



# Kalyani Forge Limited

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www.kalyaniforge.co.in



Date: 22nd July, 2021

To,

<b>BOMBAY STOCK EXCHANGE LIMITED,</b> Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai-400001  Scrip Code: 513509	<b>NATIONAL STOCK EXCHANGE OF INDIA LIMITED,</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051  Symbol: KALYANIFRG
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**Subject: Notice of 42<sup>nd</sup> Annual General Meeting and Annual Report for the FY 2020-21 of the Company.**

Dear Madam/ Sir,

Please be informed that the 42<sup>nd</sup> Annual General Meeting ("AGM") of KALYANI FORGE LIMITED ("the Company") is scheduled to be held on Saturday, 14th August, 2021, at 2.00 p.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the business as mentioned in the Notice of the AGM.

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; we hereby submit a copy of the Annual Report for the Financial Year 20-21 along with the Notice of the 42<sup>nd</sup> AGM scheduled as aforesaid, as circulated to the shareholders through electronic mode today.

The 42<sup>nd</sup> AGM Notice and Annual Report are also available on the website of the Company.

Brief details of the 42<sup>nd</sup> AGM are as below:

Date and Time of 42 <sup>nd</sup> AGM	Saturday, 14 <sup>th</sup> August, 2021 at 2.00 p.m. (IST)
E-voting start date and time	Wednesday, 11 <sup>th</sup> August, 2021 at 9.00 a.m. (IST)
E-voting end date and time	Friday, 13 <sup>th</sup> August, 2021 at 5.00 p.m. (IST)
Cut-off Date for E-Voting and determining the Members eligible to receive Final Dividend for FY 2020-21	Saturday, 07 <sup>th</sup> August, 2021
Book Closure Period	08 <sup>th</sup> August, 2021 to 14 <sup>th</sup> August, 2021

Kindly take the same on record

Thanking you,

Yours Faithfully,  
For Kalyani Forge Limited

  
Rohan Deshpande  
Company Secretary &  
Compliance Officer





**KALYANI FORGE LIMITED**

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

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

## Message from the Executive Chairperson

Dear Shareholders,

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

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

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

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

### Performance:

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

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

### Dividend:

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

### Outlook:

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

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

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

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

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

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

With Best Wishes,

Rohini G. Kalyani  
(Executive Chairperson)

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## KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

### BOARD OF DIRECTORS

Mrs. Rohini G. Kalyani	(Executive Chairperson)	(DIN: 00519565)
Mr. Viraj G. Kalyani	(Executive Director and Chief Executive Officer)	(DIN: 02268846)
Mr. Gaurishankar N. Kalyani	(Director)	(DIN: 00519610)
Mr. Abhijit Sen	(Independent Director)	(DIN: 00002593)
Mr. Pradip P. Nadkarni	(Independent Director)	(DIN: 01670826)
Mr. Vishwas Chitrao (Ceased: w.e.f. April 15, 2021)	(Independent Director)	(DIN: 07493694)
Mr. Adit M. Rathi (Appointed w.e.f. April 14, 2021)	(Independent Director)	(DIN:00084380)

### AUDIT COMMITTEE

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

### NOMINATION & REMUNERATION COMMITTEE

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE

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

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

### CHIEF FINANCIAL OFFICER

Mr. Amol Khutwad

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Rohan Deshpande

## **KALYANI FORGE LIMITED**

(CIN: L28910MH1979PLC020959)

### **BANKERS :**

State Bank of India  
HDFC Bank

### **AUDITORS :**

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

### **REGISTERED OFFICE :**

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

### **WORKS :**

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

**KALYANI****Kalyani Forge Limited****Summary of Financial Data**

(₹ in Million)

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

**KALYANI FORGE LIMITED**  
(CIN: L28910MH1979PLC020959)

Regd. Office: Shangrila Gardens, "C" Wing,  
1st floor, Opposite Bund Garden, Pune 411 001  
E-mail : companysecretary@kforge.com, Website : www.kalyaniforge.co.in

**NOTICE**

NOTICE is hereby given that the Forty Second Annual General Meeting of the Members of KALYANI FORGE LIMITED will be held through Video Conferencing "VC" or other Audio Visual Mode "OAVM" ("hereinafter referred to as "electronic mode"), on Saturday, 14th August, 2021, IST 02.00 P.M. to transact the following businesses:

**ORDINARY BUSINESS:**

01. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2021 together with reports of the Board of Directors and Auditors thereon;
02. To declare a dividend on equity shares for the Financial Year ended 31st March, 2021;
03. To appoint a Director, in place of Mr. Viraj G. Kalyani (DIN : 02268846) who retires by rotation and being eligible, offers himself for re-appointment;
04. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. K.S. Aiyar, Chartered Accountants, Mumbai (Firm Reg No. 100186W), to Re-appoint as Statutory Auditors of the Company for Second Term of 5 years from the conclusion of this Annual General Meeting till the conclusion of the 47th Annual General Meeting of the Company to be held in the calendar year 2026 and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration, with applicable taxes if any, out of pocket and travelling expenses as may be recommended by the Audit Committee for each year during the said period."

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

**Special Business:**

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

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, R C K & Co. Cost Accountant Firm (Firm Reg. No 002587), appointed as Cost Auditor by the Board of Directors to conduct an audit of the Cost Records of the Company for the financial year commencing from 1st April, 2021, be paid remuneration of Rs. 1,25,000 (Rupees One Lakh Twenty Five Thousand Only) and with applicable taxes, if any, in addition to reimbursement of out of pocket expenses and conveyance as recommended by the audit committee and approved by the Board of Directors of the Company.

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

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



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

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

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

RESOLVED THAT pursuant to sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modifications or re-enactment thereof and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. Adit Rathi (DIN: 00084380), who was appointed as an Additional Director by the Board of Directors with effect from April 14, 2021 and is eligible for appointment as Independent Director and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from April 14, 2021 till April 13, 2026.

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

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

Place : Pune  
Date : June 10, 2021

**Rohan M. Deshpande**  
Company Secretary

**Registered Office :**  
Shangrila Gardens, 'C' Wing, 1st Floor,  
Opp Bund Garden, Pune – 411001

**NOTES :**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May5,2020 read with circulars dated April8,2020, April13,2020 and January,13,2021 and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued dated January15, 2021 in relation to “Relaxation from Compliance with certain provisions of SEBI(Listing Obligation and Disclosure Requirements) Regulation,2015 due to the Covid–19 pandemic (hereinafter collectively referred to as “the Circulars”) permitted holding of the Annual General Meeting(“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circular and SEBI circular the AGM of the members of the Company is being through VC/ OAVM. The registered office of the Company shall be deemed to be the venue of the AGM
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip and Road Map for the venue of the Annual General Meeting are not annexed to this Notice.
4. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s) who are authorised to vote, to the Scrutinizer at e-mail ID: nitinprabhunecs@gmail.com 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 7th August, 2021 as the ‘Record Date’ for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM.
6. Further in order to receive dividend in a timely manner, Members who have not updated their mandate for receiving dividends directly in their bank accounts through Electronic Clearing Service or any other means can register their Electronic Bank Mandate to receive dividends by following the below process:-
  - Members holding shares in Physical mode may visit and update the details with Link Intime India Private Limited (RTA) at [https://linkintime.co.in/EmailReg/Email\\_Register.html](https://linkintime.co.in/EmailReg/Email_Register.html) or through their web site [www.linkintime.co.in](http://www.linkintime.co.in) > Investor Services > E mail / Bank Registration > select ‘\_ (Name of your company)’ and follow the registration process as guided therein by 10th August, 2021 (upto 5.00 p.m. IST) along with scan copy in PDF or JPEG format (up to 1 MB) of following details/ documents:-

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

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

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

For queries related to updation of email ID and bank account details members may contact at [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

- Members holding shares in Demat form, please update your Electronic Bank Mandate through Depository Participants.
  - a. In case the Company is unable to pay dividend to any Member directly in their bank account through Electronic Clearing Services or any other means due to non-registration of Electronic Bank Mandate the Company shall dispatch the dividend warrants to such member at the earliest once the normalcy is restored.
  - b. Pursuant to Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) and depository participants (in case shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during FY 21-22 does not exceed 5000/-.
7. A resident individual shareholder with PAN who is not liable to pay income tax can submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax at Company's RTA at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by 10th August, 2021 (upto 5.00 p.m. IST). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending to Company's RTA at <https://linkintime.co.in/formsreg/submission-ofform-15g-15h.html>. The said declarations need to be submitted by 10th August, 2021 (upto 5.00 p.m. IST).

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

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

Incomplete and/or unsigned forms and declarations will not be considered by the Company. All communications/ queries in this respect should be addressed to the RTA, by email to [tm1taxexemption@linkintime.co.in](mailto:tm1taxexemption@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 2020-21 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 2020-21 will also be available on the Company's website [www.kalyaniforge.co.in](http://www.kalyaniforge.co.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://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. The Ministry of Corporate Affairs had notified the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7 September, 2016 as amended by Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, effective from 28 February, 2017. The said rules provide for manner of transfer of shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years to DEMAT Account of the IEPF Authority.

In compliance with said rules, the Company has transferred respective shares to IEPF authority for the financial year 2012-13.

The Members, whose unclaimed dividend/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF available on [www.iepf.gov.in](http://www.iepf.gov.in).

15. 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:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - ▶ Select the “**Company**” and ‘**Event Date**’ and register with your following details: -
    - **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID

- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable.
- C. Mobile No.:** Enter your mobile number.
- D. Email ID:** Enter your email id, as recorded with your DP/Company.
  - ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

#### **Instructions for Shareholders/Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the companysecretary@kforge.com.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist 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.

#### **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 ).

#### **Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link [https://www.webex.com / downloads.html/](https://www.webex.com/downloads.html/)

Or

- b) if you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.  Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

16. 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](mailto:companysecretary@kforge.com). The same will be replied by the company suitably.
17. 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.
18. 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.
19. 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 Mr. Viraj G. Kalyani**

Name of the Director*	Mr. Viraj G. Kalyani
Director Identification Number	02268846
Date of Joining the Board	17th May, 2013
Profile of the Director	Mr. Viraj G. Kalyani, son of Mr. Gaurishankar N. Kalyani & Mrs. Rohini G. Kalyani and Grandson of Late Dr. Neelkanth A. Kalyani Industrialist & Founder of the Company, born on December 04, 1990. He is a Graduate from the Jerome Fisher Program in Management and Technology at University of Pennsylvania, a four-year dual-degree program, with a Bachelor of Science in Economics, concentration in Finance at the Wharton School and a Bachelor of Science in Engineering, Major in Mechanical Engineering at the School of Engineering and Applied Science. Besides being Executive Director and CEO of the Company; he is also a Director of Private Limited Companies in the group.
Board Membership of other Public Limited companies as on March 31, 2021	Nil

Chairman/Member of the Committees of Director of the Company as on March 31, 2021	Nil
Chairman/Member of the Committees of Director of other Companies in which he is a Director as on March31,2021	Corporate Social Responsibility Committee
Shareholding in KFL as on March 31, 2021	33,285 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 Mr. Viraj G. Kalyani, Executive Director and CEO himself, Mrs. Rohini G. Kalyani, Executive Chairperson and Mr. Gaurishankar N. Kalyani Non-Executive Director together with his 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.

20. 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 Vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by Link Intime India Private Limited , on all the resolutions set forth in this Notice.

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 42<sup>nd</sup> Annual General Meeting of the Company dated 14<sup>th</sup> August, 2021 (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 7<sup>th</sup> August, 2021. The instructions for e-voting are given below:

<u>Type of shareholders</u>	<u>Login Method</u>
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ul>



<b>Type of shareholders</b>	<b>Login Method</b>
	<ul style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Institutional shareholders</b>	<ul style="list-style-type: none"> <li>Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> and register themselves as ‘<b>Custodian / Mutual Fund / Corporate Body</b>’. 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 ‘<b>Custodian / Mutual Fund / Corporate Body</b>’ login for the Scrutinizer to verify the same</li> </ul>



<u>Type of shareholders</u>	<u>Login Method</u>
<p><b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b></p>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>▶ Click on “<b>Sign Up</b>” under ‘<b>SHARE HOLDER</b>’ tab and register with your following details: -               <ol style="list-style-type: none"> <li>A. <b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li>B. <b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li>C. <b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li>D. <b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ol> </li> <li>● Shareholders/ members holding shares in <b>physical form</b> but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above               <ul style="list-style-type: none"> <li>▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>▶ Click “confirm” (Your password is now generated).</li> </ul> </li> </ul> </li> <li>2. Click on ‘Login’ under ‘<b>SHARE HOLDER</b>’ tab.</li> <li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘<b>Submit</b>’.</li> <li>4. After successful login, you will be able to see the notification for e-voting. Select ‘<b>View</b>’ icon.</li> <li>5. E-voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option ‘<b>Favour / Against</b>’ (If you wish to view the entire Resolution details, click on the ‘<b>View Resolution</b>’ file link).</li> <li>7. After selecting the desired option i.e. Favour / Against, click on ‘<b>Submit</b>’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘<b>Yes</b>’, else to change your vote, click on ‘No’ and accordingly modify your vote.</li> </ol>

#### **Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <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.

**Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:**

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- 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.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

21. 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](mailto:instameet@linkintime.co.in) or Call us: - Tel : (022-49186175)

❖ **General Guidelines for shareholders:**

- i. 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 Saturday, 7th August, 2021 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- ii. 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.
- iii. The Results shall be declared on or after the 42nd 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](http://www.kalyaniforge.co.in) within two (2) days of passing of the Resolutions at the 42nd Annual General Meeting of the Company and communicated to the BSE Limited and NSE Limited.
- iv. 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 10th August, 2021.
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 42<sup>nd</sup> 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 :** June 10, 2021

**Rohan M. Deshpande**  
Company Secretary

### Annexure to Notice

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

- **Item No.: 04 Re-Appointment of Statutory Auditor M/s K. S. Aiyar & Co:**

Section 139 of the Companies Act, 2013 and the Rules made there under provide that a company can appoint a firm as auditor for maximum two (2) terms of five (5) consecutive years. In other words, company can make appointment of auditor for five years at a time.

In this regard, the Company has received an eligibility certificate and consent from them, to the effect that their appointment, if made, will be in accordance with section 139 (1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned will be payable to the Statutory Auditor.

The Board recommends the appointment of M/s. K.S. Aiyar, Chartered Accountants as Statutory Auditors of the Company from the conclusion of this Annual General Meeting upto the conclusion of the 47th Annual General Meeting of the Company to be held in the calendar year 2026 for a term of 5 years.

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 Appointment of Cost Auditor M/s R C K & Co**

The Board at its meeting held on 10th June, 2021, on the recommendations of the Audit Committee, has appointed R C K & CO, Cost Accountant Firm as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March 2022 on a remuneration of Rs.1,25,000 (Rupees One Lakh Twenty Five Thousand only) and with applicable taxes, if any 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.

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.

The Board recommends the Ordinary resolution as set out at item no 5 of the notice for approval of the members.

- **Item No. 06 Re appointment of Mr. Abhijit Sen as an Independent Director of the Company**

The Nomination and Remuneration Committee and the Board of Directors vide circular resolution passed as on February 2, 2021 had recommended re-appointment of Mr. Abhijit Sen as a Non- Executive Independent Director of the Company, subject to the approval of the Members, for a second term starting from February 2, 2021 upto February 1, 2026. The Company has received the consent from aforementioned director and also the declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board, based on their performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and expertise in their relevant fields and invaluable contribution made by the Directors during their tenure, continued association of Mr. Abhijit Sen would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Brief profile of Mr. Abhijit Sen is as under:

Name of the Director*	Mr. Abhjit Sen
Director Identification Number	0002593
Profile of the Director	Mr. Abhijit Sen has B. tech (Hons) graduated from IIT Kharagpur and a Post-graduate Diploma in Management from the Indian Institute of Management, Calcutta with Majors in Finance & Information Systems. Mr. Sen held the position of CFO in India Subcontinent Citigroup for over 18 years. On retirement from Citi, Mr. Abhijit Sen is associated with E & Y, as a part-time Senior Advisor, to provide broad strategic support for their activities in the Banking and Financial Services Sector. He is also associated with several other boards of well-known companies.
Chairman/Member of the Committees of Director of the Company as on March 31, 2021	Chairman : Audit Committee Member : Nomination and Remuneration Committee and Stakeholders Relationship Committee
Shareholding in KFL as on March 31, 2021	Nil

Except Mr. Abhijit Sen being an appointee, none of the other Director's and key managerial personnel of the Company or their relative are concerned or interested in said resolution.

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

**- 07 Item – Appointment of Mr. Adit Rathi as Independent Director of the Company**

The Board of Director of the Company, on the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors vide Circular Resolution passed as on April 14, 2021, the appointment of Mr. Adit Rathi, as an Additional Director in the category of Independent Director, subject to the approval of Members. The Company has received consent and eligibility letter from Mr. Adit Rathi as required under the provisions of Section 149(6) Companies Act, 2013 and the Rules framed thereunder as well as Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also received a declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and that no order of Securities and Exchange Board of India or any other such authority has been passed against Mr. Adit Rathi debaring from accessing the capital markets and restraining from holding the position of Director in any listed Company. In the opinion of the Board of Directors, Mr. Adit Rathi, fulfils the criteria of Independence as specified under Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and are independent of the management.

The Board recommends the resolution in relation to appointment of Mr. Adit Rathi as an Independent Director for period upto 5 (five) consecutive years with effect from April 14, 2021 for the approval by the Members of the Company. Brief profile of Mr. Adit Rathi is as under:

Name of the Director*	Mr. Adit Madhusudan Rathi
Director Identification Number	00084380
Date of Joining the Board	14th April, 2021



Profile of the Director	Mr. Adit Rathi born into the Rathi Family which is one of the Oldest Industrial House in Pune City. Mr. Adit Rathi holds Bachelor Degree in Polymer Engineering (Pune University) and Masters Degree in Industrial Engineering from Ohio State University (USA). Mr. Adit Rathi is a son Mr. Madhusudan Rathi who started the engineering power transmission business in 1965 and the rubber part business in 1978 currently the business is managed by both of them.
	Mr. Adit Rathi has 25 plus years of experience in the engineering Industry.  Presently, Mr. Adit Rathi is a Managing Director of Rathi Transpower Private Limited ( Manufacturing of mechanical power transmission) and Polybond India Private Limited ( Manufacturing of rubber components for automotive and industrial applications as well as plastic disposable medical devices). Along with he holds the position as Non-executive Independent Director on the Board of ZF Steering Gear (India) Limited (Manufacturing of mechanical steering gears and hydraulic power steering gears). Alongwith, the above mentioned Companies he holds Directorship in various other Rathi Group Private Limited Companies.
Chairman/Member of the Committees of Director of the Company as on March 31, 2021	Member : Nomination and Remuneration Committee and Stakeholders Relationship Committee
Shareholding in KFL as on March 31, 2021	Nil

Except Mr. Adit Rathi being an appointee, none of the other Director's and key managerial personnel of the Company or their relative are concerned or interested in said resolution.

The shareholder's approval is solicited for the resolution at Item no 7 of the accompanying Notice as an ordinary resolution.

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

**Place :** Pune  
**Date :** June 10, 2021

**Rohan M. Deshpande**  
Company Secretary



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The global economy encountered one of its biggest challenges in 2020. Even as it had been weakening for the previous two years, it was severely impacted by the outbreak of the Covid-19 pandemic starting from December 2019 and extending to a full-fledged global impact within the space of a couple of months. The global economy experienced a sharp contraction to register a negative growth rate of 3.3% in FY 21. While the impact of the pandemic was dependent on the pre-existing macroeconomic fundamentals and structural imbalances of the nations, advanced economies de-grew by 4.7% in FY21. The global economy is expected to register a growth rate of 6% in FY22. The fragility of the growth momentum is compounded by the fact that most nations entered the crisis with huge public debt and have limited capacity for enduring subsequent crisis.

### Economic Scenario and industrial Structure:

The Indian economy fell sharply by 7.3% in FY21 including an almost complete washout of Q1FY21, as the nationwide lockdown was enforced to contain the coronavirus. The social and economic shock of sudden pause in economic activity and social distancing is estimated to have significantly slowed down the poverty eradication process, curtail economic growth.

This de-growth was the result of the complete lockdown that was announced in the last week of FY 2019-20 that extended into the first two months of FY 21, the partial effects of which spilled over the subsequent quarters. Even as there was a reasonable revival in consumer off take across a number of fronts – realty and automobiles – the country's consumption engines continued to remain affected on account of a decline in incomes, consumer sentiment, propensity to save over spending and a willingness to downtrade. With the rollout of a large-scale vaccination program and revival in majority of the economic indicators, the optimism around India's recovery has been reiterated. The IMF estimates the growth rate of Indian economy to jump to 12.5% in FY22 and be stable at 6.9% in FY23.

The lack of consumer spending and impact of COVID-19, did cause a steep downfall for the automotive sector for a major part of 2020. However, things did look up, as the sector underwent a transformation after COVID-19. The need for personal transportation gave a boost to the sector, with an increase in demand for passenger and two-wheeler vehicles. The predicted better monsoons did favor the agriculture sector too, boosting the tractor sales in line with the expectations. The demand for commercial vehicles continued to be under pressure, with rising fuel prices and subdued manufacturing activity in the first half of FY21.

### 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 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.

Kalyani Forge is undergoing a strategic repositioning to meet the needs of discerning clients. Over the past few years we have successfully pursued a number of new multinational clients who are leaders in their segments or industries. The company sees enormous potential in regaining the market share in tier-1 businesses which supply directly to OEMs, particularly in fully finished, ready-to-assemble components. The strategic moves involve changes across the board in our internal activities which can yield rich rewards. Some examples include customer relationship management, employee engagement, logistics, information management, business and competitive intelligence, production process enhancement and many more. The company has a lot of potential in gaining new clients in the growing passenger vehicle space, not only for engine components (which are currently a majority of the business) but also the transmission and driveline components and aggregates. Additionally there are new, untapped markets in North America, Europe and East Asia, which we have planned to tap.

The company has scope to diversify into sectors other than auto sector, particularly the defence 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 is the biggest threat in coming financial year. If the company could sustain this impact company it can achieve its targets.

**Outlook:**

The second wave of the pandemic is expected to impact near-term automobile purchases, across segments. However, the Indian automotive industry also benefits from global supply-chain rebalancing, government incentives to increase exports, and technology disruptions. These developments will help create opportunities at all levels of the automotive value chain. 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:**

Commodity risks, characterized by fluctuations in demand and supply, and price movements pose significant risk in manufacturing industries. In the Forging industry, High grade steel, being the primary raw material for manufacturing, is susceptible to risks arising from fluctuations in global steel price movement. The impact of such risks creates challenges in maintaining competitive advantage in price and quality of the product. Risk of part becoming obsolete and the risk of a production line. Of course the electric vehicles are a major risk to the existing auto components but a planned action to change the product portfolio would not make an adverse impact on the industry.

**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 differ 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

The Board of Directors of your Company is pleased to present the 42<sup>nd</sup> Annual Report together with the Audited Statement of Accounts of Kalyani Forge Limited (“the Company”) for the year ended March 31, 2021.

### Financial Performance:

The summarized standalone results of your Company are given below.

Rs. in Lakhs

Particulars	Financial Year ended 31st March, 2021 Standalone	
	31-03-2021	31-03-2020
Total income from operations (net)	<b>18,078.36</b>	20,094.85
Profit/(loss) before Exceptional Items and Tax	<b>(207.24)</b>	(812.92)
Exceptional Items and Tax Expenses	<b>(31.21)</b>	(120.40)
Net Profit/ (Loss) After Tax	<b>(176.03)</b>	(692.52)
Balance of Profit from Previous Year	<b>8,194.36</b>	9,138.70
Total Comprehensive income for the year	<b>19.43</b>	(76.62)
IND AS adjustments – reversal of proposed dividend and tax thereon	<b>(36.38)</b>	(175.15)
Balance at the end of reporting period	<b>8,001.38</b>	8,194.36

### Summary of Operations:

During the year, the net revenue from operations of your Company for FY 2020-21 decreased by 10.03% to Rs. 18,078.36 Lakhs against Rs. 20,094.85 Lakhs for the FY 2019-20, your Company’s Profit after tax stood at Rs. (176.03) Lakhs as against profit of Rs. (692.52) 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 :

It has been a difficult year for everybody. The Country has encountered the second wave of GLOBAL PANDEMIC – COVID-19. As a Company we are in far better place as compared to the Financial Year 2020. The modern science and the pharmaceutical industry have delivered at unmatched speed; humanity is not as helpless as when the pandemic first struck. Your business performance in the year gone by is also a reflection of that innate resilience and adaptability. Considering the continuous impact of GLOBAL PANDEMIC – COVID-19 your Company coped up with the situation and performed in the second half of the Financial Year 2021.

### 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. 01.50/- per equity share (15%) at the face value of Rs.10/- per share for the Year ended 31st March, 2021.

**Capital/ Finance:**

During the year, the Company has not issued/allotted equity or preference shares. As on 31st March, 2021, 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) read with Section 134(3)(a) of the Act, the Annual in Form MGT -7 as on March 31, 2021 is available on the Company's website <https://www.kalyaniforge.co.in/investors/annual-reports>

**Transfer of Amounts to Investor Education and Protection Fund:**

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the declared dividends, which are unpaid or unclaimed for a period of seven (7) years and the shares thereof, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Accordingly, during the year, the Company has transferred the unpaid or unclaimed dividend amount for a period of seven (7) years from the date they became due for payment.

**Details of Board meetings:**

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

<b>Date of the Meeting</b>	<b>No. of Directors attended the Meeting</b>
July 30, 2020	3
August 17, 2020	6
September 15, 2020	6
November 10, 2020	6
February 11, 2021	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. Adit Rathi 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:**

Mr. Viraj G. Kalyani, (DIN : 02268846) Non- Executive Directors retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

Pursuant to the provisions of section 149 of the Companies Act, 2013 ("the Act"), the independent directors have submitted declarations that each of them meet the criteria of independence as provided in section 149(6) of the act along with rules framed thereunder and regulation 16(1)(b) of the SEBI Listing Regulations. There has no change in the circumstances affecting their status as Independent directors of the Company.

During the year under review, the Board Appointed Mr. Rohan Deshpande as Company Secretary and Compliance Officer w.e.f August 4, 2020.

Mr. Avinash S. Khare, retired from the Company as Chief Financial Officer of the Company w.e.f. November 10, 2020. The Board places on record its appreciation for his invaluable contribution and guidance during his tenure with the Company.

The Board at its meeting held on November 10, 2020 appointed Mr. Amol G Khutwad as the Chief Financial Officer Designate of the Company w.e.f. November 11, 2020.

Tenure of First term of 5 Years of Mr. Abhijit Sen (DIN: 00002593), Independent Director is completed on February 1, 2021 and he has offered himself for reappointment, further, it was recommended by the Board of Directors of the Company through circular resolution passed as on February 2, 2021 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 Company appointed Mr. Adit Rathi as an Additional Director (Non- Executive Independent Director) by the Board of Directors of the Company through Circular Resolution passed as on April 14, 2021 for further period of 5 years subject to approval of Shareholders of the Company in ensuing Annual General Meeting.

Further, Mr. Vishwas Chitrao, Independent Director has completed his tenure as an Independent Director of Kalyani Forge Limited on the close of business hours on 15 April, 2021, where after he ceases to be the Independent Director of the Company. The Board places on records its appreciation for his invaluable contribution and guidance during his tenure with the Company.

#### **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 March 30, 2021, 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.

A formal evaluation of the performance of the Board, it's Committees, the Chairman and the individual Directors was carried out. Led by the Nomination & Remuneration Committee, the evaluation was carried out using individual questionnaires. As part of the evaluation process, the performance of Non-Independent Directors,

the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated.

**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 1**, you may also find policy on appointment and remuneration on companies website: <https://www.kalyaniforge.co.in/investors/corporate-information/>

**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 2**

**Holding, Subsidiaries, Associates or Joint Venture Companies:**

During the period under review the Company does not have any holding, Subsidiary, Associates or Joint Venture company.

**Statutory Auditors, their Report and Notes to Financial Statements:**

The Statutory Auditors M/s K.S. Aiyar & Co. Chartered Accountants, Mumbai, having Firm Registration No 100186W, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

Your Company has received confirmation from the Auditors to the effect that their re-appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014. Your Board is of the opinion that continuation of M/s K.S. Aiyar & Co. Chartered Accountants, as Statutory Auditors for their consecutive 2nd term of 5 years for FY 2021-22 to FY 2025-26 will be in the best interests of the Company and therefore, Members are requested to consider their re-appointment as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till conclusion of the Annual General Meeting held in respect of FY 2025-26 at remuneration be decided by the Board.

**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.C.K & Co, Cost Accountants (Firm Registration No. 002587), Mr. Rahul Chincholkar, Patner (F-27063) have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2021-22. 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.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounts and records.

**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 3** 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 3 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: <https://www.kalyaniforge.co.in/investors/corporate-information/>

The summary of related party transaction in Form AOC-2 is enclosed **Annexure 4**.

### **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 5**.

### **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 6**. You may also find the Corporate Social Responsibility Policy on Company’s website: <https://www.kalyaniforge.co.in/investors/corporate-information/>

### **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 7**.

#### **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 8**.

#### **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"> <li>• Productivity improvement in both forged and machined components together with competitive quality.</li> <li>• Process technology improvements to achieve competitive advantage in the business.</li> <li>• Successful commercial scale up of forged and machined parts.</li> <li>• Capability building for attracting new customers.</li> </ul>
(iii)	<p>in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</p> <p>the details of technology imported</p> <p>the year of import;</p> <p>whether the technology been fully absorbed</p> <p>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	2020-21	2019-20
<b>1)</b>	<b>POWER AND FUEL CONSUMPTION</b>		
<b>I)</b>	<b>Electricity</b>		
a)	Purchased Units (KWH)	<b>166,56,410</b>	172,35,952
	Total Amount (In. Rs)	<b>1692,01,132</b>	1782,39,621
	Rate/Unit (Rs)	<b>10.16</b>	10.34
b)	Own Generation		
i)	Through Diesel Generator	<b>36,111</b>	14,094
ii)	Through Steam Generator (KWH)		
<b>II)</b>	<b>Coal</b>		
<b>III)</b>	<b>Fuel Oil (FO + CBFS)</b>		
	Quantity (Ltrs.)	<b>6,25,000</b>	9,42,420
	Total Amount ( In Rs.)	<b>231,12,768</b>	280,44,203
	Average Rate /Litre (Rs.)- FO+CBFS	<b>37</b>	30



Sr. No.	Description	2020-21	2019-20
2)	CONSUMPTION PER UNIT OF PRODUCTION		
	Product : high quality closed tolerance die forgings	9,110	10,047
	Unit : M.T.	1,832	1,717
	Electricity (KWH/M.T.)	0.07	0.09
	Fuel Oil (KL/M.T.)	-	-
	Coal	-	-

### 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 2020-21, 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.

The Company has obtained the approval u/s 35(2AB) of the Income Tax Act 1961 in Form 3CM from Department of Scientific and Industrial Research vide order no. TU/IV-15(1737)/35(2AB)/3CM/(1499)/2019 dated 29.11.2019.

Company has disclosed the Capital and Revenue Expenditures on R&D in the Annual Report of earlier years along with the respective heads of accounts according to the nature of expenses. The Company has spent Rs. 2,62,66,405/- (Revenue Expenditure Rs. 2,62,66,405/- & Capital Expenditure Rs.Nil) during the current financial year. During the previous years Company had spent Rs. 4,55,92,870/- (Revenue Expenditure Rs.2,28,14,332/- & Capital Expenditure Rs.2,27,78,538/-) in FY 2018-19 and Rs. 2,40,10,950/- (Revenue Expenditure Rs. 2,22,38,181/- & Capital Expenditure Rs.17,72,769/-) in FY 2019-20.

#### 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.

**(c) Foreign exchange earnings and Outgo:**

During the year, the total foreign exchange used was Rs. 4,11,65,692.87 and the total foreign exchange earned was Rs. 18,92,31,761.44.

**(d) 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

**Rohini G. Kalyani**  
Executive Chairperson  
(DIN : 00519565)

Place : Pune  
Date : June 10, 2021

## Annexure 1

### 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 :** June 10, 2021

**Rohini G. Kalyani**  
Executive Chairperson  
(DIN: 00519565)

**Annexure 2****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, 2021:

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 programs conducted in the year	:	Nil

For and on behalf of the Board

**Place :** Pune  
**Date :** June 10, 2021

**Rohini G. Kalyani**  
Executive Chairperson  
(DIN: 00519565)

**Annexure 3****FORM NO. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

**Kalyani Forge Limited**

CIN: L28910MH1979PLC020959

Shangrila GardensC 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, 2021 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, 2021 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 1st April, 2020 to 3rd August, 2020. The Company has appointed Company Secretary w.e.f. 4th August, 2020 and has complied with the provisions of the Act.
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 1st April, 2020 to 3rd August, 2020. The Company has appointed Compliance Officer w. e. f. 4th August, 2020 and has complied with the provisions of Regulation 6(1) of SEBI (LODR).
3. The Company was required to spend Rs 7.13 Lakh on Corporate Social Responsibility activities as required under section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The said amount was not spent by the Company.
4. the Company has transferred Unpaid amount of Rs 131,351/- 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, to Investor Education And Protection fund for the financial year 2012-13 after the due date. Also, as on 31st March, 2021 the Company is yet to transfer the shares pertaining to these unpaid amounts to IEPF. The Company has transferred the shares in the month of April 2021 and has complied with section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.



5. The following are the details of actions taken against the listed entity by SEBI/ Stock Exchanges:

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
1	BSE Limited & NSE Limited	Regulation 13 (3) of the SEBI (LODR), 2015 - Late-Submission of Statement on Investor Complaints for the Quarter ended June 2020	BSE & NSE have imposed fines for non-compliance for the said period. The Company had requested for waiver of the fine to the respective Stock Exchanges. The waiver request was approved by BSE on 9th December, 2020; whereas the waiver request was not considered by NSE and the Company has paid the fine.	The Company has Complied with the Regulation 13 (3) of the SEBI (LODR), 2015. The Company has paid the fine imposed by NSE. No fine was imposed by BSE.
2	BSE Limited & NSE Limited	Regulation 31 of SEBI (LODR) Regulations, 2015, - Late submission of Shareholding Pattern for the Quarter ended June 2020	BSE & NSE have imposed fines for non-compliance for the said period. The Company had requested for waiver of the fine to the respective Stock Exchanges. The waiver request was approved by BSE on 9th December, 2020 whereas the waiver request was not considered by NSE and the Company has paid the fine.	The Company has Complied with the Regulation 31 of SEBI (LODR) Regulations, 2015. The Company has paid the fine imposed by NSE. No fine was imposed by BSE.
3	BSE Limited & NSE Limited	Regulation 27(2) of SEBI (LODR) Regulations - Late submission of Corporate Governance Report for the Quarter ended June 2020	BSE & NSE have imposed fines for non-compliance for the said period. The Company had requested for waiver of the fine to the respective Stock Exchanges. The waiver request was approved by BSE on 8th January, 2021; whereas the waiver request was not considered by NSE and the Company has paid the fine.	The Company has complied with the Regulation 27(2) of SEBI (LODR). The Company has paid the fine imposed by NSE. No fine was imposed by BSE.
4	BSE Limited & NSE Limited	Regulation 6(1) of SEBI (LODR) Regulations - Non Compliance in relation with the Appointment of Company Secretary for the Quarter ended June and a part of quarter ended September, 2020	BSE & NSE have imposed fines for non-compliance for the said period. The Company had requested for waiver of the fine to the respective Stock Exchanges. The waiver request was approved by BSE on 16th April, 2021; whereas the waiver request was not considered by NSE and the Company has paid the fine.	The Company has appointed Compliance Officer w.e.f. 4th August, 2020 and has complied with the provisions of Regulation 6(1) of SEBI (LODR). Further, the Company has paid the fine imposed by NSE. No fine was imposed by BSE.

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
5	BSE Limited & NSE Limited	Regulation 23(9) of SEBI (LODR) – Delay in reporting Disclosure of Related Party Transaction	BSE & NSE have imposed fines for non-compliance for the said period. The Company had requested for waiver of fine to the respective Stock Exchanges. The waiver request was approved by NSE on 20th May, 2021, BSE is yet to confirm the waiver request.	The Company has complied with the Regulation 23(9) of SEBI (LODR) No fine was imposed by NSE. As on the date of Report, communication from BSE is awaited.

**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 : F006707C000441185

Place : Pune

Date : 10.06.2021

**\*This report is to be read with my 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,  
Kalyani Forge Limited  
(CIN: L28910MH1979PLC020959)  
Shangrila GardensC Wings 1st Floor  
Opp Bund Garden,  
Pune 411001, Maharashtra

My 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. My responsibility is to express an opinion on the secretarial records based on our audit.
- 2) I 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. I believe that the processes and practices followed provide a reasonable basis for my opinion.
- 3) I 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, I 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. My examination was limited to the verification of procedures on test basis. I have relied and done 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.

Place : Pune  
Date : 10.06.2021

**CS Nitin B Prabhune**  
FCS. 6707  
CP No. 3800  
UDIN : F006707C000441185

**‘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 : 10.06.2021

**CS Nitin B Prabhune**  
FCS. 6707  
CP No. 3800  
UDIN : F006707C000441185

### 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, 2020, 31st March, 2019 and 31st March, 2018.
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, 2021.
4. Minutes of General Meeting Minutes till 31st March, 2021.
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, 2021. 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 : 10.06.2021

**CS Nitin B Prabhune**  
FCS. 6707  
CP No. 3800  
UDIN : F006707C000441185

#### **Annexure 4**

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 2020-21, 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 :** June 10, 2021

**Rohini G. Kalyani**  
Executive Chairperson  
(DIN: 00519565)

## Annexure 5

### 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 programs.

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 utilize 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 :** June 10, 2021

**Rohini G. Kalyani**  
Executive Chairperson  
(DIN: 00519565)

## Annexure 6

### Annual Report on CSR Activities and CSR Policy

1. **Brief outline on CSR Policy of the Company:**-A brief outline of the Company's CSR policy, including overview of projects proposed to be undertaken and a reference to the web-link to the CSR policy and projects to program.

The main objective of CSR Policy is to lay down the guidelines for the Company to make CSR as a key business process for sustainable development of the society. It aims at supplementing Government's role in enhancing welfare measures of the society. We propose to take our CSR activities to a higher scale by designing various projects related to needy, economically deprived children, woman and senior citizens, deprived and marginalised sections of the society etc. In addition to this, we also wish to provide an opportunity to our employees to contribute to these efforts through volunteering various CSR projects undertaken by the Company.

The Company's CSR Policy is available on website of the Company: <https://www.kalyaniforge.co.in/investors/corporate-information/>

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Rohini G. Kalyani	Chairperson & Executive Chairperson of the Company	2	1
2	Mr. Viraj G. Kalyani	Committee Member & Executive Director & CEO	2	1
3	Mr. PradipNadkarni	Committee Member & Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.kalyaniforge.co.in/investors/corporate-information/>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): NA
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NA

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Nil			

6. Average net profit of the company as per section 135(5): Rs. 356.67 Lakhs
7. (a) Two percent of average net profit of the company as per section 135(5):- Rs. 7.13 Lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.:- NIL
- (c) Amount required to be set off for the financial year, if any: NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c): 7.13 Lakhs

## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
0.00	7,13,341	29.04.2021	NIL		

## (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District.						Name	CSR Registration number.
Nil												

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District.			Name	CSR Registration number.
NIL									

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable : NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): NIL

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	7,13,341
(ii)	Total amount spent for the Financial Year	0.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00

## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1.	2017-18	-	-	-	-	-	-
2.	2018-19	-	-	-	-	-	-
3.	2019-20	1,18,000	10,82,000	-	-	-	-
	Total	1,18,000	10,82,000	-	-	-	-

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing.
NA								

## 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): NA

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

## 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). The amount remained unspent is transferred to unspent CSR account. The amount which remain unspent will be spent till September, 2021.

**Mr. Pradip P. Nadkarni**  
(Director)  
(DIN: 01670826)

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

## Annexure 7

**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	% of Equity Shares held	Whether any such employee is relative of any director or manager
1	2	3	4	5	6	7	8	9	10	11
NIL										

There are no employees whose salary is more than 8.5 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 2020-21
1	Mrs. Rohini G. Kalyani	Executive Chairperson	7.85:1	-8.33%
2	Mr. Viraj G. Kalyani	Executive Director and CEO	7.85:1	-8.33%
3	Mr. G.N. Kalyani	Non- Executive Director	0.68:1	-15.31%
4	Mr. Pradip Nadkarni	Independent Director	0.97:1	-3.61%
5	Mr. Abhijit Sen	Independent Director	1.07:1	-3.86%
6	Mr. Vishwas Chitrao	Independent Director	0.48:1	0.00%
7	Mr. Amol Khutwad	Acting Chief Financial Officer (CFO)	2.07:1	-
8	Mr. Rohan Deshpande	Company Secretary & Compliance Officer	2.45:1	-

Mr. Avinash Khare was Chief Financial Officer till his superannuation dated 10th Nov, 2020. Mr. Amol Khutwad appointed as Acting Chief Financial Officer from 11th Nov, 2020.

3)	Percentage increase in the median remuneration of employees in the financial year	-8.88%
4)	Number of permanent employees on the rolls of Company as at March 31, 2021	576
5)	Explanation on the relationship between average increase in remuneration and Company performance	Average decrease in remuneration was 14.24%. The turnover of the Company decreased by 10.52% & Profit Before tax increased by 2.85%
6)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total Revenue (Rs. In Lakhs) 18,227

	Profit Before Tax (Rs. In Lakhs)	-207
	Total Remuneration to KMPs (Rs. In Lakhs)	49
	Total Remuneration of KMPs as % to-	
	Total Revenue	0.27%
	Profit Before Tax	-23.67%
7) i. Variations in the market capitalisation of the Company	The market capitalisation as on March 31, 2021 was Rs. 71.39 crores (Rs. 32.01 crores as at March 31, 2020)	
ii. Price Earnings ratio of the Company	(40.56) as at March 31, 2021 and (4.62) as at March 31, 2020	
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. 194 as on March 31, 2021 indicating a compounded annual growth rate of 4.82% 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 0.00 % as compared to the increase in the managerial remuneration by <b>Refer Note above Table.</b>	

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

Names of the KMPs	Remuneration in FY 2020-21 (in Rs.)	Revenue (in Rs.)	Remuneration as % of revenue	Profit Before Tax (in Rs.)	Remuneration (as % of PBT)
Mrs. Rohini G. Kalyani	19,02,285	1,82,26,42,488	0.10%	-2,07,23,700	-9.18%
Mr. Viraj G. Kalyani (CEO)	19,02,285	1,82,26,42,488	0.10%	-2,07,23,700	-9.18%
*Mr. Amol Khutwad (Acting CFO)	5,00,665	1,82,26,42,488	0.03%	-2,07,23,700	-2.42%
*Mr. Rohan Deshpande (CS)	5,94,384	1,82,26,42,488	0.03%	-2,07,23,700	-2.87%

\*Mr. Avinash Khare was Chief Financial Officer till his superannuation dated 10th Nov, 2020. Mr. Amol Khutwad appointed as Acting Chief Financial Officer w.e.f 11th Nov, 2020

10) The key parameters for any variable component of remuneration availed by the Directors	<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>
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<b>11)</b> 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	Not Applicable
<b>12)</b> Affirmation that the remuneration is as per the remuneration policy of the Company	is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMPs and other Employees.

**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 2020-21 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 2020-21 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 :** June 10, 2021

**Rohini G. Kalyani**  
Executive Chairperson  
(DIN: 00519565)



## Annexure 8

### 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 :** June 10, 2021

**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 2020-21.

### 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 2021, 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 2021 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 herein below. 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 2020-21		Whether attended last AGM held on 25th September, 2020	No. of Directorship in other Public Ltd. Companies as on 31st March 2021	No. of Committee positions held in other Public Limited Companies as on 31st March 2021		Other Directorship in Listed Entity, Designation and Name of the Company	Numbers of Equity Shares held as on 31 March, 2021
		Held	Attended			Chairperson	Member		
Rohini G. Kalyani (Executive) Chairperson (Director &	Executive	5	4	Yes	-	-	-	-	32236
Mr. G. N. Kalyani	Non-Executive	5	4	Yes	-	-	-	-	47020
Mr. Viraj G. Kalyani (Executive) (Director & CEO	Executive	5	4	Yes	-	-	-	-	33285
Mr. Pradip Nadkarni	-Non Executive Independent	5	5	Yes	-	-	-	-	306
Mr. Abhijit Sen	-Non Executive Independent	5	5	Yes	5	4	8	List of Companies given in below table a)	-
Mr. Vishwas Chitrao	-Non Executive Independent	5	5	Yes	-	-	-	-	-

Table a)

Abhijit Sen	Designation
1) Ujjivan Financial Services Limited	<b>Independent Director</b>
2) Manappuram Finance Limited	<b>Independent Director</b>
3) Urgo Capital Limited	<b>Independent Director</b>
4) Asirvad Micro Credit Limited	<b>Nominee Director</b>
5) Tata Investment Corporation Limited	<b>Independent Director</b>

- Five number of Board Meetings were held during the year from 1st April 2020 to 31st March 2021 and the gap between two meetings did not exceed 120 days, provided that pursuant to SEBI vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 and vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated June 26, 2020 had relaxed the requirement of the maximum stipulated time gap of 120 days between two meetings of the Board and Audit Committee. Further, the Ministry of Corporate Affairs vide General Circular No. 11/2020 March 24, 2020 the Board Meeting extended the period of 60 days till the next quarter. Considering Covid – 19 situation and the relaxation provided by SEBI and MCA there is a gap of more than 120 days between Board Meeting held on 11th February, 2020 and 30th July, 2021. The dates on which the board meeting were held as follows : During the year 2020-21, four Board Meetings were held on 30th July, 2020, 17th August, 2020, 15th September, 2020, 10th November, 2020 and 11th February, 2021.
- None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- 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:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Skills/expertise/competence</b>
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 programs for Independent Directors are posted on the website of the Company and can be accessed [www.kalyaniforge.co.in](http://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 2020-21, the separate meeting of Independent Director i.e. Mr. Abhijit Sen, Mr. Pradip P. Nadkarni and Mr. Vishwas Chitrao was held on 30th March, 2021, 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 victimization;
- 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 30th July, 2020, 15th September, 2020, 10th November, 2020 and 11th February, 2021

Composition of Audit Committee and attendance

The composition of the Audit Committee as on 31 March 2021 and attendance of members in the meetings held during the financial year 2020-21 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	4
Mr. Gaurishankar N. Kalyani	Members of the Committee	Non – Executive Director	3

## 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 exercise 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 meetings of the Nomination and Remuneration Committee took place on 30th July, 2020, 10th November, 2020 and 11th February, 2021

Composition of Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee as on 31 March 2021 and attendance of members in the meetings held during the financial year 2020-21 are as under:

Name of the Member	Designation	Category	No. of meetings attended
Mr. Pradip P. Nadkarni	Chairman	Non – Executive & Independent Director	3
Mr. Abhijit Sen	Members	Non – Executive & Independent Director	3
Mr. Gaurishankar N. Kalyani	Members	Non – Executive Director	2

#### c) 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

#### d) 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.

#### e) 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.

**f) Remuneration to the Directors:-**

The details of remuneration paid/ payable to the Directors(including sitting fees) paid for attending Board Meeting and Committee Meetings) during the financial year 2020-21 are given below:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		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.	1,902,285	1,902,285	3,804,570
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961.			0
	(c) Profits in lieu of salary under Stock Option Sweat Equity.			0
	Commission- as % of profit-others, specify.			0
	<b>Total (A)</b>	<b>1,902,285</b>	<b>1,902,285</b>	<b>3,804,570</b>
	Ceiling as per the Act			12,000,000

Sr. No.	Particulars of Remuneration	Name of Directors*			Total Amount
		Mr. Pradip Nadkarni	Mr. Vishwas Chitrao	Mr. Abhijit Sen	
1	<b>Independent Directors</b>				
(a)	Fee for attending board and committee meetings	83,200	40,000	81,600	204,800
(b)	Commission	151,971	75,986	177,300	405,257
(c)	Others, please specify				
	<b>Total (1)</b>	<b>235,171</b>	<b>115,986</b>	<b>258,900</b>	<b>610,057</b>

Sr. No.	Particulars of Remuneration	Name of Directors*				Total Amount
		Mr. G. N. Kalyani				
2	<b>Other Non-Executive Directors</b>					
(a)	Fee for attending board and committee meetings	62400				62,400
(b)	Commission	101,314				101,314
(c)	Others, please specify	-				
	<b>Total (2)</b>	<b>163,714</b>				<b>163,714</b>
	<b>Total (B)=(1+2)</b>	<b>163,714</b>	<b>235,171</b>	<b>115,986</b>	<b>258,900</b>	<b>773,771</b>
	Total Managerial Remuneration (A+B) *					4,578,341
	Overall Ceiling as per the Act					12,000,000

#### g) Shareholding of Non-Executive Directors

The shareholding of Non-Executive Directors as on 31st March 2021 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 2021 the 77.63% 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 30th July, 2020, 10th November, 2020 and 11th February, 2021.

#### c) Composition and attendance of Stakeholders' Relationship Committee

The constitution of the Committee as on 31 March 2021 is as follows:

Name of the Member	Designation	Category	Attendance for the meeting held
Mr. G. N. Kalyani	Chairman	Non-Executive Director	2
Mr. Abhijit Sen	Member	Independent Director	3
Mr. Pradip P. Nadkarni	Member	Independent Director	3

#### d) Shareholders / Investors Complaint Status

The complaint status from the 01 April 2020 up to 31 March 2021 is as follows:

Number of complaints received	No. of complaints resolved	Number of complaints pending
0	0	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 2020-21, the Corporate Social Responsibility Committee met at Two times on 30th July, 2020 and 17th August, 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	2
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
2020-21	25th September, 2020	Meeting conducted through VC / OAVM pursuant to the MCA Circular	Yes	Reappointment of Mr. Pradip Nadkarni as an Independent Director of the Company
2019-20	26th July, 2019	Poona Club Ltd., Camp, Pune:- 411001	NA	NA
2018-19	27th July, 2018	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 2020-21.

**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](http://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. 28.8 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: <https://www.kalyaniforge.co.in/investors/corporate-information/>

#### **(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, the Company received emails from The National Stock Exchange Limited (NSE) and Bombay Stock Exchange (BSE) regarding Regulation 13(3), Regulation 31, Regulation 27(2), Regulation 23(9) and Regulation 6(1) of SEBI (LODR), Regulations, 2015 for delay in submission of the respective reports and non-appointment of Company Secretary for the period. Following are the details:

1. Regulation 13 (3) of the SEBI (LODR), 2015 - Late-Submission of Statement on Investor Complaints for the Quarter ended June 2020

BSE & NSE has imposed fines for late submission of Investor Complaints of the said period. The Company has made its representation to both stock exchange with the reasons and facts. Subsequently BSE approved the waiver request dated 9th December, 2020 and withdrawn the fine amount, whereas the waiver request was not considered by NSE the Company paid the necessary fine levied by NSE.

2. Regulation 31 of SEBI (LODR) Regulations, 2015, - Late submission of Shareholding Pattern for the Quarter ended June 2020

BSE & NSE has imposed fines for late submission of Shareholding Pattern of the said period. The Company has made its representation to both stock exchange with the reasons and facts. Subsequently BSE approved the waiver request dated 9th December, 2020 and withdrawn the fine amount, whereas the waiver request was not considered by NSE the Company paid the necessary fine levied by NSE.

3. Regulation 27(2) of SEBI (LODR) Regulations - Late submission of Corporate Governance Report for the Quarter ended June 2020

BSE & NSE has imposed fines for late submission of Corporate Governance of the said period. The Company has made its representation to both stock exchange with the reasons and facts. Subsequently BSE approved the waiver request dated 8th January, 2021 and withdrawn the fine amount, whereas the waiver request was not considered by NSE the Company paid the necessary fine levied by NSE.

4. Regulation 6(1) of SEBI (LODR) Regulations - Non Compliance in relation with the Appointment of Company Secretary for the Quarter ended June and September, 2020

BSE & NSE has imposed fines in relation with the appointment of Company Secretary for the Quarter ended June and September, 2020. The Company has appointed the Company Secretary and Compliance Officer as on 4th Aug, 2020. The Company has made its representation to both stock exchange with the reasons and facts. Subsequently BSE approved the waiver request dated 16th April, 2021 and withdrawn the fine amount, whereas the waiver request was not considered by NSE the Company paid the necessary fine levied by NSE.

5. Regulation 23(9) of SEBI (LODR) Regulations – Delay in reporting Disclosure of Related Party Transaction for September 2020.

BSE & NSE has imposed fines for late submission of Corporate Governance of the said period. The Company has made its representation to both stock exchange with the reasons and facts. Subsequently NSE approved the waiver request dated 20th May, 2021 and withdrawn the fine amount, BSE is yet to confirm the waiver request.

### (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: <https://www.kalyaniforge.co.in/investors/corporate-information/>

### (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](http://www.kalyaniforge.co.in)

### 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	: Saturday, 14th August, 2021, 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	: 01st April 2020 to 31st March 2021
Book Closure	: 8th August, 2021 to 14 th August, 2021
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:

- i. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051
- ii. 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 2020-21 to NSE & BSE.

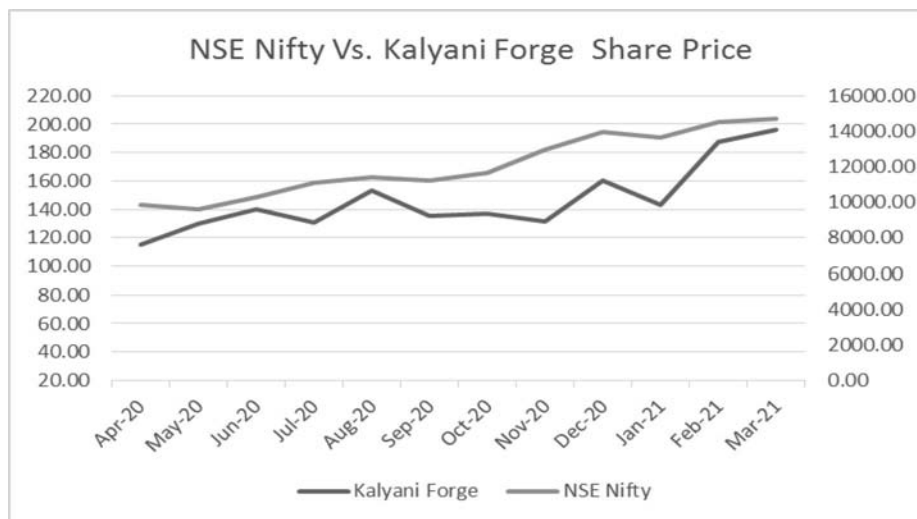
Annual custodian charges/issuers fees has been paid for the financial year 2020-21 to CDSL and NSDL.

**e) Market Price Data**

The monthly high and low quotations and volume of shares traded on BSE and NSE from 01st April 2020 upto 31st March 2021 is as follows:

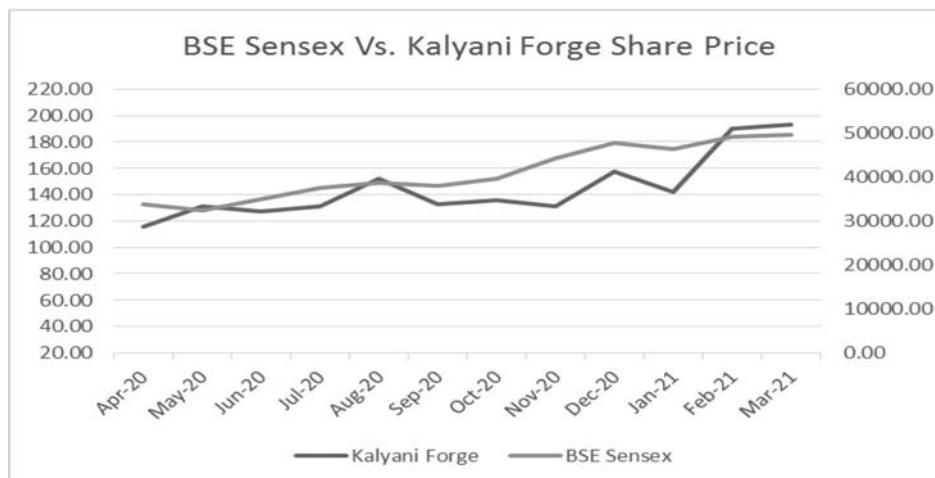
Month	National Stock Exchange (NSE)				Bombay Stock Exchange (BSE)			
	High (Rs.)	Low (Rs.)	Close Price (Rs.)	No. of Shares traded	High (Rs.)	Low (Rs.)	Close Price (Rs.)	No. of Shares traded
30-Apr-20	115.25	83.65	115.25	11889	115.40	86.10	115.40	5042
29-May-20	145.00	105.05	130.00	22628	146.80	107.35	131.25	11948
30-Jun-20	149.40	123.50	140.00	16755	150.35	124.70	127.50	3183
31-Jul-20	144.00	127.50	130.35	14268	140.70	123.20	131.15	2283
31-Aug-20	164.75	122.55	153.00	33975	167.90	124.05	152.05	11700
29-Sep-20	162.00	131.00	135.00	16465	162.85	132.00	132.45	5533
30-Oct-20	144.00	127.40	136.90	11047	147.95	128.55	135.8	3364
27-Nov-20	139.00	123.60	131.45	19292	137.60	124.10	131.1	7637
31-Dec-20	167.5	128.60	160.00	28307	169.00	127.20	157.2	11357
29-Jan-21	169.50	138.10	142.85	20881	168.75	139.65	141.5	8985
26-Feb-21	194.90	137.25	187.45	33108	195.90	136.05	190.00	19150
31-Mar-21	227.00	181.00	196.25	31231	228.00	178.25	193.00	13433

**f) Performance in comparison to the Board-based Indices Performance in comparison to NSE Nifty**



Source: [https://www1.nseindia.com/products/content/equities/indices/historical\\_index\\_data.htm](https://www1.nseindia.com/products/content/equities/indices/historical_index_data.htm)

**Performance in comparison to BSE Sensex**



Source: <https://www.bseindia.com/Indices/IndexArchiveData.html>

**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 2021

i. The distribution of shareholding of the Company as on 31 March 2021 is as follows:

Sr. No.	Share Holding of Shares	Number of ShareHolders	Percentage of Total (%)	Total Shares	Percentage of Total (%)
1.	1 to 500	4053	94.43	3,73,669	10.27
2.	501 to 1000	125	2.91	95,078	2.61
3.	1001 to 2000	57	1.32	79,945	2.20
4.	2001 to 3000	12	0.28	30,396	0.84
5.	3001 to 4000	6	0.14	22,171	0.61
6.	4001 to 5000	1	0.02	1	0.11
7.	5001 to 10000	7	0.16	7	1.46
8.	10001 to 100000	25	0.58	9,90,484	27.22
9.	100001 to *****	6	0.14	19,88,900	54.67
	<b>Total</b>	<b>4292</b>	<b>100.00</b>	<b>3638000</b>	<b>100.0000</b>

ii. The Shareholding pattern as on 31 March 2021 is as follows:

Category	Number of Shares	Percentage (%)
Promoter and Promoter Group	21,32,296	58.61
Non Resident Indians	13,910	0.39
Bodies Corporate	6,22,977	17.12
Resident Indians	8,01,468	22.02
Trust	100	0.0027
Hindu Undivided Family (HUF)	36,354	1.00
Clearing Member	3,236	0.09
Investor Education And Protection Fund	27,659	0.76
<b>Total</b>	<b>36,38,000</b>	<b>100%</b>

### i) Dematerialization of shares and liquidity

Equity shares of the Company representing 77.63% of the Company share capital are dematerlised as on 31 March 2021. 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. 28.3 of the Financial Statements, forming part of the Annual Report.

**q)** The Company has complied with the mandatory Corporate Governance requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**r)** The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7).

**s)** There was no recommendation that has been proposed by the committees, which has not been approved by the Board

**t) 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

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

1. 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** for the year ended March 31, 2021.

### Management Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

### Auditor’s Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (“the ICAI”), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. 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, 2021.

### Other Matter

8. We further state that such compliances 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 K. S. Aiyar & Co,**  
Chartered Accountants  
Registration No: 100186W

**Satish Kelkar**  
Partner

Membership No.: 38934  
UDIN: 21038934AAAACR3449

Place : Pune  
Date : July 10, 2021

**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, 2021, 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 : June 10, 2021

**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 2021 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 : June 10, 2021

**Amol Khutwad**  
Chief Financial Officer

**Certificate from Company Secretary in Practice**

**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 GardensC 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 GardensC 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 31st March, 2021 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.

<b>Sr No</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
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: F006707C000441240

Place : Pune  
Date : 10.06.2021

Note: We have relied on the documents and evidences provided by electronic mode in view of prevailing pandemic situation of Covid-19, for the purpose of issuing this certificate.

## 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 2021, 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 2021, 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.32 which gives management assessment of Company's ability to continue as going concern as at 31st March, 2021 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.

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. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 28.1 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 no delay in transferring amounts, required to be transferred on account of unpaid dividend to the Investor Education and Protection Fund by the Company.

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

**Satish Kelkar**  
**Partner**  
Membership No.: 38934  
UDIN: 21038934AAAACN5739

**Place** : Mumbai  
**Date** : June 10, 2021

### Annexure 'A' to the 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, 2021, 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, 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 have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.

According to the information and explanation given to us, no undisputed material amounts payable in respect of statutory dues were in arrears as at 31st March 2021, 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, 2021 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
	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
Goods And Services Tax Act, 2017	E way bill expired	3,01,400	Y2018-19, From 22-10-2018 to 15-11-2018	Additional Commissioner of GST and Central Excise, (Appeals) Coimbatore
Income Tax Act, 1961	Disallowance of Expenditure on expansion / upgradation of projects	6,95,976	AY 1992-93	Commissioner of Income Tax (Appeals) Pune
	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 Order received with demand for 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 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: 21038934AAAACN5739

**Place** : Mumbai  
**Date** : June 10, 2021

## **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, 2021 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 unauthorised 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 has in all material respects, 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 2021, 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: 21038934AAAACN5739

**Place** : Mumbai  
**Date** : June 10, 2021

## Balance Sheet as at March 31, 2021

		₹ in lakhs	
Particulars	Note No	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
1	<b>Non-current assets</b>		
(a)	Property, Plant and Equipment	5,299.71	6,519.32
(b)	Capital work-in-progress	113.25	98.22
(c)	Other Intangible assets	3.32	8.20
(d)	Intangible assets under development	-	-
(e)	Non Current Financial Assets		
(i)	Investments	0.50	0.50
(ii)	Other non current financial assets	-	-
(f)	Deferred tax assets (net)	229.35	195.59
(g)	Income tax assets (net)	147.66	156.52
(h)	Other non-current assets	391.70	382.50
	<b>Total Non - Current Assets</b>	<b>6,185.49</b>	<b>7,360.85</b>
2	<b>Current assets</b>		
(a)	Inventories	4,487.90	4,018.65
(b)	Financial Assets		
(i)	Trade receivables	6,702.45	5,656.48
(ii)	Cash and cash equivalents	10.26	143.80
(iii)	Other Bank Balances	261.87	420.58
(iv)	Others current financial assets	180.32	1.64
(c)	Other current assets	482.03	840.18
	<b>Total Current Assets</b>	<b>12,124.83</b>	<b>11,081.33</b>
	<b>Total Assets (1 + 2)</b>	<b>18,310.32</b>	<b>18,442.18</b>
<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>		
(a)	Equity Share capital	363.90	363.90
(b)	Other Equity	9,655.40	9,848.38
	<b>Total equity (I+II)</b>	<b>10,019.30</b>	<b>10,212.28</b>
2	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
(a)	Financial Liabilities		
-	Borrowings	-	134.46
(b)	Provisions	629.50	520.38
	<b>Total Non - Current Liabilities</b>	<b>629.50</b>	<b>654.84</b>
	<b>Current liabilities</b>		
(a)	Financial Liabilities		
(i)	Borrowings	2,609.83	2,387.66
(ii)	Trade payables		
a.	Dues of micro enterprises and small enterprises	143.09	21.44
b.	Dues of creditors other than micro enterprises and small enterprises	3,420.82	3,433.52
(iii)	Other current financial liabilities	764.43	1,179.11
(b)	Provisions	169.65	152.50
(c)	Other current liabilities	553.70	400.83
	<b>Total Current Liabilities</b>	<b>7,661.52</b>	<b>7,575.06</b>
	<b>Total Equity and Liabilities (1 + 2)</b>	<b>18,310.32</b>	<b>18,442.18</b>

The attached notes 1 to 33 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: 10th June, 2021

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)

ROHAN DESHPANDE  
Company Secretary

Pune: 10th June, 2021

ABHIJIT SEN  
Director  
(DIN:00002593)

AMOL KHUTWAD  
Chief Financial Officer

## Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Note No	As at	
		March 31, 2021	March 31, 2020
			(₹ in Lakhs)
<b>Continuing Operations</b>			
<b>I Income</b>			
Revenue from operations	20	18,078.36	20,094.85
Other Income	21	148.06	274.00
<b>Total Revenue (I)</b>		<b>18,226.42</b>	<b>20,368.85</b>
<b>II EXPENSES</b>			
(a) Cost of raw materials and components consumed	22	9,232.11	10,135.96
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	17.60	225.37
(d) Employee benefit expense	24	2,638.15	3,076.23
(e) Finance costs	25	280.06	537.45
(f) Depreciation and amortisation expense	26	1,282.36	1,388.80
(g) Other expenses	27	4,983.38	5,817.96
<b>Total Expenses (II)</b>		<b>18,433.66</b>	<b>21,181.77</b>
<b>III Profit/(loss) before exceptional items tax (I-II)</b>		<b>(207.24)</b>	<b>(812.92)</b>
<b>IV Exceptional items- Gains/ (loss)</b>		-	-
<b>V Profit before tax (III-IV)</b>		<b>(207.24)</b>	<b>(812.92)</b>
<b>VI Tax Expense</b>			
(a) Current tax		(6.84)	41.17
(b) Deferred tax		(33.76)	(161.57)
(c) Short / (Excess) provision for tax relating to prior years		9.39	-
<b>Total tax expense</b>		<b>(31.21)</b>	<b>(120.40)</b>
<b>VII Profit/(loss) after tax from continuing operations (V-VI)</b>		<b>(176.03)</b>	<b>(692.52)</b>
<b>VIII Discontinued Operations</b>			
(1) Profit/(loss) from discontinued operations		-	-
(2) Tax Expense of discontinued operations		-	-
<b>Profit/(loss) after tax from discontinued operations</b>		-	-
<b>IX Profit/(loss) for the period (VII+VIII)</b>		<b>(176.03)</b>	<b>(692.52)</b>
<b>X Other comprehensive income</b>			
<b>A</b> (i) Items that will not be recycled to profit or loss			
Remeasurements of the defined benefit liabilities / (asset)		26.26	(117.79)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(6.83)	41.17
<b>B</b> (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
<b>Total other comprehensive income for the period</b>		<b>19.43</b>	<b>(76.62)</b>
<b>XI Total comprehensive income for the period (IX + X)</b>		<b>(156.60)</b>	<b>(769.14)</b>
<b>XII Earnings per equity share :</b>			
Basic		(4.84)	(19.04)
Diluted		(4.84)	(19.04)

The attached notes 1 to 33 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

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)

ABHIJIT SEN  
Director  
(DIN:00002593)

AMOL KHUTWAD  
Chief Financial Officer

Pune: 10th June, 2021

ROHAN DESHPANDE  
Company Secretary  
Pune: 10th June, 2021



**CASH FLOW STATEMENT AS ON 31<sup>st</sup> March, 2021**

A. CASH FROM OPERATING ACTIVITIES	₹ In Lakhs	31st March, 2021 ₹ In Lakhs	31st March, 2020 ₹ In Lakhs
<b>Profit before Taxation</b>		<b>(207.24)</b>	(812.92)
Less: IND AS adjustments		(19.44)	76.62
<b>Revised Profit before Taxation</b>		<b>(187.80)</b>	(889.54)
Add: Depreciation	1,282.36		1,388.80
Loss on assets sold, discarded, scrapped	44.35		-
Provision for doubtful debts	276.68		161.00
Finance Cost	280.06		537.45
Sundry debit balances written off/Advances Written off	1.07		14.32
Interest Expense - ST Def/Pac Scheme	4.47		
		<u>1,888.99</u>	2,101.57
		<u>1,701.19</u>	1,212.03
Less: Interest Income - ST Def/Pac Scheme	(13.51)		
Provision no longer required and Others	(37.47)		(103.82)
		<u>(50.98)</u>	(103.82)
<b>Operating profit before working capital changes</b>		<b>1,650.21</b>	1,108.21
(Increase)/Decrease in Current & Non-Current Assets			
Inventories	(469.25)		788.54
Trade Receivables	(1,322.65)		1,710.15
Other Current Assets and Loans & Advances	294.26		612.36
Trade Payable	107.88		(1,308.17)
Increase/(Decrease) in Non-Current Liabilities	466.12		(358.39)
		<u>(923.64)</u>	1,444.49
<b>Net cash generated from operations</b>		<b>726.57</b>	2,552.70
Less : Income tax paid		(15.68)	145.95
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>742.25</b>	2,406.75
<b>B. CASH FROM INVESTING ACTIVITIES</b>			
Expensed/Advance for Property, Plant and Equipment	(141.70)		(119.11)
Sale Proceeds of Assets	15.25		-
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(126.45)</b>	(119.11)
<b>C. CASH FROM FINANCING ACTIVITIES</b>			
Availment/(Repayment) in Cash Credit & PCFC from Banks	222.16		(751.10)
Availment/(Repayment) in Other Secured Loans	(655.06)		(806.78)
Availment/(Repayment) in Unsecured Loans	-		(20.99)
Interest & Finance Charges paid	(280.06)		(537.45)
Dividend paid (including out of unpaid dividend)	(36.38)		(175.15)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(749.34)</b>	(2,291.47)
<b>NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS</b>		<b>(133.54)</b>	(3.83)
Opening Balances of Cash and Cash equivalents		143.80	147.63
<b>Closing Balances of Cash and Cash equivalents (Refer Schedule 8)</b>		<b>10.26</b>	143.80

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: 10th June, 2021

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)

ROHAN DESHPANDE  
Company Secretary  
Pune: 10th June, 2021

ABHIJIT SEN  
Director  
(DIN:00002593)

AMOL KHUTWAD  
Chief Financial Officer

## NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021

### 1: Significant Accounting Policies

#### 1.1 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') 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 amendments 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.

#### 1.2 Use of Estimates

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS which requires the 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.

#### 1.3 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.

#### 1.4 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, Die Block and Die Steel are valued at material cost.
- (vii) Goods in transit are stated at actual cost up to the date of Balance Sheet.

#### 1.5 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.

#### 1.6 Share Issue expenses

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

#### 1.7 Post employment and other employee benefits:

- (i) Short terms employee benefits -

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

- (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 valuations, as at the balance sheet date, made by an independent actuary using the Projected Unit Credit Method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur and is not eligible to be reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

- (iv) Privilege Leave Benefits -

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided

based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occurred.

(v) Termination Benefits -

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

## 1.8 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 revalued 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 revalued.

(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.

## 1.9 Investments and Other Financial Assets:

(i) Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly 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.

(ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:-

a. Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

b. Financial Assets Measured at Fair Value

Financial assets are measured at fair value through Other Comprehensive Income ('OCI') if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

#### **1.10 Revenue Recognition:**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 "Revenue from contract with customers.

- (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.

#### **1.11 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.

#### **1.12 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.

#### **1.13 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.

#### **1.14 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.

#### **1.15 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.

#### **1.16 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.

### **1.17 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.

### **1.18 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.

### **1.19 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.

**1.20** On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

**Ind AS 116, Leases**

Practical expedient relating to rent concessions occurring as a direct consequence of COVID-19 has been modified. Accordingly, a lessee is not required to account for rent concessions as lease modifications if the reduction in lease payments affects only payments originally due on or before 30th June 2022 (earlier 30th June 2021) and subject to compliance with other specified conditions.

Effective date: A lessee should apply the amendment for annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of the amendment, then the same may be applied for annual reporting periods beginning on or after the 1st April 2020.

A lessee should apply the amendment retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the annual reporting period in which it is first applied.

**Ind AS 107, Financial Instruments: Disclosures**

Additional disclosures included relating to interest rate benchmark reform. Those, inter alia, include information about:

- a. Nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform and how the entity manages these risks and
- b. Entity’s progress in completing the transition to alternative benchmark rates and how the entity is managing the transition.

**Effective date:** An entity should apply the amendments when it applies amendments to Ind AS 109, Ind AS 104 or Ind AS 116.

#### **Ind AS 109, Financial Instruments**

A new paragraph included on changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform.

As per the guidance provided, the basis for determining the contractual cash flows of a financial asset or financial liability can change in the following manner:

- a. By amending the contractual terms specified at the initial recognition of the financial instrument
- b. In a way that was not considered by or contemplated in the contractual terms at the initial recognition of the financial instrument, without amending the contractual terms
- c. Due to the activation of an existing contractual term.

**Effective date:** An entity should apply the amendments for annual reporting periods beginning on or after 1st April, 2021.



**Note 2: Property, Plant and Equipment for FY 2020-21**

Particulars	Original cost			Depreciation			Net Block			
	As at 01/04/2020	Additions during the year	Disposals during the year	As at 31/03/2021	Upto 01/04/2020	For the year	Deductions	Upto 31/03/2021	As at 31/03/2021	As at 31/03/2020
Freehold Land	213.04	-	-	213.04	-	-	-	-	213.04	213.04
Buildings	1,604.32	8.99	-	1,613.31	316.00	80.22	-	396.23	1,217.08	1,288.31
Roads	2.06	-	-	2.06	2.06	-	-	2.06	0.00	0.00
Plant & Machinery	8,773.80	107.95	369.09	8,512.67	4,341.13	1,051.56	309.48	5,083.20	3,429.46	4,432.67
Electrical Installation	477.55	-	-	477.55	186.52	59.55	-	246.06	231.48	291.03
Factory Equipment	293.49	-	-	293.49	161.62	44.10	-	205.72	87.77	131.87
Laboratory Equipments	168.11	-	-	168.11	55.91	27.69	-	83.60	84.51	112.20
Furniture & Fixtures	38.00	-	-	38.00	19.34	4.06	-	23.40	14.60	18.66
Office Equipment	37.25	-	-	37.25	22.28	5.24	-	27.52	9.73	14.97
Data Processing Equipment	57.45	0.54	-	57.98	50.41	3.36	-	53.76	4.22	7.04
Vehicles	24.98	-	-	24.98	15.45	1.71	-	17.16	7.81	9.53
<b>Total</b>	<b>11,690.04</b>	<b>117.48</b>	<b>369.09</b>	<b>11,438.44</b>	<b>5,170.72</b>	<b>1,277.49</b>	<b>309.48</b>	<b>6,138.73</b>	<b>5,299.71</b>	<b>6,519.32</b>

**Note 2: Other Intangible for FY 2020-21**

Particulars	Original cost			Depreciation/ Amortisation			Net Block			
	As at 01/04/2020	Additions during the year	Disposals during the year	As at 31/03/2021	Upto 01/04/2020	For the year	Deductions	Upto 31/03/2021	As at 31/03/2021	As at 31/03/2020
INTANGIBLE ASSETS	64.83	-	-	64.83	56.63	4.88	-	61.50	3.32	8.20
Intangible Assets	64.83	-	-	64.83	56.63	4.88	-	61.50	3.32	8.20
<b>Total</b>	<b>11,754.87</b>	<b>117.48</b>	<b>369.09</b>	<b>11,503.26</b>	<b>5,227.34</b>	<b>1,282.36</b>	<b>309.48</b>	<b>6,200.22</b>	<b>5,303.04</b>	<b>6,527.52</b>

**Note 2: Property, Plant and Equipment for FY 2019-20**

Particulars	Original cost			Depreciation			Net Block			
	As at 01/04/2019	Additions during the year	Disposals during the year	As at 31/03/2020	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
<b>Total</b>	<b>11,616.73</b>	<b>73.31</b>	<b>-</b>	<b>11,690.04</b>	<b>3,788.37</b>	<b>1,382.35</b>	<b>-</b>	<b>5,170.72</b>	<b>6,519.32</b>	<b>7,828.35</b>

**Note 2: Other Intangible assets for FY 2019-20**

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

**Note 3: Investments**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos	₹ in lakhs	Nos	₹ in lakhs
A. INVESTMENTS CARRIED AT AMORTISED 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 [A]		0.50		0.50
B. Less : Aggregate amount of impairment in value of investments		-		-
TOTAL IMPAIRMENT VALUE (B)		-		-
<b>TOTAL INVESTMENTS CARRYING VALUE (A) - (B)</b>		<b>0.50</b>		<b>0.50</b>

**Note 4: Deferred tax assets (Net)**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
A. Tax effect of items constituting deferred tax liabilities		
1) On difference between book balance and tax balance of fixed assets	22.23	137.02
	22.23	137.02
B. Tax effect of items constituting deferred tax assets		
1) Provision for compensated absences, gratuity and other employee benefits	220.12	224.63
2) Provision for doubtful debts / advances	31.46	107.97
	251.58	332.61
<b>Deferred Tax Asset/(Liability) (Net)</b>	<b>229.35</b>	<b>195.59</b>

**Note 5: Other Non Current Assets**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Capital advances	32.78	23.58
(b) Balances with government authorities (other than income taxes)	358.92	358.92
<b>TOTAL</b>	<b>391.70</b>	<b>382.50</b>

**Note 6: Inventories**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Raw materials	1,434.34	900.24
(b) Work-in-progress (At cost)	1,988.22	2,145.48
(c) Completed Finished Goods	307.61	60.70
(d) Stores and spares	179.04	198.11
(e) Loose Tools	213.79	233.56
(f) Others - Scrap	243.51	350.76
(g) Die Room Inventory:		
Dies (At cost)	38.37	38.37
Fabrication (At cost)	83.02	91.43
<b>Total</b>	<b>4,487.90</b>	<b>4,018.65</b>

**Note 7: Trade Receivables**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
Trade receivables		
(a) Secured, considered good		
(b) Unsecured, considered good	6,702.45	5,656.48
(c) Unsecured, considered Doubtful	121.00	323.43
Impairment allowance (allowance for bad and doubtful assets)		
(a) Unsecured, considered doubtful	121.00	323.43
<b>Total</b>	<b>6,702.45</b>	<b>5,656.48</b>

**Note 8: Cash and cash equivalents**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Current Cash and bank balances</b>		
(a) Balances with banks		
In current accounts	10.25	143.77
(b) Cash in hand	0.01	0.03
<b>Total</b>	<b>10.26</b>	<b>143.80</b>

**Note 9: Other Bank Balances**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Other bank balances</b>		
(a) Balances held as margin money or security against borrowings, guarantees and other commitments	225.60	343.66
(b) Earmarked accounts - unpaid dividend accounts	36.27	76.92
<b>Total</b>	<b>261.87</b>	<b>420.58</b>

**Note 10: Other Current Financial Assets**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Financial assets at amortised cost</b>		
<b>a) Security Deposits</b>		
- Secured, considered good	171.86	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful deposits	-	-
	<u>171.86</u>	<u>-</u>
<b>b) Other items</b>		
Interest Receivable	8.46	1.64
<b>Total Financial assets at amortised cost</b>	<u>180.32</u>	<u>1.64</u>

**Note 11: Other Current Assets**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Advances to suppliers	158.16	472.27
(b) Capital Advances	114.55	139.11
(c) Advances to employees	64.69	59.68
(d) Balances with government authorities (other than income taxes)*	109.81	126.21
(e) Prepayments	34.41	42.50
(f) Others**	0.41	0.41
<b>Total</b>	<u>482.03</u>	<u>840.18</u>

\* This includes Export Incentive receivable of ₹ 10.35 lakhs.

\*\* Earnest Money Deposit with Ordnance Factory.

**Note 12: Equity Share Capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos	₹ in lakhs	Nos	₹ in lakhs
<b>Authorised:</b>				
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>
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of ₹ 10/- each	3,640,000	364.00	3,640,000	364.00
Forfeited Equity Shares	2,000	0.10	2,000	0.10
<b>Total</b>	<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, 2021		As at March 31, 2020	
	No. Of Shares	₹ in lakhs	No. Of Shares	₹ in lakhs
At the beginning of the period	3,638,000	363.90	3,638,000	363.90
Issued/ Reduction if any during the year	-	-	-	-
Outstanding at the end of the Period	<u>3,638,000</u>	<u>363.90</u>	<u>3,638,000</u>	<u>363.90</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 has 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	As at March 31, 2021		As at March 31, 2020	
		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, shares 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 of the Company have recommended, a final dividend of 15% of the face value of equity shares for the Financial Year ended 31st March, 2021 which is payable on obtaining the Shareholders' approval at the Annual General Meeting of the Company.**

**Note 13: Statement of changes in equity for the period ended March 31, 2021****Equity share capital**

₹ in lakhs

	Opening balance as at April 1, 2020	Changes in equity share capital during the year	Closing balance as at March 31, 2021
Equity shares of ₹ 10 each	363.90	-	363.90
	<u>363.90</u>	<u>-</u>	<u>363.90</u>

**Other Equity**

₹ in lakhs

Particular	Reserves and Surplus						Total
	Capital reserve	Securities premium reserve	General reserve	Other reserve Capital Redemp- tion Reserve	Other compre- hensive income (OCI)	Retained earnings	
Balance at the beginning of the reporting period	25.00	691.63	927.40	10.00	(93.85)	8,288.21	9,848.38
Total Comprehensive income for the year					19.43	(176.03)	(156.60)
Dividend and tax thereon						(36.38)	(36.38)
Transferred from retained earnings					(174.18)	174.18	-
Proposed dividend and tax thereon.							-
Balance at the end of the reporting period	<b>25.00</b>	<b>691.63</b>	<b>927.40</b>	<b>10.00</b>	<b>(248.60)</b>	<b>8,249.98</b>	<b>9,655.40</b>

As per our attached report of even date.

For and on behalf of the Board of Directors.

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

ROHINI G.KALYANI  
Executive Chairperson  
(DIN:00519565)

ABHIJIT SEN  
Director  
(DIN:00002593)

SATISH KELKAR  
Partner  
Membership Number : 38934

VIRAJ G. KALYANI  
Executive Director and CEO  
(DIN:02268846)

AMOL KHUTWAD  
Chief Financial Officer

Pune: 10th June, 2021

ROHAN DESHPANDE  
Company Secretary  
Pune: 10th June, 2021

**Note 14: Non Current Borrowings**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Measured at amortised cost*</b>		
<b>A. Secured Borrowings:</b>		
<b>(a) Term Loans</b>		
(1) From Banks		
State Bank of India (Note 1)	-	134.46
<b>Total Secured Borrowings</b>	<u>-</u>	<u>134.46</u>
<b>B. Unsecured Borrowings - at amortised Cost</b>		
<b>(a) Term Loans</b>		
(1) From Banks	-	-
<b>(b) Deferred payment liabilities (Note 2)</b>	<u>-</u>	<u>-</u>
<b>Total Unsecured Borrowings</b>	<u>-</u>	<u>-</u>
<b>Total Borrowings carried at Amortised Cost</b>	<u>-</u>	<u>134.46</u>
<b>Measured at FVTPL</b>		
1) Bonds / Debentures	-	-
2) Term Loans	-	-
<b>Total Borrowings carried at FVTPL</b>	<u>-</u>	<u>-</u>
<b>Total Borrowings</b>	<u>-</u>	<u>134.46</u>

**\* Terms of Repayment**

- Term Loan of ₹ 21,62,79,499/- (Sanction ₹ 25,00,00,000/-) was 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/- (₹ 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 31st March 2021 is USD 85,535/- (₹ 62,01,287/-), It includes, Interest payable of ₹ 38,520/- (P.Y. ₹ 6,75,923/-). Balance outstanding out of earlier Term Loan ₹ 17,83,905/- (P.Y. ₹ 17,24,816/-) which are payable at the end of repayment of last installment FCNRB loan as per the Terms and Conditions of the Bank. The same is treated as current maturities of long term debts as on 31st March 2021.

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 2021 amounted to ₹ 42,46,784/- (P.Y. ₹ 37,99,561/-). Out of these, ₹ 42,46,784/- (P.Y. ₹ 37,99,561/-) is treated as current maturities of long term debts as on 31st March 2021.

**Nature of security for Item no. A (a) (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.

**Note 15: Non Current Provisions**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
(i) Provision for compensated absences [Leave Encashment]	214.29	152.26
(ii) Gratuity	415.21	368.12
<b>Total Provisions</b>	<b>629.50</b>	<b>520.38</b>

**Note 16: Current Borrowings**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>A. Secured Borrowings - at Amortised cost:</b>		
Loans repayable on demand from Bank		
- Cash credit from Bank	2,609.83	2,363.40
- Packing credit foreign currency loan	-	24.26
<b>Total Secured Borrowings</b>	<b>2,609.83</b>	<b>2,387.66</b>
<b>B. Unsecured Borrowings - at Amortised cost:</b>		
Loans repayable on demand from Bank		
- Working Capital Demand Loans	-	-
- Cash Credit / Packing Credits	-	-
- Overdraft facility	-	-
- Others	-	-
<b>Total Unsecured Borrowings</b>	<b>-</b>	<b>-</b>
<b>Total Current Borrowings</b>	<b>2,609.83</b>	<b>2,387.66</b>

**Notes :-**

- Company's fund and non fund based working capital facilities of ₹ 66,56,00,000/- are secured by first charge by way of hypothecation on pari passu basis with existing working capital lenders (State Bank of India-Lead Bank and HDFC 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 State Bank of India at the rate of Interest of Fixed Margin over USD London inter bank offer rate i.e. LIBOR



**Note 17: Other Current Financial Liabilities**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Other Financial Liabilities Measured at Amortised Cost</b>		
(a) Current maturities of long-term debt*	122.32	622.65
(b) Interest accrued and due on borrowings	-	6.76
(c) Unpaid dividends	33.73	76.92
(d) Other liabilities		
(i) Creditors for capital supplies/services	29.55	59.46
(ii) Other credit balances	578.83	413.32
<b>Total other financial liabilities</b>	<b>764.43</b>	<b>1,179.11</b>

\* For terms of repayment & security refer Note No. 14

**Note 18: Current Provisions**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
(i) Leave Encashment	47.51	31.66
(ii) Gratuity	122.14	120.84
<b>Total Provisions</b>	<b>169.65</b>	<b>152.50</b>

**Note 19: Other Current Liabilities**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Advances received from customers	-	85.29
(b) Government Grant	-	13.52
(c) Others		
- Employee Recoveries and Employer Contributions	181.22	247.03
- Statutory Dues (GST, sales tax, TDS, Royalty etc.)	340.98	53.49
- Other credit balances	31.50	1.50
<b>TOTAL OTHER LIABILITIES</b>	<b>553.70</b>	<b>400.83</b>

**Note 20: Revenue from Operations**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Sale of products	18,008.12	19,995.72
(b) Other Operating Revenues		
- Export incentives	70.24	98.42
- Miscellaneous receipts	-	0.71
<b>Total</b>	<b>18,078.36</b>	<b>20,094.85</b>

**Note 21: Other Income**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Interest Income</b>		
Interest income earned on financial assets that are not designated as at fair value through profit and loss	<b>23.56</b>	24.85
<b>Other gains and losses</b>		
(a) Gain on foreign exchange fluctuations, net	-	11.91
(b) Sundry Balances Written Back	<b>33.35</b>	103.82
(c) Discount received	<b>35.83</b>	26.51
(d) Deferred Income	<b>13.52</b>	13.52
(e) Miscellaneous Income	<b>41.80</b>	93.38
<b>Total</b>	<b>148.06</b>	<b>274.00</b>

**Note 22: Cost of raw materials and components consumed**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Raw materials consumed		
Opening stocks	<b>900.24</b>	1,436.39
Less : Value of obsolete and non-moving material written-down (net of realisable value)	-	-
Add : Purchases	<b>9,730.61</b>	9,478.24
Less : Stocks at close	<b>1,434.34</b>	900.24
Subtotal (a)	<b>9,196.51</b>	<b>10,014.40</b>
(b) Dies consumed		
Opening stocks		
- Dies	<b>38.37</b>	38.37
- Die Blocks, Die Steel and Dies under fabrication	<b>91.43</b>	96.29
Opening stocks Sub Total	<b>129.80</b>	134.66
Add: Purchases and processing charges	<b>27.19</b>	116.71
Sub total	<b>156.99</b>	251.37
Less: Stock at close		
Dies	<b>38.37</b>	38.37
Die Blocks, Die Steel and Dies under fabrication	<b>83.03</b>	91.43
Sub total	<b>121.40</b>	129.80
Subtotal (b)	<b>35.59</b>	121.57
<b>Total</b>	<b>9,232.11</b>	<b>10,135.96</b>

**Note 23: Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
(Increase)/decrease in stocks		
Opening stocks		
Work-in-process	2,145.48	2,288.86
Finished goods	60.70	101.31
Scrap	350.76	392.14
Less : Stocks at close:		
Work-in-process	1,988.22	2,145.48
Finished goods	307.61	60.70
Scrap	243.51	350.76
<b>Total</b>	<b>17.60</b>	<b>225.37</b>

**Note 24: Employee Benefit Expense**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
Salaries and wages, including bonus	2,276.27	2,654.28
Contribution to provident and other funds	112.51	145.72
Gratuity Expenses	74.52	61.47
Staff welfare expenses	174.85	214.77
<b>Total</b>	<b>2,638.15</b>	<b>3,076.23</b>

**Note 25: Finance Cost**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
Interest expense		
- On Bank Borrowings	30.65	80.81
- On Cash credit	230.18	318.33
Other borrowing cost- Bank charges	47.34	81.46
Exchange differences regarded as an adjustment to borrowing costs	(28.11)	56.85
<b>Total</b>	<b>280.06</b>	<b>537.45</b>

**Note 26: Depreciation and amortization expense**

Particulars	₹ in lakhs	
	As at March 31, 2021	As at March 31, 2020
Depreciation		
Property, Plant and Equipment	1,277.48	1,383.92
Other Intangible assets	4.88	4.88
<b>Total</b>	<b>1,282.36</b>	<b>1,388.80</b>

**Note 27: Other Expenses**

<b>Particulars</b>	₹ in lakhs	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Manufacturing Expenses</b>		
Stores, spares and tools consumed	<b>985.92</b>	1,154.27
Processing charges	<b>689.67</b>	970.86
Power and fuel	<b>1,923.14</b>	2,062.84
Repairs to building	<b>3.93</b>	4.86
Repairs to machinery	<b>257.41</b>	348.81
Freight Charges	<b>124.77</b>	125.49
Other manufacturing expenses	<b>22.98</b>	29.44
	<b>4,007.82</b>	4,696.57
<b>Selling Expenses</b>		
Freight and forwarding	<b>200.28</b>	265.93
Royalty, technical and license fees etc.	<b>0.25</b>	1.50
Other selling expenses	<b>0.73</b>	0.10
	<b>201.26</b>	267.53
<b>Administration Expenses</b>		
Rent	<b>3.24</b>	3.24
Rates and taxes	<b>61.35</b>	73.31
Insurance (Including Keyman Insurance)	<b>88.75</b>	63.14
Other repairs and maintenance	<b>0.07</b>	0.25
Travelling and conveyance	<b>10.76</b>	24.02
Vehicle Expenses(Including on hired vehicles)	<b>54.01</b>	108.40
Professional & consultancy fees	<b>67.03</b>	188.09
Auditor's remuneration	<b>16.50</b>	19.04
Director's Sitting Fees	<b>2.67</b>	2.87
Donation	<b>-</b>	1.00
Directors' commission	<b>5.07</b>	5.07
Miscellaneous expenses	<b>115.08</b>	190.12
Loss on assets sold, demolished, discarded and scrapped	<b>44.35</b>	-
Provision for doubtful debts	<b>276.68</b>	161.00
Sundry balances written off	<b>1.07</b>	14.32
Loss on foreign exchange fluctuations, net	<b>27.67</b>	-
	<b>774.30</b>	853.86
<b>Total</b>	<b>4,983.38</b>	5,817.96

**NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT  
AND FOR THE YEAR ENDED 31 MARCH 2021.**

**NOTE NO. 28**

28.1 Contingent Liability not provided for in respect of :

	<b>As at 31st March, 2021</b>	₹ in lakhs As at 31st March, 2020
i. Claims against the Company, not acknowledged as debts	<b>107.14</b>	567.66
ii Disputed Income Tax demand, matter under appeal	<b>138.05</b>	138.05
iii Disputed Excise demand, matter under appeal	<b>15.38</b>	53.66
iv In respect of Bank Guarantee (*)	<b>220.30</b>	359.05

\*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 ₹ 1300 lakhs as at 31st March, 2021(As at 31st March 2020 ₹ 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. Amount outstanding as on 31st March, 2021 is ₹ 220.30 lakhs (31st March 2020 Rs.359.05 Lakhs)

28.2 Estimated Amount of contracts remaining to be executed on Capital Account and Not provided for (net of advances)

	<b>As at 31st March, 2021</b>	₹ in lakhs As at 31st March, 2020
	<b>76.77</b>	77.58

28.3 Payments to Auditors

	<b>2020-21</b>	₹ in lakhs 2019-20
Statutory Audit	<b>9.50</b>	9.50
Tax Audit	<b>1.80</b>	1.80
In Other Capacity :	-	-
For Limited Review & Others	<b>5.70</b>	6.50
For Expenses	-	0.32
<b>Total</b>	<b><u>17.00</u></b>	<b><u>18.12</u></b>

28.4 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.**

<b>Particulars</b>	<b>31st March 2021 Gratuity</b>	₹ in lakhs 31st March 2020 Gratuity
(i) Amounts to be recognised in Balance Sheet		
a. Present Value of Defined Benefit Obligations		
Funded	<b>697.99</b>	646.70
b. Fair Value of Plan Assets	<b>160.64</b>	157.74
c. Net Asset/(Liability) recognised in the Balance Sheet	<b>(537.35)</b>	(338.70)

Particulars	₹ in lakhs	
	31st March 2021	31st March 2020
	<b>Gratuity</b>	Gratuity
(ii) Amount to be recognised in Statement of Profit & Loss Account		
a. Current Service Cost	<b>41.76</b>	34.44
b. Interest on defined benefit obligations	<b>32.76</b>	24.97
Total, included in "Employee Benefits"	<b>74.52</b>	59.41
(iii) Change in Defined Benefit obligation and reconciliation thereof		
a. Present value of Defined Benefit obligation at the beginning of the year	<b>646.70</b>	510.79
b. Interest Cost	<b>43.08</b>	37.23
c. Current Service Cost	<b>41.76</b>	34.44
d. Actuarial Losses/ (Gains)	<b>(26.12)</b>	118.86
e. Benefits Paid	<b>(7.43)</b>	(54.61)
f. Present value of Defined Benefit obligation at the close of the year	<b>697.99</b>	646.70
(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	<b>157.74</b>	172.09
b. Add : Expected return on Plan Assets	<b>10.32</b>	12.26
c. Add/ (Less) : Actuarial (Losses) / Gains	<b>0.15</b>	1.07
d. Add : Contributions by employer	-	28.87
e. Less -Benefits Paid	<b>(7.43)</b>	(54.61)
f. Mortality charges & taxes	<b>(0.14)</b>	(1.94)
g. Fair value of Plan Assets at the closed of the year	<b>160.64</b>	157.74
(v) Broad Categories of plan assets as a percentage of total assets as at 31st March, 2021		
a. Insurer Managed Funds	<b>100%</b>	100%
TOTAL	<b>100%</b>	100%
(vi) Summary of the Actuarial Assumptions		
Discount Rate	<b>6.90%</b>	6.70%
Expected Rate of Return on Assets	<b>6.70%</b>	7.70%
Salary Escalation Rate %	<b>5.00%</b>	5.00%

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

Year	₹ in lakhs		
	Opening Balance	Addition (Net)	Closing Balance
2020-21	<b>183.92</b>	<b>77.88</b>	<b>261.80</b>
2019-20	147.01	36.91	183.92

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

Particulars	₹ in lakhs	
	As at 31-03-2021	As at 31-03-2020
Principal Amount due to suppliers under MSMED Act, 2006, beyond the appointed day	143.09	21.44
Interest accrued and due to suppliers under MSMED Act , on the above amount	2.28	2.00
Payment made to suppliers ( other than interest ) beyond the appointed day , during the year	47.99	249.69
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	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	2.28	2.00

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.

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

28.8 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	2020-21		2019-20	Outstanding Amounts carried in the Balance Sheet (₹)
			Transaction Value (₹)	Outstanding Amounts carried in the Balance Sheet (₹)	Transaction Value (₹)	
1	Key Managerial personnel Mrs. R. G. Kalyani (Executive Chairperson )	Salary	19.02	1.73	20.75	1.73
		Commission	-	-	-	-
		<b>Total</b>	<b>19.02</b>	<b>1.73</b>	<b>20.75</b>	<b>1.73</b>
2	Relative of Key Managerial Personnel Mr. Viraj G. Kalyani (Executive Director and CEO)	Salary	19.02	1.73	20.75	1.73
		Commission	-	-	-	-
		<b>Total</b>	<b>19.02</b>	<b>1.73</b>	<b>20.75</b>	<b>1.73</b>
3	Relative of Key Managerial Personnel Mr. G.N. Kalyani (Director)	Commission	1.01	1.01	1.01	1.01
		Siting fees	0.62	-	1.18	-
		<b>Total</b>	<b>1.63</b>	<b>1.01</b>	<b>2.19</b>	<b>1.01</b>

Sr. No.	Nature of relationship / Name of related party	Nature of Transaction	2020-21		2019-20	Outstanding Amounts carried in the Balance Sheet (₹)
			Transaction Value (₹)	Outstanding Amounts carried in the Balance Sheet (₹)	Transaction Value (₹)	
4	Enterprise in which Key Managerial Person is common NSF Trust	Rent	3.24	6.48	3.24	3.24
		<b>Total</b>	<b>3.24</b>	<b>6.48</b>	<b>3.24</b>	<b>3.24</b>
5	Enterprise in which Key Managerial Person is common Kalyani Proprietary Pvt.Ltd.	Royalty	0.25	1.75	1.50	1.50
		<b>Total</b>	<b>0.25</b>	<b>1.75</b>	<b>1.50</b>	<b>1.50</b>
6	Enterprise in which Key Managerial Person is common Shrid Metal Technologies Pvt. Ltd.	Rent - Revenue	0.60	0.60	-	-
		Receivables	-	225.61		
		<b>Total</b>	<b>0.60</b>	<b>226.21</b>	<b>-</b>	<b>-</b>

### 28.8 Earnings Per Share:

	2020-21	2019-20
Earnings attributable to the equity share holder	(176.03)	(692.52)
Total weighted average No. of shares	3,638,000	3,638,000
(a) Basic	(4.84)	(19.04)
(b) Diluted	(4.84)	(19.04)

### 28.9 Details of Corporate Social Responsibility (CSR) Expenditure

Particular	2020-21	2019-20
Amount required to be spent as per Section 135 of the Act	19.13	17.02
Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	10.82	5.00
<b>Total</b>	<b>10.82</b>	<b>5.00</b>

Note:- The Company has spent ₹ 10.82 Lakhs on CSR activities out of the unspent amount of ₹ 12.00 Lakhs related to FY 2019-20. During the FY 2020-21 we have made provision CSR activities of ₹ 7.13 Lakhs

### 28.10 Research and Development:

The Company has obtained approval of its In-house Research & Development (R&D) facility u/s 35(2AB) of Income Tax Act, 1961 in Form 3CM from Department of Scientific & Industrial Research vide Order No. TU/IV-15(1737)/35(2AB)/3CM/(1499)/2019 dated 29.11.2019. Accordingly the Company has incurred expenses on it's in house R&D Facility as follows-

Financial Year	Revenue Expenditure	Capital Expenditure	Total R&D Expenditure
2018-19	228.14	227.79	455.93
2019-20	222.38	17.73	240.11
2020-21	262.66	-	262.66
<b>Total</b>	<b>713.19</b>	<b>245.51</b>	<b>958.70</b>



## 29 CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

₹ in lakhs

Particulars	Refer Note no.	Non-current		Current	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Financial Assets measured at Fair value through Profit or loss (FVTPL)</b>					
Investment in Equity shares (Net of provision)	3	0.50	0.50	-	-
		<b>0.50</b>	<b>0.50</b>	-	-
<b>Financial Assets measured at Fair value through other comprehensive income (FVTOCI)</b>					
		-	-	-	-
		-	-	-	-
<b>Financial Assets measured at amortised cost</b>					
Trade receivables	7	-	-	6,702.45	5,656.48
Cash and cash equivalents	8	-	-	10.26	143.80
Other balances with banks	9	-	-	261.87	420.58
Interest Accrued on Fixed Deposit	10	-	-	180.32	1.64
		-	-	<b>7,154.90</b>	<b>6,222.49</b>
<b>Financial Liabilities measured at amortised cost</b>					
Borrowings	14	-	134.46	-	-
Borrowings	16	-	-	2,609.83	2,387.66
Trade payables		-	-	3,563.91	3,454.96
Current maturities of long-term debt	17	-	-	122.32	622.65
Interest accrued and due on borrowings	17	-	-	-	6.76
Unpaid Dividends	17	-	-	33.73	76.92
Creditor for Capital Supplies/Services	17	-	-	29.55	59.46
Other credit balances	17	-	-	578.83	413.33
		-	<b>134.46</b>	<b>6,938.17</b>	<b>7,021.73</b>

₹ in lakhs

FAIR VALUE MEASUREMENTS	Fair Value as at 31.03.2021	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

₹ in lakhs

FAIR VALUE MEASUREMENTS	Fair Value as at 31.03.2020	Fair Value hierarchy		
		Quote 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

### 30 FINANCIAL RISK MANAGEMENT

#### 30.1 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.

#### 30.2 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.

#### 30.3 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 2021			As at 31st March 2020		
	USD	Euro	JPY	USD	Euro	JPY
Unhedged Trade receivables	4.70	3.53	-	5.15	2.40	-
Unhedged Trade Payables	0.05	0.08	231.73	0.05	0.12	218.29
Unhedged Advances to Trade Payables	-	-	-	-	0.00	179.64
<b>Total</b>	<b>4.75</b>	<b>3.61</b>	<b>231.73</b>	<b>5.19</b>	<b>2.52</b>	<b>397.93</b>

#### 30.4 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 provision for Credit Losses (provision for doubtful debts)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening provision	323.43	162.43
Add : Additional provision made	276.68	161.00
Less : Provision write off	479.10	-
Less : Provision reversed	-	-
<b>Closing provision</b>	<b>121.00</b>	<b>323.43</b>

**30.5 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) The ageing analysis of Trade Payables**

₹ in lakhs

Particulars	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
<b>At 31st March, 2021</b>				
Trade payables	3,491.19	72.72	-	3,563.91
Other financial liabilities (Current and non current)				-
<b>At 31st March, 2020</b>				
Trade payables	3,092.08	362.88	-	3,454.96
Other financial liabilities (Current and non current)				-

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

₹ in lakhs

Particulars	Less than 1 year	Between 1 to 5 years	More than 5 years	Total
<b>At 31st March, 2021</b>				
Trade receivables	5,854.79	668.23	179.42	6,702.45
<b>At 31st March, 2020</b>				
Trade receivables	5,094.28	562.20	-	5,656.48

**31 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	
	2020-21	2019-20
<b>Current tax</b>		
Current Tax on taxable income for the year	(6.84)	41.17
<b>Total current tax expense</b>	<b>(6.84)</b>	41.17
<b>Deferred Tax</b>		
Deferred tax charge/(credit)	(33.76)	(161.57)
MAT Credit (taken)/utilised	-	-
<b>Total deferred income tax expense/(benefit)</b>	<b>(33.76)</b>	(161.57)
Tax in respect of earlier years	9.39	-
<b>Total income tax expenses</b>	<b>(31.21)</b>	(120.40)

Particulars	₹ in lakhs	
	2020-21	2019-20
Enacted income tax rate in India applicable to the Company	26.00%	33.063%
<b>Profit before tax</b>	<b>(207.24)</b>	(812.92)
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	-	-
<b>Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income</b>		
Permanent Disallowances	(6.84)	41.17
Depreciation (net effect)	(114.78)	(131.24)
Deduction under section 43B of the Income Tax Act	4.51	(62.49)
Tax in respect of earlier years	9.39	-
Income exempted from income taxes	-	-
Other items	76.51	32.15
<b>Total income tax expenses/(credit)</b>	<b>(31.21)</b>	(120.41)

**32** 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 due to partial lockdown during some period of FY 2020-21. 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.

**33** 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: 10th June, 2021

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)

ROHAN DESHPANDE  
Company Secretary  
Pune: 10th June, 2021

ABHIJIT SEN  
Director  
(DIN:00002593)

AMOL KHUTWAD  
Chief Financial Officer

**KALYANI FORGE**



**KALYANI FORGE LIMITED**  
**(CIN : L28910MH1979PLC020959)**

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