

KALYANI INVESTMENT

KICL:SEC:

August 23, 2018

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai – 400 001
Scrip Code : 533302

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip Symbol : KICL

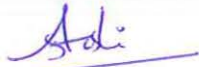
Dear Sir,

Sub. : Submission of Annual Report for the Financial
Year ended 31st March, 2018

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year ended 31st March, 2018, as approved and adopted in the 9th Annual General Meeting held on 21st August, 2018.

Thanking you,

Yours faithfully,
For KALYANI INVESTMENT COMPANY LIMITED


ADWAIT JOSHI
COMPANY SECRETARY

Encl. : Annual Report for FY 2017-18



KALYANI
GROUP COMPANY

KALYANI INVESTMENT COMPANY LIMITED, CORPORATE BUILDING, 2 ND FLOOR, MUNDHWA, PUNE - 411 036.
PHONE : +91 020 66215000 FAX : +91 020 26821124 CIN - L65993PN2009PLC134196 WEB : www.kalyani-investment.com

KALYANI INVESTMENT COMPANY LIMITED



KALYANI
DRIVING INNOVATION

BOARD OF DIRECTORS

Mr. Amit B. Kalyani

Chairman

Mrs. Deeksha A. Kalyani

Mr. S.S. Vaidya (upto 18th May, 2018)

Mr. B.B. Hattarki

Mr. C.G. Patankar (upto 11th August, 2017)

Mr. R.K. Goyal

Mr. S.K. Adivarekar (w.e.f. 18th May, 2018)

CORPORATE IDENTITY NUMBER (CIN)

L65993PN2009PLC134196

REGISTERED OFFICE

Mundhwa, Pune - 411 036

Phone : +91-020-26715000 / 66215000

Fax : +91-020-26821124

Website : www.kalyani-investment.com

E-mail : investor@kalyani-investment.com

CHIEF EXECUTIVE OFFICER &

CHIEF FINANCIAL OFFICER

Mr. Sanjay Yewale

COMPANY SECRETARY

Mr. Adwait Joshi

AUDITORS

M/s. P. G. Bhagwat

Chartered Accountants

Suite No. 2, "Orchard",

Dr. Pai Marg, Baner

Pune - 411 045

BANKERS

HDFC Bank Limited

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited

Block No.202, Akshay Complex,

2nd Floor, Off Dhole Patil Road,

Near Ganesh Mandir, Pune – 411 001

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9TH ANNUAL GENERAL MEETING

Day : Tuesday
Date : 21st August, 2018
Time : 2.00 p.m. (I.S.T.)
Place : Registered Office,
Kalyani Investment Company Limited,
Mundhwa, Pune - 411 036

**REPORT ON CORPORATE GOVERNANCE****CORPORATE GOVERNANCE PHILOSOPHY**

Kalyani Investment has been practicing the principles of good Corporate Governance and lays strong emphasis on transparency and proper disclosures. The Company believes that timely disclosures, transparent accounting policies and strong Board go a long way in protecting shareholders trust while maximising long term corporate value.

The Company recognises that good Corporate Governance is a continuing exercise and is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance, applicable for the Financial Year 2017-18.

This chapter of the report, along with the information given under 'Management Discussion and Analysis' and 'Shareholder Information' constitutes the compliance report of the Company on Corporate Governance.

1. BOARD LEVEL ISSUES**COMPOSITION OF THE BOARD**

As on 31st March, 2018, the Board of Directors of Kalyani Investment comprised Five Directors. The Board consists of Non-Executive Chairman, who is a relative of Promoter and Four Non-Executive Directors, of which three are Independent. Details are given in Table 1.

NUMBER OF BOARD MEETINGS

During the year 2017-18, the Board of the Company met Five times on 25th May, 2017, 11th August, 2017, 9th November, 2017, 15th December, 2017 and 5th February, 2018. All the meetings were held in such manner that the gap between two consecutive meetings was not more than one hundred and twenty days.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

Table 1: The composition of the Board, the category of Directors, their attendance record and the number of directorships and Committee Memberships / Chairmanships held in Indian Public Limited Companies, including the Company as on 31st March, 2018 :

Table - 1 - Details about Board of Directors of the Company							
Name of the Director	Category	Particulars of Attendance			Number of Directorships and Committee Memberships / Chairmanships as on 31st March, 2018		
		Number of Board Meetings		Last AGM	Directorships	Committee Memberships*	Committee Chairmanships*
		Held	Attended				
Mr.Amit B. Kalyani Chairman	Relative of Promoter Non-Executive	5	4	Yes	8	1	—
Mrs.Deeksha A. Kalyani	Relative of Promoter Non-Executive	5	4	Yes	1	—	—
Mr.S.S. Vaidya	Independent	5	5	No	5	2	2
Mr.B.B. Hattarki	Independent	5	5	Yes	8	4	5
Mr.R.K. Goyal	Independent	5	5	Yes	3	3	—

* In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships / Chairmanships of only Audit Committee and Stakeholders Relationship Committee have been considered.

INDEPENDENT DIRECTORS

As mandated by Regulation 17 and as defined by Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 'Independent Directors' on Kalyani Investment Company Limited's Board :

- are persons of integrity and possess relevant expertise and experience;
- are or were not a Promoter of the Company or its holding, subsidiary or associate company;
- are not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- apart from receiving director's remuneration, have or had no material pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

- none of whose relatives have or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- who, neither themselves nor any of their relatives :
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed of :
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- are not less than 21 years of age.

None of the Directors is a member of more than ten Board level Committees of Indian Public Limited Companies in which they are Directors or a Chairman of more than five such Committees.

BOARD PROCEDURE

Information Supplied to the Board

Among others, information supplied to the Board includes :

- Annual operating plans and budgets, capital budgets and any update thereof.
- Quarterly results for the Company.
- Minutes of meetings of Audit Committee and other committees of the Board.
- Appointment, remuneration and resignation of Director.
- The information on recruitment and remuneration of senior officers just below the level of the Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company.
- Details of any Joint Venture / Collaboration Agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Sale of investments, assets which are material in nature and not in normal course of business.
- Making of loans and investments of surplus funds.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- General Notices of interest by Directors, declarations of Independent Directors at the time of appointment / annual declarations.
- Formation / Reconstitution of Committees of the Board.
- Dividend declaration.
- Appointment and fixing remuneration, of the Auditors as recommended by the Audit Committee.
- Annual Financial Results of the Company, Auditor's Report and the Report of the Board of Directors.
- Compliance certificates for all the laws as applicable to the Company.
- CSR activities carried out by the Company and expenditure made thereon.

The Board of Directors of the Company is presented with detailed notes, along with the agenda papers, well in advance of each Board and Committee Meeting. All material information is incorporated in the agenda for facilitating focused and meaningful discussions at the meeting. In special and exceptional circumstances, additional items on the agenda are permitted.

**CEO AND CFO CERTIFICATION**

The Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial results, while placing the financial results before the Board in terms of Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website. (Web-link : <http://www.kalyani-investment.com/board-of-directors/code-of-conduct/>)

The Board members and the senior management have affirmed the compliance with the Code. A declaration to that effect signed by the Chairman of the Company is contained in this Annual Report.

DIRECTORS WITH MATERIALLY PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

There has been no materially relevant pecuniary transactions or relationship between the Company and its non-executive and / or independent Directors for the year 2017-18.

COMMITTEES OF THE BOARD

As on 31st March, 2018 the Company has Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The Board Committees are set up and reconstituted, as and when necessary, under the formal approval of the Board to carry out clearly defined role which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are applicable to the Committee Meetings, as far as practicable. Minutes of the proceedings of the Committee Meetings are placed before the Board Meeting for consideration and noting. The Company Secretary acts as the Secretary of all Committees.

AUDIT COMMITTEE

As on 31st March, 2018, the Audit Committee of Kalyani Investment comprised three members, of which all are Independent Directors. All the members have accounting and finance management expertise.

The Board of Directors at their meeting held on 11th August, 2017, had reconstituted the Audit Committee to consist of Mr.B.B. Hattarki, Chairman and Mr.S.S. Vaidya and Mr.R.K. Goyal as other members of the Committee. Reconstitution of the Committee was done as Mr.C.G. Patankar, Independent Director and member of the Committee resigned with effect from 11th August, 2017. The Annual General Meeting of the Company held on 1st August, 2017 was attended by the Chairman of the Audit Committee, Mr.B.B. Hattarki, to answer the shareholders' queries.

The representatives of the Statutory Auditors, Internal Auditors and remaining Board Members are permanent invitees to the Audit Committee Meetings.

During the year 2017-18 Audit Committee met on 25th May, 2017, 11th August, 2017, 9th November, 2017 and 5th February, 2018 and there were no instances, where the Board had not accepted the recommendations of the Audit Committee. Particulars relating to the attendance at the Audit Committee meetings held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	4	4
Mr.S.S. Vaidya	Independent	4	4
Mr.C.G. Patankar*	Independent	2	—
Mr.R.K. Goyal	Independent	4	4

*Resigned with effect from 11th August, 2017

The Role of the Audit Committee of the Company includes of the following :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.

- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in the draft audit report, if any.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- 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.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing 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.
- Discussions with internal auditors on any significant findings and follow up thereon.
- Reviewing 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.
- Discussions with statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, if any.
- To 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.
- To review the functioning of the whistle blower mechanism.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information by the Audit Committee :

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditor.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

As on 31st March, 2018, Stakeholders Relationship Committee comprised of three Directors viz. Mr.B.B. Hattarki, Chairman, Mrs.Deeksha A. Kalyani and Mr.R.K. Goyal. During the year 2017-18, the Stakeholders Relationship Committee met on 25th May, 2017, 11th August, 2017, 9th November, 2017 and 5th February, 2018.

The Board of Directors at their meeting held on 11th August, 2017, reconstituted the Stakeholders Relationship Committee as Mr.C.G. Patankar, Independent Director and Committee member, resigned with effect from 11th August, 2017. Mrs.Deeksha A. Kalyani, Director of the Company was co-opted as a member of the Committee.

Particulars relating to the attendance at the Stakeholders Relationship Committee meetings held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	4	4
Mr.C.G. Patankar*	Independent	2	—
Mr.R.K. Goyal	Independent	4	4
Mrs.Deeksha A. Kalyani**	Non-Executive	2	2

*Resigned with effect from 11th August, 2017

**Appointed with effect from 11th August, 2017

Role of the Stakeholders Relationship Committee :

The Committee shall consider and resolve the grievances of the security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividend, if any.

COMPLIANCE OFFICER

Mr.Adwait Joshi, Company Secretary is the Compliance Officer for complying with requirements of Securities Laws and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

STATUS OF INVESTORS' COMPLAINTS

During the year, no complaints were received. The status of complaints is also reported to the Board of Directors, as an agenda item.

DESIGNATED EXCLUSIVE EMAIL-ID

The Company has also provided separate E-mail ID : investor@kalyani-investment.com exclusively for investor servicing.

NOMINATION AND REMUNERATION COMMITTEE

As on 31st March, 2018, Nomination and Remuneration Committee comprised of three Directors viz. Mr.B.B. Hattarki, Chairman, Mr.Amit B. Kalyani and Mr.R.K. Goyal. During the year 2017-18, the Nomination and Remuneration Committee met on 25th May, 2017.

Role of Nomination and Remuneration Committee :

- Formulation of the criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying the 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 their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Particulars relating to the attendance at the Nomination and Remuneration Committee meeting held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	1	1
Mr.Amit B. Kalyani	Non-Executive	1	1
Mr.R.K. Goyal	Independent	1	1

BOARD DIVERSITY AND REMUNERATION POLICY

The Board on recommendation of the Nomination and Remuneration Committee has approved Board Diversity and Remuneration Policy and the same is available on the Company's website. (Web-link : <http://www.kalyani-investment.com/corporate-social-responsibility-csr/board-diversity-remuneration/>) The Policy provides for criteria for determining qualifications, positive attributes and independence of director as well as remuneration policy for directors, key managerial personnel and other employees.

In terms of the said Policy, a director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices. An independent director should also meet the requirements of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration to Non-Executive Directors

The Non-Executive Directors draw remuneration in the form of commission, upto an aggregate amount not exceeding 3% of the net profits of the Company for the year, as may be decided by the Board of Directors from time to time.

Payments to Non-Executive Directors are decided based on multiple criteria of seniority / experience, number of years on the Board, Board / Committee meetings attended, Director's position on the Company's Board Committees, other relevant factors and performance of the Company.

Remuneration to Key Managerial Personnel and other Employees

Remuneration to 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. The remuneration will be such, so as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

REMUNERATION OF DIRECTORS

No remuneration was paid to any Director during the year 2017-18. The Company does not have any stock option scheme.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on 31st March, 2018, Corporate Social Responsibility (CSR) Committee comprises of three Directors viz. Mr.B.B. Hattarki, Chairman, Mr.S.S. Vaidya and Mr.R.K. Goyal. During the year 2017-18, the Corporate Social Responsibility Committee met on 25th May, 2017 and 11th August, 2017.

Role of CSR Committee :

- Formulation and recommendation to the Board, CSR Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in CSR Policy.
- Monitor CSR Policy of the Company from time to time.

The Committee's core responsibility is to assist the Board in discharging its social responsibility by formulating and monitoring implementation of the framework of the CSR Policy. The CSR Policy of the Company is available on the Company's website. (Web-link : <http://www.kalyani-investment.com/corporate-social-responsibility-csr/>)

Particulars relating to the attendance at the CSR Committee meetings held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	2	2
Mr.S.S. Vaidya	Independent	2	2
Mr.R.K. Goyal	Independent	2	2

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 5th February, 2018, inter alia to discuss :

- Evaluation of the performance of Non-Independent Directors and Board of Directors, as a whole.
- Evaluation of the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Evaluation of the quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors, that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting. The Directors expressed their satisfaction with the evaluation process.



2. MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

STRUCTURE OF THE COMPANY AND THRUST OF THE BUSINESS

Kalyani Investment is a Core Investment Company holding more than 90% of its assets in the form of investments in shares of or debts in Group Companies, out of which more than 60% are in the form of the investment in Equity Shares. The thrust of business is to hold and continue to hold securities in Kalyani Group Companies.

RISKS AND CONCERNS

Kalyani Investment's income is mainly from the dividends that may be receivable on investments held by it / may be held in future. Any adverse impact on the industries of which securities are held by Kalyani Investment, also have a bearing on the performance of Kalyani Investment. Any slowdown in the growth of Indian economy or future volatility in global financial market, could also adversely affect the business.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems to ensure operational efficiency and accuracy in financial reporting and compliance of applicable laws and regulations.

The internal control is supplemented by review of internal auditors. Observations of the internal auditors are subject to periodic review and compliance monitoring. The Audit Committee of Directors reviews the Internal Audit process and the adequacy and effectiveness of internal audit and controls periodically.

Cautionary Statement

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry – global or domestic or both, significant changes in political and economic environment in India, applicable statutes, litigations etc.

DISCLOSURES

RELATED PARTY TRANSACTIONS

The Company has not entered into any 'Related Party Transaction' pursuant to Section 188(1) of the Companies Act, 2013, during the financial year 2017-18.

DISCLOSURES BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussions nor do they vote on such matters.

WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal / unethical behavior. The Company has vigil mechanism named 'Whistle Blower Policy', wherein the employees / directors can report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and / or laws applicable to the Company and seek redressal. This mechanism provides appropriate protection to the genuine Whistle Blower, who avails of the mechanism. The details of establishment of Whistle Blower Policy / Vigil Mechanism have been disclosed on the website of the Company. (Web-link : <http://www.kalyani-investment.com/corporate-social-responsibility-csr/whistle-blower/>)

INDEPENDENT DIRECTORS TRAINING AND INDUCTION

The Independent Directors are provided with necessary documents / brochures and reports to enable them to familiarise with the Company's business, procedures and practices. Along with role, function, duties and responsibilities expected from Director, the Director is also explained in detail the compliances required from him under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his affirmation is taken with respect to the same.

Further, with a view to familiarise Director with the Company's operations, the Chairman also has one-to-one discussion with the newly appointed Director. These initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company. The details of this familiarisation programme are available on the website of the Company. (Web-link : <http://www.kalyani-investment.com/board-of-directors/>)

3. SHAREHOLDERS

DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Mr.Amit B. Kalyani, Chairman of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr.Shrikrishna K. Adivarekar, who was co-opted on the Board on 18th May, 2018, as an Additional Independent Director for a term of 5 (five) years with effect from 18th May, 2018 to 17th May, 2023, subject to the approval of the members, is seeking an appointment as an Independent Director.

Mr.B.B. Hattarki, Independent Director on the Board of the Company is seeking re-appointment for a second term of 5 (five) years with effect from 1st April, 2019 to 31st March, 2024.

Details of directors to be re-appointed / appointed, are given below :

- Mr.Amit B. Kalyani, born of 26th July, 1975, after having his initial education in Pune, graduated in Mechanical Engineering from Bucknell University, Pennsylvania, U.S.A. He initially worked with Kalyani Steels Limited, followed by other companies within the group. He then joined Bharat Forge Limited in 1999 as Vice President and Chief Technology Officer. He was also instrumental in strategising and execution of the several acquisitions that the group had in Germany.

Mr.Amit B. Kalyani is currently an Executive Director of Bharat Forge Limited. He also takes care of the overall group strategy and is responsible for the expansion of steel business and driving the infrastructure foray of the group.

The details of Directorships and Committee Memberships held in other public limited companies are as follows :

Other Directorships Name of the Company	Committee Memberships Name of the Company & Committee
1. Bharat Forge Limited	1. Bharat Forge Limited
2. Kalyani Steels Limited	Corporate Social Responsibility Committee - Member
3. Hikal Limited	2. Kalyani Steels Limited
4. BF Utilities Limited	Nomination & Remuneration Committee - Member
5. BF Investment Limited	3. BF Utilities Limited
6. BF-NTPC Energy Systems Limited	Audit Committee - Member
7. BF-Elbit Advanced Systems Private Limited (Subsidiary of a Public Company)	Corporate Social Responsibility Committee - Member
	Nomination & Remuneration Committee - Member
	Risk Management Committee - Member
	4. BF Investment Limited
	Corporate Social Responsibility Committee - Member
	Nomination & Remuneration Committee - Member
	Risk Management Committee - Member

Mr.Amit B. Kalyani holds 3,169 Equity Shares of the Company as on 31st March, 2018.

- Mr.Shrikrishna K. Adivarekar was co-opted on the Board on 18th May, 2018, as an Additional Independent Director for the period of 5 (five) years with effect from 18th May, 2018 to 17th May, 2023, is seeking an appointment as Independent Director pursuant to notice received from the member of the Company, signifying his intention to propose Mr.Adivarekar, as candidate for the office of Independent Director. Mr.Adivarekar, being eligible, offers himself for appointment. In the opinion of the Board, Mr.Adivarekar fulfills the criteria of independence as prescribed under the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company.

Mr.Adivarekar, born on 9th May, 1982, is a qualified Chartered Accountant (Fellow member of the ICAI) in practice for the last 15 years. He graduated in commerce with 6th rank in Pune University in 2002 and qualified as a Chartered Accountant in 2003. He has been working with M/s. Kunte & Vaidya, Chartered Accountants, since 2000, in various capacities and has been involved as a partner since 2005. He is one of the founder partners of M/s. KVBA & Associates, LLP. In his professional career, Mr.Adivarekar has dealt with and handled various corporate and legal matters under Direct Tax laws, Company Law, FEMA etc. for various corporate / industrial groups. He has also handled various assignments in International Taxation and Transfer Pricing as well as corporate tax. Mr.Adivarekar does not hold any Shares in the Company.

The details of Directorships and Committee Memberships held in other public limited companies are as follows :

Other Directorships Name of the Company	Committee Memberships Name of the Company & Committee
1. Kalyani Steels Limited	1. Kalyani Steels Limited
	Audit Committee - Chairman

- Mr.Hattarki born on 10th October, 1941, is a Metallurgy and Mechanical Engineer, having a rich experience of more than 50 years in Steel Industry. Mr.Hattarki is seeking re-appointment as Independent Director pursuant to notice received from the member of the Company, signifying his intention to propose Mr.Hattarki, as candidate for the office of Independent Director. Mr.Hattarki, being eligible, offers himself for re-appointment. In the opinion of the Board, Mr.Hattarki fulfills the criteria of independence as prescribed under the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his re-appointment as an Independent Director of the Company. Mr.Hattarki does not hold any Shares in the Company.



The details of Directorships and Committee Memberships held in other public limited companies are as follows :

Other Directorships Name of the Company	Committee Memberships Name of the Company & Committee
<ol style="list-style-type: none"> 1. Kalyani Steels Limited 2. BF Utilities Limited 3. BF Investment Limited 4. Automotive Axles Limited 5. Kalyani Mukand Limited 6. Kalyani International Limited 7. Hospet Steels Limited 	<ol style="list-style-type: none"> 1. Kalyani Steels Limited Audit Committee – Member Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Chairman Nomination & Remuneration Committee - Member Share Transfer Committee - Member 2. BF Utilities Limited Audit Committee – Member Stakeholders Relationship Committee - Chairman Corporate Social Responsibility Committee - Chairman Nomination & Remuneration Committee - Chairman Risk Management Committee - Chairman 3. BF Investment Limited Audit Committee – Chairman Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Chairman Nomination & Remuneration Committee - Chairman Risk Management Committee - Chairman 4. Automotive Axles Limited Audit Committee – Chairman

COMMUNICATION TO SHAREHOLDERS

Kalyani Investment puts all vital information relating to the Company and its performance, including quarterly, half yearly, yearly financial results, official announcements and communication to the investors and analysts on its website www.kalyani-investment.com regularly for the benefit of the public at large.

Quarterly, half yearly, yearly financial results are published in leading newspapers such as Financial Express (All Editions) and Loksatta (Pune) and are also filed electronically on BSE's On-line Portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and NSE's On-line Portal – NSE Electronic Application Processing System (NEAPS).

Letters and Transfer Deeds received from shareholders are acted upon and replied promptly.

SHARE TRANSFER

The Company has constituted the Share Transfer Committee to approve share transfers, transmissions, consolidation, sub-division, deletion of name, issue of duplicate certificates and requests for rematerialisation of Company's shares. As on 31st March, 2018, the Committee comprises of Mr.B.B. Hattarki, Chairman and Mr.R.K. Goyal, Director.

DETAILS OF NON-COMPLIANCE

Kalyani Investment has complied with all the requirements of regulatory authorities. No penalties were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter relating to the capital market during the period under report.

GENERAL BODY MEETINGS

Particulars of Annual General Meetings held for the last three years are given below :

Date	Time	Venue	Special Resolutions Passed
13th August, 2015	2.00 p.m.	Registered Office of the Company at Mundhwa, Pune - 411 036	—
11th August, 2016	2.00 p.m.	Registered Office of the Company at Mundhwa, Pune - 411 036	Adoption of New Set of Articles of Association of the Company
1st August, 2017	2.00 p.m.	Registered Office of the Company at Mundhwa, Pune - 411 036	—

POSTAL BALLOT

No resolution was put through postal ballot during the Financial Year 2017-18.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolution conducted through postal ballot.

COMPLIANCE WITH MANDATORY AND DISCRETIONARY REQUIREMENTS

The Company is fully compliant with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It has not adopted any discretionary requirements.

SHAREHOLDER INFORMATION**COMPANY REGISTRATION DETAILS**

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L65993PN2009PLC134196.

ANNUAL GENERAL MEETING

Day, Date and Time : Tuesday, 21st August, 2018 at 2.00 p.m.

Venue : Registered Office of the Company at Mundhwa, Pune - 411 036

FINANCIAL CALENDAR

1st April to 31st March

BOOK CLOSURE

The books will be closed on Tuesday, 21st August, 2018, as an Annual Closure for the Annual General Meeting.

LISTING

- 1) National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
- 2) BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

All annual listing fees due during the year have been paid.

STOCK CODES

NSE : KICL

BSE : 533302

ISIN in NSDL and CDSL : INE029L01018

STOCK DATA

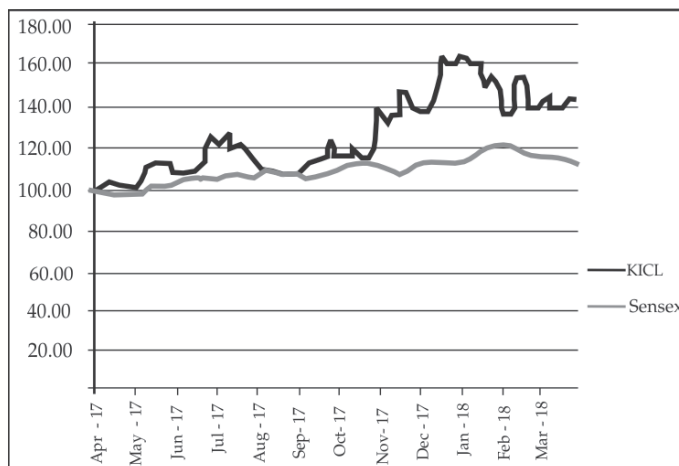
Table below gives the monthly high and low prices and volumes of trading of Equity Shares of the Company at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year 2017-18 :

Month & Year	NSE			BSE		
	High (₹)	Low (₹)	Volume (No. of Shares Traded)	High (₹)	Low (₹)	Volume (No. of Shares Traded)
April, 2017	1,871.00	1,620.05	31,363	1,874.00	1,615.10	7,160
May, 2017	1,847.00	1,728.85	32,503	1,850.00	1,734.85	8,708
June, 2017	2,090.00	1,821.55	47,741	2,097.00	1,825.00	87,413
July, 2017	1,944.45	1,780.15	15,150	1,934.00	1,763.65	7,321
August, 2017	1,860.00	1,650.00	19,792	1,830.05	1,689.00	3,318
September, 2017	2,057.00	1,730.00	38,988	2,046.85	1,750.50	6,234
October, 2017	2,140.00	1,835.10	31,159	2,135.05	1,817.10	5,463
November, 2017	2,570.00	2,050.00	69,827	2,575.00	2,071.30	28,691
December, 2017	2,949.00	2,231.10	97,125	2,955.00	2,236.05	39,778
January, 2018	2,788.70	2,350.15	60,950	2,791.90	2,366.00	19,139
February, 2018	2,595.00	2,016.70	28,363	2,575.00	2,075.05	9,600
March, 2018	2,540.00	2,280.00	131,179	2,479.95	2,300.00	69,220

**STOCK PERFORMANCE**

Chart 'A' plots the movement of Kalyani Investment's Equity Shares adjusted closing prices compared to the BSE Sensex.

Chart 'A' : Kalyani Investment's Share Performance Vs. BSE Sensex



Note : Share prices of Kalyani Investment and BSE Sensex have been indexed to 100 as on first working day of Financial Year 2017-18 i.e. 1st April, 2017

REGISTRAR AND TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

M/s. Link Intime India Private Limited, Block No.202, Akshay Complex, 2nd Floor, Off Dhole Patil Road, Near Ganesh Mandir, Pune – 411 001 are the Registrar and Transfer Agents of the Company and carry out the share transfer work on behalf of the Company. The Equity Shares of the Company are traded on the Stock Exchanges compulsorily in demat mode.

PATTERN OF SHAREHOLDING BY OWNERSHIP AS ON 31ST MARCH, 2018

Category of the Shareholder	No. of Equity Shares held	Shareholding %
Promoters	3,212,985	73.60
Mutual Funds	50,880	1.17
Financial Institutions / Banks	2,962	0.07
Foreign Portfolio Investors	26,949	0.62
Bodies Corporate	219,616	5.03
NRIs	19,055	0.43
Foreign Companies	66	—
Indian Public	832,793	19.08
TOTAL	4,365,306	100.00

PATTERN OF SHAREHOLDING BY SHARE CLASS AS ON 31ST MARCH, 2018

Category (Shares)	No. of Shareholders	No. of Equity Shares held	Shareholding %
Up to 5000	18,808	794,531	18.20
5,001 to 10,000	19	141,672	3.25
10,001 to 20,000	5	66,703	1.53
20,001 to 30,000	—	—	—
30,001 to 40,000	—	—	—
40,001 to 50,000	1	42,499	0.97
50,001 to 100,000	2	123,645	2.83
100,001 and above	3	3,196,256	73.22
TOTAL	18,838	4,365,306	100.00

DEMATERIALISATION

The Company's Equity Shares are under compulsory Demat Trading. As on 31st March, 2018, dematerialised shares accounted for 98.17% of the total Equity.

INVESTORS CORRESPONDENCE ADDRESS

- | | |
|---|--|
| 1) Link Intime India Private Limited | 2) Kalyani Investment Company Limited |
| Registrar & Transfer Agent | Secretarial Department |
| Block No.202, Akshay Complex, 2nd Floor, | Mundhwa, Pune - 411 036 |
| Off Dhole Patil Road, Near Ganesh Mandir, | Phone No. : 020 - 26715000 / 66215000 |
| Pune - 411 001 | Fax No. : 020 - 26821124 |
| Phone No. : 020 - 26161629 / 26160084 | E-mail : investor@kalyani-investment.com |
| Telefax : 020 - 26163503 | |
| E-Mail : pune@linkintime.co.in | |

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I, Amit B. Kalyani, Chairman of the Company do hereby declare that all the Board Members and Senior Management Personnel have affirmed for the year ended 31st March, 2018, compliance with the Code of Conduct of the Company laid down for them.

Place : Pune
Date : 18th May, 2018

Amit B. Kalyani
Chairman

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

Kalyani Investment Company Limited

We have examined the compliance of conditions of Corporate Governance by Kalyani Investment Company Limited for the year ended 31st March, 2018, as stipulated in a SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

For M / s. P. G. BHAGWAT
Firm Registration No.101118W
Chartered Accountants

Sanjay Athavale
Partner
Membership No.83374

Date : 18th May, 2018
Place : Pune



DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting the Ninth Annual Report on the business and operations of the Company together with Audited Financial Statements for the Financial Year ended 31st March, 2018.

1. Financial Highlights (on stand-alone basis)

		(₹ in Million)
	2017-18	2016-17
Revenue from Operations	—	—
Other Income	327.749	142.324
Total Revenue	327.749	142.324
Total Expenditure	22.883	21.039
Profit before Exceptional Items and Tax	304.866	121.285
Exceptional Items	(150.132)	(1.485)
Profit before Tax	154.734	119.800
Tax (Expenses) / Savings	(0.560)	0.075
Profit after Tax	154.174	119.875

2. Dividend & Reserves

The Directors have decided to consolidate Company's finances during the current year. As a result, the Directors do not recommend any Dividend on Equity Shares for the financial year ended 31st March, 2018.

During the year under review, it is proposed to transfer ₹ 30.835 Million to Reserve Fund (Under Section 45-IC(1) of the Reserve Bank of India Act, 1934). An amount of ₹ 3,622.675 Million is proposed to be retained as Surplus in the Statement of Profit and Loss.

3. Management Discussion and Analysis (MD&A)

Management Discussion and Analysis (MD&A) for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented as a part of the Corporate Governance Report.

4. Corporate Governance

The Company has committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance Requirements set out by SEBI. The Report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

The requisite certificate from Auditors of the Company viz. M/s. P.G. Bhagwat, Chartered Accountants, Pune, confirming compliance with conditions of Corporate Governance is attached to Report on Corporate Governance.

5. Deposits

During the year under review, the Company has not accepted any deposits from the public.

6. Directors

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr.Amit B. Kalyani, Chairman of the Company, is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr.C.G. Patankar, Independent Director of the Company resigned with effect from 11th August, 2017, due to his other pre-occupations and ceased to be the Director of the Company. The Board places on record its appreciation of the valuable contributions made by Mr.Patankar during his tenure as Director of the Company.

Mr.S.S. Vaidya, Independent Director of the Company resigned with effect from 18th May, 2018, due to health reasons and ceased to be the Director of the Company. The Board places on record its appreciation of the valuable contributions made by Mr.Vaidya during his tenure as Director of the Company.

The Board of Directors at its meeting held on 18th May, 2018, had co-opted Mr. Shrikrishna K. Adivarekar, as an Additional Independent Director for the period of 5 (five) years from 18th May, 2018 to 17th May, 2023, subject to approval of the members at the ensuing Annual General Meeting.

Mr. B.B. Hattarki, Independent Director on the Board of the Company is seeking re-appointment for a second term of 5 (five) years with effect from 1st April, 2019 to 31st March, 2024.

These appointments / re-appointments form part of the Notice of the Annual General Meeting and the Resolutions are recommended for your approval. Profiles of these Directors are given in the Report on Corporate Governance for reference of the members.

The Company has received declarations from all Independent Directors that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6.1 Board Evaluation

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. Performance evaluation has been carried out as per the Board Diversity and Remuneration Policy.

6.2 Board Diversity and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Board Diversity and Remuneration Policy is available on the website of the Company. (Web-link : <http://www.kalyani-investment.com/corporate-social-responsibility-csr/board-diversity-remuneration/>)

6.3 Meetings of the Board

During the Financial Year 2017-18, five Board Meetings were convened and held. Also a separate meeting of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013 was held. The details of meetings of Board of Directors are provided in the Report on Corporate Governance that forms part of this Annual Report.

7. Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that :

- i) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed and that there are no material departures;
- ii) the Directors have 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 as at 31st March, 2018 and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts for the year ended 31st March, 2018, on a 'going concern' basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Conservation of energy, technology absorption and foreign exchange earnings & outgo

Your Directors have nothing to report on the aforesaid matters as your Company is not engaged in manufacturing, has no foreign collaboration and has not exported or imported any goods or services.

**9. Corporate Social Responsibility**

As a part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken various activities in the areas of education. These activities are carried out in terms of Section 135 read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

The details of CSR Activities undertaken by the Company are annexed herewith as Annexure "A". The CSR Policy is available on Company's website. (Web-link : <http://www.kalyani-investment.com/corporate-social-responsibility-csr/>)

10. Related Party Transactions

During the year under review, the Company has not entered into any related party transactions with related parties, in terms of sub-section (1) of Section 188 of the Companies Act, 2013. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. (Web-link : <http://www.kalyani-investment.com/corporate-social-responsibility-csr/related-party-transaction/>)

11. Risk Management

The Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action. Risks are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

12. Audit Committee

As on 31st March, 2018, The Audit Committee comprises of Mr.B.B. Hattarki, Chairman of the Committee and Independent Director, Mr.S.S. Vaidya and Mr.R.K. Goyal, Independent Directors.

All the recommendations made by the Audit Committee were deliberated and accepted by the Board during the Financial Year 2017-18.

13. Auditor and Auditor's Report

The members, at their Eighth Annual General Meeting held on 1st August, 2017, had appointed M/s. P.G. Bhagwat, Chartered Accountants, Pune, as Auditors of the Company, to hold office for the period of five years i.e. from the conclusion of Eighth Annual General Meeting till the conclusion of the Thirteenth Annual General Meeting to be held in 2022 and the said appointment was subject to ratification by members at every Annual General Meeting.

The Companies (Amendment) Act, 2017, has amended Section 139(1) of the Companies Act, 2013, effective from 7th May, 2018, whereby first proviso to Section 139(1) is omitted which provided for ratification of appointment of Auditors by members at every Annual General Meeting.

In view of the same, the Board of Directors have proposed to ratify appointment of M/s. P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No.101118W), as Auditors of the Company, for the period of four years i.e. from the Conclusion of this Annual General Meeting till the conclusion of the Thirteenth Annual General Meeting to be held in 2022.

The Company has received letter from M/s P.G. Bhagwat, Chartered Accountants, to the effect that ratification of appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

The Directors recommend ratification of appointment of Auditors from the conclusion of ensuing Annual General Meeting till the conclusion of the Thirteenth Annual General Meeting to be held in 2022.

The Notes on Financial Statements referred to in the Auditor's Report are self-explanatory and hence do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

14. Secretarial Audit and Secretarial Standards

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board had appointed M/s SVD & Associates, Company Secretaries, Pune, to undertake Secretarial Audit of the Company for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended 31st March, 2018 is annexed herewith as Annexure "B". The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Company is compliant with the Secretarial Standards issued by the Council of the Institute of Company Secretaries of India and approved by Central Government under Section 118(10) of the Companies Act, 2013.

15. Particulars of Employees and related Disclosures

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, has been provided in Annexure "C".

16. Extract of the Annual Return

An extract of the Annual Return of the Company, pursuant to Section 92(3) of the Companies Act, 2013, in Form MGT-9 is annexed hereto as Annexure "D".

17. Whistle Blower Policy

The Company has vigil mechanism named 'Whistle Blower Policy', wherein the employees / directors can report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and / or laws applicable to the Company and seek redressal. This mechanism provides appropriate protection to the genuine Whistle Blower, who avail of the mechanism. During the year under review, the Company has not received any complaint under the said mechanism. The 'Whistle Blower Policy' as approved by the Board is uploaded on the Company's website. (Web-link : <http://www.kalyani-investment.com/corporate-social-responsibility-csr/whistle-blower/>)

18. Particulars of Loans, Guarantees or Investments

Particulars of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements provided in this Annual Report.

19. Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the Financial Statements. During the year, such controls were tested and no reportable material weakness was observed in the design or implementation.

20. Material Changes and Commitments, if any, affecting Financial Position of the Company

There are no adverse material changes or commitments occurring after 31st March, 2018, which may affect the financial position of the Company or may require disclosure.

21. Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

22. Familiarisation Programme

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

The details of programmes for familiarisation of Independent Directors with the Company are put up on website of the Company. (Web-link : <http://www.kalyani-investment.com/board-of-directors/>)

23. Subsidiaries, Joint Ventures or Associate Companies

The Company does not have any Subsidiary / Joint Venture.

As on 31st March, 2018, the Company has two associates. A statement containing the salient features of the financial statement of the Associate Companies, in the prescribed format AOC-1, is annexed hereto as Annexure "E".

24. Consolidated Financial Statements

The Consolidated Financial Statements, pursuant to Section 129 of the Companies Act, 2013 are attached to the Standalone Financial Statements of the Company.

25. Acknowledgement

The Directors take this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

For and on behalf of the Board of Directors

Place : Pune
Date : 18th May, 2018

Amit B. Kalyani
Chairman



ANNEXURE - A TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with
the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes :

Corporate Social Responsibility (CSR) Policy of the Company emphasize initiatives in specific areas of social development that would include primary, secondary education, skills development, vocational training, health and hygiene, preventive health care and sanitation, women empowerment, environment and ecological protection, character building by providing training opportunities in sports and cultural activities etc. The CSR Policy is available on the website of the Company. (Web-link : <http://www.kalyani-investment.com/corporate-social-responsibility-csr/>)

2. The composition of the CSR Committee :

As on 31st March, 2018, CSR Committee consisted of three Directors viz. Mr.B.B. Hattarki, as the Chairman and Mr.S.S. Vaidya and Mr.R.K. Goyal, as members.

3. Average Net Profit of the Company for last three financial years : ₹ 33.103 Million
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 0.662 Million
5. Details of CSR spent during the Financial Year :
 - a) Total amount spent for the financial year : ₹ 0.663 Million
 - b) Amount unspent, if any : Not Applicable
 - c) Manner in which the amount spent during the financial year is detailed below :

(₹ in Million)

No.	CSR Project or Activity identified	Sector in which the project is covered	Location District (State)	Amount outlay (budget) Project or Programme wise	Amount spent on the Project or Programme	Cumulative Expenditure upto reporting period	Amount spent : Direct or through implementing agency
1	Kalyani School	Education	Pune (Maharashtra)	0.663	0.663	0.663	Through implementing agency

The Responsibility Statement of the CSR Committee of the Board of Directors :

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company.

Place : Pune
Date : 18th May, 2018

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

B.B. Hattarki
Chairman, CSR Committee

ANNEXURE - B TO DIRECTORS' REPORT**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Kalyani Investment Company Limited
Mundhwa,
Pune - 411036

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kalyani Investment Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, 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 :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of :

- (i) The Companies Act, 2013 and The Companies Amendments Act, 2017 (the Act), the rules made thereunder (in so far as they are made applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit Period);
 - (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 Audit Period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit Period).
- (vi) The Specific laws applicable to the Company :
 - (a) The Reserve Bank of India Act, 1934 (applicable to the extent being a Core Investment Company)

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

- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India';
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges pursuant to SEBI (Listing Obligations and Disclosure 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.



We 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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We 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.

We further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

For SVD & Associates
Company Secretaries

S. V. Deulkar
Partner

FCS No : 1321

C P No : 965

Place : Pune

Date : 18th May, 2018

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure 'A' and forms an integral part of this report.

ANNEXURE - A

To,

The Members

Kalyani Investment Company Limited

Mundhwa, Pune - 411036

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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.

For SVD & Associates
Company Secretaries

S. V. Deulkar
Partner

FCS No : 1321

C P No : 965

Place : Pune

Date : 18th May, 2018

ANNEXURE - C TO DIRECTORS' REPORT

[Information pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended)]

- a) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year :
No remuneration has been paid to the Directors of the Company during the Financial Year 2017-18.
- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :
Percentage increase in remuneration of Mr.Sanjay Yewale, Chief Executive Officer & Chief Financial Officer is 18.08% and of Mr.Adwait Joshi, Company Secretary is 13.10%.
- c) The percentage increase in the median remuneration of employee(s) in the financial year : 15.59%
- d) The number of permanent employees on the role of the Company as on 31st March, 2018 : 2 Employees
- e) 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 :
Average percentile increase for Salaries of Non-Managerial Personnel – Not Applicable
Percentage increment for Salaries of Managerial Personnel is 15.59%
The increase in remuneration is not solely based on Company performance but also includes various other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects etc. besides Company performance. There are no exceptional circumstances for increase in managerial remuneration.
- f) The Company has remuneration policy in place, however no remuneration was paid to the Directors during Financial Year 2017-18.
- g) Statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee of the Company, who - (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore two lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh fifty thousand rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company :

Sr.No.	Name & Designation	Remuneration Received (₹)	Nature of Employment	Qualifications	Experience (Years)	Date of Commencement of Employment	Age	Last Employment	% of Equity Shares held	Whether Relative of Director and if so, name of the Director
1	Mr.Sanjay Yewale, CEO & CFO	9,174,093*	On deputation from Kalyani Steels Limited	B.Com, MBA	29 years	30-03-2015	53	Kalyani Steels Limited	—	N.A.
2	Mr.Adwait Joshi	531,772	Permanent Employee	B.Com, L.L.B., ACS	3 years	03-08-2015	27	—	—	N.A.

* Remuneration is net of Service Tax / GST.

For and on behalf of the Board of Directors

Place : Pune

Date : 18th May, 2018

Amit B. Kalyani

Chairman



ANNEXURE - D TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

- i) CIN : L65993PN2009PLC134196
 ii) Registration Date : 25th June, 2009
 iii) Name of the Company : Kalyani Investment Company Limited
 iv) Category / Sub-Category of the Company : Public Company / Limited by Shares
 v) Address of the Registered Office and Contact details : Mundhwa, Pune - 411 036
 Contact Nos : Phone : 020 - 26715000 / 66215000
 Fax : 020 - 26821124
 E-mail : investor@kalyani-investment.com
 vi) Whether Listed Company : Yes
 vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime India Private Limited
 Block No.202, Akshay Complex
 2nd Floor, Off Dhole Patil Road
 Near Ganesh Mandir, Pune - 411 001
 Phone : 020 - 26161629 / 26160084
 Telefax : 020 - 26163503
 E-mail : pune@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activity contributing 10% or more of the total turnover of the Company stated below :

No.	Name and Description of main products / services	NIC Code of the Product / Service	% to Total Turnover of the Company
1	Investments and Loans	—	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Sundaram Trading and Investment Private Limited, Industry House, S.No.49, Mundhwa, Pune - 411 036	U67110MH1976PTC018904	Holding	60.94	2(46)
2	Hikal Limited 717/718, Maker Chamber V, Nariman Point, Mumbai - 400 021	L24200MH1988PTC048028	Associate	31.36	2(6)
3	Lord Ganesha Minerals Private Limited Industry House, S.No.49, Mundhwa, Pune - 411 036	U14213PN2007PTC129573	Associate	22.50	2(6)
4	Dandakaranya Investment & Trading Private Limited* 1st Floor, Shangrila Garden, Opp Bund Garden, Pune - 411 001	U65993MH1983PTC029066	Associate	23.92	2(6)
5	Hastinapur Investment & Trading Private Limited* 1st Floor, Shangrila Garden, Opp Bund Garden, Pune - 411 001	U65993MH1983PTC029067	Associate	23.92	2(6)
6	Dronacharya Investment & Trading Private Limited* 1st Floor, Shangrila Garden, Opp Bund Garden, Pune - 411 001	U67190MH1983PTC029065	Associate	23.92	2(6)
7	Campanula Investment & Finance Private Limited* 1st Floor, Shangrila Garden, Opp Bund Garden, Pune - 411 001	U65993PN1987PTC045150	Associate	23.91	2(6)
8	Cornflower Investment & Finance Private Limited* 1st Floor, Shangrila Garden, Opp Bund Garden, Pune - 411 001	U65993MH1987PTC045152	Associate	23.91	2(6)

* (Refer Note No.3.30 forming part of the Standalone Financial Statements)

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :

i) Category-wise Share Holding

No.	Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2017)				No. of Shares held at the end of the year (31-03-2018)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
1) Indian										
a) Individuals / HUF		4,833	—	4,833	0.11	9,473	—	9,473	0.22	0.11
b) Central Govt.		—	—	—	—	—	—	—	—	—
c) State Govt.(s)		—	—	—	—	—	—	—	—	—
d) Bodies Corporates		2,992,259	—	2,992,259	68.55	3,203,512	—	3,203,512	73.38	4.83
e) Banks / FI's		—	—	—	—	—	—	—	—	—
f) Any other (specify)		—	—	—	—	—	—	—	—	—
Sub-total (A)(1)		2,997,092	—	2,997,092	68.66	3,212,985	—	3,212,985	73.60	4.94
2) Foreign										
a) NRI- Individual		—	—	—	—	—	—	—	—	—
b) Other Individual		—	—	—	—	—	—	—	—	—
c) Bodies Corporates		—	—	—	—	—	—	—	—	—
d) Banks / FI's		—	—	—	—	—	—	—	—	—
e) Any other (Specify)		—	—	—	—	—	—	—	—	—
Sub-total (A)(2)		—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)		2,997,092	—	2,997,092	68.66	3,212,985	—	3,212,985	73.60	4.94
B. Public Shareholding										
1. Institutions										
a) Mutual Funds		74,293	70	74,363	1.70	50,810	70	50,880	1.17	(0.53)
b) Banks / FI's		805	710	1,515	0.03	2,252	710	2,962	0.07	0.04
c) Central Govt.		—	—	—	—	—	—	—	—	—
d) State Govt.(s)		—	—	—	—	—	—	—	—	—
e) Venture Capital Funds		—	—	—	—	—	—	—	—	—
f) Insurance Companies		—	—	—	—	—	—	—	—	—
g) FI's		—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds		—	—	—	—	—	—	—	—	—
i) Any Other (specify)		—	—	—	—	—	—	—	—	—
(i) Foreign Portfolio Investors		37,267	—	37,267	0.86	26,949	—	26,949	0.62	(0.24)
Sub-total (B)(1)		112,365	780	113,145	2.59	80,011	780	80,791	1.86	(0.73)
2. Non-Institutions										
a) Bodies Corporates										
i. Indian		182,674	222,239	404,913	9.28	218,641	975	219,616	5.03	(4.25)
ii. Overseas		—	—	—	—	—	—	—	—	—
b) Individuals										
i. Individual Shareholders holding nominal share capital up to Rs.1 lakh		672,709	79,760	752,469	17.24	666,914	77,046	743,960	17.04	(0.20)
ii. Individual Shareholders holding nominal share capital in excess of Rs.1 lakh		62,039	—	62,039	1.42	82,596	—	82,596	1.89	0.47
c) Any other (specify)										
i. NRI's		19,062	1,161	20,223	0.46	17,894	1,161	19,055	0.44	(0.02)
ii. Foreign Companies/OCB's		—	66	66	—	—	66	66	—	—
iii. Clearing Member		15,359	—	15,359	0.35	6,237	—	6,237	0.14	(0.21)
Sub-total (B)(2)		951,843	303,226	1,255,069	28.75	992,282	79,248	1,071,530	24.54	(4.21)
Total Public Shareholding (B) = (B)(1) + (B)(2)		1,064,208	304,006	1,368,214	31.34	1,072,293	80,028	1,152,321	26.40	(4.94)
C. Shares held by Custodian for GDR's & ADR's										
Grand Total (A+B+C)		4,061,300	304,006	4,365,306	100.00	4,285,278	80,028	4,365,306	100.00	—



ii) Shareholding of Promoters

No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2017)			Shareholding at the end of the year (31-03-2018)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Ajinkya Investment and Trading Company	536,182	12.28	—	536,182	12.28	—	—
2	Sundaram Trading & Investment Private Limited	2,448,821	56.10	—	2,660,074	60.94	—	4.84
3	Ajinkyatara Trading Company Limited	256	0.01	—	256	0.01	—	—
4	Lohagaon Trading Company Private Limited	7,000	0.16	—	7,000	0.16	—	—
5	Mr.B.N. Kalyani	111	—	—	111	—	—	—
6	Mr.Amit B. Kalyani	3,169	0.07	—	3,169	0.07	—	—
7	Mrs.Sugandha J. Hiremath	678	0.02	—	678	0.02	—	—
8	Mrs.Sunita B. Kalyani	774	0.02	—	5,414	0.12	—	0.10
9	Mrs.Sugandha Hiremath & Mr.Jai Hiremath	101	—	—	101	—	—	—
	Total	2,997,092	68.66	—	3,212,985	73.60	—	4.94

iii) Change in Promoter's Shareholding

No.	Promoter's Shareholding	Shareholding at the beginning of the year (01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the Year	2,997,092	68.66	—	—
	Mrs.Sunita B. Kalyani : Off Market Purchase (Gift) on 15-02-2018	4,640	0.11	3,001,732	68.77
	Sundaram Trading and Investment Private Limited : Market Purchase on 01-06-2017	62,833	1.44	3,064,565	70.21
	Market Purchase on 05-03-2018	1,820	0.04	3,066,385	70.25
	Market Purchase on 06-03-2018	5,000	0.11	3,071,385	70.36
	Market Purchase on 08-03-2018	405	0.01	3,071,790	70.37
	Market Purchase on 09-03-2018	12,650	0.29	3,084,440	70.66
	Market Purchase on 12-03-2018	10,000	0.23	3,094,440	70.89
	Market Purchase on 13-03-2018	10,000	0.23	3,104,440	71.12
	Market Purchase on 14-03-2018	10,000	0.23	3,114,440	71.35
	Market Purchase on 15-03-2018	14,650	0.33	3,129,090	71.68
	Market Purchase on 16-03-2018	15,011	0.35	3,144,101	72.03
	Market Purchase on 19-03-2018	18,000	0.41	3,162,101	72.44
	Market Purchase on 20-03-2018	18,000	0.41	3,180,101	72.85
	Market Purchase on 21-03-2018	16,500	0.37	3,196,601	73.22
	Market Purchase on 22-03-2018	16,384	0.38	3,212,985	73.60
	At the end of the Year	—	—	3,212,985	73.60

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

No.	Name of the Shareholder	Shareholding at the beginning of the year (01-04-2017)		Increase / (Decrease) in Shareholding		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	No. of Shares	% of total shares of the Company
1	Sadguru Investment and Trading Company	160,142	3.67	15-03-2018	(8,000)	152,142	3.48
				16-03-2018	(15,000)	137,142	3.14
				19-03-2018	(18,000)	119,142	2.73
				20-03-2018	(18,000)	101,142	2.32
				21-03-2018	(11,900)	89,242	2.04
				22-03-2018	(16,397)	72,845	1.67
2	ICICI Prudential Dynamic Plan*	58,481	1.34	02-06-2017	(58,481)	—	—
3	Gloxinia Investment and Finance Private Limited*	50,000	1.15	09-03-2018	(13,350)	36,650	0.83
				12-03-2018	(10,000)	26,650	0.61
				13-03-2018	(10,000)	16,650	0.38
				14-03-2018	(10,000)	6,650	0.15
				15-03-2018	(6,650)	—	—
4	Hitesh Satishchandra Doshi	42,499	0.97	—	—	42,499	0.97
5	Privatbank IHAG Zurich AG	37,267	0.85	14-04-2017	(1,222)	36,045	0.83
				28-04-2017	(1,278)	34,767	0.80
				10-11-2017	(229)	34,538	0.79
				24-11-2017	(5,432)	29,106	0.67
				01-12-2017	(2,150)	26,956	0.62
				29-12-2017	(4,718)	22,238	0.51
				05-01-2018	(1,523)	20,715	0.47
				12-01-2018	(6,609)	14,106	0.32
6				21-04-2017	(1,088)	21,983	0.50
				28-04-2017	(758)	21,225	0.49
				05-05-2017	(278)	20,947	0.48
				12-05-2017	(100)	20,847	0.48
				19-05-2017	(92)	20,755	0.48
				26-05-2017	(255)	20,500	0.47
				09-06-2017	(250)	20,250	0.46
				16-06-2017	(114)	20,136	0.46
				23-06-2017	(194)	19,942	0.46
				30-06-2017	(501)	19,441	0.45
				11-08-2017	(150)	19,291	0.44
				18-08-2017	(40)	19,251	0.44
				01-09-2017	(799)	18,452	0.42
				22-09-2017	(1,196)	17,256	0.40
				29-09-2017	(1,207)	16,049	0.37
				06-10-2017	(2,964)	13,085	0.30
				13-10-2017	(2,917)	10,168	0.23
				27-10-2017	(168)	10,000	0.23
				03-11-2017	(1,000)	9,000	0.21
				17-11-2017	(600)	8,400	0.19
				24-11-2017	(400)	8,000	0.18
				29-12-2017	(500)	7,500	0.17
7	Bhavana Govindbhai Desai	19,540	0.45	—	—	19,540	0.45
8	Shri Badrinath Investment Private Limited	12,500	0.29	—	—	12,500	0.29



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

No.	Name of the Shareholder	Shareholding at the beginning of the year (01-04-2017)		Increase / (Decrease) in Shareholding		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	No. of Shares	% of total shares of the Company
9	Globe Capital Market Limited*	10,351	0.24	14-04-2017	636	10,987	0.25
				21-04-2017	75	11,062	0.25
				28-04-2017	372	11,434	0.26
				05-05-2017	1,081	12,515	0.29
				12-05-2017	(86)	12,429	0.28
				26-05-2017	(89)	12,340	0.28
				02-06-2017	1,174	13,514	0.31
				09-06-2017	(20)	13,494	0.31
				16-06-2017	(6)	13,488	0.31
				23-06-2017	(8,740)	4,748	0.11
				30-06-2017	(35)	4,713	0.11
				14-07-2017	25	4,738	0.11
				21-07-2017	(522)	4,216	0.09
				28-07-2017	(1,205)	3,011	0.07
				04-08-2017	(2,042)	969	0.02
				11-08-2017	10	979	0.02
				25-08-2017	(355)	624	0.01
				08-09-2017	150	774	0.01
				15-09-2017	713	1,487	0.03
				22-09-2017	(1)	1,486	0.03
				06-10-2017	(5)	1,481	0.03
				13-10-2017	1,945	3,426	0.08
				20-10-2017	(321)	3,105	0.07
				27-10-2017	(466)	2,639	0.06
				03-11-2017	(27)	2,612	0.06
				10-11-2017	(1,120)	1,492	0.03
				17-11-2017	(289)	1,203	0.03
				24-11-2017	(962)	241	—
				01-12-2017	(194)	47	—
				15-12-2017	44	91	—
				12-01-2018	75	166	—
				19-01-2018	(5)	161	—
				26-01-2018	40	201	—
				02-02-2018	18	219	—
				09-02-2018	317	536	0.01
				23-02-2018	4	540	0.01
				09-03-2018	(487)	53	—
				16-03-2018	11	64	—
				23-03-2018	61	125	—
				31-03-2018	(32)	93	—
10	Smita Jitendra Sanghavi	9,655	0.22	28-04-2017	40	9,695	0.22
				12-05-2017	10	9,705	0.22
				19-05-2017	70	9,775	0.22
				26-05-2017	65	9,840	0.23
				02-06-2017	85	9,925	0.23
				16-06-2017	35	9,960	0.23
				23-06-2017	60	10,020	0.23
				07-07-2017	5	10,025	0.23
				28-07-2017	10	10,035	0.23
				04-08-2017	10	10,045	0.23
				18-08-2017	15	10,060	0.23
				08-09-2017	50	10,110	0.23
				15-09-2017	10	10,120	0.23
				22-09-2017	15	10,135	0.23
				13-10-2017	5	10,140	0.23
				20-10-2017	5	10,145	0.23
				03-11-2017	10	10,155	0.23
				10-11-2017	10	10,165	0.23

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

No.	Name of the Shareholder	Shareholding at the beginning of the year (01-04-2017)		Increase / (Decrease) in Shareholding		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	No. of Shares	% of total shares of the Company
11	Anmol Sekhri**	8,218	0.19	11-08-2017	25	8,243	0.19
				25-08-2017	150	8,393	0.19
				30-09-2017	25	8,418	0.19
				13-10-2017	1,005	9,423	0.21
				17-11-2017	1	9,424	0.21
12	Franklin Templeton Mutual Fund A/C Franklin India Opportunities Fund**	7,195	0.16	07-04-2017	1,975	9,170	0.21
				28-04-2017	115	9,285	0.21
				12-05-2017	51	9,336	0.21
				19-05-2017	2,926	12,262	0.28
				26-05-2017	17,761	30,023	0.69
				02-06-2017	2,489	32,512	0.74
				30-06-2017	7,288	39,800	0.91
				11-08-2017	1,000	40,800	0.93
				15-09-2017	2,414	43,214	0.99
				22-09-2017	373	43,587	0.99
				29-09-2017	1,608	45,195	1.04
				06-10-2017	3,080	48,275	1.11
				13-10-2017	2,327	50,602	1.16
				20-10-2017	198	50,800	1.16
13	Abhay Yashwant Dadbhawala**	5,950	0.14	14-04-2017	185	6,135	0.14
				21-04-2017	38	6,173	0.14
				28-04-2017	(10)	6,163	0.14
				05-05-2017	687	6,850	0.16
				12-05-2017	34	6,884	0.16
				26-05-2017	15	6,899	0.16
				16-06-2017	(200)	6,699	1.15
				23-06-2017	96	6,795	0.16
				30-06-2017	16	6,811	1.16
				23-07-2017	59	6,870	1.16
				28-07-2017	30	6,900	0.16
				11-08-2017	(40)	6,860	0.16
				24-11-2017	530	7,390	0.17
				08-12-2017	100	7,490	0.17
				31-12-2017	160	7,650	0.18
				05-01-2018	65	7,715	0.18
				19-01-2018	135	7,850	0.18
				26-01-2018	115	7,965	0.18
				02-02-2018	379	8,344	0.19
				09-02-2018	31	8,375	0.19
				16-02-2018	323	8,698	0.20
				23-02-2018	216	8,914	0.20
				02-03-2018	45	8,959	0.21
				09-03-2018	135	9,094	0.21
				16-03-2018	4	9,098	0.21



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

No.	Name of the Shareholder	Shareholding at the beginning of the year (01-04-2017)		Increase / (Decrease) in Shareholding		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	No. of Shares	% of total shares of the Company
14	Ravi Ramesh Rohira**	2,716	0.06	14-04-2017	(25)	2,691	0.06
				28-04-2017	(37)	2,654	0.06
				26-05-2017	(4)	2,650	0.06
				02-06-2017	(143)	2,507	0.06
				09-06-2017	(589)	1,918	0.04
				16-06-2017	(31)	1,887	0.04
				30-06-2017	142	2,029	0.05
				01-09-2017	2,062	4,091	0.09
				08-09-2017	1,106	5,197	0.12
				29-09-2017	294	5,491	0.13
				15-12-2017	3,814	9,305	0.21
				22-12-2017	396	9,701	0.22
				29-12-2017	(1,001)	8,700	0.20
				02-02-2018	1,986	10,686	0.24
				09-03-2018	(13)	10,673	0.24
				23-03-2018	(281)	10,392	0.24

* Ceased to be in the list of Top 10 shareholders as on 31-03-2018. The same has been reflected above since the shareholders were one of the Top 10 shareholders as on 01-04-2017.

** Not in the list of Top 10 shareholders as on 01-04-2017. The same has been reflected above since the shareholders were one of the Top 10 shareholders as on 31-03-2018.

v) Shareholding of Directors and Key Managerial Personnel

No.	Name of the Director / Key Managerial Personnel	Shareholding at the beginning of the year (01-04-2017)		Increase / (Decrease) in Shareholding		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	No. of Shares	% of total shares of the Company
1	Mr. Amit B. Kalyani	3,169	0.07	—	—	3,169	0.07
2	Mr. Sanjay Yewale, CEO & CFO	20	—	—	—	20	—

Mr. Adwait Joshi, Company Secretary, does not hold any shares in the Company at the beginning of the year as well as at the end of the year. He has neither acquired, nor sold any shares during the year under review.

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i + ii + iii)	—	—	—	—
Change in Indebtedness during the financial year				
i) Addition	—	—	—	—
ii) Reduction	—	—	—	—
Net Change	—	—	—	—
Indebtedness at the end of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i + ii + iii)	—	—	—	—

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :
A. Remuneration to Managing Director, Wholetime Directors and / or Manager

(Amount in ₹)

No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Gross Salary		
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	—	—
b)	Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	—	—
c)	Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	—	—
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission		
	- As % of profit	—	—
	- Others, specify	—	—
5.	Others, please specify	—	—
	Total (A)	—	—
	Ceiling as per the Act	—	—

B. Remuneration to other Directors

(Amount in ₹)

No.	Particulars of Remuneration	Name of Directors	Total Amount
	Independent Directors		
a)	Fee for attending Board / Committee meetings	—	—
b)	Commission	—	—
c)	Others, please specify	—	—
	Total (1)	—	—
	Other Non-Executive Directors		
a)	Fee for attending Board / Committee meetings	—	—
b)	Commission	—	—
c)	Others, please specify	—	—
	Total (2)	—	—
	Total (B) = (1 + 2)	—	—
	Total Managerial Remuneration	—	—
	Overall Ceiling as per the Act	—	—

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

(Amount in ₹)

		Key Managerial Personnel		
		Mr.Sanjay Yewale CEO & CFO*	Mr.Adwait Joshi Company Secretary	Total
1.	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	9,174,093**	531,772	9,705,865
b)	Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	—	—	—
c)	Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- As % of profit	—	—	—
	- Others, specify	—	—	—
5.	Others, please specify	—	—	—
Total		9,174,093	531,772	9,705,865

* On deputation from Kalyani Steels Limited (KSL).

** Remuneration is net of Service Tax / GST.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCE :

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

For and on behalf of the Board of Directors

Place : Pune

Date : 18th May, 2018

Amit B. Kalyani

Chairman

**ANNEXURE - E TO DIRECTORS' REPORT
FORM AOC-1**

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

Part "A" : Subsidiaries

Not Applicable

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associate	Hikal Limited	Lord Ganesha Minerals Private Limited
1.	Latest Audited Balance Sheet Date	31-03-2018	31-03-2018
2.	Date on which the Associate or Joint Venture was associated or acquired	#31st March, 2010	26th September, 2011
3.	Shares of Associate held by the Company on the year end		
	No.	25,778,250	450,000
	Amount of Investment in Associates	₹ 65,610,549 /-	₹ 55,187,500 /-
	Extent of Holding %	31.36%	22.50%
4.	Description of how there is significant influence	Note - A	Note - A
5.	Reason why the associate is not consolidated	Consolidated	Consolidated
6.	*Networth attributable to Shareholding as per latest Audited Balance Sheet	₹ 2,150,571,477 /-	₹ 19,936,852 /-
7.	Profit / Loss for the year		
	Considered in Consolidation	₹ 242,582,189 /-	—
	Not Considered in Consolidation	—	(₹ 5,217,706 /-)

Acquired pursuant to Scheme of Arrangement between the Company, Kalyani Steels Limited, Chakrapani Investments & Trades Limited, Surajmukhi Investment & Finance Limited and Gladiolla Investments Limited

* Networth is considered as per consolidated financial statement of the investee company wherever consolidated financial statements have been prepared.

Notes :

A. There is Significant Influence due to percentage (%) of Share Capital.

On behalf of the Board of Directors

Place : Pune
Date : 18th May, 2018

Adwait Joshi
Company
Secretary

Sanjay Yewale
Chief Executive Officer &
Chief Financial Officer

Amit B. Kalyani
Chairman

R.K. Goyal
Director

**INDEPENDENT AUDITOR'S REPORT**

To
The Members of
Kalyani Investment Company Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Kalyani Investment Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Rules of the Companies (Accounts) Rules, 2014. This responsibility also includes the 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by 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, 2018 and its profit and its cash flows for the year ended on that date.

Other Matters

The financial statements of the Company for the year ended 31st March, 2017 were audited by other independent auditor whose report dated 25th May, 2017, expressed an unqualified opinion on those statements. The audited balances as on 31st March, 2017 have been considered as opening balances for the purpose of these financial statements.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the 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 appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) In our opinion there are no financial transactions or matters which have any adverse effect on the functioning of the Company.
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
 - 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, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountant

Sanjay Athavale
Partner
Membership No.83374

Place : Pune
Date : 18th May, 2018

**ANNEXURE "A" TO THE AUDITOR'S REPORT****(Referred to in our above report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the Management at reasonable intervals, during the financial year. According to the information and explanations given to us, no discrepancies were noticed on physical verification of the fixed assets.
- (c) The Company does not own any immovable properties.
- (ii) As explained to us, the Company did not hold any physical inventories during the financial year covered by this report. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans in contravention of Section 185 of the Companies Act, 2013. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans and guarantees given, securities provided or investments made.
- (v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed, thereunder.
- (vi) Requirement to maintain cost records under sub-section (1) of Section 148 of the Companies Act, 2013, does not apply to the Company.
- (vii) (a) According to the records of the Company, the Company was found to be regular in depositing undisputed statutory dues applicable to it, including income tax, service tax, cess and any other statutory dues to the appropriate authorities. As explained to us by the Management, the provisions of the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, do not apply to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax and any other statutory dues were outstanding as at 31st March, 2018, for a period of more than six months from the date those became payable.
- (b) According to the records of the Company, there are no dues of income tax or service tax, which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed and the information and explanations given by the Management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration during the financial year covered by this report. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the records of the Company and according to the information and explanations given to us, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on my examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is a Non Deposit taking Core Investment Company, as defined in the Core Investment Companies (Reserve Bank) Directions, 2011. Since the Company is not a Systemically Important Non Deposit taking Core Investment Company, it is not required to obtain Certificate of Registration under Section 45-IA of the Reserve Bank of India Act, 1934.

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountant

Sanjay Athavale
Partner
Membership No.83374

Place : Pune

Date : 18th May, 2018

Annexure - "B" to the Auditors' Report**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 Investment Company Limited ("the Company") as of 31st March, 2018, in conjunction with our audit of the standalone 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 with reference to financial statements 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.

Auditor's 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 adequate internal financial controls with reference to financial statements were 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 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 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 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 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 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 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2018, based on the internal control with reference to financial statements 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 M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountant

Sanjay Athavale
Partner
Membership No.83374

Place : Pune

Date : 18th May, 2018



KALYANI

9th Annual Report 2017-2018

BALANCE SHEET AS AT 31ST MARCH, 2018

	Note No.	₹	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
I. EQUITY AND LIABILITIES :				
1. Shareholders' Funds :				
a) Share Capital	3.1	43,653,060		43,653,060
b) Reserves and Surplus	3.2	3,622,675,381		3,473,673,296
			3,666,328,441	3,517,326,356
2. Non Current Liabilities :				
a) Deferred Tax Liabilities (Net)	3.3	29,000		74,000
b) Long Term Provisions	3.4	21,003		27,625
			50,003	101,625
3. Current Liabilities :				
a) Trade Payables	3.5			
Total outstanding dues of micro enterprises and small enterprises		—		—
Total outstanding dues of creditors other than micro enterprises and small enterprises		942,710		1,091,848
b) Other Current Liabilities	3.6	764,141		165,325,995
c) Short Term Provisions	3.7	577,845		1,692
			2,284,696	166,419,535
TOTAL			3,668,663,140	3,683,847,516
II. ASSETS :				
1. Non Current Assets :				
a) Plant, Property and Equipments				
Tangible Assets	3.8	7,223,887		8,196,450
b) Non Current Investments	3.9	3,629,622,515		3,654,725,766
c) Long Term Loans and Advances	3.10	500,000		1,552,827
			3,637,346,402	3,664,475,043
2. Current Assets :				
a) Current Investments	3.11	12,360,182		18,220,743
b) Cash and Cash Equivalents	3.12	18,956,556		1,151,730
c) Short Term Loans and Advances	3.13	—		—
			31,316,738	19,372,473
TOTAL			3,668,663,140	3,683,847,516

Significant Accounting Policies and Notes forming
an integral part of the Standalone Financial Statements 1 to 3

As per my attached Report of even date

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountants

On behalf of the Board of Directors

Sanjay Athavale
Partner
Membership No.83374

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman
R. K. Goyal
Director

Place : Pune
Date : 18th May, 2018

Place : Pune
Date : 18th May, 2018

KALYANI INVESTMENT**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

		Year ended 31st March, 2018	Year ended 31st March, 2017
	Note No.	₹	₹
Revenue from Operations	3.14	—	—
Other Income	3.15	327,749,090	142,324,534
Total Revenue		327,749,090	142,324,534
Expenses			
a) Employee benefit expenses	3.16	11,262,645	9,423,547
b) Finance costs	3.17	43,010	—
c) Depreciation	3.18	972,563	972,563
d) Other expenses	3.19	10,605,155	10,643,260
Total Expenses		22,883,373	21,039,370
Profit before Exceptional Items and Tax		304,865,717	121,285,164
Exceptional Items	3.20	(150,132,305)	(1,485,530)
Profit before Tax		154,733,412	119,799,634
Tax Expense :			
a) Current tax expense		(605,000)	—
b) MAT credit utilised		—	(6,000)
c) Tax (Expense) / Savings for earlier years		—	29,358
d) Deferred Tax (Expense) / Savings		45,000	52,000
		(560,000)	75,358
Profit for the year		154,173,412	119,874,992
Earnings per Share (of ₹ 10/- each)			
a) Basic	3.32	35.32	27.46
b) Diluted	3.32	35.32	27.46

Significant Accounting Policies and Notes forming
an integral part of the Standalone Financial Statements

1 to 3

As per my attached Report of even date

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountants

On behalf of the Board of Directors

Sanjay Athavale
Partner
Membership No.83374

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman
R. K. Goyal
Director

Place : Pune
Date : 18th May, 2018

Place : Pune
Date : 18th May, 2018



KALYANI

9th Annual Report 2017-2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
A. Cash Flow from Operating Activities :		
Net Profit before Tax	154,733,412	119,799,634
Adjusted for :		
Depreciation	972,563	972,563
Dividend received	(323,456,019)	(142,302,474)
Other Interest paid	—	—
Provision for diminution in value of long term investments	150,103,250	—
Provision for doubtful advances	29,055	1,605,580
Determined diminution in value of long term investments	—	2,097,200
Provision for diminution in value of long term investments written back	—	(2,217,250)
Interest on Income Tax refund	(76,035)	—
	<u>(172,427,186)</u>	<u>(139,844,381)</u>
Operating Loss before Working Capital Changes	(17,693,774)	(20,044,747)
Changes in :		
Loans and Advances	(29,055)	(28,380)
Liabilities and Provisions	<u>(169,846,238)</u>	<u>(22,430,305)</u>
	<u>(169,875,293)</u>	<u>(22,458,685)</u>
Cash generation from Operations	<u>(187,569,067)</u>	<u>(42,503,432)</u>
Direct Taxes (paid) / refund	981,277	—
Net Cash from / (used in) Operating Activities	<u>(186,587,790)</u>	<u>(42,503,432)</u>
B. Cash Flow from Investing Activities :		
Purchase of Investments	(430,139,438)	(1,000,835,458)
Sale of Investments	311,000,000	900,699,998
Dividend received	323,456,019	142,302,474
Interest on Income Tax Refund	76,035	—
Net Cash from / (used in) Investing Activities	<u>204,392,616</u>	<u>42,167,014</u>
C. Cash Flow from Financing Activities :	<u>—</u>	<u>—</u>
Net Cash from Financing Activities	<u>—</u>	<u>—</u>
Net changes in Cash and Cash Equivalents (A+B+C) :	<u>17,804,826</u>	<u>(336,418)</u>
Cash and Cash Equivalents, at the beginning :	<u>1,151,730</u>	<u>1,488,148</u>
Cash and Cash Equivalents, at the close :	<u>18,956,556</u>	<u>1,151,730</u>

Significant Accounting Policies and Notes forming
an integral part of the Standalone Financial Statements 1 to 3

As per my attached Report of even date

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountants

On behalf of the Board of Directors

Sanjay Athavale
Partner
Membership No.83374

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman
R. K. Goyal
Director

Place : Pune
Date : 18th May, 2018

Place : Pune
Date : 18th May, 2018

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 :**1. Company Overview :**

The Company is a Non Deposit taking Core Investment Company, as defined in the Core Investment Companies (Reserve Bank) Directions, 2011. Since the Company is not a Systemically Important Non Deposit taking Core Investment Company, it is not required to obtain Certificate of Registration under Section 45-IA of the Reserve Bank of India Act, 1934.

The Company is a subsidiary of Sundaram Trading and Investment Private Limited.

Operating Cycle of the Company is considered to be of 12 months.

2. Statement of Significant Accounting Policies :**2.1 Basis of Accounting and Preparation of Financial Statements :**

These accounts have been prepared under historical cost convention and comply with the Accounting Standards, specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. All income and expenses having a material bearing on the financial statements are recognised on the accrual basis.

2.2 Use of Estimates :

The preparation of the financial statements in conformity with the GAAP requires that the Management makes estimates and assumptions, which affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, as at the date of the financial statements and the reported amounts of revenue and expenses during the year under report. Contingencies are recorded, when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from those estimates.

2.3 Plant, Property and Equipments and Depreciation :**a) Plant, Property and Equipments :**

Plant, Property and Equipments are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets. Plant, Property and Equipments are shown net of accumulated depreciation, wherever applicable and amortisation.

b) Depreciation and Amortisation :

- i) Depreciation on Plant, Property and Equipments is calculated on straight-line basis using the rates arrived at based on the useful lives estimated by the management. Depreciation is charged on pro-rata basis for assets purchased / sold during the year.

The Management's estimate of the useful lives of various fixed assets which is in line with the provisions of Schedule II to the Companies Act, 2013 is given below :

Nature of the Asset	Estimated Useful Life
Furnitures and Fixtures	10 years

2.4 Investments :

- a) Long Term Investments are carried at cost. Provision for diminution is made to recognise a decline other than temporary, in value of investments.
- b) Short Term Investments are carried at lower of cost and fair value.

2.5 Revenue Recognition :

- a) The Company recognises income on accrual basis. However, revenue recognition is postponed in respect of specific items of income, where the ultimate collection, thereof is uncertain.
- b) Interest income is accrued over the period of the loan / investment.
- c) Dividend is accrued in the year in which it is declared whereby a right to receive is established.
- d) Profit / loss on sale of investments is recognised as per the terms of the underlying contracts.

2.6 Employee Benefits :

- a) Employee benefits include interalia, amounts paid for the services of the Key Management Personnel on deputation. No separate provisions of retirement benefits or privilege leave benefits of such employees are recognised in the books of the Company. The Company is not liable for payment of gratuity.
- b) Privilege leave benefits :

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.



Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

2.7 Taxation :

- a) Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

- c) Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the guidance note on "Accounting for Credit Available in respect of Minimum Alternative Tax" under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

2.8 Foreign Currency Translation :

In accordance with the paragraph 46A of the Accounting Standard - 11, "The effects of changes in foreign exchange rates", the Company has exercised the irrevocable option and accordingly, the exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, is added to or deducted from the cost of the asset and is depreciated over the balance life of the asset and in other cases, is accumulated in "Foreign Currency Monetary Item Translation Difference Account" in the financial statements and amortised over the balance period of such long term asset or liability, by recognition as income or expense in the statement of profit and loss. Long-term foreign currency monetary item means any asset or liability that is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or liability.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):

Transactions in foreign currency, other than those covered by long-term foreign currency monetary items are accounted at the exchange rates prevailing on the dates of transactions. Gains / losses arising out of fluctuations in the exchange rates in respect of these transactions are dealt with in the statement of profit and loss in the period in which they arise.

2.9 Impairment :

The management has a policy to review at each balance sheet date, the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset. Reversal of impairment loss is recognised immediately as income in the statement of profit and loss.

2.10 Earnings per share :

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of extraordinary / exceptional item, if any. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

2.11 Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed.

2.12 Cash flow statement :

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.13 Cash and cash equivalents :

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



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Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):

3. Other Notes :

		As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
3.1 SHARE CAPITAL :			
Authorised :			
12,000,000 (12,000,000) Equity Shares of ₹ 10/- each		120,000,000	120,000,000
60,000,000 (60,000,000) 14% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each		600,000,000	600,000,000
	TOTAL	720,000,000	720,000,000
Issued, Subscribed and Paid up :			
4,365,306 (4,365,306) Equity Shares of ₹ 10/- each, fully paid up		43,653,060	43,653,060
	TOTAL	43,653,060	43,653,060

- (a) Equity Shares of the Company have a par value of ₹ 10/-. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts.
- (b) 14% Non-Cumulative Redeemable Preference Shares of the Company, whenever issued shall have a par value of ₹ 10/-. These shares carry preferential right to be paid a fixed dividend of 14% on the paid up value of the shares, if and when declared by the Company.

These shares carry, in the event of winding up or repayment of capital, a preferential right to be repaid the amount of capital paid up.

- (c) The reconciliation of the number of Equity Shares outstanding and the amount of Equity Share Capital as at 31st March, 2018 and 31st March, 2017 is set out below :

	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Balance at the beginning of the year	4,365,306	43,653,060	4,365,306	43,653,060
Add : Shares issued during the year	—	—	—	—
Less : Cancelled during the year	—	—	—	—
Balance at the close of the year	4,365,306	43,653,060	4,365,306	43,653,060

- (d) Details of Shareholders holding more than 5% of the aggregate issued and subscribed Equity Shares :

Name of the Shareholder(s)	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	%	No. of Shares	%
Sundaram Trading and Investment Private Limited [§]	2,660,074	60.94	2,448,821	56.10
Ajinkya Investment and Trading Company	536,182	12.28	536,182	12.28

[§] The Holding Company

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):

	As at 31st March, 2018	As at 31st March, 2017
₹	₹	₹
3.2 RESERVES AND SURPLUS :		
Reserve Fund :		
(Under Section 45IC(1) of the Reserve Bank of India Act, 1934) :		
As per last Account	192,195,900	168,220,900
Add : Set aside this financial year	30,835,000	23,975,000
	<u>223,030,900</u>	<u>192,195,900</u>
General Reserve :		
As per last Account	2,146,646,048	2,146,646,048
Capital Redemption Reserve :		
As per last Account	576,000,000	576,000,000
Foreign Currency Monetary Item Translation Difference Account ^{(a)(b)} :		
As per last account	5,171,327	354,054
Add : Arising during the year	(954,291)	3,763,514
	<u>4,217,036</u>	<u>4,117,568</u>
Add / (Less) : Amortised during the year	(4,217,036)	1,053,759
Closing balance	—	5,171,327
Surplus in the Statement of Profit and Loss :		
As per last Account	553,660,021	457,760,029
Add : Profit for the year transferred from the Statement of Profit and Loss	154,173,412	119,874,992
Amount available for appropriation	<u>707,833,433</u>	<u>577,635,021</u>
Less : Appropriations		
Amount transferred to Reserve Fund	30,835,000	23,975,000
	<u>676,998,433</u>	<u>553,660,021</u>
TOTAL	<u>3,622,675,381</u>	<u>3,473,673,296</u>
a) Please refer Note No.2.8		
b) Upon exercising the irrevocable option as mentioned in Note 2.8 forming part of these financial statements, the Company has held unamortised foreign exchange difference amounting to Loss ₹ 954,291/- (Previous Year : Gain ₹ 3,763,514/-) in Foreign Currency Monetary Item Translation Difference Account as at 31st March, 2018. The amount amortised in accordance with the said option during the year is Gain ₹ 4,217,036/- (Previous Year : Loss ₹ 1,053,759/-).		
3.3 DEFERRED TAX LIABILITY (NET) :		
Deferred Tax Liability		
Timing difference in respect of depreciation	34,820	82,000
Deferred Tax Asset		
Timing difference in respect of disallowances	5,820	8,000
TOTAL	<u>29,000</u>	<u>74,000</u>
3.4 LONG TERM PROVISIONS :		
Provision for employee benefits		
Leave encashment	21,003	27,625
TOTAL	<u>21,003</u>	<u>27,625</u>
3.5 TRADE PAYABLES :		
Micro and Small Enterprises (Refer Note No.3.27)	—	—
Others	942,710	1,091,848
TOTAL	<u>942,710</u>	<u>1,091,848</u>



Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):

	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
3.6 OTHER CURRENT LIABILITIES :		
Payable to employees	58,651	52,849
Statutory liabilities	245,140	456,239
Accrued Expenses	460,350	1,515,706
Consideration for purchase of investments ^{(a)(b)}	—	163,301,201
TOTAL	764,141	165,325,995

a) Paid as on 21st March, 2018.

b) This obligation is also covered by Corporate Guarantee given by another company.

3.7 SHORT TERM PROVISIONS :

Provision for employee benefits

Leave encashment

Provision for taxation net of advance tax paid

	1,395	1,692
	576,450	—
TOTAL	577,845	1,692

3.8 PLANT, PROPERTY AND EQUIPMENTS :

	Tangible Assets Furniture and Fittings ₹	Total ₹
GROSS BLOCK, AT COST :		
As at 31st March, 2015	10,237,500	10,237,500
Additions	—	—
Adjustment	—	—
Disposals	—	—
As at 31st March, 2016	10,237,500	10,237,500
Additions	—	—
Adjustment	—	—
Disposals	—	—
As at 31st March, 2017	10,237,500	10,237,500
Additions	—	—
Adjustment	—	—
Disposals	—	—
As at 31st March, 2018	10,237,500	10,237,500
DEPRECIATION AND AMORTISATION :		
As at 31st March, 2015	95,924	95,924
For the year	972,563	972,563
In respect of disposals	—	—
As at 31st March, 2016	1,068,487	1,068,487
For the year	972,563	972,563
In respect of disposals	—	—
As at 31st March, 2017	2,041,050	2,041,050
For the year	972,563	972,563
In respect of disposals	—	—
As at 31st March, 2018	3,013,613	3,013,613
NET BLOCK :		
As at 31st March, 2017	8,196,450	8,196,450
As at 31st March, 2018	7,223,887	7,223,887

KALYANI INVESTMENT

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):

		As at 31st March, 2018	As at 31st March, 2017
	₹	₹	₹
3.9 NON-CURRENT INVESTMENTS, AT COST :			
Other than Trade :			
(i) Equity Instruments, Quoted :			
Investments in Associates :			
25,778,250 (25,778,250) Equity Shares of ₹ 2/- each fully paid up of Hikal Limited	65,610,549		65,610,549
Investments in Other Companies :			
6,195,046 (6,195,046) Equity Shares of ₹ 5/- each fully paid up of BF Utilities Limited	172,239,912		172,239,912
63,312,190 (31,656,095) Equity Shares of ₹ 2/- each fully paid up of Bharat Forge Limited	1,376,310,874		1,376,310,874
		1,614,161,335	1,614,161,335
(Bharat Forge Limited announced bonus 1:1, hence 31,656,095 Equity Shares received as Bonus Shares)			
(ii) Equity Instruments, Unquoted :			
Investments in Associates :			
— (579,000) Equity Shares of ₹ 10/- each fully paid up of Kalyani Agro Corporation Limited	—		1
450,000 (450,000) Equity Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited	55,187,500		55,187,500
Less : Provision for diminution in value	(55,187,500)		—
	—		55,187,500
Investments in Other Companies :			
22,005 (22,005) Equity Shares of ₹ 100/- each fully paid up of Dandakaranya Investment and Trading Private Limited*	2,200,500		2,200,500
22,005 (22,005) Equity Shares of ₹ 100/- each fully paid up of Hastinapur Investment and Trading Private Limited*	2,200,500		2,200,500
22,005 (22,005) Equity Shares of ₹ 100/- each fully paid up of Dronacharya Investment and Trading Private Limited*	2,200,500		2,200,500
220,000 (220,000) Equity Shares of ₹ 10/- each fully paid up of Campanula Investment and Finance Private Limited*	2,200,000		2,200,000
220,000 (220,000) Equity Shares of ₹ 10/- each fully paid up of Cornflower Investment and Finance Private Limited*	2,200,000		2,200,000
245,000 (245,000) Equity Shares of ₹ 10/- each fully paid up of Carpenter Kalyani Special Alloys Private Limited	365,050		2,462,250
Less : Determined diminution written off / Provision for diminution in value	—		(2,097,200)
	365,050		365,050
5,001,000 (5,001,000) Equity Shares of ₹ 10/- each fully paid up of KSL Holdings Private Limited	50,160,050		50,160,050
2,930,218 (2,930,218) Equity Shares of ₹ 10/- each fully paid up of Saarloha Advanced Materials Private Limited	475,328,110		475,328,110
(erstwhile Kalyani Carpenter Special Steels Private Limited)			
15,111,147 (15,111,147) Equity Shares of ₹ 10/- each fully paid up of Khed Economic Infrastructure Private Limited	859,446,470		859,446,470
		1,396,301,180	1,451,488,681
		3,010,462,515	3,065,650,016
* Refer Note No.3.30	Carried Over		



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Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):

		As at 31st March, 2018	As at 31st March, 2017
	₹	₹	₹
Brought Over		3,010,462,515	3,065,650,016
(iii) Preference Shares, Unquoted :			
Investments in the Holding Company :			
35,000 (35,000) 12% Non-Cumulative Redeemable "C" Preference Shares of ₹ 100/- each fully paid up of Sundaram Trading and Investment Private Limited \$	3,500,000		3,500,000
(\$ Sundaram Trading and Investment Private Limited became the Holding Company during financial year ended 31st March, 2014. These shares do not carry any voting rights.)			
Investments in Associates :			
9,000,000 (9,000,000) 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited	90,225,000		90,225,000
Less : Provision for diminution in value	(74,565,000)		—
	15,660,000		90,225,000
Investments in Other Companies :			
47,500,000 (47,500,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Baramati Speciality Steels Limited	475,000,000		475,000,000
12,500,000 (—) 7% Optionally Convertible Preference Shares of ₹ 10/- each of Kalyani Technoforge Limited	125,000,000		—
2,030,000 (2,030,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Kalyani Mining Ventures Private Limited	20,350,750		20,350,750
Less : Provision for diminution in value	(20,350,750)		—
	—		20,350,750
		619,160,000	589,075,750
iv) Debentures, Unquoted :			
Investments in Other Companies :			
725,000 (725,000) 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited	72,500,000		72,500,000
Less : Provision for diminution in value	(72,500,000)		(72,500,000)
	—		—
		—	—
TOTAL		3,629,622,515	3,654,725,766
Book Value of Quoted Investments :	1,614,161,335		1,614,161,335
Book Value of Unquoted Investments :	2,015,461,180		2,040,564,431
Market Value of Quoted Investments :	51,968,924,510		41,238,057,127
Aggregate provision for diminution in value of investments :	222,603,250		72,500,000

KALYANI INVESTMENT

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018(continued):

	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
3.10 LONG TERM LOANS AND ADVANCES (UNSECURED) :		
Good		
Security Deposits	500,000	500,000
Advance tax paid net of provision for taxation	—	1,052,827
Tax Refund Claims	—	—
	<u>500,000</u>	<u>1,552,827</u>
Doubtful		
Tax Refund Claims	1,577,200	1,577,200
Less : Provision	(1,577,200)	(1,577,200)
	<u>—</u>	<u>—</u>
TOTAL	<u>500,000</u>	<u>1,552,827</u>
3.11 CURRENT INVESTMENTS, AT LOWER OF COST AND FAIR VALUE :		
Other than trade :		
In Units of Mutual Funds, Unquoted :		
12,120 (17,867) Units of ₹ 1,000/- each of		
HDFC Liquid Fund - Dividend - Daily Reinvest Option - Reinvest	12,360,182	18,220,743
TOTAL	<u>12,360,182</u>	<u>18,220,743</u>
3.12 CASH AND CASH EQUIVALENTS :		
Balances with banks		
In current accounts	18,956,556	1,151,730
Cash on hand	—	—
TOTAL	<u>18,956,556</u>	<u>1,151,730</u>
3.13 SHORT TERM LOANS AND ADVANCES (UNSECURED) :		
Inter-Corporate Deposit		
Doubtful	50,000,000	50,000,000
Less : Provision	(50,000,000)	(50,000,000)
	<u>—</u>	<u>—</u>
Other advances recoverable in cash or in kind or for value to be received		
Good	—	—
Doubtful	73,505	44,450
Less : Provision	73,505	44,450
	<u>—</u>	<u>—</u>
Prepaid Expenses	—	—
TOTAL	<u>—</u>	<u>—</u>
	Year ended	Year ended
	31st March, 2018	31st March, 2017
	₹	₹
3.14 REVENUE FROM OPERATIONS :		
Interest received on loans	—	—
TOTAL	<u>—</u>	<u>—</u>
3.15 OTHER INCOME :		
Dividend received on long term investments	318,416,580	136,213,485
Dividend received on short term investments	5,039,439	6,088,989
Interest on Income Tax Refund	76,035	—
Foreign exchange gain (Net)	4,217,036	—
Provisions written back	—	22,060
Gain on Leave encashment actuarial valuation	—	—
TOTAL	<u>327,749,090</u>	<u>142,324,534</u>



Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):

	Year ended 31st March, 2018	Year ended 31st March, 2017
	₹	₹
3.16 EMPLOYEE BENEFIT EXPENSES :		
(Including remuneration paid to Key Management Personnel on deputation)		
Salaries and wages	11,262,645	9,423,547
TOTAL	11,262,645	9,423,547
3.17 FINANCE COSTS :		
Other interest	43,010	—
TOTAL	43,010	—
3.18 DEPRECIATION AND AMORTISATION :		
Tangible assets	972,563	972,563
TOTAL	972,563	972,563
3.19 OTHER EXPENSES :		
Professional fees	7,248,577	5,693,218
Fees and subscription	685,763	622,068
Printing and stationery	436,932	458,901
Communication	292,307	288,032
Advertisement	160,048	131,614
Audit Fees (Refer Note No.3.22)	295,000	736,894
Brand usage fees	560,000	575,000
Corporate Social Responsibility Expenditure (Refer Note No.3.33)	663,000	1,028,000
Foreign exchange loss (Net)	—	1,053,759
Sundry expenses	263,528	55,774
TOTAL	10,605,155	10,643,260
3.20 EXCEPTIONAL ITEMS :		
Provision for diminution in value of long term investments	150,103,250	—
Provision for doubtful advances	29,055	1,605,580
Determined diminution in value of long term investments written off	—	2,097,200
Provision for diminution in value of long term investments written back	—	(2,217,250)
TOTAL	150,132,305	1,485,530
3.21 Contingent Liabilities not provided for :		
i) Corporate Guarantees given, in respect of loans borrowed by other companies :		
Guarantee Amount	300,000,000	300,000,000
Balance outstanding	—	40,000,000

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):

	Year ended 31st March, 2018	Year ended 31st March, 2017
	₹	₹
3.22 Payment to Auditor, inclusive of GST :		
i) As Auditor		
Audit Fees	265,500	316,250
Certification Fees	29,500	86,250
Reimbursement of out of pocket expenses	—	18,144
	295,000	420,644
ii) For Management Services	—	316,250
TOTAL	295,000	736,894

3.23 SUMMARY OF UNHEDGED FOREIGN CURRENCY EXPOSURES :

Currency	As at 31st March, 2018 Foreign Currency	Amount ₹	As at 31st March, 2017 Foreign Currency	Amount ₹
Consideration for purchase of investments US Dollar	—	—	2,518,580	163,301,201
TOTAL	—	—	2,518,580	163,301,201

3.24 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 15 (REVISED) ON “EMPLOYEE BENEFITS” :

The following table sets out the funded status of the employees’ leave encashment and the amounts recognised in the financial statements for the year ended 31st March, 2018 :

	Year ended 31st March, 2018	Year ended 31st March, 2017
	₹	₹
a) Present Value of Obligation	22,398	29,317
b) Fair Value of Plan Assets	—	—
c) Net asset / (liability) recognised in the Balance Sheet	(22,398)	(29,317)
Net liability is bifurcated as :		
Current :	1,395	1,692
Non-Current :	21,003	27,625

3.25 SEGMENT REPORTING :

The Company is a Non Deposit taking Core Investment Company, as defined in the Core Investment Companies (Reserve Bank) Directions, 2011 and all activities of the Company revolve around this business. Hence, no separate segment is considered reportable.

3.26 Related Party Disclosures :

- a) Related Parties and their relationships :
- i) Holding Company Sundaram Trading and Investment Private Limited
 - ii) Associates Hikal Limited
 - iii) Key Management Personnel Mr.Sanjay Yewale, Chief Executive Officer, appointed on 30th March, 2015 and also appointed as Chief Financial Officer on 15th July, 2015.
Mr.Adwait Joshi, Company Secretary, appointed on 3rd August, 2015.

**Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):****b) Transactions with Related Parties :**

Particulars	Associates	Key Management Personnel		Total
	Hikal Limited	Mr.Sanjay Yewale	Mr.Adwait Joshi	
	₹	₹	₹	₹
Dividend Received	33,511,725 (41,245,200)			33,511,725 (41,245,200)
Remuneration to Key Management Personnel@		*10,737,792 (8,934,723)	531,772 (470,171)	11,269,564 (9,404,894)

(Figures in bracket indicate previous year)

@ Including amounts paid to Key Management Personnel on deputation.

* Represents total payment made to employer including Service Tax/GST amounting to ₹ 1,563,699/- (Previous year : ₹ 1,165,397/-)

c) Balances with Related Parties : ₹ Nil (Previous Year : ₹ Nil)

3.27 The Company does not owe any moneys to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006.

3.28 35,000 - 12% Non-Cumulative Redeemable "C" Preference Shares of ₹ 100/- each fully paid up of Sundaram Trading and Investment Private Limited are redeemable on or before 26th July, 2027.

9,400,000 - 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Baramati Speciality Steels Limited are redeemable at the end of 20 years from the date of allotment i.e. on 28th March, 2033, with an option to the said Company to redeem the said shares in one or more tranches at any time on or after 28th September, 2013.

5,100,000 - 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Baramati Speciality Steels Limited are redeemable at the end of 20 years from the date of allotment i.e. on 28th September, 2033, with an option to the said Company to redeem the said shares in one or more tranches at any time on or after 28th March, 2014.

13,000,000 - 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Baramati Speciality Steels Limited are redeemable at par on the expiry of 20 years from the date of allotment i.e. on 23rd March, 2036, with a call / put option respectively to the said Company as well as the holders of 8% Non-Cumulative Redeemable Preference Shares, after 6 months from the date of allotment i.e. after 23rd September, 2016, by giving one month's notice to the other party.

20,000,000 - 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Baramati Speciality Steels Limited are redeemable at par on the expiry of 20 years from the date of allotment i.e. on 23rd March, 2037, with a call / put option respectively to the said Company as well as the holders of 8% Non-Cumulative Redeemable Preference Shares, after 6 months from the date of allotment i.e. after 23rd September, 2017, by giving one month's notice to the other party.

9,000,000 - 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited carry option to convert the entire amount outstanding into Equity Shares of the said company at par. The said 9,000,000 - 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up, if not opted for conversion, are redeemable on 31st March, 2020. However, the said Company as well as the holders of 1% Non-Cumulative Optionally Convertible Preference Shares, have a call / put option respectively, by giving one month's notice to the other party.

2,030,000 - 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Kalyani Mining Ventures Private Limited are redeemable after five years from the date of allotment i.e. on or after 31st March, 2020. Shares which are not redeemed by the Company shall be compulsorily redeemable at the expiry of twenty years from the date of allotment i.e. on 31st March, 2035.

12,500,000 - 7% Cumulative, Optionally Convertible, Non-participating Preference Shares of ₹ 10/- each, fully paid up of Kalyani Technoforge Limited, carry an option to convert the entire amount in Equity Shares of Kalyani Technoforge Limited, at the option exercised by Kalyani Technoforge Limited. The Preference Shares which are not converted, are redeemable at the end of 7 years from the date of allotment, however Kalyani Technoforge Limited can redeem the same after completion of 5 years.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018(continued):

3.29 560,000 - 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited are compulsorily convertible into such number of fully paid up Equity Shares of ₹ 10/- each at such a price as shall be fixed by the said Company upon the expiry of the period of 5 years from the date of their original issue i.e. on 29th March, 2014.

165,000 - 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited are compulsorily convertible into such number of fully paid up Equity Shares of ₹ 10/- each at such a price as shall be fixed by the said Company upon the expiry of the period of 5 years from the date of their original issue i.e. on 4th April, 2014.

3.30 Section 2(6) of the Companies Act, 2013 defines "Associate Company" in relation to another company as a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. As per explanation to Section 2(6), "significant influence" means control of at least twenty percent of paid-up equity share capital and convertible preference share capital or of business decisions under an agreement.

The Company holds investments in below mentioned entities which by share ownership are deemed to be Associate Companies :

Sr. No.	Name of the Company	Parent's ultimate holding as on 31st March, 2018
i)	Dandakaranya Investment and Trading Private Limited	23.92%
ii)	Hastinapur Investment and Trading Private Limited	23.92%
iii)	Dronacharya Investment and Trading Private Limited	23.92%
iv)	Campanula Investment and Finance Private Limited	23.91%
v)	Cornflower Investment and Finance Private Limited	23.91%

However, the Company does not exercise significant influence in any of the above entities, as demonstrated below :

- The Company does not have any representation on the Board of Directors or corresponding governing body of the investee.
- The Company does not participate in policy making process.
- The Company does not have any material transaction with the investee.
- The Company does not interchange any managerial personnel.
- The Company does not provide any essential technical information to the investee.

Accordingly, the above entities have not been considered to be Associate Companies.

3.31 Legal title to some of the assets vested and transferred to the Company in pursuance of the Composite Scheme of Arrangement approved by the Honourable High Court of Judicature at Bombay, as per Order dated 12th March, 2010, could not be transferred in the name of the Company till 31st March, 2018. The Company is in the process of completing the required legal formalities.

3.32 EARNINGS PER SHARE :

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Profit for the year, as per the Statement of Profit and Loss	154,173,412	119,874,992
(a) Profit attributable to equity shareholders	154,173,412	119,874,992
(b) Weighted Average Number of Equity Shares, outstanding during the period	4,365,306	4,365,306
(c) Earnings per share (of ₹ 10/- each) :		
Basic (₹ per share) (a / b) :	35.32	27.46
Diluted (₹ per share) (a / b) :	35.32	27.46



KALYANI

9th Annual Report 2017-2018

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2018 (continued):

3.33 CORPORATE SOCIAL RESPONSIBILITY :

The Company has formed Corporate Social Responsibility (CSR) Committee and has also adopted a CSR Policy in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company recognises CSR spends as and when incurred. Relevant details for the financial year covered by these statements are as under :

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Gross Amount required to be spent by the Company during the year	663,000	1,028,000
Amount spent during the year for financial year 2017-2018	663,000	1,028,000

3.34 Previous year's figures have been regrouped / rearranged wherever necessary to correspond with the current year's classification / disclosure.

As per my attached Report of even date

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountants

On behalf of the Board of Directors

Sanjay Athavale
Partner
Membership No.83374

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman
R. K. Goyal
Director

Place : Pune
Date : 18th May, 2018

Place : Pune
Date : 18th May, 2018

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Kalyani Investment Company Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Kalyani Investment Company Limited (herein referred to as "the Holding Company") and its Associate companies, collectively referred to as the Group, comprising of the consolidated Balance Sheet as at 31st March, 2018, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies referred to above, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are responsible and prudent; and the design, implementation and maintenance of adequate internal financial control, 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 consolidated state of affairs as at 31st March, 2018 and the consolidated profit and the consolidated cash flows for the year ended on that date.

Other Matters

1] The Consolidated financial statements of the Company for the year ended 31st March, 2017 were audited by other independent auditor whose report dated 25th May, 2017, expressed an unqualified opinion on those statements. The audited balances as on 31st March, 2017 have been considered as opening balances for the purpose of these financial statements.

Our opinion is not qualified in respect of this matter.

2] These consolidated financial statements include the Holding Company's share of net profit of ₹ 2,425.82 lakhs for the year ended 31st March, 2018, in respect of the Associate companies audited by other auditors.

The audited financial statements & audit reports of the Associate companies and of the Holding company are available. We have considered the Audit Reports of the Associate companies whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associates and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid Associates, is based solely on that report.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018, from being appointed as a director of those companies in terms of Section 164(2) of the Act;
- f) In our opinion there are no financial transactions or matters which have any adverse effect on the functioning of the Holding Company & Associate companies.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company & Associate companies and the operating effectiveness of such controls, refer to our separate report in Annexure.
- (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Group did not have any pending litigations which would impact its financial position.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountant

Sanjay Athavale
Partner
Membership No.83374

Pune
18th May, 2018

Annexure to the Auditor's Report**Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, We have audited the internal financial controls with reference to financial statements of Kalyani Investment Company Limited (hereinafter referred to as "the Holding Company") and its Associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company & the Associate companies, which are companies incorporated in India, are 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 with reference to financial statements 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 respective 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 with reference to financial statements (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 adequate 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 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 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 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 Holding Company & its Associate companies, which are companies incorporated in India, have, 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, 2018, based on the internal control with reference to financial statements 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the two associate companies, which are companies incorporated in India, is based on corresponding reports of the auditors of such companies incorporated in India.

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountant

Sanjay Athavale
Partner
Membership No.83374

Pune
18th May, 2018



KALYANI

Consolidated Financial Statements

2017-2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

	Note No.	₹	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
I. EQUITY AND LIABILITIES :				
1. Shareholders' Funds :				
a) Share Capital	3.1	43,653,060		43,653,060
b) Reserves and Surplus	3.2	5,013,868,355		4,588,814,995
			5,057,521,415	4,632,468,055
2. Non Current Liabilities :				
a) Deferred Tax Liabilities (Net)	3.3	29,000		74,000
b) Long Term Provisions	3.4	21,003		27,625
			50,003	101,625
3. Current liabilities :				
a) Trade Payables	3.5			
Total outstanding dues of micro enterprises and small enterprises		—		—
Total outstanding dues of creditors other than micro enterprises and small enterprises		942,710		1,091,848
b) Other Current Liabilities	3.6	764,141		165,325,995
c) Short Term Provisions	3.7	577,845		1,692
			2,284,696	166,419,535
TOTAL			5,059,856,114	4,798,989,215
II. ASSETS :				
1. Non Current Assets :				
a) Plant, Property and Equipments				
Tangible Assets	3.8	7,223,887		8,196,450
b) Non Current Investments	3.9	5,020,815,489		4,769,867,465
c) Long Term Loans and Advances	3.10	500,000		1,552,827
			5,028,539,376	4,779,616,742
2. Current Assets :				
a) Current Investments	3.11	12,360,182		18,220,743
b) Cash and Cash Equivalents	3.12	18,956,556		1,151,730
c) Short Term Loans and Advances	3.13	—		—
			31,316,738	19,372,473
TOTAL			5,059,856,114	4,798,989,215

Significant Accounting Policies and Notes forming an integral part of the Consolidated Financial Statements

1 to 3

As per my attached Report of even date

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountants

On behalf of the Board of Directors

Sanjay Athavale
Partner
Membership No.83374

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman
R. K. Goyal
Director

Place : Pune
Date : 18th May, 2018

Place : Pune
Date : 18th May, 2018

KALYANI INVESTMENT**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

	Note No.	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Revenue from Operations	3.14	—	—
Other Income	3.15	294,237,365	101,079,334
Total Revenue		294,237,365	101,079,334
Expenses			
a) Employee benefit expenses	3.16	11,262,645	9,423,547
b) Finance costs	3.17	43,010	—
c) Depreciation	3.18	972,563	972,563
d) Other Expenses	3.19	10,605,155	10,643,260
Total Expenses		22,883,373	21,039,370
Profit before Exceptional Items and Tax		271,353,992	80,039,964
Exceptional Items	3.20	(94,944,805)	(1,485,530)
Profit before Tax		176,409,187	78,554,434
Tax Expense			
a) Current tax expense		(605,000)	—
b) MAT credit utilised		—	(6,000)
c) Tax (Expense) / Savings for earlier years		—	29,358
d) Deferred Tax (Expense) / Savings		45,000	52,000
		(560,000)	75,358
Profit for the year		175,849,187	78,629,792
Share of Profits / (Losses) of Associates (Net)		242,582,189	200,348,554
Total Profit for the year		418,431,376	278,978,346
Earnings per share (of ₹ 10/- each) :			
a) Basic	3.31	95.85	63.91
b) Diluted	3.31	95.85	63.91

Significant Accounting Policies and Notes forming an integral part of the Consolidated Financial Statements **1 to 3**

As per my attached Report of even date

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountants

On behalf of the Board of Directors

Sanjay Athavale
Partner
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Chairman
R. K. Goyal
Director

Place : Pune
Date : 18th May, 2018

Place : Pune
Date : 18th May, 2018



KALYANI

Consolidated Financial Statements

2017-2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
A. Cash Flow from Operating Activities :		
Net Profit before Tax	176,409,187	78,554,434
Adjusted for :		
Depreciation	972,563	972,563
Dividend received	(289,944,294)	(101,057,274)
Other Interest paid	—	—
Provision for diminution in value of long term investments	94,915,750	—
Provision for doubtful advances	29,055	1,605,580
Determined diminution in value of long term investments	—	2,097,200
Provision for diminution in value of long term investments written back	—	(2,217,250)
Interest on Income Tax refund	(76,035)	—
Dividend from Associate adjusted in Investments	33,511,725	41,245,200
	<u>(160,591,236)</u>	<u>(57,353,981)</u>
Operating Profit before Working Capital Changes	15,817,951	21,200,453
Changes in :		
Loans and Advances	(29,055)	(28,380)
Liabilities and Provisions	(169,846,238)	(22,430,305)
	<u>(169,875,293)</u>	<u>(22,458,685)</u>
Cash generation from Operations	(154,057,342)	(1,258,232)
Direct Taxes (paid) / refund	981,277	—
Net Cash from / (used in) Operating Activities	<u>(153,076,065)</u>	<u>(1,258,232)</u>
B. Cash Flow from Investing Activities :		
Purchase of Investments	(430,139,438)	(1,000,835,458)
Sale of Investments	311,000,000	900,699,998
Dividend received	289,944,294	101,057,274
Interest on Income Tax Refund	76,035	—
Net Cash from / (used in) Investing Activities	<u>170,880,891</u>	<u>921,814</u>
C. Cash Flow from Financing Activities :	<u>—</u>	<u>—</u>
Net Cash from Financing Activities	<u>—</u>	<u>—</u>
Net changes in Cash and Cash Equivalents (A+B+C) :	17,804,826	(336,418)
Cash and Cash Equivalents, at the beginning :	1,151,730	1,488,148
Cash and Cash Equivalents, at the close :	18,956,556	1,151,730
Significant Accounting Policies and Notes forming an integral part of the Consolidated Financial Statements	1 to 3	

As per my attached Report of even date

For M/s. P. G. Bhagwat
Firm Registration No.101118W
Chartered Accountants

On behalf of the Board of Directors

Sanjay Athavale
Partner
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Amit B. Kalyani
Chairman
R. K. Goyal
Director

Place : Pune
Date : 18th May, 2018

Place : Pune
Date : 18th May, 2018

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2018 :
1. Company Overview :

The Company is a Non Deposit taking Core Investment Company, as defined in the Core Investment Companies (Reserve Bank) Directions, 2011. Since the Company is not a Systemically Important Non Deposit taking Core Investment Company, it is not required to obtain Certificate of Registration under Section 45-IA of the Reserve Bank of India Act, 1934.

The Company is a subsidiary of Sundaram Trading and Investment Private Limited.

Operating Cycle of the Company is considered to be of 12 months.

2. Statement of Significant Accounting Policies :
2.1 Basis of Accounting and Preparation of Consolidated Financial Statements :

These consolidated financial statements comprise the financial statements of the Company and its associates (together referred to as 'the Group'). These consolidated financial statements of the Group have been prepared under historical cost convention and comply with the Accounting Standards, specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. All income and expenses having a material bearing on the financial statements are recognised on the accrual basis.

Principles of consolidation :

These consolidated financial statements of the Group are prepared in accordance with the Accounting Standard 23 "Accounting for Investments in Associates in Consolidation" as notified.

These consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its standalone financial statements.

The financial statements of the associates have been drawn for the year ended 31st March, 2018.

Associates

The Group's investments in its associates are accounted for under the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in an associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill related to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The consolidated statement of profit and loss reflects the share of the results of operations of the associate. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate.

Consolidation of Associates has been done on the basis of the Provisions of Accounting Standard 23 (Accounting for Investments in Consolidated Financial Statements). During the year the closing balances in the accounts in Reserve and Surplus Note which relate only to the Associate Companies have been adjusted to the retained earnings. The closing balances in these accounts in the previous year have been similarly adjusted.

After application of the equity method, the Group determines whether it is necessary to recognise decline, other than temporary, in the value of the Group's investment in its associates, such reduction being determined and made for each investment individually. The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired.

Section 129(3) of the Companies Act, 2013 requires preparation of consolidated financial statements of the Company and all of the subsidiaries including associate company and joint venture business in the same form and manner as that of its own. Accounting Standard (AS) 23 on Accounting for Investment in Associates in Consolidated Financial Statements defines Associate Company as an enterprise in which an entity has significant influence and which is neither a subsidiary nor a joint venture of that party. It mentions that if an investing party holds, directly or indirectly through intermediaries, 20% or more of the voting power of the enterprise, it is presumed that the investing party does have significant influence, unless it can be clearly demonstrated that this is not the case.

The Company holds investments in below mentioned entities which by share ownership are deemed to be Associate Companies :

Sr. No.	Name of the Company	Country of incorporation	Parent's ultimate holding as on 31st March, 2018	Financial Year ends on
i)	Dandakaranya Investment and Trading Private Limited	India	23.92%	31st March, 2018
ii)	Hastinapur Investment and Trading Private Limited	India	23.92%	31st March, 2018
iii)	Dronacharya Investment and Trading Private Limited	India	23.92%	31st March, 2018
iv)	Campanula Investment and Finance Private Limited	India	23.91%	31st March, 2018
v)	Cornflower Investment and Finance Private Limited	India	23.91%	31st March, 2018

However, the Company does not exercise significant influence in any of the above entities, as demonstrated below :

- The Company does not have any representation on the Board of Directors or corresponding governing body of the investee.
- The Company does not participate in policy making process.
- The Company does not have any material transaction with the investee.
- The Company does not interchange any managerial personnel.
- The Company does not provide any essential technical information to the investee.

In view of the above, these companies are not being construed as associate companies for the purpose of consolidation and therefore these have not been consolidated in the financial statements of the Company.

List of Associates which are included in the consolidation and the Company's effective holdings therein are as under :

Sr. No.	Name of the Company	Country of incorporation	Parent's ultimate holding as on 31st March, 2018	Financial Year ends on
i)	Hikal Limited	India	31.36%	31st March, 2018
ii)	Lord Ganesha Minerals Private Limited	India	22.50%	31st March, 2018



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2018 (continued):

2.2 Use of Estimates :

The preparation of the consolidated financial statements in conformity with the GAAP requires that the Management makes estimates and assumptions, which affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year under report. Contingencies are recorded, when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from those estimates.

2.3 Plant, Property and Equipments and Depreciation :

a) Plant, Property and Equipments :

Plant, Property and Equipments are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets. Plant, Property and Equipments are shown net of accumulated depreciation, wherever applicable and amortisation.

b) Depreciation and Amortisation :

i) Depreciation on Plant, Property and Equipment is calculated on straight line basis using the rates arrived at based on the useful lives estimated by the management. Depreciation is charged on pro-rata basis for assets purchased / sold during the year.

The Management's estimate of the useful lives of various Plant, Property and Equipments which is in line with the provisions of Schedule II to the Companies Act, 2013 is given below :

Nature of the Asset	Estimated Useful Life
Furnitures and Fixtures	10 years

2.4 Investments :

a) Long Term Investments are carried at cost. Provision for diminution is made to recognise a decline other than temporary, in value of investments.

b) Investment in associate companies are accounted as per the 'Equity method' and accordingly, the share of post acquisition reserves of each of the associate companies has been added to / deducted from the cost of investments.

c) Short Term Investments are carried at lower of cost and fair value.

2.5 Revenue Recognition :

a) The Group recognises income on accrual basis. However, revenue recognition is postponed in respect of specific items of income, where the ultimate collection, thereof is uncertain.

b) Interest income is accrued over the period of the loan / investment.

c) Dividend is accrued in the year in which it is declared whereby a right to receive is established.

d) Profit / loss on sale of investments is recognised as per the terms of the underlying contracts.

2.6 Employee Benefits :

a) Employee benefits include interalia, amounts paid for the services of the Key Management Personnel on deputation. No separate provisions of retirement benefits or privilege leave benefits of such employees are recognised in the books of the Group. The Group is not liable for payment of gratuity.

b) Privilege leave benefits :

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains / losses are immediately taken to the consolidated statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

2.7 Taxation :

a) Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2018(continued):

- c) Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the guidance note on "Accounting for Credit Available in respect of Minimum Alternative Tax" under the Income Tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

2.8 Foreign Currency Translation :

In accordance with the paragraph 46A of the Accounting Standard - 11, "The effects of changes in foreign exchange rates", the Group has exercised the irrevocable option and accordingly, the exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, is added to or deducted from the cost of the asset and is depreciated over the balance life of the asset and in other cases, is accumulated in "Foreign Currency Monetary Item Translation Difference Account" in the consolidated financial statements and amortised over the balance period of such long term asset or liability, by recognition as income or expense in the consolidated statement of profit and loss. Long-term foreign currency monetary item means any asset or liability that is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or liability.

Transactions in foreign currency, other than those covered by long-term foreign currency monetary items are accounted at the exchange rates prevailing on the dates of transactions. Gains / losses arising out of fluctuations in the exchange rates in respect of these transactions are dealt with in the consolidated statement of profit and loss in the period in which they arise.

2.9 Impairment

The management has a policy to review at each balance sheet date, the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset. Reversal of impairment loss is recognised immediately as income in the consolidated statement of profit and loss.

2.10 Earnings per share :

In determining earnings per share, the Group considers the net profit after tax and includes the post tax effect of extraordinary / exceptional item, if any. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

2.11 Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are neither recognised nor disclosed.

2.12 Cash flow statement :

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.13 Cash and cash equivalents :

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3. Other Notes :
3.1 SHARE CAPITAL :
Authorised :

12,000,000 (12,000,000) Equity Shares of ₹ 10/- each

60,000,000 (60,000,000) 14% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each

	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
TOTAL	720,000,000	720,000,000
Issued, Subscribed and Paid up :		
4,365,306 (4,365,306) Equity Shares of ₹ 10/- each, fully paid up	43,653,060	43,653,060
TOTAL	43,653,060	43,653,060

- (a) Equity Shares of the Company have a par value of ₹ 10/-. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts.



KALYANI

Consolidated Financial Statements

2017-2018

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2018 (continued):

- (b) 14% Non-Cumulative Redeemable Preference Shares of the Company, whenever issued shall have a par value of ₹ 10/-. These shares carry preferential right to be paid a fixed dividend of 14% on the paid up value of the shares, if and when declared by the Company. These shares carry, in the event of winding up or repayment of capital, a preferential right to be repaid the amount of capital paid up.
- (c) The reconciliation of the number of Equity Shares outstanding and the amount of Equity Share Capital as at 31st March, 2018 and 31st March, 2017 is set out below :

	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Balance at the beginning of the year	4,365,306	43,653,060	4,365,306	43,653,060
Add : Shares issued during the year	—	—	—	—
Less : Cancelled during the year	—	—	—	—
Balance at the close of the year	4,365,306	43,653,060	4,365,306	43,653,060

- (d) Details of Shareholders holding more than 5% of the aggregate issued and subscribed Equity Shares :

Name of the Shareholder(s)	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	%	No. of Shares	%
Sundaram Trading and Investment Private Limited ⁵	2,660,074	60.94	2,448,821	56.10
Ajinkya Investment and Trading Company	536,182	12.28	536,182	12.28

⁵ The Holding Company

3.2 RESERVES AND SURPLUS :

Capital Reserve :

As per last account	—	(3,468,416)
Balance adjusted to Retained Earnings (c)	—	3,468,416

Capital Redemption Reserve :

As per last account	576,000,000	576,000,000
---------------------	-------------	-------------

Securities Premium Reserve :

As per last account	—	(62,048,896)
Share in adjustments to Securities Premium Reserve of associates for the year	—	(209,660,416)
Balance adjusted to Retained Earnings (c)	—	271,709,312

Revaluation Reserve on Land :

As per last account	—	(17,508,288)
Share in adjustments to Revaluation Reserve on Land of associates for the year	—	(66,295,880)
Balance adjusted to Retained Earnings (c)	—	83,804,168

Reserve Fund [Under Section 45IC(1) of the Reserve Bank of India Act, 1934] :

As per last account	192,195,900	168,220,900
Add : Set aside this financial year	30,835,000	23,975,000
	223,030,900	192,195,900

General Reserve :

As per last account	2,407,537,000	2,325,517,216
Share in adjustments to General Reserve of associates for earlier years	—	—
Share in adjustments to General Reserve of associates for the year	—	82,019,784
	2,407,537,000	2,407,537,000

Foreign Currency Translation Reserve :

As per last account	—	18,587,072
Share in adjustments to Foreign Currency Translation Reserve of associates for the year	—	8,667,904
Balance adjusted to Retained Earnings ^(c)	—	(27,254,976)

Carried Over

3,206,567,900 3,175,732,900

KALYANI INVESTMENT

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2018 (continued):

	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Brought Over	3,206,567,900	3,175,732,900
Foreign Currency Monetary Item Translation Difference Account ^{(a)(b)} :		
As per last account	5,171,327	354,054
Add : Arising during the year	(954,291)	3,763,514
	4,217,036	4,117,568
Add / (Less) : Amortised during the year	(4,217,036)	1,053,759
Closing balance	—	5,171,327
Surplus in the Consolidated Statement of Profit and Loss :		
As per last account	1,407,910,768	1,338,092,528
Add : Profit for the year transferred from the Consolidated Statement of Profit and Loss	418,431,376	278,978,346
Add : Share in adjustment on sale of subsidiary of associates for the year	—	215,132,736
Add : Adjustment of Capital Reserve balance of associates	—	(3,468,416)
Add : Adjustment of Securities Premium Reserve balance of associates	—	(271,709,312)
Add : Adjustment of Revaluation on Land balance of associates	—	(83,804,168)
Add : Adjustment of Foreign Currency Translation Reserve Balance of associates	—	27,254,976
Amount available for appropriation	1,826,342,144	1,500,476,690
Less : Appropriations		
Amount transferred to Reserve Fund	30,835,000	23,975,000
Share in appropriations of associates for the year	(11,793,311)	68,590,922
	19,041,689	92,565,922
	1,807,300,455	1,407,910,768
TOTAL	5,013,868,355	4,588,814,995
(a) Please refer Note No. 2.8		
(b) Upon exercising the irrevocable option as mentioned in Note No.2.8 forming part of these financial statements, the Company has held unamortised foreign exchange difference amounting to Loss ₹ 954,291/- (Previous Year : Gain ₹ 3,763,514/-) in Foreign Currency Monetary Item Translation Difference Account as at 31st March, 2018. The amount amortised in accordance with the said option during the year is Gain ₹ 4,217,036/- (Previous Year : Loss ₹ 1,053,759/-).		
(c) Please refer Note No.2.2		
	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
3.3 DEFERRED TAX LIABILITY (NET) :		
Deferred Tax Liability		
Timing difference in respect of depreciation	34,820	82,000
Deferred Tax Asset		
Timing difference in respect of disallowances	5,820	8,000
TOTAL	29,000	74,000
3.4 LONG TERM PROVISIONS :		
Provision for employee benefits		
Leave encashment	21,003	27,625
TOTAL	21,003	27,625
3.5 TRADE PAYABLES :		
Micro and Small Enterprises (Refer Note No.3.27)	—	—
Others	942,710	1,091,848
TOTAL	942,710	1,091,848
3.6 OTHER CURRENT LIABILITIES :		
Payable to employees	58,651	52,849
Statutory liabilities	245,140	456,239
Accrued expenses	460,350	1,515,706
Consideration for purchase of investments ^{(a)(b)}	—	163,301,201
TOTAL	764,141	165,325,995
(a) Paid as on 21st March, 2018.		
(b) This obligation is also covered by Corporate Guarantee given by another company		



KALYANI

Consolidated Financial Statements

2017-2018

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2018(continued):

	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
3.7 SHORT TERM PROVISIONS :		
Provision for employee benefits		
Leave encashment	1,395	1,692
Provision for taxation net of advance tax paid	576,450	—
TOTAL	577,845	1,692

3.8 PLANT, PROPERTY AND EQUIPMENTS :

	Tangible Assets Furniture and Fittings	Total
	₹	₹
GROSS BLOCK, AT COST :		
As at 31st March, 2015	10,237,500	10,237,500
Additions	—	—
Adjustment	—	—
Disposals	—	—
As at 31st March, 2016	10,237,500	10,237,500
Additions	—	—
Adjustment	—	—
Disposals	—	—
As at 31st March, 2017	10,237,500	10,237,500
Additions	—	—
Adjustment	—	—
Disposals	—	—
As at 31st March, 2018	10,237,500	10,237,500
DEPRECIATION AND AMORTISATION :		
As at 31st March, 2015	95,924	95,924
For the year	972,563	972,563
In respect of disposals	—	—
As at 31st March, 2016	1,068,487	1,068,487
For the year	972,563	972,563
In respect of disposals	—	—
As at 31st March, 2017	2,041,050	2,041,050
For the year	972,563	972,563
In respect of disposals	—	—
As at 31st March, 2018	3,013,613	3,013,613
NET BLOCK :		
As at 31st March, 2017	8,196,450	8,196,450
As at 31st March, 2018	7,223,887	7,223,887

KALYANI INVESTMENT

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2018 (continued):

		As at 31st March, 2018	As at 31st March, 2017
	₹	₹	₹
3.9 NON-CURRENT INVESTMENTS, AT COST :			
Other than Trade :			
(i) Equity Instruments, Quoted :			
Investments in Associates :			
25,778,250 (25,778,250) Equity Shares of ₹ 2/- each fully paid up of Hikal Limited	1,456,803,523		1,235,939,749
Investments in Other Companies :			
6,195,046 (6,195,046) Equity Shares of ₹ 5/- each fully paid up of BF Utilities Limited	172,239,912		172,239,912
63,312,190 (31,656,095) Equity Shares of ₹ 2/- each fully paid up of Bharat Forge Limited	1,376,310,874		1,376,310,874
		3,005,354,309	2,784,490,535
(Bharat Forge Limited announced bonus 1:1, hence 31,656,095 Equity Shares received as Bonus Shares)			
(ii) Equity Instruments, Unquoted :			
Investments in Associates :			
— (579,000) Equity Shares of ₹ 10/- each fully paid up of Kalyani Agro Corporation Limited	—		—
450,000 (450,000) Equity Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited	—		—
Investments in Other Companies :			
22,005 (22,005) Equity Shares of ₹ 100/- each fully paid up of Dandakaranya Investment and Trading Private Limited*	2,200,500		2,200,500
22,005 (22,005) Equity Shares of ₹ 100/- each fully paid up of Hastinapur Investment and Trading Private Limited*	2,200,500		2,200,500
22,005 (22,005) Equity Shares of ₹ 100/- each fully paid up of Dronacharya Investment and Trading Private Limited*	2,200,500		2,200,500
220,000 (220,000) Equity Shares of ₹ 10/- each fully paid up of Campanula Investment and Finance Private Limited*	2,200,000		2,200,000
220,000 (220,000) Equity Shares of ₹ 10/- each fully paid up of Cornflower Investment and Finance Private Limited*	2,200,000		2,200,000
245,000 (245,000) Equity Shares of ₹ 10/- each fully paid up of Carpenter Kalyani Special Alloys Private Limited	365,050		2,462,250
Less : Determined Diminution written off/Provision for diminution in value	—		(2,097,200)
	365,050		365,050
5,001,000 (5,001,000) Equity Shares of ₹ 10/- each fully paid up of KSL Holdings Private Limited	50,160,050		50,160,050
2,930,218 (2,930,218) Equity Shares of ₹ 10/- each fully paid up of Saarloha Advanced Materials Private Limited (erstwhile Kalyani Carpenter Special Steels Private Limited)	475,328,110		475,328,110
15,111,147 (15,111,147) Equity Shares of ₹ 10/- each fully paid up of Khed Economic Infrastructure Private Limited	859,446,470		859,446,470
		1,396,301,180	1,396,301,180
(iii) Preference Shares, Unquoted :			
Investments in the Holding Company :			
35,000 (35,000) 12% Non-Cumulative Redeemable "C" Preference Shares of ₹ 100/- each fully paid up of Sundaram Trading and Investment Private Limited [§]	3,500,000		3,500,000
[§] Sundaram Trading and Investment Private Limited became the Holding Company during financial year ended 31st March, 2014. These shares do not carry any voting rights.			
Investments in Associates :			
9,000,000 (9,000,000) 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited	90,225,000		90,225,000
Less : Provision for diminution in value	(74,565,000)		—
	15,660,000		90,225,000
Investments in Other Companies :			
47,500,000 (47,500,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Baramati Speciality Steels Limited	475,000,000		475,000,000
12,500,000 (—) 7% Optionally Convertible Preference Shares of ₹ 10/- each of Kalyani Technoforge Limited	125,000,000		—
2,030,000 (2,030,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Kalyani Mining Ventures Private Limited	20,350,750		20,350,750
Less : Provision for diminution in value	20,350,750		—
	—		20,350,750
*Refer Note No. 3.30		619,160,000	589,075,750
Carried Over		5,020,815,489	4,769,867,465



KALYANI

Consolidated Financial Statements

2017-2018

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2018 (continued):

		As at 31st March, 2018	As at 31st March, 2017
	₹	₹	₹
Brought Over		5,020,815,489	4,769,867,465
iv) Debentures, Unquoted :			
Investments in Other Companies :			
725,000 (725,000) 0% Fully Convertible Unsecured Debentures of			
₹ 100/- each fully paid up of Azalea Enterprises Private Limited	72,500,000		72,500,000
Less : Provision for diminution in value	(72,500,000)		(72,500,000)
TOTAL		5,020,815,489	4,769,867,465
Book Value of Quoted Investments :	3,005,354,309		2,784,490,535
Book Value of Unquoted Investments :	2,015,461,180		1,985,376,930
Market Value of Quoted Investments :	51,968,924,510		41,238,057,127
Aggregate provision for diminution in value of investments :	167,415,750		72,500,000
		As at 31st March, 2018	As at 31st March, 2017
		₹	₹
3.10 LONG TERM LOANS AND ADVANCES (UNSECURED) :			
Good			
Security Deposits	500,000		500,000
Advance tax paid net of provision for taxation	—		1,052,827
Tax Refund Claims	—		—
	500,000		1,552,827
Doubtful			
Tax Refund Claims	1,577,200		1,577,200
Less : Provision	(1,577,200)		(1,577,200)
	—		—
TOTAL	500,000		1,552,827
3.11 CURRENT INVESTMENTS, AT LOWER OF COST AND FAIR VALUE :			
Other than trade :			
In Units of Mutual Funds, Unquoted :			
12,120 (17,867) Units of ₹ 1,000/- each of HDFC Liquid Fund			
- Dividend - Daily Reinvest Option - Reinvest	12,360,182		18,220,743
TOTAL	12,360,182		18,220,743
3.12 CASH AND CASH EQUIVALENTS :			
Balances with banks			
In current accounts	18,956,556		1,151,730
Cash on hand	—		—
TOTAL	18,956,556		1,151,730
3.13 SHORT TERM LOANS AND ADVANCES (UNSECURED) :			
Inter-Corporate Deposit			
Doubtful	50,000,000		50,000,000
Less : Provision	(50,000,000)		(50,000,000)
	—		—
Other advances recoverable in cash or in kind or for value to be received			
Good	—		—
Doubtful	73,505		44,450
Less : Provision	73,505		44,450
	—		—
Prepaid Expenses	—		—
TOTAL	—		—
		Year ended 31st March, 2018	Year ended 31st March, 2017
		₹	₹
3.14 REVENUE FROM OPERATIONS :			
Interest received on loans	—		—
TOTAL	—		—
3.15 OTHER INCOME :			
Dividend received on long term investments	284,904,855		94,968,285
Dividend received on short term investments	5,039,439		6,088,989
Interest on Income Tax Refund	76,035		—
Foreign exchange gain (Net)	4,217,036		—
Provisions written back	—		22,060
TOTAL	294,237,365		101,079,334

KALYANI INVESTMENT

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2018 (continued):

		Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
3.16 EMPLOYEE BENEFIT EXPENSES : (Including remuneration paid to Key Management Personnel on deputation) Salaries and wages		11,262,645	9,423,547
	TOTAL	11,262,645	9,423,547
3.17 FINANCE COSTS : Other interest		43,010	—
	TOTAL	43,010	—
3.18 DEPRECIATION AND AMORTISATION : Tangible assets		972,563	972,563
	TOTAL	972,563	972,563
3.19 OTHER EXPENSES : Professional fees Fees and subscription Printing and stationery Communication Advertisement Audit Fees (Refer Note No. 3.22) Brand usage fees Corporate Social Responsibility Expenditure Foreign exchange loss (Net) Sundry expenses		7,248,577 685,763 436,932 292,307 160,048 295,000 560,000 663,000 — 263,528	5,693,218 622,068 458,901 288,032 131,614 736,894 575,000 1,028,000 1,053,759 55,774
	TOTAL	10,605,155	10,643,260
3.20 EXCEPTIONAL ITEMS : Provision for diminution in value of long term investments Provision for doubtful advances Determined diminution in value of long term investments written off Provision for diminution in value of long term investments written back		94,915,750 29,055 — —	— 1,605,580 2,097,200 (2,217,250)
	TOTAL	94,944,805	1,485,530
3.21 Contingent Liabilities not provided for : i) Corporate Guarantees given, in respect of loans borrowed by other companies Guarantee Amount Balance outstanding		300,000,000 —	300,000,000 40,000,000
3.22 Payment to Auditor, inclusive of GST : (a) As Auditor Audit Fees Certification Fees Reimbursement of out of pocket expenses b) For Management Services		265,500 29,500 — 295,000 —	316,250 86,250 18,144 420,644 316,250
	TOTAL	295,000	736,894
3.23 SUMMARY OF UNHEDGED FOREIGN CURRENCY EXPOSURES :			
	Currency	As at 31st March, 2018 Foreign Currency Amount ₹	As at 31st March, 2017 Foreign Currency Amount ₹
Consideration for purchase of investments	US Dollar	—	2,518,580
	TOTAL	—	2,518,580
			163,301,201

3.24 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 (REVISED) ON "EMPLOYEE BENEFITS" :

The following table sets out the funded status of the employees' leave encashment and the amounts recognised in the financial statements for the year ended 31st March, 2018 :

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
a) Present Value of Obligation	22,398	29,317
b) Fair Value of Plan Assets	—	—
c) Net asset / (liability) recognised in the Balance Sheet	(22,398)	(29,317)
Net liability is bifurcated as :		
Current :	1,395	1,692
Non-Current :	21,003	27,625

3.25 SEGMENT REPORTING :

The Company is a Non Deposit taking Core Investment Company, as defined in the Core Investment Companies (Reserve Bank) Directions, 2011 and all activities of the Company revolve around this business. Hence, no separate segment is considered reportable.

3.26 Related Party Disclosures :

- a) Related Parties and their relationships :
- Holding Company
 - Associates
 - Key Management Personnel

Sundaram Trading and Investment Private Limited
Hikal Limited
Mr.Sanjay Yewale, Chief Executive Officer appointed on 30th March, 2015
and also appointed as Chief Financial Officer on 15th July, 2015.
Mr.Adwait Joshi, Company Secretary, appointed on 3rd August, 2015.

**KALYANI**

Consolidated Financial Statements

2017-2018

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2018 (continued):

b) Transactions with Related Parties :

Particulars	Associates Hikal Limited ₹	Key Management Personnel Mr.Sanjay Yewale ₹	Mr.Adwait Joshi ₹	Total ₹
Dividend Received	33,511,725	—	—	33,511,725
	(41,245,200)	—	—	(41,245,200)
Remuneration to Key Management Personnel@	—	*10,737,792	531,772	11,269,564
	—	*(8,934,723)	(470,171)	(9,404,894)

(Figures in bracket indicate previous year)

@Including amounts paid to Key Management Personnel on deputation.

* Represents total payment made to employer including Service Tax/GST amounting to ₹ 1,563,699/- (Previous year : ₹ 1,165,397/-)

c) Balances with Related Parties : ₹ Nil (Previous Year ₹ Nil)

3.27 The Company does not owe any moneys to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006.

3.28 35,000 - 12% Non-Cumulative Redeemable "C" Preference Shares of ₹ 100/- each fully paid up of Sundaram Trading and Investment Private Limited are redeemable on or before 26th July, 2027.

9,400,000 - 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Baramati Speciality Steels Limited are redeemable at the end of 20 years from the date of allotment i.e. on 28th March, 2033, with an option to the said Company to redeem the said shares in one or more tranches at any time on or after 28th September, 2013.

5,100,000 - 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Baramati Speciality Steels Limited are redeemable at the end of 20 years from the date of allotment i.e. on 28th September, 2033, with an option to the said Company to redeem the said shares in one or more tranches at any time on or after 28th March, 2014.

13,000,000 - 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Baramati Speciality Steels Limited are redeemable at par on the expiry of 20 years from the date of allotment i.e. on 23rd March, 2036, with a call / put option respectively to the said Company as well as the holders of 8% Non-Cumulative Redeemable Preference Shares, after 6 months from the date of allotment i.e. after 23rd September, 2016, by giving one month's notice to the other party.

20,000,000 - 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Baramati Speciality Steels Limited are redeemable at par on the expiry of 20 years from the date of allotment i.e. on or after 31st March, 2020. Shares which are not redeemed by the Company shall be compulsorily redeemed at the expiry of twenty years from the date of allotment i.e. after 23rd September, 2017, by giving one month's notice to the other party.

9,000,000 - 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited carry option to convert the entire amount outstanding into equity shares of the said company at par. The said 9,000,000 - 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up, if not opted for conversion, are redeemable on 31st March, 2020. However, the said Company as well as the holders of 1% Non-Cumulative Optionally Convertible Preference Shares, have a call / put option respectively, by giving one month's notice to the other party.

2,030,000 - 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up of Kalyani Mining Ventures Private Limited are redeemable after five years from the date of allotment i.e. on or after 31st March, 2020. Shares which are not redeemed by the Company shall be compulsorily redeemed at the expiry of twenty years from the date of allotment i.e. on 31st March, 2035.

12,500,000 - 7% Cumulative, Optionally Convertible, Non-participating Preference Shares of ₹ 10/- each, fully paid up of Kalyani Technoforge Limited, carry an option to convert the entire amount in equity shares of Kalyani Technoforge Limited, at the option exercised by Kalyani Technoforge Limited. The Preference Shares which are not converted, are redeemable at the end of 7 years from the date of allotment, however Kalyani Technoforge Limited can redeem the same after completion of 5 years.

3.29 560,000 - 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited are compulsorily convertible into such number of fully paid up equity shares of ₹ 10/- each at such a price as shall be fixed by the said Company upon the expiry of the period of 5 years from the date of their original issue i.e. on 29th March, 2014.

165,000 - 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited are compulsorily convertible into such number of fully paid up equity shares of ₹ 10/- each at such a price as shall be fixed by the said Company upon the expiry of the period of 5 years from the date of their original issue i.e. on 4th April, 2014.

3.30 Legal title to some of the assets vested and transferred to the Company in pursuance of the Composite Scheme of Arrangement approved by the Honourable High Court of Judicature at Bombay, as per Order dated 12th March, 2010, could not be transferred in the name of the Company till 31st March, 2018. The Company is in the process of completing the required legal formalities.

3.31 EARNINGS PER SHARE :

	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Profit for the year, as per the Statement of Profit and Loss	418,431,376	278,978,346
(a) Profit attributable to equity shareholders	418,431,376	278,978,346
(b) Weighted Average Number of Equity Shares, outstanding during the period	4,365,306	4,365,306
(c) Earnings per share (of ₹ 10/- each) :		
Basic (₹ per share) (a / b) :	95.85	63.91
Diluted (₹ per share) (a / b) :	95.85	63.91

3.32 Previous year's figures have been regrouped / rearranged wherever necessary to correspond with the current year's classification / disclosure.

As per my attached Report of even date

For M/s. P. G. Bhagwat

Firm Registration No.101118W

Chartered Accountants

On behalf of the Board of Directors

Sanjay Athavale

Partner

Membership No.83374

Place : Pune

Date : 18th May, 2018

Adwait Joshi

Company Secretary

Sanjay Yewale

Chief Executive Officer
& Chief Financial Officer

Place : Pune

Date : 18th May, 2018

Amit B. Kalyani

Chairman

R. K. Goyal

Director



KALYANI

DRIVING INNOVATION

KALYANI INVESTMENT COMPANY LIMITED

MUNDHWA, PUNE - 411 036
MAHARASHTRA, INDIA.

KALYANI INVESTMENT COMPANY LIMITED

CIN : L65993PN2009PLC134196

Registered Office : Mundhwa, Pune 411 036

Phone No. : 020 - 26715000 / 66215000, Fax No. : 020 - 26821124

Website : www.kalyani-investment.com, E-mail : investor@kalyani-investment.com



KALYANI

NOTICE

NOTICE is hereby given that the NINTH Annual General Meeting of the Members of Kalyani Investment Company Limited will be held on Tuesday, the 21st day of August, 2018, at 2.00 p.m. (I.S.T), at the Registered Office of the Company at Mundhwa, Pune – 411 036, to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt :
 - a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon.
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr.Amit B. Kalyani (DIN 00089430), who retires by rotation and being eligible, offers himself for re-appointment.
3. 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, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the resolution passed by the Members of the Company at Eighth Annual General Meeting held on 1st August, 2017, the Company hereby ratifies the appointment of M/s. P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No.101118W) as Auditors of the Company to hold the office for the period of four years i.e. from the conclusion of this Meeting until the conclusion of the Thirteenth Annual General Meeting of the Company to be held in 2022, on such remuneration plus applicable taxes thereon and reimbursement of out of pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors, from time to time, based on the recommendation of the Audit Committee.”

SPECIAL BUSINESS

4. Appointment of Mr.Shrikrishna K. Adivarekar as an Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) 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 for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr.Shrikrishna K. Adivarekar (DIN 06928271), 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 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office

for a term of 5 (Five) consecutive years with effect from 18th May, 2018 to 17th May, 2023.”

5. Re-Appointment of Mr.B.B. Hattarki as an Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) 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 for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr.B.B. Hattarki (DIN 00145710), 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 from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years with effect from 1st April, 2019 to 31st March, 2024.”

By Order of the Board of Directors
For Kalyani Investment Company Limited

Pune
18th May, 2018

Adwait Joshi
Company Secretary

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a Poll instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case, a Proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such Proxy shall not act as a Proxy for any other person or member.

The Instrument appointing proxy should, however, be deposited at the Registered Office of the Company duly completed and signed not less than forty-eight (48) hours before the commencement of the meeting.

2. An Explanatory Statement is provided for item No.3 of the Notice, though strictly not required pursuant to Section 102 of the Companies Act, 2013.

An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business under Item Nos.4 and 5 of the Notice to be transacted at the Annual General Meeting is annexed hereto.

3. Corporate members are requested to send board resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
4. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depository Participants and those holding shares in physical

form are requested to intimate the said changes to the Registrar and Transfer Agent of the Company, at their address given below.

5. The Share Transfer Books and the Register of Members of the Company will remain closed on Tuesday, 21st August, 2018 as an Annual Closure for Annual General Meeting.
6. Equity Shares of the Company are under compulsory demat trading by all investors. Those shareholders, who have not dematerialised their shareholding, are advised to dematerialise the same to avoid any inconvenience in future.
7. Brief Profile of Director(s) proposed to be appointed / re-appointed, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se, are provided in the Report on Corporate Governance forming part of the Annual Report.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialised form are therefore requested to submit their PAN to the Depository Participants with whom they are maintaining the demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent of the Company, at their address given below.
9. The Ministry of Corporate Affairs (MCA), Government of India, had taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and had issued circulars stating that service of notice / documents including Annual Report can be done by e-mail to its members.

To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill-up the Email Updation Form available at Company's web-site www.kalyani-investment.com and submit the same to the Registrar and Transfer Agent of the Company, at their address given below.

The Notice of the Annual General Meeting along with the Annual Report 2017-18 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for the physical copy of the same.

10. Voting through Electronic Means :

- i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, holding shares as on 14th August, 2018 being the Cut-off date, facility to exercise their right to vote at the Ninth Annual General Meeting (AGM) by electronic means and the business shall be transacted through e-Voting Services. The facility of casting the votes by members using the electronic voting system from a place other than venue of the AGM ("remote e-Voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their votes by remote e-Voting shall be able to exercise their right at the meeting through Ballot Paper.

The members who have cast their vote by remote e-Voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again.

The e-Voting commences on Saturday, 18th August, 2018 (9.00 a.m.) and ends on Monday, 20th August, 2018 (5.00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on cut-off date of 14th August, 2018, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-Voting is as under :

Step 1 : Login to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting System.

Step 1:

- i) Visit e-Voting website of NSDL. Open web browser by typing URL : <https://www.evoting.nsdl.com/>
- ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
- iii) A new screen will open. You will have to enter your User ID, password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL e-services after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

- iv) Your User ID details are given below :

Manner of holding Shares i.e. Demat (NSDL / CDSL) or Physical	Your User ID is :
For Members who hold Shares in Demat Account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your USER ID is IN300***12*****
For Members who hold Shares in Demat Account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your User ID is 12*****
For Members holding Shares in Physical mode	EVEN Number followed by Folio Number registered with the Company. For example if Folio Number is 001*** and EVEN is 101456 then User ID is 101456001***



KALYANI

- v) Your Password details are given below :
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter your 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your Demat account or with the Company, your "initial password" is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or Folio Number for Shares held in physical form. The .pdf file contains your 'User ID' and 'initial password'.
 - If you email ID is not registered, your 'initial password' is communicated to you on your registered postal address.
 - If you are unable to retrieve or have not received the 'initial password' or have forgotten your password :
 - Click on "Forgot User Details / Password?" (if you are holding Shares in your Demat account with NSDL / CDSL) option available on www.evoting.nsdl.com
 - "Physical User Reset Password?" (if you are holding Shares in physical mode) option available on www.evoting.nsdl.com
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat account number / Folio number, your PAN, your name and your registered address.
 - After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now you will have to click on Login.
 - After you click on Login, home page of e-Voting will open.
- Step 2 :
- After successful Login at Step 1, you will be able to see the home page of e-Voting. Click in e-Voting. Then, click on Active Voting Cycles.
 - After clicking on Active Voting Cycles, you will see all the companies "EVEN", in which you are holding Shares and whose voting cycle is in active status.
 - Select "EVEN" of company for which you wish to cast your vote.
 - Now you are ready for e-Voting as the voting page opens.
 - Cast your vote by selecting appropriate options i.e. Assent or Dissent, verify / modify the number of Shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General guidelines :
- Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority Letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by email to evoting@kalyani-investment.com with a copy marked to evoting@nsdl.co.in
 - It is strongly recommended not to share your password with any other person and keep utmost care to keep your password confidential. Login to e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such event, you will need to go through "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 - In case of any queries, you may refer the Frequently Asked Questions (FAQ's) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
 - The voting rights of members shall be in proportion to shares held by them as on the cut-off of 14th August, 2018.
 - A person whose name is recorded in the Register of members or in the Register of Beneficial Owners maintained by the depository as on the Cut-off Date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through Ballot Paper. Mr.S.V. Deulkar, Partner of SVD & Associates, Company Secretaries (Membership No. FCS 1321 & CP No. 965) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
 - The Scrutiniser shall immediately after conclusion of voting at AGM, first count, the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall prepare not later than three days of conclusion of the meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or by the person authorised by him in writing, shall declare the result of the voting forthwith.
11. The results of voting along with the Scrutiniser's Report shall be placed on the Company's website www.kalyani-investment.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

Registrar & Transfer Agent
LINK INTIME INDIA PRIVATE LIMITED
Block No.202, Akshay Complex, 2nd Floor,
Off Dhole Patil Road, Near Ganesh Mandir, Pune - 411 001
Phone Nos. : 020 - 26161629 / 26160084, Telefax : 020 - 26163503
E-mail : pune@linkintime.co.in

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 102 of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out, the material facts relating to Special Business Items as stated in the accompanying Notice dated 18th May, 2018

ITEM NO.3

This explanatory Statement is provided, though strictly not required, as per Section 102 of the Companies Act, 2013.

The members of the Company at their Eighth Annual General Meeting held on 1st August, 2017, had appointed M/s. P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No.101118W), as Auditors of the Company, to hold office for the period of five years i.e. from the conclusion of the Eighth Annual General Meeting till the conclusion of the Thirteenth Annual General Meeting to be held in 2022 and the said appointment was subject to ratification by members at every Annual General Meeting. The Companies (Amendment) Act, 2017, has amended Section 139(1) of the Companies Act, 2013, effective from 7th May, 2018, whereby first proviso to Section 139(1) is omitted which provided for ratification of appointment of Auditors by members at every Annual General Meeting. In view of the same, the fresh approval of the members is sought for the ratification of appointment of M/s. P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No.101118W), as Auditors of the Company, for the remaining term of four years i.e. from the conclusion of this Annual General Meeting till the conclusion of the Thirteenth Annual General Meeting to be held in 2022.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the resolutions set out at Item No.3 of the Notice.

ITEM NO.4

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") 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 for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on 18th May, 2018, had appointed Mr.Shrikrishna K. Adivarekar as an Additional Independent Director of the Company for the period of 5 (five) years with effect from 18th May, 2018 to 17th May, 2023, subject to the approval of the members.

The Company has received a declaration in writing from Mr.Adivarekar that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr.Adivarekar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company. The Board also considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director on the Board of the Company.

The Company has received notice in writing from member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr.Adivarekar as an Independent Director of the Company.

Accordingly, the Board recommends the resolution set out at Item No.4 of the Notice, for the approval of the members of the Company.

Brief Profile of Mr.Adivarekar is provided in the report on Corporate Governance forming part of the Annual Report. Except Mr.Shrikrishna K. Adivarekar, being appointee, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the resolution set out at Item No.4 of the Notice.

ITEM NO.5

The members at their Fifth Annual General Meeting held on 5th September, 2014, had appointed Mr.B.B. Hattarki as an Independent Director of the Company for the period of five years with effect from 5th September, 2014 to 4th September, 2019.

The SEBI vide its notification dated 9th May, 2018, had notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which will come in force with effect from 1st April, 2019. In terms of the said amendments, no listed company shall appoint a person or continue directorship of any person who has attained the age of seventy five years unless approval of the members is obtained by way of Special Resolution.

Mr.Hattarki born on 10th October, 1941, is a Metallurgy and Mechanical Engineer, having more than 50 years rich experience in the steel industry. The Board is of the opinion that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director on the Board of the Company.

In view of the same, the fresh approval of the members is sought by way of Special Resolution for the re-appointment of Mr.B.B. Hattarki as an Independent Director of the Company for the period of 5 (five) years with effect from 1st April, 2019 to 31st March, 2024.

The Company has received a declaration in writing from Mr.Hattarki that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr.Hattarki fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his re-appointment as an Independent Director of the Company.

The Company has received notice in writing from member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr.Hattarki as an Independent Director of the Company.

Accordingly, the Board recommends the Special Resolution set out at Item No.5 of the Notice, for the approval of the members of the Company.

Brief Profile of Mr.Hattarki is provided in the report on Corporate Governance forming part of the Annual Report. Except Mr.B.B. Hattarki, being appointee, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the resolution set out at Item No.5 of the Notice.

By Order of the Board of Directors
For Kalyani Investment Company Limited

Pune
18th May, 2018

Adwait Joshi
Company Secretary

KALYANI INVESTMENT COMPANY LIMITED

CIN : L65993PN2009PLC134196

Registered Office : Mundhwa, Pune 411 036

Phone No. : 020 - 26715000 / 66215000, Fax No. : 020 - 26821124

Website : www.kalyani-investment.com, E-mail : investor@kalyani-investment.com



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	:	
Registered Address	:	
E-mail Id	:	
Folio No. / DP ID & Client ID	:	

I/We, being the member (s) of shares of the above named Company, hereby appoint :

- (1) Name Address.....
E-mail ID.....Signature.....or failing him / her
- (2) Name Address.....
E-mail ID.....Signature.....or failing him / her
- (3) Name Address.....
E-mail ID.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Ninth Annual General Meeting of the Company, to be held on Tuesday, the 21st day of August, 2018 at 2.00 p.m. at the Registered Office of the Company at Mundhwa, Pune - 411 036 and at any adjournment thereof in respect of such resolutions as are indicated below :

Item No.	Resolution (For details, refer Notice of Ninth Annual General Meeting dated 18th May, 2018)	Vote *(Optional See Note 4)		
		For	Against	Abstain
ORDINARY BUSINESS :				
1.	To consider and adopt : a) Audited Financial Statements for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon. b) Audited Consolidated Financial Statements for the financial year ended 31st March, 2018 and the Report of the Auditors thereon.			
2.	Re-appointment of Mr. Amit B. Kalyani (DIN 00089430), as a Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ratification of appointment of M/s. P. G. Bhagwat, Chartered Accountant, Pune as Auditor of the Company.			
SPECIAL BUSINESS :				
4.	Appointment of Mr. Shrikrishna K. Adivarekar (DIN 06928271) as an Independent Director.			
5.	Re-appointment of Mr. B.B. Hattarki (DIN 00145710) as an Independent Director.			

Signed this..... day of..... 2018

Signature of member :

Please affix
Revenue
Stamp

Signature of Proxy holder(s) :

Notes :

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- * It is optional to indicate your preference by placing Tick (✓) at the appropriate box. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.

Roadmap for Ninth Annual General Meeting venue

