being taken to reduce cost of production on a continuing basis taking various changing scenarios in the market.

Customer Satisfaction in respect of Quality, Quantity and other business compliances. Long term customer relationship to be maintained.

New business avenues to be found and contingency plan in case of discontinuation of Customer to be prepared.

- (b) Liquidity Risks

Risk Mitigation Measures:

Proper financial planning is put in place with detailed Annual Business Plans discussed at appropriate levels within the organization.

Annual and quarterly budgets are prepared and put up to management for detailed discussion and an analysis of the nature and quality of the assumptions, parameters etc.

These budgets with Variance Analysis are prepared to have better financial planning and study of factors giving rise to variances.

Daily and monthly cash flows are prepared, followed and monitored at senior levels to prevent undue loss of interest and utilise cash in an effective manner.

Cash management services are availed from Bank to avoid any loss of interest on collections.

Exposures to Foreign Exchange transactions are supported by LCs and Bank guarantees and steps to protect undue fluctuations in rates etc.

- (c) Credit Risks:

Risk Mitigation Measures:

Systems put in place for assessment of creditworthiness of dealers/customers.

Provision for bad and doubtful debts made to arrive at correct financial position of the Company. Appropriate recovery management and follow up.

- (d) Market Risks / Industry Risks: Risk Mitigation Measures:

Raw materials are procured from different sources at competitive prices.

Alternative sources are developed for uninterrupted supply of raw materials.



Demand and supply are external factors on which company has no control, but however the Company plans its production and sales from the experience gained in the past and an on-going study and appraisal of the market dynamics, movement by competition, economic policies and growth patterns of different segments of users of company's products.

The Company takes specific steps to reduce the gap between demand and supply by expanding its customer base, improvement in its product profile, delivery mechanisms, technical inputs and advice on various aspects of, enhancement of capacity utilization in customer-plants etc.

Proper inventory control systems have been put in place.

Responsibility Structure The Head of Operations (COO) shall be the Risk Management Head.

The COO shall be responsible for the implementation, identification and control measures for the risk at ground level.

Head- Marketing/ Business shall be responsible for creation, maintenance and compilation of all data including documents relating to the Risk Management and control measures of Risks.

Example: Documents relating to Insurance requirements, EPCG licenses, etc. till the conclusion of the necessary task/ project.

Head- Marketing/ Business shall review the same on regular interval due to close relations with Customers and shall ultimately report the same to the Compliance Officer for necessary reporting to the Stake Holders.

All the other departments and individual sections shall co-operate in setting these strategies (implementation and review).

All the other decisions involving significant risk associated with the business shall be reported to Board or the Audit Committee, where appropriate, for consideration and approval.

Reporting Significant Risk

The Head of the Department and Head of Operations (COO) shall determine the intensity of risks. The risks which are of higher impact shall be highlighted to the Management for further review.

Audit

The Finance Head or the Executive Director will make arrangements to audit the risk process for each Department as part of a regular cycle of audits and will report explicitly on the risk management processes to the Board.

Necessity of the Risk Management policy:

The Company is passing through many unidentified risks, which have adversely impacted the Company's performance. The Company still continues to be exposed to these unidentified risks which shall have an adverse impact on the Company's business in near future. Quantification of the impact of these risks is not possible at this stage. These unidentified risks are because of the failure to identify and control at the operational/ground level. The Company is facing problems relating to failure of Quality and Delivery compliances with customers on day to day basis.

While scrutiny of these failures, the Company has realized that these problems are not due to past legacies. These problems have currently arisen at ground level and intensified in the last 2-3 years' time

For and on behalf of the Board

Place : Pune
Date : 17th August, 2020

Rohini G. Kalyani
Executive Chairperson
(DIN : 00519565)

Annexure 7

REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes.
2. The composition of the CSR Committee:

Sr No	Name of Director	Category	Designation
1.	Mrs. Rohini G. Kalyani	Non-Independent Director	Chairperson
2.	Mr. Viraj G. Kalyani	Non-Independent Director	Member
3.	Mr. Pradip Nadkarni	Independent Director	Member

3. Average Net Profit of the company for last 3 financial years: Rs. 8,51,08,667/-

4. Prescribed CSR expenditure (2% of amount): Rs. 17,02,173/-

The Current CSR Expenditure: Rs.10,00,000/-*

5. Details of CSR Expenditure spent during the financial year:

(a) Total amount to be spent for the financial year: Rs 17,02,173/-

(b) Amount unspent if any: Rs. 12,02,173/-

(c) Manner in which amount spent during the year is detailed below:

Sr. No	CSR Project or activity identified	Sector in which project is covered	Projects or programmes (1) Local areas or others (b) Specify the state and district where the programme or project was undertaken	Amount outlaying project or programme wise	Amount spent on the project or programs sub-heads (1) Direct expenditure on the projects or programs (2) Overheads	Cumulative expenditure upto reporting period	Amount spent Direct or through implementing agency
1	Flood relief				5,00,000.00		
2	We have identified the recipients of the CSR amount, however as per the arrangement amount is payable after submission of work report by the respective.			12,02,173.00			

Details of implementing agency: —

6. In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report:
7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

* It is inclusive of amount spent after the date of Balance Sheet.

We hereby affirm that the CSR policy has been implemented and the CSR committee monitors the implementation of CSR projects and activities in Compliance with CSR objectives

Mrs. Rohini Gaurishankar Kalyani
(Executive Chairperson)
(DIN : 00519565)

Mrs. Rohini G. Kalyani
Chairperson of CSR Committee
(DIN : 00519565)



Annexure 8

**Statement of Particulars of employees pursuant to the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr. No.	Name	Designation/ Nature of Duties	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
NIL								

There are no employees whose salary is more than 5 Lacs / month.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(1&2) Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & KMPs in the Financial Year :

Sr. No.	Name of the Director/KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage increase in Remuneration during FY 2019-20
1	Mrs. Rohini G. Kalyani	Executive Chairperson	7.81:1	-59.03%
2	Mr. Viraj G. Kalyani	Executive Director and CEO	7.81:1	-31.72%
3	Mr. G.N. Kalyani	Non- Executive Director	0.73:1	-33.94%
4	Mr. Pradip Nadkarni	Independent Director	0.92:1	-38.07%
5	Mr. Abhijit Sen	Independent Director	1.01:1	- 39.43%
6	Mr. Vishwas Chitrao	Independent Director	0.44:1	-39.58%
7	Mr. Avinash Khare	Chief Financial Officer (CFO)	2.53:1	-43.39%
8	Mr. Nilesh Vitekar	Company Secretary & Compliance Officer	1.52:1	-42.08%

3) Percentage increase in the median remuneration of employees in the financial year	-14.45%	
4) Number of permanent employees on the rolls of Company as at March 31, 2020	848	
5) Explanation on the relationship between average increase in remuneration and Company performance	Average decrease in remuneration was 15.50%. The turnover of the Company decreased by 30.44 % & Profit Before tax decreased by 7.28%	
6) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total Revenue (Rs. In Lakhs)	20,369
	Profit Before Tax (Rs. In Lakhs)	-813
	Total Remuneration to KMPs (Rs. In Lakhs)	52.26
	Total Remuneration of KMPs as % to Total Revenue	0.26%
	Total Remuneration of KMPs as % to Profit Before Tax	-6.43%
7) i. Variations in the market capitalisation of the Company	The market capitalisation as on March 31, 2020 was Rs.32.01 crores (Rs.101.48 crores as at March 31, 2019)	
ii. Price Earnings ratio of the Company	(4.62) as at March 31, 2020 and 14.57 as at March 31, 2019	
iii. Percentage increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year	The Company has come out with initial public offer (IPO) in March 1994. An amount of Rs. 55 invested in the said IPO would be worth Rs. 88 as on March 31, 2020 indicating a compounded annual growth rate of 1.82% which is including the dividend accrued thereon..	
8) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The Average increase in remuneration of the employees other than managerial personnel was 0.24 % as compared to the increase in the managerial remuneration by Refer Note above Table.	

9) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company

Names of the KMPs	Remuneration in FY 2019-20 (in Rs.)	Revenue (in Rs.)	Remuneration as % of revenue	Profit Before Tax (in Rs.)	Remuneration (as % of PBT)
Mrs. Rohini G. Kalyani	20,75,220	2,03,68,85,022	0.10%	-8,12,91,777	-2.55%
Mr. Viraj G. Kalyani (CEO)	20,75,220	2,03,68,85,022	0.10%	-8,12,91,777	-2.55%
Mr. Avinash Khare (CFO)	6,72,481	2,03,68,85,022	0.03%	-8,12,91,777	-0.83%
Mr. Nilesh Vitekar (CS)	4,03,528	2,03,68,85,022	0.02%	-8,12,91,777	-0.50%



<p>10) The key parameters for any variable component of remuneration availed by the Directors</p>	<p>Executive Directors - Nomination and Remuneration Committee determines the variable compensation annually based on their individual and organisation performance.</p> <p>Non-Executive Directors - Parameters such as responsibilities undertaken, Membership or Chairmanship of the Committees, time spent in carrying out duties etc.</p>
<p>11) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year</p>	<p>Not Applicable</p>
<p>12) Affirmation that the remuneration is as per the remuneration policy of the Company</p>	<p>is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMPs and other Employees.</p>

Note: INADEQUACY of PROFITS for Managerial Remuneration

As per Section 197 of the Companies Act, 2013 the total managerial Remuneration payable by a Public company to its Directors including Managing Director and whole time director in respect of any Financial Year shall not exceed 11% of the Net Profits of that Company for that Financial Year computed in the manner laid down in section 198 except that the Remuneration of the Directors shall not be deducted from the gross profits:

Provided that the company in general meeting may with the approval of Central Govt. authorize the payment of remuneration exceeding above subject to the provisions of Schedule V.

Subject to the provisions of Schedule V, if in any Financial Year, a company has no profits or its profits are inadequate, the company shall not pay its directors, including any Managing Director or whole time Director by way of Remuneration any sum exclusive of fees payable to directors except as per Schedule V or if not as per the approval of Central Govt.

The fact of inadequacy of profit shall be realized by the company only after having arrived at the profit as per section 198 of the Companies Act, 2013 that would not be sufficient to pay Managerial Remuneration as per the agreed terms and conditions contracted with those managerial personnel.

In case of Company Net profit as per section 198 of the Companies Act, 2013 for the Financial Year 2019-20 is not sufficient to pay remuneration to Managing Director and Executive Director as per the terms of contract of Remuneration. Hence the Profits for the Financial Year 2019-20 are inadequate and hence Company has taken recourse to Schedule V of the Companies Act, 2013.

For and on behalf of the Board

Place : Pune
Date : 17th August, 2020

Rohini G. Kalyani
Executive Chairperson
(DIN : 00519565)

Annexure 9**Highlights of Whistle Blower Policy**

1. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
2. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
3. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/Managing Director/Chairman of the Audit Committee in exceptional cases.
4. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

For and on behalf of the Board

Place : Pune
Date : 17th August, 2020

Rohini G. Kalyani
Executive Chairperson
(DIN : 00519565)



REPORT ON CORPORATE GOVERNANCE
(Pursuant to Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of
regulation 46 & para C, D, & E of Schedule V of Securities & Exchange Board of India
(Listing Obligations & Disclosure Requirements) Regulations, 2015)

COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

We believe that Corporate Governance signifies ethical highest standards of transparency, integrity and accountability towards all its stakeholders. These ethical standards can be ingrained in the character of the organization through tradition, value systems and commitment to the later as much as the spirit of laws and regulations. Corporate Governance is the cornerstone of Kalyani Forge Limited governance philosophy of the trusteeship, transparency, accountability and ethical corporate citizenship.

In our endeavor to adopt the best Corporate Governance and disclosure practices, the Company complies with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations").

Pursuant to Regulation 34 read with Part C of Schedule V of the Listing Regulations, the Company hereby presents a Report on Corporate Governance to its members for the Financial Year 2019-2020.

1. BOARD OF DIRECTORS

The Board of Directors provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company while adhering to the highest standards of good corporate governance. The Independent Directors are trustees of good corporate governance. Combined, they truly safeguard the rights and interests of the shareholders of the Company. The Board of the Company comprises of a diverse and fine blend of experienced and responsible Executive and Independent Directors

a) Size and Composition of Board :

1. The Board of Directors of the Company has optimum combination of Executive and non – executive Directors who has in depth knowledge of business, in addition to expertise in their areas of operation. As on 31st March 2020, the strength of the Board of Directors was Six Directors, of which four are non–executive Directors including three Independent Directors. The Composition of Board is in conformity with Regulation 17 of the Listing Regulations.
2. **Relationship between Directors inter-se:** Mrs. Rohini G. Kalyani is wife of Gaurishankar N. Kalyani & Mr. Viraj G. Kalyani is son of Gaurishankar & Rohini Kalyani. Rest none of the directors are related with each other:
3. None of the Directors on the Board is a member of more than ten committees or Chairman of more than five committees across all the Companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as on 31 March 2020 have been made by the Directors to the Company.
4. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and number of Directorships and Committee Chairmanship/Membership held by them in other Companies are given hereinbelow. Other Directorship does not include Alternate Directorships, Directorship of Private Limited Companies, Section 8 Companies and of Companies Incorporated Outside India. Chairmanship / Membership of Board Committees include Audit Committee and Stakeholders' Relationship Committees:-

Name of Director	Category	Number of Board Meetings held during the year 2019-20		Whether attended last AGM held on 26 th July 2019	No. of Directorship in other Public Ltd. Companies as on 31 st March 2020	No. of Committee positions held in other Public Limited Companies as on 31 st March 2020		Other Directorship in Listed Entity, Designation and Name of the Company	Numbers of Equity Shares held as on 31 March, 2020
		Held	Attended			Chairperson	Member		
Rohini G. Kalyani (Executive Chairperson & Director)	Executive	4	4	Yes	-	-	-	-	32236
Mr. G. N. Kalyani	Non-Executive	4	4	Yes	-	-	-	-	47020
Mr. Viraj G. Kalyani (Executive Director & CEO)	Executive	4	2	No	-	1	-	-	33285
Mr. Pradip Nadkarni	Non-Executive Independent	4	3	Yes	-	4	1	-	306
Mr. Abhijit Sen	Non-Executive Independent	4	4	Yes	9	4	3	List of Companies given in below table a)	-
Mr. Vishwas Chitrao	Non-Executive Independent	4	4	Yes	-	-	-	-	-

Table a)

Abhijit Sen	Designation
1) Ujjivan Financial Services Limited	Independent Director
2) Manappuram Finance Limited	Independent Director
3) Urgo Capital Limited	Independent Director
4) Trent Limited	Independent Director

5. Four Number Board Meetings were held during the year from 1st April 2019 to 31st March 2020 and the gap between two meetings did not exceed 120 days. The dates on which the board meeting were held as follows : During the year 2019-20, four Board Meetings were held on 18th May, 2019, 26th July, 2019, 12th November, 2019 and 12th February, 2020.
6. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
7. During the year, information as mentioned in Part A of Schedule II of the Listing Regulations has been placed before the Board for its consideration. Based on the information placed before the Board, strategic and vital decisions are taken for effective governance of the Company.
8. Among other important information, minutes of all the Committee meetings, are regularly placed before the Board in their meetings.
9. The Board periodically reviewed compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances, if any.
10. In the opinion of the Board, all the Independent Directors of the Company fulfill the conditions specified in Regulation 17 of Listing Regulations and are independent of the management.



BOARD, DIRECTOR AND COMMITTEE EVALUATION AND CRITERIA

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for performance evaluation of individual Directors, the Board and its Committees.

The criteria for evaluation of individual Directors includes inter alia aspects such as knowledge and competency, fulfilment of functions, ability to function as a team, initiative taken, availability and attendance at the meeting, commitment, integrity, independence, contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer the meetings, impartiality, ability to keep shareholders' interests in mind and motivating and providing guidance to the Executive Directors.

The criteria for Board Evaluation includes inter alia, structure of the Board, meetings and functions of the Board, degree of fulfilment of key responsibilities, establishment and delineation of responsibility to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and the Management.

The criteria for Committee evaluation includes inter alia, mandate and composition, effectiveness of the Committee, structure of the Committee and meetings, independence of the Committee from the Board, contribution to decisions of the Board, effectiveness of the meetings and quality of relationship of the Committee with the Board and the Management.

BOARD SKILLS, CAPABILITIES AND EXPERIENCES

The Board comprises directors who have a range of experiences, capabilities and diverse points of view. This helps the Company to create an effective and well-rounded board. The capabilities and experiences pursued in the directors are outlined here:

Sr. No.	Name of the Director	Skills/expertise/competence
1	Mrs Rohini G. Kalyani	Expertise in managing the forging business which also includes administrative, financial and legal aspects of forging industry.
2	Mr. Gaurishankar N. Kalyani	Expertise in management and financial sector of the Company
3	Mr. Viraj G. Kalyani	Expertise in implementation of expansion plans, business systems, research potential new business opportunities and diversification and financial sector of the Company
4	Mr. Abhijit Sen	Expertise in Finance Sector of the Company
5	Mr. Pradip P. Nadkarni	Expertise in International Business, Strategic Planning and Global Supply Chain Management
6	Mr. Vishwas Chitrao	Expertise in Operations and Marketing sector of the Company

FAMILIARISATION PROGRAMMES FOR INDEPENDENT BOARD MEMBERS

The Board members are provided with necessary documents, reports and policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, business environment, business strategy and risks involved.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed www.kalyaniforge.co.in

SEPARATE MEETING OF INDEPENDENT DIRECTOR

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) & (4) of the Listing Regulations, the Independent Directors of the Company are required to hold at least 1 (One) meeting in a year, without the presence of Non-Independent Directors and members of the management.

During the financial year 2019-20, the separate meeting of Independent Director i.e. Mr. Abhijit Sen, Mr. Pradip P. Nadkarni and Mr. Vishwas Chitrao was held on 12 February, 2020 of the Independent Directors held in accordance with the aforementioned provisions.

AUDIT COMMITTEE

The Audit Committee of the Company has been formed in accordance with Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and comprises of three members, in which all members are Independent Directors. Company Secretary of the Company acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee is an Independent Director and was present at the last Annual General Meeting of the Company. The Executive Chairperson and Chief Financial Officer are permanent invitees to the Audit Committee Meetings.

a) Terms of Reference to Audit Committee

The Audit Committee is entrusted, inter alia, with the following:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, reappointment and, if required, the removal of statutory auditors, including internal and cost auditors, and fixation of audit fees and other terms of appointment;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review, with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of sub section 5 of Section 134 of the Act;
 - b) changes, if any, in accounting policies and practices, and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions; and
 - g) modified opinions in the draft audit report
- Review of management discussion and analysis of financial condition and results of operations;
- Review with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, qualified institutional placement etc.) and making appropriate recommendations to the Board to take up steps in this matter;
- Review the quarterly statement of deviation(s) including report of monitoring agency, if applicable, in terms of Regulation 32(1) of the Listing Regulations, being submitted to the Stock Exchange(s).
- Review the annual statement of funds utilised for purpose other than those stated in the offer document / prospectus in terms of Regulation 32(7) of the Listing Regulations;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;



- Examination and reviewing with the management, the quarterly financial results and financial statements and the auditors' report thereon, before submission to the Board for approval;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems and oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that there exists appropriate internal control over financial reporting;
- Review financial statements, in particular the investments made by the Company's unlisted subsidiaries;
- Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Review internal audit reports relating to internal control weaknesses and discussion with internal auditors regarding any significant findings and follow-up thereon;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Review management letters/ letters of internal control weaknesses issued by the statutory auditors;
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of vigil mechanism/whistle blower mechanism for the Directors and employees to report their genuine concerns or grievances and provide mechanism for adequate safeguards against victimisation;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate;
- Review the appointment, removal and terms of remuneration of the chief internal auditor;
- Investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if necessary;
- reviewing the utilization of loans and/ or advances from/investment by the company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively;
- Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as amended from time to time.

b) Meetings

During the year under review four Audit Committee Meetings were held on 18th May, 2019, 26th July, 2019, 12th November, 2019, 12th February, 2020

c) Composition of Audit Committee and attendance

The composition of the Audit Committee as on 31 March 2020 and attendance of members in the meetings held during the financial year 2019-20 are as under:

Name of the Member	Designation	Category	No. of meetings attended
Mr. Abhijit Sen	Chairman of the Committee	Chairman* Non – Executive & Independent Director	4
Mr. Pradip P. Nadkarni	Members of the Committee	Non – Executive & Independent Director	3
Mr. Gaurishankar N. Kalyani	Members of the Committee	Non – Executive Director	4

NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference to Nomination and Remuneration Committee

To recommend to the Board appointment, re-appointment of Directors, Executive Directors and Key Managerial Personnel and determination, fixation of the remuneration and revision in the remuneration payable to the Executive Directors of the Company and removal of the director/Executive Director/Key Managerial Personnel;

- To formulate the criteria for determining qualifications, positive attributes and independence of the director;
- To recommend the Board the policy related to the remuneration of for Directors, Key Managerial Personnel, Senior Management Personnel (SMP) and other employees;
- To formulate the criteria for effective evaluation of performance of Board of Directors, its Committees, Chairperson and individual Directors (including Independent Directors), to be carried out either by the Board or by NRC or through an independent external agency and review its implementation and compliance;
- To carry out evaluation performance of every Director of the Company;
- To determine whether to extend or continue the term of appointment of the independent Director, based on the report of performance evaluation of Independent Directors;
- To devise a policy on diversity of Board of Directors;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- To formulate and recommend to the Board of Directors the policy relating to the stock options to the employees, grant the stock options to the eligible employees and review the management of stock option scheme;
- To allot shares under ESOS to the employees who has exercised the options granted to them;
- To recommend to the board, all remuneration, in whatever form, payable to senior management;
- Carry out functions as may be entrusted (i) by the Board of Directors from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013 (iii) the SEBI (Listing Obligations and



Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as may be amended from time to time.

b) Meetings of Nomination and Remuneration Committee

During the year under review, only two meeting of the Nomination and Remuneration Committee took place on 18th May, 2020 and 12th February, 2020

c) Composition of Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee as on 31 March 2020 and attendance of members in the meetings held during the financial year 2019-20 are as under:

Name of the Member	Designation	Category	No. of meetings attended
Mr. Pradip P. Nadkarni	Chairman	Non – Executive & Independent Director	1
Mr. Abhijit Sen	Members	Non – Executive & Independent Director	2
Mr. Gaurishankar N. Kalyani	Members	Non – Executive Director	2

d) Remuneration Policy

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice. While deciding on the remuneration for Directors, the Board and Nomination & Remuneration Committee consider the performance of the Company, the current trends in the industry, the director's participation in Board and Committee meetings during the year and other relevant factors. The performance of the Company and individual performance as well employees' potential, criticality and longevity in the grade are considered while determining remuneration to the Employee.

Company has complied with Regulation 19 the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

e) Performance evaluation criteria for Independent Directors

On the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

f) Nomination and Remuneration Committee Charter

Nomination and Remuneration Charter has been formed to help the Board to discharge their responsibilities to shareholders, the investment community and other stakeholders with respect to (i) preparations relating to the election of members of the Board of Directors (ii) handling matters within its scope of responsibility that relate to the conditions of employment and remuneration of senior management; (iii) setting the performance standards, budgets and targets for the Executive team of the Company; (iv) setting the compensation and performance bonuses of the Company's executive officers; (v) overseeing the Company's Human Resources and People strategy; (vi) Identifying independent Directors to be inducted to the Board from time to time; (vii) to recommend nomination for Chairmanship & memberships of various committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, etc functioning under the Board of Directors of the company.

g) Remuneration to the Directors

The details of remuneration paid to the Directors are given in Form MGT-9 forming part of the Directors Report

h) Shareholding of Non-Executive Directors

The shareholding of Non-Executive Directors as on 31st March 2020 is as follows:-

Sr. No.	Name of Non-Executive Director	No. of Equity shares held (face value Rs. 10 each)
1	Mr, Gaurishankar N. Kalyani	47,020
2	Mr. Pradip P. Nadkarni	306
3	Mr. Abhijit Sen	-
4	Mr. Vishwas Chitrao	-

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders' Relationship Committee was constituted to look into Redressal of Shareholders and Investors' Complaint matters - non-receipt of annual report, non-receipt of dividend and to look into matters that can facilitate better services and relations.

The committee consists of three Non-Executive Directors out of which two are independent Directors.

Mr. Gaurishankar N. Kalyani is the Chairman of the committee.

a) Terms of Reference to Stakeholders' Relationship Committee

- Redressal of the investors' complaints like non-receipt of annual reports, dividend payments, change or deletion of name, issue of new/duplicate share certificates, general meetings etc.;
- Dematerialization, re-materialization, transfer, transmission, consolidation, sub-division of shares, debentures and securities and other allied transactions;
- Delegation of power to the executives of the Company and to the Registrar and Transfer Agent of the Company to accomplish aforesaid objectives;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- The Company has given authority to its Registrar and Transfer Agent i.e. Link Intime India Private Limited to resolve the complaints of shareholders of the Company. As on 31st March 2020 the 77.48% shares of the Company are held in Dematerialized form.

b) Meeting

During the year under review, two meetings of Stakeholders' Relationship Committee were held on 18th May, 2019, 26th July, 2019, 12th November, 2019, 12th February, 2020.

c) Composition and attendance of Stakeholders' Relationship Committee

The constitution of the Committee as on 31 March 2020 is as follows:

Name of the Member	Designation	Category	Attendance for the meeting held
Mr. G. N. Kalyani	Chairman	Non-Executive Director	4
Mr. Abhijit Sen	Member	Independent Director	4
Mr. Pradip P. Nadkarni	Member	Independent Director	3



d) Shareholders / Investors Complaint Status

The complaint status from the 01 April 2019 up to 31 March 2020 is as follows:

Number of complaints received	No. of complaints resolved	Number of complaints pending
2	2	0

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redress system i.e. SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of action taken on the complaint and its current status.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company set up under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 comprises of three members, in which one members are Independent Directors.

a) Terms of Reference to Corporate Social Responsibility Committee

- ❖ To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
- ❖ To recommend the amount of expenditure to be incurred on the CSR activities;
- ❖ To monitor the implementation of the framework of the CSR Policy; and
- ❖ To recommend to the Board approval of CSR expenditure including contribution to corpus for projects/ programs related to CSR activities.

b) Meeting

During the financial year 2019-20, the Corporate Social Responsibility Committee met at one time on 18th May, 2020.

c) Composition of Corporate Social Responsibility Committee

The composition of the Corporate Social Responsibility Committee is as follows:

Name of the Member	Designation	Category	Attendance
Mrs. Rohini G. Kalyani	Chairperson of the Committee	Executive Director	1
Mr. Pradip P. Nadkarni	Member	Independent Director	1
Mr. Viraj G. Kalyani	Member	Executive Director	1

DETAILS OF THE ANNUAL GENERAL MEETINGS

The details of previous three Annual General Meetings of the Company are as follows:

Financial Year	Date and Time	Venue	Special Resolution passed	Purpose of Special Resolution
2019-20	26 th July, 2019	Poona Club Ltd., Camp, Pune:- 411001	NA	NA
2018-19	27 th July, 2018	Poona Club Ltd., Camp, Pune:- 411001	NA	NA
2017-18	27 th July, 2017	Poona Club Ltd., Camp, Pune:- 411001	NA	NA

POSTAL BALLOT:

The Company has not obtained any approval of members by way of postal ballot (e-voting and postal ballot) during FY 2019-20.

DISCLOSURES:

(A) Subsidiary Companies

Company does not have any subsidiary Company.

(B) Insider Trading Code

The company has formulated Code of fair disclosure. The said code can be accessed at www.kalyaniforge.co.in

The Company regularly monitors the transactions in terms of the Code undertaken by the employees of the Company. The Company also informs the stock exchange(s) periodically about the transaction(s) undertaken by the designated employees and their shareholdings as per the regulations.

(C) Materially Significant Related Party Transactions

There were no materially significant related party transactions with its promoters, directors or its management, their subsidiaries/associates or relatives, etc. that had a potential conflict with the interest of the Company.

The disclosure of transactions with related parties set out in Note No. 31.7 (b) of Standalone Financial Statements, forming part of the Annual Report.

All related party transactions are done on arms' length basis, and are intended to further the Company's interests.

The company has formulated a policy on Related Party transaction. The said policy can be accessed at: www.kalyaniforge.co.in

(D) Non-compliance/strictures/penalties

The Company has complied with rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital market

During the year under review, no penalties and/or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority during the last three years

(E) Whistle Blower Mechanism/Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.



The Company seeks to maintain the highest ethical and business standards in the course of its business and has put in place mechanism of reporting illegal or unethical behavior. Directors, employees, vendors or customers may report violations of the laws, rules, regulations or unethical conducting by writing to the notified person. The report received from employees will be reviewed by Audit Committee. The Directors and Management Personnel are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices. No person has been denied access to the Audit Committee.

The said policy can be accessed at following link: www.kalyaniforge.co.in

(F) Adoption of Mandatory Requirements

The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with the requirements with respect to the Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(G) Code of Conduct

The Board of Directors of your Company have laid down its code of conduct and ethics for all Board Members and Senior Management personnel of the Company and the same has been posted on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the code. A declaration signed by Chief Executive Officer is annexed to this report.

MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers in India which include Financial Express and Loksatta. The results are also displayed on Company's website: www.kalyaniforge.co.in

Presentations to institutional investors / analysts

The Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the website of the Company.

The "Investors" section on the Company's website keeps the investors updated on the material developments in the Company by providing key and timely information like details of Directors, Financial Results, Shareholding Pattern, Annual Reports and procedure and forms for transfer/transmission of shares and request of NECS etc.

Electronic Filing with NSE and BSE

All periodical compliance filings like shareholding pattern, corporate governance report, financial results, media releases, among others are also filed electronically on the NSE Electronic Application Processing System and BSE Listing Centre.

GENERAL SHAREHOLDER INFORMATION

a) Corporate Identification Number (CIN)

The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is CIN: L28910MH1979PLC020959

b) AGM Information and Financial Year

Day, Date and Time of AGM	: Friday, Date 25 th September, 2020, Time 02:00 P.M
Venue	: 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

Financial Year	: 1 st April 2019 to 31 st March 2020
Book Closure	: 19 th September, 2020 to 25 th September, 2020
Dividend Payment Details	: Within 30 days after Annual General Meeting

c) Listing on Stock Exchanges and Scrip Code

The Company's shares have been listed on the following exchanges:

- National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051
- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.

Scrip Code BSE Code: 513509
 NSE Code: KALYANIFRG

d) Payment of annual listing fees and custodian charges

Annual listing fees have been paid for the financial year 2019-20 to NSE & BSE.

Annual custodian charges/issuers fees has been paid for the financial year 2019-20 to CDSL and NSDL.

e) Market Price Data

The monthly high and low quotations and volume of shares traded on BSE and NSE from 01st April 2019 upto 31st March 2020 is as follows:

Month	National Stock Exchange (NSE)				Bombay Stock Exchange (BSE)			
	High (Rs.)	Low (Rs.)	Close Price (Rs.)	No. of Shares traded	High (Rs.)	Low (Rs.)	Close Price (Rs.)	No. of Shares traded
30-Apr-19	300.4	275.05	286	5648	303	274	288.8	7883
31-May-19	299.25	260	269	13387	289	256.6	276.65	20462
28-Jun-19	276	242	249.9	3522	277.35	243	254.1	4303
31-Jul-19	249.9	173.3	173.4	10823	245	172.8	172.8	8079
30-Aug-19	180.9	155.45	169.1	4363	178	155.1	170.5	4050
30-Sep-19	179.95	158.2	167.95	4179	176.95	163.45	168.9	5394
31-Oct-19	170	155.05	166.6	3824	173	155	163.5	1872
29-Nov-19	173.95	151.2	158.1	9215	173.95	150.5	161.7	10854
31-Dec-19	169	146.1	163.8	8820	166.9	147	166.9	1581
31-Jan-20	188.4	157.55	168.35	7512	182.4	161.05	170	3376
28-Feb-20	175.9	124.55	126.4	12911	170.1	118.8	119.95	6752
31-Mar-20	132.7	82.9	88	9383	123	81.7	90	9095



f) Performance in comparison to the Board-based Indices

Performance in comparison to NSE Nifty



NSE Nifty

Kalyani Forge

Source: www.moneycontrol.com

g) Registrar & Share Transfer Agent and Share Transfer System

Link Intime India Private Limited is the Registrar & Share Transfer Agent (RTA) of the Company in respect of the equity capital in demat and physical mode. They process share transfer and transmission on fortnightly basis. Their address is as follows:

Name of RTA : Link Intime India Private Limited
 Address : Block No. 202, 2nd Floor, Akshay Complex,
 Off. Dhole Patil Road, Near Ganesh Mandir, Pune- 411001.
 Tel/Fax : 020 26160084
 E-mail : pune@linkintime.co.in
 Website : linkintime.co.in

h) Distribution of Shareholding / Shareholding Pattern as on 31 March 2020

i. The distribution of shareholding of the Company as on 31 March 2020 is as follows:

Sr.No.	Share Holding of Shares	Number of ShareHolders	Percentage of Total (%)	Total Shares	Percentage of Total(%)
1.	1 to 500	4021	93.9925	393218	10.8086
2.	501 to 1000	144	3.3661	110108	3.0266
3.	1001 to 2000	55	1.2856	75600	2.0781
4.	2001 to 3000	12	0.2805	29689	0.8161
5.	3001 to 4000	9	0.2104	33334	0.9163
6.	4001 to 5000	3	0.0701	13945	0.3833
7.	5001 to 10000	4	0.0935	27909	0.7672
8.	10001 to 100000	24	0.5610	965297	26.5337
9.	100001 to *****	6	0.1403	1988900	54.6701
	Total	4,278	100.00	3638000	100.0000

- ii. The Shareholding pattern as on 31 March 2020 is as follows:

Category	Number of Shares	Percentage (%)
Promoter and Promoter Group	21,32,296	58.61
Non Resident Indians	15,851	0.44
Bodies Corporate	5,98,613	16.45
Resident Indians	8,17,331	22.46
Trust	100	0.0027
Hindu Undivided Family (HUF)	48,973	1.35
Clearing Member	2,110	0.6
Investor Education And Protection Fund	22,726	0.62
Total	36,38,000	100%

i) Dematerialization of shares and liquidity

Equity shares of the Company representing 77.48% of the Company share capital are dematerlised as on 31 March 2020. International Securities Identification Number (ISIN) allotted to the Company by NSDL and CDSL is INE314G01014 ISIN Number.

j) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ ADRs/ Warrants or other instruments, which are pending for conversion.

k) Commodity price risk or foreign exchange risk and hedging activities

The Company is not involved in commodity price market and hedging activities hence there is no risk for commodity price, foreign exchange and hedging activities.

l) Plant Location

Hot Forging Division (HFD) and Metal Forms Division (MFD) Koregaon Bhîma, Tal: Shirur, Dist. Pune. Pin 412 207.

Precision Auto comp Division, Gat No. 914/1 & 2, Sanaswadi, Tal: Shirur, Dist: Pune, Pin - 412 208

m) Nomination

Every holder of securities of a company may, at any time, nominate, in the prescribed manner, any person to whom his securities shall vest in the event of his death. Members can avail nomination facility. Blank nomination forms will be supplied on request.

n) Certificate from Practicing Company Secretary

The Company has obtained a certificate from CS Nitin B. Prabhune (Membership No. FCS 6707), Practicing Company Secretary, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as per item 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

o) Credit rating

The Company has obtained credit rating as BBB+/Stable (Long Term) and A2 (Short Term) for the total bank facilities of 100 Crores from CRISIL.



p) Total fees paid for all services availed from Statutory Auditor for the Company

The total fees paid for all services availed from Statutory Auditor for the Company are set out in Note No. 31.3 of the Financial Statements, forming part of the Annual Report.

q) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has adopted a policy on prevention and redressal of Sexual Harassment at workplace. Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place an Internal Complaints Committee for prevention and redressal of complaints of sexual harassment of women at the workplace.

Status of Complaints received during the year under review:

Received during the year	Resolved	Pending at the year end
0	0	0

r) Address for Correspondence:

Registered Office:

Kalyani Forge Limited
Shangrila Gardens, 'C' Wing, 1st Floor,
Opp. Bund Garden, Pune – 411 001

Factory:

Kalyani Forge Limited Koregaon
Bhima, Tal: Shirur Dist.- Pune,
Pin – 412 216
Phone: 02137-252335, 252755, 252757
Fax: 02137-252344, 252756

Registrar and Share Transfer Agent:

Link Intime India Private Limited
202, 2nd Floor Akshay Complex,
Off. Dhole Patil Road, Near Ganesh Mandir,
Pune- 411 001
Tel: (020) 26161629
Fax: No.(020)- 2616 3503
E-mail:pune@linkintime.co.in

For effective and efficient Investor Grievance Management, the Company has dedicated

E-mail Id companysecretary@kforge.com.

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Kalyani Forge Limited

We have examined the compliance of conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") of **Kalyani Forge Limited** with the stock exchanges for the year ended March 31, 2020.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

During the year the position of the Company Secretary remained vacant due to resignation from 14th November 2019 till date resulting in non-compliance of SEBI Listing regulations in this respect.

Subject to above, in our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. : 100186W

Satish Kelkar
Partner
Membership No.: 38934
UDIN: 20038934AAAAABR1230

Place: Pune
Date: July 30, 2020

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT PURSUANT TO REGULATION 34(3) & SCHEDULE V PARA D OF THE (SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

As required by Regulation 34(3) & Schedule V Para D of the (Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015), this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's website.

I confirm that the Company has in respect of the financial year ended 31st March, 2020, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For Kalyani Forge Limited

Place: Pune
Date: 17th August, 2020

Viraj G. Kalyani
Executive Director & Chief Executive Officer
(DIN : 02268846)



**CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER OF THE COMPANY**

(Under Regulation 17 read with Part B of Schedule II of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Board of Directors,
Kalyani Forge Limited.**

As required under regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of our knowledge and belief, we certify that:

- (a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 31 March 2020 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that:
 - (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there are no significant changes in accounting policies during the year;
 - (iii) there are no instances of significant fraud of which we have become aware nor the involvement therein of the management or an employee having significant role in the company's internal control system over financial reporting.

For Kalyani Forge Limited,

Viraj G. Kalyani
Executive Director &
Chief Executive Officer
(DIN : 02268846)

Place : Pune
Date : 17th August, 2020

Avinash Khare
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,
KALYANI FORGE LIMITED,
Shangrila Gardens C Wings 1st Floor
Opp Bund Garden,
Pune 411001, Maharashtra

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kalyani Forge Limited (hereinafter referred to as 'the Company'), having CIN: L28910MH1979PLC020959 and having registered office at Shangrila Gardens C Wings 1st Floor Opp Bund Garden, Pune 411001, Maharashtra produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal(www.mca.gov.in) as considered necessary) and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr No	Name of Director	DIN	Date of appointment in Company
1	Rohini Gaurishankar Kalyani	00519565	16/10/2013
2	Gaurishankar Neelkanth Kalyani	00519610	26/04/2003
3	Viraj Gaurishankar Kalyani	02268846	17/05/2013
4	Abhijit Sen	00002593	02/02/2016
5	Vishwas Vinayak Chitrao	07493694	16/04/2016
6	Pradip Prabhakar Nadkarni	01670826	28/07/2007

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Nitin B Prabhune

FCS. 6707

CP No. 3800

UDIN: F006707B000632970

Place: Pune

Date: 17th August, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of Kalyani Forge Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Kalyani Forge Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Attention is drawn to Note No.36 which gives management assessment of Company's ability to continue as going concern as at 31st March, 2020 in view of the likely economic impact on the business of the Company arising out of Covid19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. There are no Key Audit Matters to be reported.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. This report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the rules made thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions

of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the said Order.



2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 31.1 to Financial Statements;
 - ii. The Company doesn't have any long-term contracts including derivative contracts requiring provision for material foreseeable losses.
 - iii. There has been a delay by the company in transferring an amount of Rs.1.22 lakhs on account of unpaid dividend for the financial year 2011-12, to the Investor Education and Protection Fund. -Refer note 31.10 to the Financial Statements.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No. 100186W

Satish Kelkar
Partner
Membership No.: 38934
UDIN: 20038934AAAABQ8567

Place: Pune
Date : July 30, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2020, of **Kalyani Forge Limited**)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) The Company has a program for physical verification of Fixed assets, which in our opinion is reasonable having regard to the nature of the business. Accordingly, the Fixed assets have been verified by the management and no material discrepancies were noticed. In our view the frequency of verification needs improvement.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. We have been informed that the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans, investments guarantees and security are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, with regard to the deposits accepted from the public are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under 148 (1) of the Act, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanation given to us and the records of the company examined by us, except in case of deposit of unpaid dividend in IEPF, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, duty of customs, Goods and Service tax, cess and any other material statutory dues applicable to it.

According to the information and explanation given to us, except in case of timely deposit of unpaid dividend in IEPF as aforesaid, no undisputed material amounts payable in respect of statutory dues were in arrears as at 31st March 2020, for a period more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the particulars of dues of income tax and excise duty as at 31st March, 2020 which has not been deposited on account of disputes are as follows:



Name of the statute	Nature of dispute due	Amount under dispute not deposited (Rs.)	Period to which the amount related	Forum where the dispute pending
Central Excise Act, 1944	Cenvat Credit on Rejection Received from customer	5,67,018	From 2000-01 to 2011-12	High Court, Mumbai
	Cenvat Credit on outward transportation	11,28,985	From 2004-05 to 2007-08	Additional Commissioner, Pune.
	Interest on supplementary Invoices	4,25,113	From 2001-02 to 2004-05	High Court, Mumbai.
	Cenvat Credit on Rejection Received from customer	2,44,406	From 2008-09 to 2011-12	CESTAT Mumbai
Income Tax Act, 1961	Disallowance of Expenditure on expansion / upgradation of projects	6,95,976	AY 1992-93	CIT Appeals
	Loss on options settled.	17,64,485	AY 2008-09	Commissioner of Income Tax (Appeals) Pune.
	Expenditure incurred Bad debts and other expenses	81,37,980	AY 2011-12	Commissioner of Income Tax (Appeals) Pune.
	Assessment complete, Order received with demand, disallowance of late payment of TDS, Additional Depreciation, Stock Value	25,06,620	AY 2013-14	Commissioner of Income Tax (Appeals) Pune.
	Disallowance of Additional Depreciation, Prior period expenses and job work receipts	91,66,290	AY 2014-15	Commissioner of Income Tax (Appeals) Pune.
	Disallowance of Additional Depreciation on electrical installations	6,99,618	AY 2016-17	Commissioner of Income Tax (Appeals) Pune.

(viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or government as at the balance sheet date.



- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The term loans have been applied for the purpose for which they were obtained.
- (x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds by or on the Company by its officers or employees noticed or reported during the year.
- (xi) In our opinion and according to information and explanations given to us, Managerial Remuneration has been paid or provided during the year in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of share fully or partly convertible debentures during the year under review. The requirements of section 42 of the Companies Act, 2013, therefore are not applicable.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-I(A) of the Reserve Bank of India Act, 1934.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No. 100186W

Satish Kelkar
Partner
Membership No.: 38934
UDIN: 20038934AAAABQ8567

Place: Pune
Date : July 30, 2020

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
of even date on the Financial Statements of Kalyani Forge Limited.**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Kalyani Forge Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company needs to strengthen the internal controls in the areas of third-party confirmations, reconciliations and updating of inventory records. Except for this, the Company in all material respects, has an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No. 100186W

Satish Kelkar
Partner
Membership No.: 38934
UDIN: 20038934AAAABQ8567

Place: Pune
Date : July 30, 2020

Financial Statements 2019-20

Balance Sheet as at March 31, 2020

Particulars	Note No.	As at 31 st March 2020 ₹ in lakhs	As at 31 st March 2019 ₹ in lakhs
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	1	6,519.32	7,828.35
(b) Capital work-in-progress		98.22	32.25
(c) Other Intangible assets	1	8.20	14.70
(d) Intangible assets under development			
(i) Investments	2	0.50	0.50
(ii) Other non current financial assets	3	-	1.32
(e) Deferred tax assets (net)	4	195.59	34.02
(f) Income tax assets (net)	5	156.52	119.79
(g) Other non-current assets	6	382.50	365.65
Total Non - Current Assets		7,360.85	8,396.58
2 Current assets			
(a) Inventories	7	4,018.65	4,807.19
(b) Financial Assets			
(i) Trade receivables	8	5,656.48	7,527.63
(ii) Cash and cash equivalents	9	143.80	147.63
(iii) Other Bank Balances	10	420.58	355.71
(iv) Others current financial assets	11	1.64	10.65
(c) Other current assets	12	840.18	1,451.93
Total Current Assets		11,081.33	14,300.74
Total Assets (1 + 2)		18,442.18	22,697.32
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	13	363.90	363.90
(b) Other Equity	14	9,848.38	10,792.51
Total equity (I+II)		10,212.28	11,156.41
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	134.46	622.34
(b) Provisions	16	520.38	376.23
Total Non - Current Liabilities		654.84	998.57
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	2,387.66	3,138.76
(ii) Trade payables	18		
Dues of micro enterprises and small enterprises		21.44	34.15
Dues of creditors other than micro enterprises and small enterprises		3,433.52	4,729.04
(iii) Other current financial liabilities	19	1,179.11	1,505.55
(b) Provisions	20	152.50	109.48
(c) Other current liabilities	21	400.83	1,025.36
Total Current Liabilities		7,575.06	10,542.34
Total Equity and Liabilities (1 + 2)		18,442.18	22,697.32

The attached notes 1 to 35 are an integral part of these financial statements

As per our attached report of even date.

FORM/S K.S. AIYAR & CO.
Firm Registration Number :100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 30th July, 2020

For and on behalf of the Board of Directors

ROHINI G. KALYANI
Executive Chairperson
(DIN: 00519565)

VIRAJ G. KALYANI
Executive Director and CEO
(DIN : 02268846)
Pune: 30th July, 2020

ABHIJIT SEN
Director
(DIN: 00002593)
AVINASH KHARE
Chief Financial Officer
Pune: 30th July, 2020



Statement of Profit and Loss for the period ended 31st March, 2020

Particulars	Note No.	As at 31 st March 2020 ₹ in lakhs	As at 31 st March 2019 ₹ in lakhs
Continuing Operations			
I Income			
Revenue from operations	22	20,094.85	28,635.26
Other Income	23	274.00	647.21
Total Revenue (I)		20,368.85	29,282.47
II EXPENSES			
(a) Cost of raw materials and components consumed	24	10,135.96	14,822.46
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	225.37	(327.04)
(c) Employee benefit expense	26	3,076.23	3,640.47
(d) Finance costs	27	537.45	758.84
(e) Depreciation and amortisation expense	28	1,388.80	1,503.76
(f) Other expenses	29	5,817.96	7,920.52
Total Expenses (II)		21,181.77	28,319.01
III Profit/(loss) before exceptional items tax (I-II)		(812.92)	963.46
IV Exceptional items- Gains/ (loss)		-	-
V Profit before tax (III-IV)		(812.92)	963.46
VI Tax Expense			
(a) Current tax		41.17	431.48
(b) Deferred tax		(161.57)	(164.40)
(c) Short / (Excess) provision for tax relating to prior years		-	-
Total tax expense		(120.40)	267.08
VII Profit/(loss) after tax from continuing operations (V-VI)		(692.52)	696.38
VIII Discontinued Operations			
(1) Profit/(loss) from discontinued operations		-	-
(2) Tax Expense of discontinued operations		-	-
Profit/(loss) after tax from discontinued operations		-	-
IX Profit/(loss) for the period (VII+VIII)		(692.52)	696.38
X Other comprehensive income			
A			
(i) Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		(117.79)	(85.33)
(ii) Income tax relating to items that will not be reclassified to profit or loss		41.17	28.49
B			
(i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
Total other comprehensive income for the period		(76.62)	(56.84)
XI Total comprehensive income for the period (IX + X)		(769.14)	639.54
XII Earnings per equity share :			
Basic		(19.04)	19.14
Diluted		(19.04)	19.14

The attached notes 1 to 35 are an integral part of these financial statements

As per our attached report of even date.

FOR M/S K.S. AIYAR & CO.
Firm Registration Number :100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 30th July, 2020

For and on behalf of the Board of Directors

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Executive Chairperson
(DIN: 00519565)

VIRAJ G. KALYANI
Executive Director and CEO
(DIN : 02268846)
Pune: 30th July, 2020

ABHIJIT SEN
Director
(DIN: 00002593)

AVINASH KHARE
Chief Financial Officer
Pune: 30th July, 2020

CASH FLOW STATEMENT AS ON 31ST MARCH, 2020

	31 st March 2020 ₹ in lakhs	31 st March 2019 ₹ in lakhs
A. CASH FROM OPERATING ACTIVITIES		
Profit before Taxation	(812.92)	963.46
Less: IND AS adjustments	(76.62)	(56.84)
Revised Profit before Taxation	(889.54)	906.62
Add: Depreciation	1,388.80	1,503.76
Provision for doubtful debts	161.00	28.37
Finance Cost	537.45	758.84
Sundry debit balances written off / Advances Written off	14.32	15.75
	<u>2,101.57</u>	<u>2,306.72</u>
	1,212.03	3,213.34
Less: Dividend Received	-	(0.06)
Surplus on sale of assets during the year	-	(3.05)
Provision no longer required	(103.82)	(303.97)
	<u>(103.82)</u>	<u>(307.08)</u>
Operating profit before working capital changes	1,108.21	2,906.26
(Increase)/Decrease in Current & Non-Current Assets		
Inventories	788.54	11.04
Trade Receivables	1,710.15	(548.07)
Other Current Assets and Loans & Advances	612.36	(170.63)
Trade Payable	(1,308.17)	(220.58)
Increase/(Decrease) in Current & Non-Current Liabilities	(358.39)	956.06
	<u>1,444.49</u>	<u>27.82</u>
Net cash generated from operations	2,552.70	2,934.08
Less : Income tax paid	(145.95)	63.59
NET CASH FROM OPERATING ACTIVITIES	2,406.75	2,997.67
B. CASH FROM INVESTING ACTIVITIES		
Expensed for Property, Plant and Equipment	(119.11)	(681.11)
Sale Proceeds of Assets	-	3.05
Dividend received	-	0.06
NET CASH FROM INVESTING ACTIVITIES	(119.11)	(678.00)
C. CASH FROM FINANCING ACTIVITIES		
Availment /(Repayment) in Cash Credit & PCFC from Banks	(751.10)	(823.10)
Availment /(Repayment) in Other Secured Loans	(806.78)	(753.35)
Availment /(Repayment) in Unsecured Loans	(20.99)	(39.69)
Interest & Finance Charges paid	(537.45)	(758.84)
Dividend paid	(175.15)	(160.90)
NET CASH FROM FINANCING ACTIVITIES	(2,291.47)	(2,535.88)
NET INCREASE/(USE) OF CASH AND CASH EQUIVALENTS	(3.83)	(216.21)
Opening Balances of Cash and Cash equivalents	147.63	363.84
Closing Balances of Cash and Cash equivalents	143.80	147.63

As per our attached report of even date.

FOR M/S K.S. AIYAR & CO.
Firm Registration Number :100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 30th July, 2020

For and on behalf of the Board of Directors

ROHINI G. KALYANI
Executive Chairperson
(DIN: 00519565)

VIRAJ G. KALYANI
Executive Director and CEO
(DIN : 02268846)
Pune: 30th July, 2020

ABHIJIT SEN
Director
(DIN: 00002593)

AVINASH KHARE
Chief Financial Officer
Pune: 30th July, 2020

₹ in lakhs

Note 1: Property, Plant and Equipment for FY 2019-20

Particulars	Original cost			As at 31-03-2020	Depreciation			Net Block		
	As at 01-04-2019	Additions during the year	Disposals during the year		Upto 01-04-2019	For the year	Deductions	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Freehold Land	213.04	-	-	213.04	-	-	-	-	213.04	213.04
Buildings	1,585.12	19.20	-	1,604.32	237.12	78.88	-	316.00	1,288.31	1,348.00
Roads	2.06	-	-	2.06	2.06	-	-	2.06	0.00	0.00
Plant & Machinery	8,767.28	6.52	-	8,773.80	3,177.74	1,163.39	-	4,341.13	4,432.67	5,589.54
Electrical Installation	446.72	30.82	-	477.55	126.34	60.18	-	186.52	291.03	320.38
Factory Equipment	284.81	8.67	-	293.49	121.08	40.54	-	161.62	131.87	163.74
Laboratory Equipments	164.51	3.60	-	168.11	32.25	23.66	-	55.91	112.20	132.26
Furniture & Fixtures	37.86	0.15	-	38.00	15.00	4.34	-	19.34	18.66	22.85
Office Equipment	36.90	0.35	-	37.25	16.26	6.03	-	22.28	14.97	20.65
Data Processing Equipment	53.44	4.00	-	57.45	46.79	3.61	-	50.41	7.04	6.65
Vehicles	24.98	-	-	24.98	13.74	1.71	-	15.45	9.53	11.24
Total	11,616.73	73.31	-	11,690.04	3,788.37	1,382.35	-	5,170.72	6,519.32	7,828.35

Note 1: Other Intangible assets for FY 2019-20

Particulars	Original cost			As at 31-03-2020	Depreciation			Net Block		
	As at 01-04-2019	Additions during the year	Disposals during the year		Upto 01-04-2019	For the year	Deductions	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Intangible Assets	64.83	-	-	64.83	50.13	6.49	-	56.63	8.20	14.70
Total	64.83	-	-	64.83	50.13	6.49	-	56.63	8.20	14.70
Total	11,681.55	73.31	-	11,754.87	3,838.50	1,388.84	-	5,227.34	6,527.52	7,843.05

Note 1: Property, Plant and Equipment for FY 2018-19

Particulars	Original cost			As at 31-03-2019	Depreciation			Net Block		
	As at 01-04-2018	Additions during the year	Disposals during the year		Upto 01-04-2018	For the year	Deductions	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Freehold Land	213.04	-	-	213.04	-	-	-	-	213.04	213.04
Buildings	1,581.00	4.11	-	1,585.12	158.72	78.41	-	237.12	1,348.00	1,422.29
Roads	2.06	-	-	2.06	2.06	-	-	2.06	0.00	0.00
Plant & Machinery	8,223.47	543.81	-	8,767.28	1,905.01	1,272.72	-	3,177.74	5,589.54	6,318.45
Electrical Installation	163.89	282.83	-	446.72	71.34	55.00	-	126.34	320.38	92.55
Factory Equipment	261.43	23.38	-	284.81	79.90	41.17	-	121.08	163.74	181.53
Laboratory Equipments	111.83	52.67	-	164.51	12.18	20.07	-	32.25	132.26	99.66
Furniture & Fixtures	33.32	4.54	-	37.86	10.35	4.65	-	15.00	22.85	22.96
Office Equipment	33.86	3.05	-	36.90	10.25	6.01	-	16.26	20.65	23.61
Data Processing Equipment	52.24	1.20	-	53.44	38.82	7.97	-	46.79	6.65	13.42
Vehicles	14.96	10.02	-	24.98	12.70	1.04	-	13.74	11.24	2.26
Total	10,691.10	925.62	-	11,616.73	2,301.32	1,487.05	-	3,788.37	7,828.35	8,389.78

Note 1: Other Intangible assets for FY 2018-19

Particulars	Original cost			As at 31-03-2019	Depreciation			Net Block		
	As at 01-04-2018	Additions during the year	Disposals during the year		Upto 01-04-2018	For the year	Deductions	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Intangible Assets	64.83	-	-	64.83	34.41	15.72	-	50.13	14.70	30.41
Total	64.83	-	-	64.83	34.41	15.72	-	50.13	14.70	30.41
Total	10,755.93	925.62	-	11,681.55	2,335.74	1,502.77	-	3,838.50	7,843.05	8,420.19

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos	Rs. in Lakhs	Nos	Rs. in Lakhs
Note 2: Investments				
INVESTMENTS CARRIED AT FVOCI (A+B)	-	-	-	-
C. COST				
I. Quoted Investments	-	-	-	-
II. Unquoted Investments (all fully paid)				
(a) Investments in Equity Instruments				
The Shamrao Vithal Co-operative Bank Ltd	2000	0.50	2000	0.50
TOTAL INVESTMENTS CARRIED AT AMORTISED COST [C]		0.50		0.50
TOTAL INVESTMENTS		0.50		0.50
D. Less : Aggregate amount of impairment in value of investments		-		-
TOTAL IMPAIRMENT VALUE (D)		-		-
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) - (D)		0.50		0.50

Particulars	Rs. in lakhs	
	As at March 31, 2020	As at March 31, 2019
Note 3: Others Non current Financial Assets		
I Financial assets at amortised cost		
a) Security Deposits		
- Secured, considered good	-	1.32
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful deposits	-	-
b) Fixed deposit more than 12 months	-	-
Total Financial assets at amortised cost	-	1.32



₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Note 4: Deferred tax assets (net)		
A. Tax effect of items constituting deferred tax liabilities		
1) On difference between book balance and tax balance of fixed assets	137.02	268.25
2) On expenditure deferred in the books but allowable for tax purposes	-	-
	137.02	268.25
B. Tax effect of items constituting deferred tax assets		
1) Provision for compensated absences, gratuity and other employee benefits	224.63	162.15
2) Provision for doubtful debts / advances	107.97	140.13
	332.61	302.28
C. Tax on Other Comprehensive Income		
1) Revaluation of Property plant and Equipment	-	-
2) Remeasurement of Defined Benefit Obligations	-	-
	-	-
Total	195.59	34.02

Note 5: Income tax assets (net)**Current Tax Asset:**

Advance income tax (net)	156.52	119.79
Total	156.52	119.79

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Note 6: Other Non Current Assets		
(a) Capital advances		
(i) For Capital work in progress	23.58	3.40
(b) Advances to suppliers		
(c) Balances with government authorities (other than income taxes)	358.92	362.24
(d) Advances to Employees	-	-
TOTAL	382.50	365.65
Note 7: Inventories		
(a) Raw materials	900.24	1,436.39
(b) Work-in-progress, at cost	2,145.48	2,288.86
(c) Completed Finished Goods	60.70	101.31
(d) Stores and spares	198.11	204.36
(e) Loose Tools	233.56	249.47
(f) Others - Scrap	350.76	392.14
(g) Die Room Inventory:		
Dies at cost	38.37	38.37
Fabrication, at cost	91.43	96.29
(h) Stock of shares, units of mutual funds	-	-
Total Inventories at the lower of cost and net realisable value	4,018.65	4,807.19
Note 8: Trade Receivables		
Trade receivables		
(a) Secured, considered good		
(b) Unsecured, considered good	5,656.48	7,527.63
(c) Unsecured, considered Doubtful	323.43	162.43
Impairment allowance (allowance for bad and doubtful assets)		
(a) Unsecured, considered doubtful	323.43	162.43
Total	5,656.48	7,527.63
Note 9: Cash and cash equivalents		
Current Cash and bank balances		
(a) Balances with banks		
In current accounts	143.77	147.17
In deposit accounts	-	-
(b) Cash in hand	0.03	0.46
Total	143.80	147.63



₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Note 10: Other Bank Balances		
Other bank balances		
Balances held as margin money or security against borrowings, guarantees and other commitments	343.66	330.61
Earmarked accounts - unpaid dividend accounts	76.92	25.10
Total	420.58	355.71

Note 11: Other Current Financial Assets**Financial assets at amortised cost****a) Security Deposits**

- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful deposits	-	-

b) Other items

Interest Receivable	1.64	10.65
Loan Processing Fees	-	-
Total Financial assets at amortised cost	1.64	10.65

Total	1.64	10.65
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Note 12: Other Current Assets

(a) Advances to suppliers	472.27	1,129.72
(b) Capital Advances	139.11	158.46
(c) Advances to employees	59.68	53.39
(d) Balances with government authorities (other than income taxes)*	126.21	89.70
(e) Prepayments	42.50	20.65
(f) Others **	0.41	0.00
Total	840.18	1,451.93

* This includes Export Incentive receivable of Rs. 104.07 lakhs.

** Earnest Money Deposit with Ordnance Factory, due for withdrawal.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos	Rs. in Lakhs	Nos	Rs. in Lakhs
Note 13: Equity Share Capital				
Authorised:				
Equity shares of Rs 10/- each	7,500,000	750.00	7,500,000	750.00
Cumulative Redeemable Preference Shares of Rs 10/- each	5,000,000	500.00	5,000,000	500.00
Unclassified Shares of Rs 10/- each	2,500,000	250.00	2,500,000	250.00
	<u>15,000,000</u>	<u>1,500.00</u>	<u>15,000,000</u>	<u>1,500.00</u>
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10/- each	3,640,000	364.00	3,640,000	364.00
Forfeited Equity Shares	2,000	0.10	2,000	0.10
Total	<u>3,638,000</u>	<u>363.90</u>	<u>3,638,000</u>	<u>363.90</u>

1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the Reporting period

	As at March 31, 2020		As at March 31, 2019	
	No. Of Shares	Rs. in Lakhs	No. Of Shares	Rs. in Lakhs
At the beginning of the period	3,638,000	363.80	3,638,000	363.80
Issued/ Reduction if any during the year	-	-	-	-
Outstanding at the end of the Period	<u>3,638,000</u>	<u>363.80</u>	<u>3,638,000</u>	<u>363.80</u>

2 Terms/Rights attached to the equity shares

The Company has only one class of equity shares having par value of Rs. 10/- each. Each equity holder is entitled to one vote per share and have a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates : NIL

4 Number of Shares held by each shareholder holding more than 5% Shares in the company

Sr. No.	Name of Shareholders	31st March 2020		31st March 2019	
		No. of Shares	% Of Holding	No. of Shares	% Of Holding
1	BF Investments Limited	569,600	15.66	569,600	15.66
2	Kalyani Consultants Pvt. Ltd.	377,280	10.37	377,280	10.37
3	Vakratund Investments Pvt. Ltd.	342,342	9.41	342,342	9.41
4	Pax Investments Pvt. Ltd.	340,074	9.35	340,074	9.35
5	Squirrel Financers & Investors Pvt. Ltd.	186,480	5.13	186,480	5.13

5 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

6 The Board of Directors has recommended dividend for the current year of Rs. 1.00/- per equity share (Nominal value Rs.10/-per equity share)



₹ in lakhs

Note 14: Statement of changes in equity for the period ended March 31, 2020**Equity share capital**

	Opening balance as at 1 Apr 2019	Changes in equity share capital during the year	Closing balance as at 31 Mar 2020
Equity shares of Rs.10 each	364	-	364
	<u>364</u>	<u>-</u>	<u>364</u>

Other Equity

Particular	Reserves and Surplus						Total
	Capital reserve	Securities premium reserve	General reserve	Other reserve Capital Redemption Reserve	Other comprehensive income (OCI)	Retained earnings	
Balance at the beginning of the reporting period	25.00	691.63	927.40	10.00	(17.23)	9,155.88	10,792.67
Total Comprehensive income for the year					(76.62)	(692.52)	(769.14)
Dividend and tax thereon						(175.15)	(175.15)
Transfer to retained earnings						-	-
Proposed dividend and tax thereon.						-	-
Balance at the end of the reporting period	25.00	691.63	927.40	10.00	(93.85)	8,288.21	9,848.38

As per our attached report of even date.

FOR M/S K.S. AIYAR & CO.
Firm Registration Number :100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 30th July, 2020

For and on behalf of the Board of Directors

ROHINI G. KALYANI
Executive Chairperson
(DIN: 00519565)

VIRAJ G. KALYANI
Executive Director and CEO
(DIN : 02268846)
Pune: 30th July, 2020

ABHIJIT SEN
Director
(DIN: 00002593)

AVINASH KHARE
Chief Financial Officer
Pune: 30th July, 2020

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Note 15: Non Current Borrowings		
Measured at amortised cost*		
A. Secured Borrowings:		
(a) Term Loans		
(1) From Banks		
State Bank of India (Note 1)	134.46	601.35
Total Secured Borrowings	134.46	601.35
B. Unsecured Borrowings - at amortised Cost		
(a) Term Loans		
(1) From Banks	-	-
(b) Deferred payment liabilities (Note 2)	-	20.99
Total Unsecured Borrowings	-	20.99
Total Borrowings carried at Amortised Cost	134.46	622.34
Measured at FVTPL		
1) Bonds / Debentures		
	-	-
2) Term Loans		
	-	-
Total Borrowings carried at FVTPL	-	-
Total Borrowings	134.46	622.34

Terms of Repayment

- Term Loan of Rs.21,62,79,499/- (Sanction Rs.25,00,00,000/-) is availed from State Bank of India, IFB, Pune out of the total sanction limit at the rate of interest of 2.10% above MCLR-1Y. This Term loan is converted to FCNRB-Foreign Currency loan of USD 14,91,901/- (Rs. 10,34,70,000/-) at the Fixed Margin over USD London inter bank offer rate i.e. LIBOR in June 2019. Balance outstanding of FCNRB loan as on 31 March 2020 is USD 9,21,089/- (Rs.7,01,86,982/-) and Balance outstanding out of earlier Term Loan Rs.17,24,816 (P.Y. Rs.11,53,72,646/-) which is payable at the end of repayment of last installment FCNRB loan as per the Terms and Conditions of the Bank. Out of this, USD 7,67,268/- (Rs.5,84,65,822/-) (P.Y. Rs.5,40,00,000/-) is treated as current maturities of long term debts as on 31 March 2020. In addition to this, Interest accrued and due on borrowings amounted to Rs.6,75,923/- (P.Y. Rs.12,37,892/-). FCNRB loan is to be repaid in monthly instalments of USD 63,939/- starting from June 2019.
- Sales Tax Deferral Liability under package scheme of incentive 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 as on 31st March 2020 amounted to Rs.37,99,561/- (P.Y. Rs 83,66,149/-). Out of these, Rs.37,99,561/- (P.Y. Rs. 62,67,078/-) is treated as current maturities of long term debts as on 31st March 2020. This liability is to be repaid within 5 years starting from 2015-16.

Nature of security for Item no. A (b) (1)

For the above Rupee Term Loan and USD FCNRB Loan, the company has created the first charge in favour of lending banks by way of hypothecation of assets to be acquired out of bank finance as primary security and second pari passu charge by way of hypothecation/ mortgage on the present and future fixed assets including land and building situated at Sanaswadi and Koregaon Bhima, Pune as a collateral security.



₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Note 16: Non Current Provisions		
(a) Provision for employee benefits		
(i) Provision for compensated absences [Leave Encashment]	152.26	125.44
(ii) Gratuity	368.12	250.79
Total Provisions	520.38	376.23

Note 17: Current Borrowings**A. Secured Borrowings - at Amortised cost:**

(a) Loans repayable on demand		
(1) From Banks		
- Working Capital Demand Loans		
ICICI Bank FCNRB	-	950.81
IDBI Bank WCDL	-	300.00
- Cash Credit / Packing Credits		
Cash credit from Bank	2,363.40	1,779.22
Packing credit foreign currency loan	24.26	108.73
Total Secured Borrowings	2,387.66	3,138.76

B. Unsecured Borrowings - at Amortised cost:

(a) Loans repayable on demand		
From Banks		
- Working Capital Demand Loans	-	-
- Cash Credit / Packing Credits	-	-
- Overdraft facility	-	-
- Others	-	-
Total Unsecured Borrowings	-	-

Total Current Borrowings	2,387.66	3,138.76
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Notes :-

- Company's fund and non fund based working capital facilities of Rs. 71,94,00,000/- are secured by first charge by way of hypothecation on pari passu basis with existing working capital lenders (State Bank of India-Lead Bank, Bank of Maharashtra, IDBI Bank Ltd. and ICICI Bank Ltd.) over the company's entire current assets including stocks, WIP, receivables and finished goods and also the second charge on the whole of the fixed assets of the Company on pari passu basis with consortium working capital lenders.
- The packing credit foreign currency loan is availed from Bank of Maharashtra and State Bank of India at the rate of Interest of Fixed Margin over USD London inter bank offer rate i.e. LIBOR

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Note 18: Trade Payables		
A) Creditors for supplies / services		
i) Total outstanding dues of micro enterprises and small enterprises	21.44	34.15
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,433.52	4,729.04
Total trade payables	3,454.96	4,763.18

Note 19: Other Current Financial Liabilities**Other Financial Liabilities Measured at Amortised Cost**

(a) Current maturities of long-term debt	622.65	926.96
(b) Interest accrued and due on borrowings	6.76	42.35
(c) Unpaid dividends (includes preference dividend of Rs. XX considered as interest)	76.92	25.10
(d) Other liabilities		
(i) Creditors for capital supplies/services	59.46	81.47
(iv) Other credit balances	413.32	429.68
Total other financial liabilities	1,179.11	1,505.54

Note 20: Current Provisions

(a) Provision for employee benefits		
(i) Leave Encashment	31.66	21.57
(ii) Gratuity	120.84	87.90
Total Provisions	152.50	109.47

Note 21: Other Current Liabilities

(a) Advances received from customers	85.29	602.27
(b) Government Grant	13.52	27.03
(c) Others		
- Employee Recoveries and Employer Contributions	247.03	193.75
- Statutory Dues (GST, sales tax, TDS, Royalty etc.)	53.49	186.86
- Other credit balances	1.50	15.46
TOTAL OTHER LIABILITIES	400.83	1,025.36



₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Note 22: Revenue from Operations		
(a) Sale of products	19,995.72	28,467.69
(b) Other Operating Revenues		
- Export incentives	98.42	145.62
- Miscellaneous receipts	0.71	21.95
Total	20,094.85	28,635.26
Note 23: Other Income		
Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit and loss	24.85	14.79
Other gains and losses		
(a) Gain on foreign exchange fluctuations, net	11.91	73.29
(b) Sundry Balances Written Back	103.82	303.97
(c) Discount received	26.51	22.51
(d) Dividend received	-	0.06
(e) Deferred Income	13.52	13.52
(f) Miscellaneous Income	93.38	216.02
(g) Gain on sale of property plant and equipments	-	3.05
Total	274.00	647.21
Note 24: Cost of raw materials and components consumed		
(a) Raw materials consumed		
Opening stocks	1,436.39	1,755.79
Less : Value of obsolete and non-moving material written-down (net of realisable value)	-	-
Add : Purchases	9,478.24	14,281.97
Less : Stocks at close	900.24	1,436.39
Less : Sale of raw material	-	-
	10,014.40	14,601.37
(b) Dies consumed		
Dies	38.37	38.37
Die Blocks, Die Steel and Dies under fabrication	96.29	112.68
Opening stocks	134.66	151.05
Add: Purchases and processing charges	116.71	204.70
Sub total	251.37	355.75
Less: Stock at close		
Dies	38.37	38.37
Die Blocks, Die Steel and Dies under fabrication	91.43	96.29
Sub total	129.80	134.66
	121.57	221.09
Total	10,135.96	14,822.46

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Note 25: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(Increase)/decrease in stocks		
Stocks at close:		
Work-in-process	2,145.48	2,288.86
Finished goods	60.70	101.31
Scrap	350.76	392.14
Less : Opening stocks		
Work-in-process	2,288.86	1,921.43
Finished goods	101.31	162.86
Scrap	392.14	370.97
Total	225.37	-327.05
Note 26: Employee Benefit Expense		
Salaries and wages, including bonus	2,654.28	3,137.03
Contribution to provident and other funds	145.72	161.75
Gratuity Expenses	61.47	51.00
Staff welfare expenses	214.77	290.68
Total	3,076.23	3,640.47
Note 27: Finance Cost		
Interest expense		
Borrowings	80.81	192.80
Others- Cash credit	318.33	364.61
Other borrowing cost- Bank charges	81.46	152.89
Exchange differences regarded as an adjustment to borrowing costs	56.85	48.55
Total	537.45	758.84
Note 28: Depreciation and amortization expense		
Depreciation		
Property, Plant and Equipment	1,383.92	1,488.04
Other Intangible assets	4.88	15.72
Total	1,388.80	1,503.76



₹ in lakhs

As at March
31, 2019**Particulars**As at March
31, 2020**Note 29: Other Expenses****Manufacturing Expenses**

Stores, spares and tools consumed	1,154.27	1,782.07
Processing charges	970.86	1,588.96
Power and fuel	2,062.84	2,727.63
Repairs to building	4.86	8.17
Repairs to machinery	348.81	609.52
Freight Charges	125.49	136.51
Other manufacturing expenses	29.44	18.64
	<u>4,696.57</u>	<u>6,871.50</u>

Selling Expenses

Freight and forwarding	265.93	312.60
Royalty, technical and license fees etc.	1.50	-
Other selling expenses	0.10	8.67
	<u>267.53</u>	<u>321.27</u>

Administration Expenses

Rent	3.24	3.00
Rates and taxes	73.31	11.21
Insurance (Including Keyman Insurance)	63.14	42.53
Other repairs and maintenance	0.25	0.23
Travelling and conveyance	24.02	46.39
Vehicle Expenses(Including on hired vehicles)	108.40	147.54
Professional & consultancy fees	188.09	184.78
Auditor's remuneration	19.04	15.74
Director's Sitting Fees	2.87	3.10
Donation	1.00	-
Directors' commission	5.07	49.68
Miscellaneous expenses	190.12	179.44
Provision for doubtful debts	161.00	28.37
Sundry balances written off	14.32	15.75
	<u>853.86</u>	<u>727.75</u>

Total5,817.967,920.52

NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

NOTE NO. 30 : Statement on Significant Accounting Policies

30.1 Basis of Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

30.2 Use of Estimates

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognized prospectively in future periods. Key sources of estimation of uncertainty at the date of the financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, provisions and contingent liabilities.

30.3 Property, plant and equipment and depreciation:

(i) Since there is no change in the functional currency, the company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as deemed cost at the transition date viz. April 1, 2016. Property, plant and equipment are stated at their cost of acquisitions including incidental expenses related to acquisition and installation of the concerned assets and including cost of specific borrowings. The Property, plant and equipment manufactured internally by the Company are stated at manufacturing cost. Property, plant and equipment are shown net of accumulated depreciation, except free hold and, which is at cost.

(ii) Expenditure on New Projects and Expenditure during the construction etc:-

In case of new projects and in case of substantial modernization or expansion at the existing units of the company, expenditure incurred including interest on borrowings and financing cost of specific loan, prior to the commencement of commercial production is being capitalized to the cost of asset. Trial run expenditure is also capitalized.

(iii) Intangible assets are measured on initial recognition at cost. Expenditure incurred in development phase, where it is reasonably certain that outcome of development will be commercially exploited to yield future economic benefit to the company is considered as an intangible asset. Such developmental expenditure is capitalized at cost including share of allocable expenses.

(iv) Depreciation / Amortization on Assets (other than Freehold Land) :

Pursuant to enactment of the companies act 2013 (the 'Act'), the company has revised useful life of its Property, plant and equipment as per provision of schedule II of the said act. Accordingly the company provides depreciation on all its assets on the "Straight Line Method" in accordance with the said act. Cost of Power line is being amortized over a period of seven years when put to use.



Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its intended use.

30.4 Inventories:

- (i) Stores and spares, raw materials and components are valued at cost or net realizable value whichever is lower, Cost of Inventories has been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- (ii) Cost of Raw materials is ascertained on weighted moving average basis.
- (iii) Work-in-process, Dies under fabrication and Finished Goods are valued at the lower of cost or net realizable value.
- (iv) Scrap and Non-moving semi-finished goods, slow-moving and obsolete items, are valued at the lower of cost or net realizable value.
- (v) Stock of Trial Product is valued at cost.
- (vi) Dies are valued at cost.
- (vii) Die Block and Die Steel are valued at material cost.
- (viii) Goods in transit are stated at actual cost up to the date of Balance Sheet.
- (ix) Shares, Units of Mutual Funds shown as stock in trade are valued at cost or market value whichever is lower.

30.5 Research & Development costs:

- (i) Capital Expenditure is included in Fixed Assets & Capital Work in Progress and depreciation is provided at the respective applicable rates.
- (ii) Revenue expenditure incurred on R&D is included in the respective account heads in the financial statements.

30.6 Share Issue expenses

Share issue expenses are written off over a period of ten years.

30.7 Post employment and other employee benefits:

- (i) Short terms employee benefits -

All employee benefits payable within 12 months of rendering the service are classified as short term benefits. Such benefits include salary, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay and are recognized in the period in which the employee renders the related service. The liabilities are presented under current provisions in the Balance sheet.

- (ii) Provident Fund -

Benefits in the form of Provident Fund and Pension Scheme whether in pursuance of law or otherwise which are defined contributions and are accounted on accrual basis and charged to statement of profit and loss of the year.

- (iii) Gratuity -

The employees' gratuity fund scheme is Company's defined benefit plan. Payment for present liability of future payment of gratuity is being made to the approved gratuity fund under cash accumulation

policy of the Life Insurance Corporation of India. The Employees' gratuity, a defined benefit plan, is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet and shortfall in the fair value of the Planned Asset is recognized as obligation. As per Ins AS 19, the Actuarial gains/(losses) is recognised in Other Comprehensive income in Statement of Profit & Loss.

(iv) Privilege Leave Benefits -

Privilege leave benefits or compensated absences are considered as long term unfunded benefit and recognized on the basis of an actuarial valuation using the Projected Unit Credit Method.

(v) Termination Benefits -

Termination benefits such as compensation under voluntary retirement scheme is recognized as liability in the year of termination.

30.8 Foreign Currency Transactions

(i) Initial recognition -

The company's financial statements are presented in INR, which is also its functional currency. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of transaction.

(ii) Conversion -

Monetary Assets and Liabilities, designated in foreign currencies are revalored at the rate prevailing on the date of Balance Sheet or forward contract rate or other appropriate contracted rate. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

(iii) Exchange Differences -

Exchange difference arising on the settlement and conversion on foreign currency transactions is recognized as income or expenses in the year in which it arises.

30.9 Investments:

(i) Investments which are readily realizable and are intended to be held for not more than one year from the date on which investments are made are classified as current investments. Such investments are stated at cost or Net Realisable Value whichever is lower.

(ii) Long Term investments are valued at cost of acquisition less diminution in the value, if determined to be of permanent nature.

30.10 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

(i) Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale



of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

- (ii) Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of date of Bill of Lading. Export incentives are accounted for on Export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.
- (iii) Dividend is recorded in the year in which right to receive payment is established.
- (iv) Interest income is recognized using the effective interest method.

30.11 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

30.12 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

30.13 Borrowing Costs:

Borrowing Costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to be put to use, as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which these are incurred.

30.14 Earnings per share:-

The basic & diluted earning per share is computed by dividing the net profit or loss attributable to equity shareholder for the period by the weighted average number of equity shares outstanding during the period.

30.15 Impairment of Assets:

The Management assesses for any impairment of assets or cash generating units, if indicators, external or internal, suggest possibilities of reduction in net realisable value of assets or value in use of cash generating units below their carrying costs. Impairments, if any, is recognised in the Profit and Loss Account.

30.16 Provisions and Contingent Liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure of contingent liability is made where there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

30.17 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match

them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

30.18 Taxation

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current tax is recognized in statement of profit and loss, except when it relates to items that are recognized in Other Comprehensive income or Equity, in which case Current Tax is also recognized in Other Comprehensive income or Equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in statement of profit and loss, except when it relates to items that are recognized in Other Comprehensive income or Equity, in which case Deferred Tax is also recognized in Other Comprehensive income or Equity.

30.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

NOTE NO. 31

31.1 Contingent Liability not provided for in respect of :

	₹ In lakhs	
	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
i. Claims against the Company, not acknowledged as debts	567.66	380.32
ii Disputed Income Tax demand, matter under appeal	138.05	138.05
iii Disputed Excise demand, matter under appeal	53.66	53.66
iv In respect of Bank Guarantee (*)	359.05	620.30

*Guarantees given by the company's Banker's on behalf of the Company, against sanctioned guarantee limits (BG+LC-one way interchangeability from LC to BG limit) aggregating to **Rs. 1300 lakhs** as at 31st March 2020(As at 31st March 2019 Rs. 1300 lakhs & As at 1st April 2018 Rs.1300 Lakhs) for contracts undertaken by the Company and other matters are secured by extension of charge by way of joint hypothecation of stock in trade, stores and spares etc., book debts subject to prior change in their favour. Amount outstanding as on 31st March, 2020 is **Rs. 359.05 lakhs** (31st March 2019 Rs. 620.30 Lakhs & 1st April 2018 Rs. 685.36 Lakhs)

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
31.2 Estimated Amount of contracts remaining to be executed on Capital Account and Not provided for (net of advances)	77.58	8.83

	2019-20 Rs.	2018-19 Rs.
31.3 Payments to Auditors		
Statutory Audit	9.50	9.50
Tax Audit	1.80	2.00
In Other Capacity :	-	-
For Limited Review & Others	6.50	6.50
For Expenses	0.32	0.46
Total	18.12	18.46

31.4 Disclosure pursuant to Ind AS 19 Employee Benefits

Details of Long Term Employees benefits determined by an appointed Actuary are as follows :

a) **Funded Scheme - Gratuity.**

Particulars	31st March 2020 Gratuity	31st March 2019 Gratuity
(i) Amounts to be recognised in Balance Sheet		
a. Present Value of Defined Benefit Obligations		
Funded	646.70	510.79
b. Fair Value of Plan Assets	157.74	172.09
c. Net Asset /(Liability) recognised in the Balance Sheet	(488.96)	(338.70)

Particulars	₹ In lakhs	
	31st March 2020 Gratuity	31st March 2019 Gratuity
(ii) Amount to be recognised in Statement of Profit & Loss Account		
a. Current Service Cost	34.44	28.34
b. Interest on defined benefit obligations	24.97	16.46
c. Expected return on planed assets	-	-
d. Net Actuarial Losses/(Gain) Recognised in year	-	-
Total, included in "Employee Benefits"	59.41	44.80
(iii) Change in Defined Benefit obligation and reconciliation thereof		
a. Present value of Defined Benefit obligation at the beginning of the year	510.79	393.17
b. Interest Cost	37.23	30.04
c. Current Service Cost	34.44	28.34
d. Actuarial Losses/ (Gains)	118.86	85.10
e. Benefits Paid	(54.61)	(25.87)
f. Present value of Defined Benefit obligation at the close of the year	646.70	510.79
(iv) Change in the fair value of Plan Assets and the reconciliation thereof		
a. Fair value of Plan Assets at the beginning of the Year	172.09	184.78
b. Add : Expected return on Plan Assets	12.26	13.58
c. Add/ (Less) : Actuarial (Losses) / Gains	1.07	(0.23)
d. Add : Contributions by employer	28.87	-
e. Less -Benefits Paid	(54.61)	(25.87)
f. Mortality charges & taxes	(1.94)	(0.16)
g. Fair value of Plan Assets at the closed of the year	157.74	172.09
(v) Broad Categories of plan assets as a percentage of total assets as at 31st March, 2019		
a. Insurer Managed Funds	100%	100%
TOTAL	100%	100%
(vi) Summary of the Actuarial Assumptions		
Discount Rate		
Particulars	31st March 2020	31st March 2019
Present Value of Unfunded Obligations		-
Discount Rate	6.70%	7.90%
Salary Escalation Rate %	5.00%	5.00%

31.5 Movement in Leave Encashment (Long Term & Short Term Compensated Absences)

Year	Opening Balance	Addition (Net)	Closing Balance
2019-20	147.01	36.91	183.92
2018-19	132.16	14.85	147.01



₹ In lakhs

31.6 The disclosure pursuant to the MSMED Act, 2006 is as under :

Particulars	As at 31-03-2020	As at 31-03-2019
Principal Amount due to suppliers under MSMED Act , 2006, beyond the appointed day	21.44	4.38
Interest accrued and due to suppliers under MSMED Act, on the above amount	2.00	0.73
Payment made to suppliers (other than interest) beyond the appointed day, during the year	249.69	5.56
Interest paid to suppliers under MSMED Act (Other than section 16)		
Interest paid to suppliers under MSMED Act (Section 16)		
Interest due and payable to suppliers under MSMED Act , for the payments already made	-	0.83
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act,2006	2.00	1.56

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

31.7 (a) The company has single Product,viz:"Forgings" consequently there are no Reportable Segments of the company as per Ind AS 108 "Operating segments"

(b) Disclosures of transactions with Related Parties as required by Ind AS - 24 "Related Party Disclosures" is given below.

Related parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by the Key Managerial Personnel, information available with the company and taken on record by the Board.

Sr. No.	Nature of relationship / Name of related party	Nature of Transaction	2019-20		2018-19	
			Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)	Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)
1	Key Managerial Personnel Mrs. R. G. Kalyani (Executive Chairperson)	Salary	20.75	1.73	20.75	1.73
		Commission	-	-	29.90	29.90
		Total	20.75	1.73	50.66	31.63
2	Relative of Key Managerial Personnel Mr. Viraj G. Kalyani (Executive Director and CEO)	Salary	20.75	1.73	20.75	1.73
		Commission	-	-	9.64	9.64
		Total	20.75	1.73	30.39	11.37
3	Relative of Key Managerial Personnel Mr. G.N. Kalyani (Director)	Commission	1.01	1.01	2.03	2.03
		Siting fees	1.18	-	0.92	0
		Total	2.19	1.01	2.95	2.26

₹ In lakhs

Sr. No.	Nature of relationship / Name of related party	Nature of Transaction	2019-20		2018-19	
			Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)	Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)
4	Enterprise in which Key Managerial Person is common NSF Trust	Rent	3.24	3.24	3.12	3.12
		Total	3.24	3.24	3.12	3.12
5	Enterprise in which Key Managerial Person is common Kalyani Property Pvt.Ltd.	Royalty	1.50	1.50	-	-
		Total	1.50	1.50	-	-
6	Enterprise in which Key Managerial Person is common Kalyani Consultant Pvt Ltd	Reimbursement	-	-	0.18	-
		Total	-	-	0.18	-

31.8 Earnings Per Share:	2019-20	2018-19
Earnings attributable to the equity share holder	(692.52)	696.38
Total weighted average No. of shares	3,638,000	3,638,000
(a) Basic	(19.04)	19.14
(b) Diluted	(19.04)	19.14

31.9 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Expenditure on Corporate Social Responsibility activities:

Particular	2019-20	2018-19
Amount required to be spent as per Section 135 of the Act	17.02	11.79
Amount spent during the year on		
(i) Construction/acquisition of any asset	0.00	-
(ii) On purpose other than (i) above	5.00	-
Total	5.00	0.00

Note:- We have identified the recipients of the CSR amount, however as per the arrangement amount is payable after submission of work report by the respective institutions. In FY 2019-20 we have spent Rs. 5 Lakhs towards CSR and for balance amount of ₹ 12 Lakhs, provision is made as on 31.03.2020.

31.10 There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund on account of unpaid dividend of ₹ 1.22 Lakhs for the year 2011-12, by the Company.

32 CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

Particulars	Refer Note no.	Non-current		Current	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
Financial Assets measured at Fair value through Profit or loss (FVTPL)					
Investment in Equity shares (Net of provision)	2	-	-	-	-
Financial Assets measured at Fair value through other comprehensive income (FVTOCI)					
		-	-	-	-
Financial Assets measured at amortised cost					
Security Deposit	3	-	1.32		
Trade receivables	8	-	-	5,656.48	7,527.63
Cash and cash equivalents	9	-	-	143.80	147.63
Other balances with banks	10	-	-	420.58	355.71
Interest Accrued on Fixed Deposit	11	-	-	1.64	10.65
		-	1.32	6,222.50	8,041.61
Financial Liabilities measured at amortised cost					
Borrowings	15	134.46	622.34		
Borrowings	17			2,387.66	3,138.76
Trade payables	18			3,454.96	4,763.18
Current maturities of long-term debt	19			622.65	926.96
Interest accrued and due on borrowings	19			6.76	42.35
Unpaid Dividends	19			76.92	25.10
Payable towards expenses	19			59.46	81.47
Other credit balances	19			413.33	429.68
		134.46	622.34	7,021.73	9,407.50

FAIR VALUE MEASUREMENTS	Fair Value as at 31.03.2020	Fair Value hierarchy		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets / financial liabilities				
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at fair value through other comprehensive income (OCI)	NA	NA	NA	NA

FAIR VALUE MEASUREMENTS	Fair Value as at 31.03.2019	Fair Value hierarchy		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets / financial liabilities				
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at fair value through other comprehensive income (OCI)	NA	NA	NA	NA

33 FINANCIAL RISK MANAGEMENT

33.1 Market risk

The Company's financial risk management is an integral part of how to plan and execute its business strategies. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument.

33.2 Interest rate risk :

The company has investment in fixed deposits. However interest income from fixed deposits is a residuary income and not going to affect the significant cash flow of the company.

33.3 Foreign currency risk:

Company is exposed to foreign exchange risk through its sales and services to foreign countries, and purchases from overseas suppliers in various foreign currencies.

The following table analyzes foreign currency risk from financial instruments:

Figures In lakhs

Particulars	As at 31st March 2020			As at 31st March 2019		
	USD	Euro	JPY	USD	Euro	JPY
Unhedged Trade receivables	5.15	2.40	-	12.01	5.03	-
Unhedged Trade Payables	0.05	0.12	218.29	0.62	2.81	435.84
Unhedged Advances to Trade Payables	-	0.00	179.64	2.83	2.82	342.26
Total	5.20	2.52	397.93	15.46	10.67	778.10

33.4 Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Movement in provisions for Credit Losses (Provision for doubtful debts)**

₹ In lakhs

	As at 31st March 2020	As at 31st March 2019
Opening provision	162.43	412.74
Add : Additional provision made	161.00	28.37
Less : Provision write off	-	278.68
Less : Provision reversed	-	-
Closing provision	323.43	162.43

33.5 Liquidity risk :

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset.

i. Ageing analysis of trade payable

Particulars	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
At 31st March, 2020				
Trade payables	3,092.08	362.88		3,454.96
Other financial liabilities (Current and non current)				-
At 31st March, 2019				
Trade payables	4,456.53	306.66		4,763.19
Other financial liabilities (Current and non current)				-

ii. The ageing analysis of account receivables has been considered from the date of invoice falls due

Particulars	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
At 31st March, 2020				
Trade receivables	5,094.28	562.20		5,656.48
At 31st March, 2019				
Trade receivables	6,886.19	641.44	-	7,527.63

34 I A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	₹ In lakhs	
	2019-20	2018-19
Current tax		
Current Tax on taxable income for the year	41.17	431.48
Total current tax expense	41.17	431.48
Deferred Tax		
Deferred tax charge/(credit)	(161.57)	(164.40)
MAT Credit (taken)/utilised	-	-
Total deferred income tax expense/(benefit)	(161.57)	(164.40)
Tax in respect of earlier years	-	-
Total income tax expenses	(120.40)	267.08

Particulars	₹ In lakhs	
	2019-20	2018-19
Enacted income tax rate in India applicable to the Company	33.063%	33.063%
Profit before tax	(812.92)	963.46
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	-	318.55
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowances	41.17	9.38
Depreciation (net effect)	(131.24)	(90.14)
Deduction under section 43B of the Income Tax Act	(62.49)	(0.73)
Tax in respect of earlier years	-	-
Income exempted from income taxes	-	-
Other items	32.15	30.02
Total income tax expenses/(credit)	(120.41)	267.08

35 Research and Development:

S. No.	NATURE OF EXPENSES	2019-20	2018-19
A	Capital Expenses	17.73	40.92
B	Revenue Expense		
	1 Cost of raw materials	24.22	50.76
	2 Employee benefit expense	113.77	66.14
	3 Other Expenses	84.39	114.01
	Total	240.11	271.82



- 36** The spread of COVID-19 pandemic has significantly disrupted business operations and created high level of economic uncertainty. The operation of the company was impacted in the month of March 2020 due to temporary shutdown of all plants/offices following lockdown announced by Government of India due to COVID-19 outbreak. The management of the Company has evaluated the business risks faced by the entity including liquidity and solvency risks and is of the opinion that Company's ability to continue as a going concern is not impaired by the pandemic in any manner.
- 37** Previous Year's figures have been regrouped wherever necessary to make them comparable with those of the current year.

As per our attached report of even date.

FOR M/S K.S. AIYAR & CO.
Firm Registration Number :100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 30th July, 2020

For and on behalf of the Board of Directors

ROHINI G. KALYANI
Executive Chairperson
(DIN: 00519565)

VIRAJ G. KALYANI
Executive Director and CEO
(DIN : 02268846)
Pune: 30th July, 2020

ABHIJIT SEN
Director
(DIN: 00002593)

AVINASH KHARE
Chief Financial Officer
Pune: 30th July, 2020

KALYANI FORGE



KALYANI FORGE LIMITED
(CIN : L28910MH1979PLC020959)

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