

B F I N V E S T M E N T

CIN:L65993PN2009PLC134021

SECT/BFIL/

September 1, 2021

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex
Bandra (E),
Mumbai – 400 051
SYMBOL – BFINVEST

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Tower
Dalal Street,
Mumbai – 400 001.
Scrip Code – 533303

Dear Sir,

Sub: Notice and Annual Report of 12th (Twelfth) Annual General Meeting of the Company scheduled to be held on September 30, 2021

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. Please find enclosed herewith the Notice of the 12th Annual General Meeting and Annual Report for the financial year ended March 31, 2021 of the Company scheduled to be held on Thursday, September 30, 2021 at 10.00 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OVAM"), without presence of Members at a common venue.

Event	Details
Date and time of AGM	Thursday, September 30, 2021 at 10.00 a.m. IST
Cutt-off date to vote on AGM resolutions	Thursday, September 23, 2021
E-voting start Date and time	Monday, September 27, 2021 9.00 a.m. IST
E-voting end Date and time	Wednesday, September 29, 2021 5.00 p.m. IST
Book Closure for AGM	Thursday, September 30, 2021
E-voting and for participating of AGM through VC / OAVM website	https://www.evoting.nsdl.com/

Kindly take the same on record.

Thanking you,

Yours Faithfully,
For BF Investment Limited



S. R. Kshirsagar
Company Secretary

Encl : Notice and Annual Report of Twelfth Annual General Meeting



KALYANI
GROUP COMPANY

BF INVESTMENT LIMITED, MUNDHWA, PUNE CANTONMENT, PUNE 411 036, MAHARASHTRA, INDIA

Website : www.bfilpune.com

Phone: +91-020-26725257 Email: Secretarial@bfilpune.com

BF INVESTMENT LIMITED



KALYANI
DRIVING INNOVATION

CONTENTS

1. Board of Directors etc.	1
2. Notice	2
3. Report on Corporate Governance	12
4. Directors' Report	31
5. Independent Auditors' Report	56
6. Standalone Financials	64
7. Consolidated Auditors' Report	102
8. Consolidated Financials	108

BOARD OF DIRECTORS

Mr. A. B. Kalyani	Chairman
Mr. B. B. Hattarki	Non-Executive Independent Director
Mr. M. U. Takale	Non-Executive Independent Director
Ms. A. A. Sathe	Non-Executive Independent Director
Mr. S. G. Joglekar	Non-Executive Independent Director
Mr. B. S. Mitkari	Non-Executive Director

COMPANY SECRETARY

Mr. S. R. Kshirsagar

CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER

Mr. J. G. Patwardhan

STATUTORY AUDITORS

P. G. Bhagwat LLP Chartered Accountants

SECRETARIAL AUDITORS

SVD & Associates

BANKERS

HDFC Bank Limited
ICICI Bank Limited
Punjab National Bank

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
'Akshay' Complex, Block No. 202, 2nd Floor,
Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001
Tel.: +91 (20) 2616 1629 / 2616 0084
Email: pune@linkintime.co.in

REGISTERED OFFICE

BF Investment Limited
Mundhwa, Pune Cantonment,
Pune 411 036, Maharashtra, India.
Phone: +91-20-26725000
E-mail : secretarial@bfilpune.com
Website : <http://www.bfilpune.com>
CIN : L65993PN2009PLC134021

INFORMATION FOR SHAREHOLDERS

Annual General Meeting
Day & Date : Thursday, 30th September, 2021
Time : 10.00 a.m.
Venue : AGM will be held through VC/OAVM
Date of Book Closure : Thursday, 30th September, 2021



BF INVESTMENT LIMITED

Registered Office : Mundhwa, Pune Cantonment, Pune 411 036.

CIN : L65993PN2009PLC134021

NOTICE

To

The Members of BF Investment Limited,

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of BF Investment Limited will be held on Thursday, the 30th day of September, 2021, at 10.00a.m. Indian Standard Time (IST) through Video Conference ("VC") / Other Audio Visual Means ("OAVM") facility, to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt :**

- a) the audited standalone financial statements of the Company for the Financial Year ended March 31, 2021, the reports of the Board of Directors and Auditors thereon.
- b) the audited consolidated financial statements of the Company for the Financial Year ended March 31, 2021 and the report of the Auditors thereon.

2. **To appoint a Director in place of Mr. B. S. Mitkari (DIN: 03632549), who retires by rotation and being eligible, offers himself for re-appointment.**

By Order of the Board of Directors
For BF Investment Limited

Place : Pune 411 036
Date : 11th August, 2021

S. R. Kshirsagar
Company Secretary
Membership No. A23653

NOTES :

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing 12th AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this 12th AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the 12th AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 12th AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 12th AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the 12th AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 12th AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the 12th AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 12th AGM has been uploaded on the website of the Company at www.bfilpune.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the 12th AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. 12th AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, 27th September, 2021 at 9.00 A.M. and ends on Wednesday, 29th September, 2021 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 23rd September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September, 2021.

How do I vote electronically using NSDL e-Voting system?


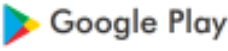


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in

Type of shareholders	Login Method
	www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) 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*****.
b) 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*****
c) For Members holding shares in Physical Form.	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***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) 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 the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) 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 the .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 your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) 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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to deulkarcs@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) 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 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in or Mr. Sagar Ghosalkar, Assistant Manager at Sagar.Ghosalkar@nsdl.co.in or Ms. Pallavi Mhatre, Manager, at PallaviD@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Secretarial@bfilpune.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Secretarial@bfilpune.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 12th AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 12th AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the 12th AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

-
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at Secretarial@bfilpune.com. The same will be replied by the company suitably.
 6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@bfilpune.com. The shareholders who do not wish to speak during the 12th AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@bfilpune.com. These queries will be replied to by the company suitably by email.
 7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

The Scrutinizer will submit his report to the Chairman after the completion of scrutiny and the result of the voting will be declared within 48 hours of conclusion of the meeting. The declared results along with the Scrutinizer Report will also be displayed on the website of the Company at www.bfilpune.com and will simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited where equity shares of the Company are listed.

ANNEXURE TO THE NOTICE

Statement of additional Information as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to following items of the Notice:

Item No. 2

To appoint a Director in place of Mr. B. S. Mitkari (DIN: 03632549), who retires by rotation and being eligible, offers himself for re-appointment

In terms of Section 152 of the Companies Act, 2013, Mr. **B. S. Mitkari** (DIN: **03632549**) Director retires by rotation at the Meeting and being eligible offers himself for re-appointment. Details of Directors to be re-appointed / appointed, are given below :

Pursuant to the provisions of Sections 149, 152, 161 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, , Mr. Mitkari retires by rotation at the ensuing 12th Annual General Meeting and being eligible offers himself for re-appointment. In the opinion of the Board, Mr. Mitkari fulfils the conditions specified in the Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his re-appointment as a Director of the Company.

Brief Profile of Mr. Mitkari is provided hereunder.

Mr. Bhalchandra Shankar Mitkari is a qualified Company Secretary (Fellow member of the ICSI) and Cost & Management Accountant (Associate Member of ICAI) with vast experience in Accounts, Corporate Laws and business operations for last 33 years. He graduated in Commerce from Pune University in 1987 and qualified as a Company Secretary and Cost & Management Accountant in 1990.

During his professional career, Mr. Mitkari worked in the areas of corporate laws, accounts, finance and business operations & management. He has handled various corporate and legal matters of the group. He has been working with BF Utilities Ltd. in various capacities since last 20 years and currently is the CEO and Company Secretary of BF Utilities Ltd.

Directorships / Committee memberships / Chairmanships of Mr. B. S. Mitkari in other companies are as under:

Name of the Company	Board position held	Name of the Committees	Chairman/Member
BF Utilities Ltd.	Whole time Director	NA	NA
Nandi Infrastructure Corridor Enterprises Ltd.	Non-Executive Director	NA	NA
Nandi Economic Corridor Enterprises Ltd.	Non-Executive Director	NA	NA
Nandi Highway Developers Ltd.	Non-Executive Director	NA	NA
Lord Ganesha Minerals Ltd.	Non-Executive Director	NA	NA
Pune Power Developers Ltd.	Non-Executive Director	NA	NA
Sarloha Advanced Materials Private Ltd.	Non-Executive Director	NA	NA
Kalyani Global Engineering Pvt,Ltd.	Non-Executive Director	NA	NA

Save and except, Mr. B. S. Mitkari , to the extent of his shareholding interest, if any, in the Company, none of other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the shareholders.

Mr. Mitkari does not hold any shares in the Company.

Mr. Mitkari is not disqualified/ debarred from being appointed as Director in terms of Section 164 of the Companies Act, 2013. The Board is of the opinion that he fulfils the conditions specified in the Companies Act, 2013 and rules thereof and also possesses appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively. The Board considers that his experience and expertise would be of immense benefit to the Company.

By Order of the Board
For BF Investment Limited

S. R. Kshirsagar
Company Secretary
Membership No. A23653

Place : Pune 411 036
Date : 11th August, 2021

Additional information as required under the Companies Act, 2013 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 in respect of the Directors' appointment/ re-appointment is provided below:

Name	Age (Years)	Educational Qualification	Experience/ Expertise/ Brief Resume	Relationship with other Directors / Key Managerial Personnel (KMP)	Directorships and No. of Membership of Committees in other entities as on March 31, 2021	Shareholding as on March 31,2021
Mr. B. S. Mitkari	54	B. Com, AICWA, FCS	Refer item No. 2 of the explanatory statement of the Notice convening the meeting	Not related to any Director/ KMP	BF Utilities Ltd. Nandi Infrastructure Corridor Enterprises Ltd. Nandi Economic Corridor Enterprises Ltd. Nandi Highway Developers Ltd. Lord Ganesha Minerals Ltd. Pune Power Developers Ltd. Saarloha Advanced Materials Private Ltd. Kalyani Global Engineering Pvt. Ltd.	Nil

Terms and conditions of appointment or re-appointment including remuneration:

- Mr. B. S. Mitkari , Non-Executive and Non-Independent Directors, is liable to retire by rotation and is not entitled to any remuneration. The terms of remuneration including sitting fees for attending Board Meetings, reimbursement of expenses and the profit related commission as permissible under law from time to time, are as approved by Members.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, herein after called "Regulations, 2015")

1. Company's Philosophy on Corporate Governance

The Securities and Exchange Board of India (SEBI) has prescribed a set of standards on corporate governance for the listed companies.

The Company has included a compliance report on Corporate Governance in its Annual Report in the spirit of transparency in management and best board practices. This Chapter of the report, plus the information given under 'Management Discussion and Analysis' and 'Shareholder Information' constitute such a compliance report on corporate governance during 2020-21.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as applicable with regard to Corporate Governance.

2. Board of Directors

Composition of the Board

The Company has an active, experienced, diverse and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. The Board periodically evaluates the need for change in its composition and size.

In terms of Regulation 17 of the SEBI Listing Regulations, at least 50% of the Board should comprise Non-Executive Independent Directors with at least one Woman Director. Out of total 6 Directors as on March 31, 2021, the Non-Executive Independent Directors constitute 66.66% of the Board. The Company has one Woman Director on the Board as on the said date who is holding her office as Non-Executive Independent Director.

Detailed profile of the Directors is available on the Company's website at <http://www.bfilpune.com>.

The Board met seven (7) times during FY 2020-21 on the following dates:

- June 30, 2020
- July 28, 2020
- September 12, 2020
- October 21, 2020
- November 6, 2020
- November 12, 2020
- February 11, 2021

The gap between two Meetings did not exceed 120 days and the Meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings.

Category and Attendance of Directors:

The category of Directors, attendance at Board Meetings held during the financial year under review, the number of Directorships and Committee Chairpersonships/Memberships held by them in other public limited companies and Directorships held by them in other listed entities as on March 31, 2021 are as follows:

Sr. No.	Name of Director	No. of shares held by Non-Executive Directors	No. of Directorships in other public companies #	No. of Committee positions held in other public companies*		No. of Board Meetings held	Attendance at the meetings	
				Chairman	Member		Board	AGM
	Executive Director	NA	NA	NA	NA	NA	NA	NA
1	Non-Executive Directors Mr. A. B. Kalyani *	28,220	7	0	2	7	7	1
2	Independent and Non-Executive Directors Mr. B. B. Hattarki	0	5	5	4	7	7	1
3	Mr. M. U. Takale	0	2	1	2	7	7	1
4	Ms. A. A. Sathe	0	2	0	3	7	1	1
5	Mr. S. G. Joglekar	200	2	0	0	7	7	1
6	Mr. B. S. Mitkari	0	2	0	0	7	7	1

Note:

- ® Promoters within the meaning of Securities Exchange Board of India (SEBI) (Substantial Acquisition of Shares & Takeover) Regulations, 2011.
- # Other Directorships exclude directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.
- * For this purpose only Audit and Stakeholders' Relationship Committees of the Public Limited Companies have been considered

The Eleventh (11th) Annual General Meeting ('e-AGM') of the Company for the Financial Year ('FY') 2019-20 was held on September 30, 2020 through video conferencing ('VC') / other audio visual means ('OAVM') in accordance with the relevant circulars issued by the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI'). All the Directors of the Company were present at the 11th AGM.

Directors and their Directorships in other listed Companies are as under :

Sr.	Name of the Director	Name of the listed entities in which Director holds Directorship		Category of Directorship
1	Mr. A. B. Kalyani	1	Bharat Forge Ltd.	Executive Director
		2	Kalyani Steels Ltd.	Director
		3	Kalyani Investment Company Ltd.	Director
		4	Hikal Ltd.	Director
		5	BF Utilities Ltd.	Director
		6	Schaeffler India Ltd.	Independent Director
2	Mr. B. B. Hattarki	1	BF Utilities Ltd.	Director
		2	Kalyani Investment Company Ltd.	Director
		3	Automotive Axles Ltd	Director
		4	Kalyani Steels Ltd.	Director
3	Mr. M. U. Takale	1	Kalyani Steels Ltd.	Director
4	Ms. A. A. Sathe	1	BF Utilities Ltd.	Director
5	Mr. S. G. Joglekar	1	Kalyani Investment Company Ltd.	Director
6	Mr. B. S. Mitkari	1	BF Utilities Ltd.	Director

Notes :

1. Directorships held in foreign companies, private limited companies, one person companies and companies under Section 25 of the Companies Act, 1956 / under Section 8 of the Companies Act, 2013 have not been considered.
2. None of the Directors on the Board is a Director of more than eight listed companies.

None of the Directors are related to any other Director of the Company within the meaning of Section 2(77) of the Companies Act, 2013 and rules thereof.

Shareholding of Directors as on March 31, 2021:

Sr. No.	Name of Director	Category	Equity Shares of Rs.5 each
1	Mr. A. B. Kalyani	NED	28220
2	Mr. B. B. Hattarki	ID	NIL
3	Mr. M. U. Takale	ID	NIL
4	Ms. A. A. Sathe	ID	NIL
5	Mr. S. G. Joglekar	ID	200
6	Mr. B. S. Mitkari	NED	NIL

NED - Non-Executive Director; ID - Independent Director;

Apart from the above, no Director holds any shares in the Company. The Company has not issued any convertible instruments

None of the Directors of the Company is related to each other and there are no *inter se* relationships between the Directors.

None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI Listing Regulations) across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

None of the Directors hold office in more than 10 public limited companies as prescribed under Section 165(1) of the Act. No Director holds directorships in more than 7 listed companies. None of the Non-Executive Directors is an Independent Director in more than 7 listed companies as required under the SEBI Listing Regulations. Further, the CEO does not serve as Independent Director in any listed company.

Key Skills, Expertise and Competencies of the Board of Directors

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise, special skills and geography. The Board of Directors have, based on the recommendations of the Nomination & Remuneration Committee, identified the following core skills/expertise/competencies as required in the context of the businesses and sectors of the Company for its effective functioning and the same is mapped against each of the Directors

Skill	Skill definitions
Business Acumen	Ability to understand business environment and identify new business opportunities
Leadership	Ability to lead a large team of professionals
Technology	Passion for technology upgradation
Legal and Regulatory knowledge	Understanding of regulatory and legal frameworks in Taxation

Disclosure of Expertise or Skills of Directors

Following are the core skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively:

General Management, Finance and Accounting, Corporate Laws, Automotive Industry, Operations, Corporate Strategy, Finance and Corporate Treasury, Manufacturing, Engineering, Business

The following table states the identified core skills/expertise/competencies mapped for each of the Director:

Sr.	Name of Directors	Expertise, Skills in specific functional ares
1	Mr. A. B. Kalyani	Business Acumen, Leadership, Technology, Automotive Industry, Corporate Strategy and Business Management
2	Mr. B. B. Hattarki	Technology, Automotive Industry, Operations and Manufacturing
3	Mr. M. U. Takale	Technology, Leadership, Automotive Industry, Engineering and Manufacturing
4	Mr. S. G. Joglekar	Leadership, Legal and Regulatory knowledge, Finance & Accounting and Corporate Treasury
5	Ms. A. A. Sathe	Legal and Regulatory knowledge, Corporate Laws, Legal and Taxation
6	Mr. B. S. Mitkari	Legal and Regulatory knowledge, Finance & Accounting, Corporate laws, Legal and Operations.

Board Procedure

For seamless scheduling of Meetings, the calendar of Meetings of the Board and Committees is circulated and agreed upon at the beginning of the year.

The Company Secretary tracks and monitors the Board and Committee proceedings to ensure that the terms of reference/charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. The terms of reference/charters are amended and updated from time to time in order to keep the functions and role of the Board and Committees at par with the changing statutes. Meeting effectiveness is ensured through clear agenda, circulation of material in advance and as per statutory timelines, detailed presentations at the Meetings.

The Board plays a critical role in the strategy development of the Company. To enable the Board to discharge its responsibilities effectively and take informed decisions, the CEO apprises the Board on the overall performance of the Company every quarter.

The Board periodically reviews the strategy, annual business plan, business performance of the Company. Amongst other things, the Board also reviews the compliance reports of the laws applicable to the Company, internal financial controls and financial reporting systems, adoption of quarterly/half-yearly/annual results, minutes of the Meetings of the Audit and other Committees of the Board.

In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the SEBI Listing Regulations which is required to be placed before the Board, the Directors are also kept informed of major events.

Independent Directors

The Company currently has 4 Non-Executive Independent Directors (including 1 Woman Director) which comprise 66.66% of the total strength of the Board of Directors.

During the year under review, Ms. Aarti A. Sathe was reappointed as Director for the 2nd term of 5 years, none of the Independent Director(s) of the Company resigned.

Independence of Directors

The Company has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the SEBI Listing Regulations and are independent of the management.

Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA'). They are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

Meeting of Independent Directors

During the year under review, one (1) meeting of the Independent Directors of the Company was held on February 11, 2021 as required under Schedule IV to the Act (Code of Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations. At their Meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole including the Chairman of the Board after taking the views of other Non-Executive Directors and also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Meeting was attended by all the Independent Directors as on that date and Mr. B. B. Hattarki chaired the said Meeting.

Terms and Conditions of appointment of Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act and the SEBI Listing Regulations. Formal letters of appointment are issued to the Independent Directors after their appointment by the Members. As required by Regulation 46 of the SEBI Listing Regulations, the terms and conditions of their appointment have been disclosed on the website of the Company at <http://www.bfilpune.com>

Induction and Familiarisation Programme for Directors

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, strategies, business, functions, policies, industry and environment in which it functions and the regulatory environment applicable to it. These include orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuous basis.

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company imparted various familiarisation programmes to its Directors .

Pursuant to Regulation 46 of the SEBI Listing Regulations, the details of such familiarisation programme during FY 2020-21 are available on the website of the Company at <http://www.bfilpune.com>

Appointment/Re-appointment of Directors

As required under Regulation 26(4) and Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Notice of the AGM which forms part of this Integrated Annual Report.

Code of Conduct

The Company has formulated Code of Conduct for its Directors, Senior Management Personnel and other Executives which is available on the website of the Company at <http://www.bfilpune.com>

The Board has also adopted a Code of Conduct for Non-Executive Directors, which incorporates the duties of Independent Directors as laid down in Schedule IV to the Act ('Code for Independent Directors') and Regulation 17(5) of the SEBI Listing Regulations and the same is available on the website of the Company at <http://www.bfilpune.com>

As on March 31, 2021, all the Board Members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly signed by the CEO forms part of this Report.

Apart from reimbursement of expenses incurred in discharging their duties and the remuneration that the Directors would be entitled under the Act as Non-Executive Directors, except for Mr. A. B. Kalyani, none of the Directors have any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors or its Senior Management during the two immediately preceding financial years.

Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large

3. Audit Committee

The Audit Committee's role is to assist the Board fulfil its Corporate Governance and overseeing responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions. The Audit Committee functions according to its terms of reference that defines its composition, authority, responsibilities and reporting functions. All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations are covered in its terms of reference.

Terms of Reference

The Audit Committee of the Company is responsible for supervising the Company's internal controls and financial reporting process and *inter alia*, performs the following functions:

- i.) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii.) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii.) Examination of the financial statements and the auditors' report thereon;
- iv.) Approval or any subsequent modification of transactions of the Company with related parties;
- v.) Scrutiny of inter-corporate loans and investments;
- vi.) Valuation of undertakings or assets of the Company, wherever it is necessary;
- vii.) Evaluation of internal financial controls and risk management systems;
- viii.) Monitoring the end use of funds raised through public offers and related matters
- ix.) Reviewing of the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- x.) Reviewing with management the annual financial statements before submission to the Board;
- xi.) Reviewing with the management, external auditors and internal auditor, the adequacy of internal control systems;
- xii.) Discussing with internal auditor any significant finding and follow up on such issues;
- xiii.) Discussing with the external auditors before the audit commences on the nature and scope of audit, as well as having post audit discussion to ascertain any areas of concern;
- xiv.) Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards;
- xv.) Reviewing details of related party transactions exceeding 1% of last year's turnover;
- xvi.) Reviewing the Company's financial and risk management policies;
- xvii.) Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors;
- xviii.) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

- xix.) 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;
- xx.) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularities or failure of internal control systems of a material nature and reporting the matter to the Board;
- xxi.) To look into the reason for substantial default in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared Dividends) and creditors;
- xxii.) To review the functioning of the whistle blower mechanism;
- xxiii.) Approval of appointment of CFO (i.e. the whole time finance Director or any other person heading the finance function or discharging that function) after accessing the qualifications, experience and background, etc. of the candidate;
- xxiv.) Carrying out any other function as is mentioned in the terms of reference of audit committee.

Further, pursuant to Regulation 18(2)(c) of the SEBI Listing Regulations, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other Independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

Meetings Held

During FY 2020-21, six (6) Meetings of the Audit Committee were held on the following dates:

- June 30, 2020
- July 28, 2020
- September 12, 2020
- November 6, 2020
- November 12, 2020
- February 11, 2021

The gap between two Meetings did not exceed 120 days. Necessary quorum was present for all the Meetings of the Committee.

Composition and Attendance

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. B. B. Hattarki (Chairperson)	ID	6	6
Mr. M. U. Takale	ID	6	6
Ms. A. A. Sathe	ID	6	1

ID - Independent Director; NED - Non-Executive Director

The Company Secretary acts as the Secretary to the Audit Committee. The composition of the Committee is in conformity with Section 177 of the Act and Regulation 18(1) of the SEBI Listing Regulations.

The Chairperson of the Audit Committee has one-on-one meetings both with the Internal Audit Team and the Statutory Auditors on a periodic basis to discuss key concerns, if any.

The Chief Executive Officer & Chief Financial Officer, Company Secretary, Statutory Auditor, Internal Auditor attend and participate in all the Meetings of the Committee. Internal Audit Reports are discussed. During the year under review, the Committee reviewed the key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems. The Committee reviewed Related Party Transactions. During the year under review, the Audit Committee reviewed the process and controls for Insider Trading and also adopted a framework for levying penalties in case of any violation under the Insider Trading Code.

The Chairperson of the Audit Committee briefs the Board at each Board Meeting about the significant discussions at the Audit Committee Meetings including the internal audit matters. The minutes of each of the Audit Committee Meetings are placed in the next Meeting of the Board after they are confirmed by the Committee.

Mr. B. B. Hattarki, Chairperson of the Audit Committee, was present at the last e-AGM held on September 30, 2020.

4. Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee ('NRC') is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise and

independence. The NRC evaluates the performance of Directors and Senior Management Personnel based on the expected performance criteria. The NRC also recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company.

The Policy of the Company including the terms of reference is disclosed on the Company's website <http://www.bfilpune.com>

Meetings Held

During FY 2020-21, three (3) Meetings of the NRC were held on the following dates:

- June 30, 2020
- July 28, 2020
- February 11, 2021

The necessary quorum was present for all the Meetings of the Committee.

Composition and Attendance

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. B. B. Hattarki (Chairperson)	ID	3	3
Mr. A. B. Kalyani	NED	3	1
Ms. M. U. Takale	ID	3	3

ID - Independent Director; NED - Non-Executive Director

Mr. B. B. Hattarki, Chairman of the NRC, was present at the last e-AGM held on September 30, 2020.

The composition and terms of reference of the NRC are in compliance with the provisions of Section 178(1) of the Act and Regulation 19 of the SEBI Listing Regulations.

The Chairman of the NRC briefs the Board at each Board Meeting about the significant discussions at the NRC Meetings.

Board and Director Evaluation

In terms of the requirement of the Act and the SEBI Listing Regulations, during the year under review, the Board has carried out an annual performance evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The exercise was led by the Chairman of the NRC along with the Chairman of the Board.

Criteria for Evaluation

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

The procedure followed for the performance evaluation of the Board, Committees and Individual Directors is detailed in the Board's Report

Remuneration of Directors

The Company's philosophy for remuneration of Directors, Key Managerial Personnel ('KMP') and all other employees is to promote leadership, skill, development and innovation. The Company has adopted a Policy for remuneration of Directors, KMP and other employees, which is aligned to this philosophy.

The principles governing the Company's Remuneration Policy is provided in the Board's Report. The said Policy is also uploaded on the website of the Company at <http://www.bfilpune.com>

Chief Executive Officer

The Company pays remuneration by way of salary, allowances (variable pay) to its Chief Executive Officer. Annual increments are recommended by the NRC and are effective April 1 each year.

Details of Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole Time Director

(Amount in Million)

Particulars of Remuneration	Mr. S.R. Kshirsagar* Company Secretary	Mr. J.G. Patwardhan* CEO & CFO	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 under Section 17(2) of the Income Tax Act, 1961			
c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961			
2. Stock Option	1.33	3.63	4.96
3. Sweat Equity			
4. Commission			
- As % profit			
- Others, specify ...			
5. Others, please specify (Company's contribution towards Provident Fund and Superannuation)			
Total **	1.33	3.63	4.96

* on deputation

** Represents amounts paid to employer in respect of Key Managerial Personnel on deputation.

Non-Executive Directors

The Non-Executive Directors are paid sitting fees for attending the Board Meetings.

The Company also pays commission to the Non-Executive Directors within the ceiling of 3% per annum of the net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and Committee Meetings. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the Meetings.

Details of sitting fees paid and commission payable to the Non-Executive Directors for FY ended March 31, 2021 is given below:

(Amount in Rs.)

Name of the Director	Sitting Fees paid during FY 2020-21	Commission (for FY 2020-21 payable in FY 2021-22)
Mr. A. B. Kalyani	35,000	25,00,000
Mr. B. S. Mitkari	35,000	5,00,000
Mr. B. B. Hattarki	35,000	5,00,000
Mr. M. U. Takale	35,000	5,00,000
Ms. A. A. Sathe	5,000	5,00,000
Mr. S. G. Joglekar	35,000	5,00,000
	1,80,000	50,00,000

As per the practice, commission to the Directors is paid after the annual accounts are adopted by the Members at the AGM. The Company has not granted any stock options to its Directors

Service Contract, Severance Fees and Notice Period

Terms of Agreement	Mr. J. G. Patwardhan, CEO, CFO
Period of Contract	2 years up to April 30, 2021 *
Severance fees/notice period	The Agreement may be terminated earlier, without any cause, by either Party by giving to the other Party 90 days notice of such termination or the Company paying 90 days basic salary in lieu of notice. There is no separate provision for payment of severance fees.

* Further renewed for 2 years w.e.f. May 3, 2021

Succession Plan

The Company has succession plans for the senior management. The Nomination and Remuneration Committee works on leadership succession plan

Retirement Policy for Directors

The Directors retirement policy is in compliance with the prevailing rules and regulations.

5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee ('SRC') looks into various aspects of interest of shareholders. The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances.

The Policy of the Company including the terms of reference is disclosed on the Company's website <http://www.bfilpune.com>

Meetings Held

During FY 2020-21, five (5) Meetings of the SRC were held on the following dates:

- August 3, 2020
- September 14, 2020
- November 30, 2020
- December 7, 2020
- December 28, 2020

The necessary quorum was present for all the Meetings of the Committee.

Composition and Attendance

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. M. U. Takale (Chairperson)	ID	5	5
Mr. B. B. Hattarki	ID	5	5
Ms. A. A. Sathe	ID	5	0

ID - Independent Director

Status of Investor Complaints

The status of investor complaints as on March 31, 2021 as reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Complaints as on April 1, 2020	0
Received during the year	0
Resolved during the year	0
Pending as on March 31, 2021	0

The correspondence identified as investor complaints are letters received through statutory/regulatory bodies.

Name, designation and address of the Compliance Officer

Mr. S. R. Kshirsagar

Company Secretary
BF Investment Limited
Mundhwa,
Pune - 411 036
Tel. No.: +91 20 2672 5257
Email: Secretarial@bfilpune.com

The Chairperson of the SRC briefs the Board at each Board Meeting about the significant discussions at the SRC Meetings.

Mr. M. U. Takale, Chairperson of the SRC, was present at the e-AGM of the Company held on September 30, 2020.

6. Corporate Social Responsibility Committee

The Corporate Social Responsibility ('CSR') Committee of the Board is constituted in accordance with the provisions of Section 135 of the Act. The CSR Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programmes. The scope of the CSR Committee also includes approving the budget of CSR activities, reviewing the CSR programmes, formulation of annual action plan and monitoring the CSR spends

The Policy of the Company including the terms of reference is disclosed on the Company's website <http://www.bfilpune.com>

A CSR Report giving details of the CSR activities undertaken by the Company during the year under review, along with the amount spent forms part of the Board's Report.

Meetings Held

During FY 2020-21, one (1) Meeting of the CSR Committee was held on February 11, 2021.

The necessary quorum was present for all the Meetings of the Committee.

Composition and Attendance

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. B. B. Hattarki (Chairperson)	ID	1	1
Mr. A. B. Kalyani	NED	1	0
Ms. M. U. Takale	ID	1	1

ID - Independent Director; NED - Non-Executive Director

The Chairman of the CSR Committee briefs the Board at each Board Meeting about the significant discussions at the CSR Meetings.

Mr. B. B. Hattarki, Chairman of the CSR Committee, was present at the last e-AGM held on September 30, 2020.

7. Risk Management Committee

Regulation 21 of the SEBI Listing Regulations mandate top 500 listed entities, determined on the basis of market capitalisation as at the end of the immediate previous financial year, to constitute a Risk Management Committee ('RMC') with effect from April 1, 2019. However, the Company had voluntarily constituted a RMC in October 29, 2015. The primary role of the RMC is that of assisting the Board of Directors in overseeing the Company's risk management processes and controls.

The Policy of the Company including the terms of reference is disclosed on the Company's website <http://www.bfilpune.com>

Meetings Held

During FY 2020-21, one (1) Meeting was held on February 11, 2021

The necessary quorum was present for all the Meetings of the Committee.

Composition and Attendance

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. B. B. Hattarki (Chairperson)	ID	1	1
Mr. A. B. Kalyani	NED	1	0
Ms. M. U. Takale	ID	1	1

ID - Independent Director; NED - Non-Executive Director

The Chairman of the RMC briefs the Board at each Board Meeting about the significant discussions at the RMC Meetings.

8. General Body Meetings

Annual General Meetings held and Special Resolution(s) passed:

Day, date, time and venue of AGMs held during the last 3 years and Special Resolutions passed are given as below:

Year	Day, Date and Time	Venue	Special Resolution(s)
2019-20	Wednesday, September 30, 2020 at 11:30 a.m	VC/OAVM Deemed Venue: Mundhwa, Pune Cantonment, Pune - 411 036	1. Appointment of Ms. Aarti A. Sathe (DIN: 06925030) as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from September 19, 2020 up to September 18, 2025. 2. Payment of commission to Non Executive Director
2018-19	Wednesday, September 25, 2019 at 11:00 a.m.	Kalyani Steels Ltd, Mundhwa, Pune - 411 036	1. Re-Appointment of Mr. Madan U. Takale (DIN 01291287) as an Independent Director 2. Payment of commission to Non Executive Director
2017-18	Saturday, September 1, 2018 at 11:00 a.m.	Kalyani Steels Ltd, Mundhwa, Pune - 411 036	Re-Appointment of Mr.B.B. Hattarki (DIN 00145710) as an Independent Director

All resolutions moved at the last AGM were passed by the requisite majority of Members

No Extraordinary General Meeting of the Members was held during the year. During the year under review, no resolution was put through by Postal Ballot. Further, no resolution is being proposed to be passed through Postal Ballot.

9. Means of Communication

Stock Exchange Intimations

All submissions to the Stock Exchanges are made through the respective electronic filing systems. All unpublished price sensitive information, material events or information as detailed in Regulation 30 of the SEBI Listing Regulations are disseminated to the Stock Exchanges by filing them with the National Stock Exchange of India Limited ('NSE') through NEAPS and with BSE Limited ('BSE') through BSE Online Portal.

They are also displayed on the Company's website at <http://www.bfilpune.com>

Financial Results

The quarterly/half-yearly/annual financial results are published in the Financial Express (English) and Loksatta (Marathi). They are displayed under 'Investors' section of the Company's website viz. <http://www.bfilpune.com> They are also filed with the NSE through NEAPS and with BSE through BSE Online Portal.

Company's Website

The Company's website is in line with the requirements laid down under Regulation 46 of the SEBI Listing Regulations. The section on 'Investors' serves to inform the Members by giving complete financial details, annual reports, shareholding patterns, stock exchange intimations, Company policies, etc.

The proceedings of the 11th AGM held on September 30, 2020 are also available under the 'Investors' section

Transfer of unpaid dividend to Investor Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Companies Act, 2013 and rules thereof, any money transferred to the Unpaid Dividend Account of a company, which remains unpaid or unclaimed for a period of seven years, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

Since the Company has not declared any dividend in past, this clause is not applicable.

Transfer of equity shares to the Investor Education and Protection Fund (IEPF)

Pursuant to provisions of Section 124(6) of the Companies Act, 2013 and rules thereof as amended from time to time, all shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred by the company in the name of Investor Education and Protection Fund (IEPF) alongwith a statement containing such details as may be prescribed.

Since the Company has not declared any dividend in past, this clause is not applicable.

Procedure for dealing with unclaimed shares

Pursuant to Regulation 39(4) of the Listing Regulations, the Company had in past sent reminder letters to those shareholders, whose share certificates have returned undelivered by the postal authorities due to insufficient / incorrect information and are lying with the Company. These share certificates will be sent to eligible shareholders, if these shareholders submit necessary documents to the Company.

Nominations in respect of shares held in physical form / electronic form

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be vested in the event of death of the registered shareholder(s). The prescribed nomination form can be obtained from the Company or the Registrar and Share Transfer Agent.

Nomination facility for shares held in electronic form is available with the depository participant as per the bye laws and business rules applicable to NSDL and CDSL.

Register Your National Electronic Clearing Services (NECS) Mandate

The Reserve Bank of India (RBI) has initiated NECS for credit of Dividend directly to the Bank Account of shareholders. Shareholders holding shares in electronic mode are requested to register their latest Bank Account details with their Depository Participant and in physical form with the Company's R & T Agent viz. Link Intime India Private Limited.

KYC details :

According to the Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73, members holding shares in physical form, requested to furnish Self attested PAN card and bank details.

10. General Shareholder Information

The Company is registered with the Registrar of Companies, Maharashtra, Pune. The Corporate Identity Number (CIN) allotted to the Company by the MCA is **L65993PN2009PLC134021**

Annual General Meeting and other details

Day, Date and Time	Thursday, September 30, 2021 at 10.00 a.m. (IST)
Venue	In accordance with the General Circular issued by the MCA on May 5, 2020 read with General Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021, the AGM will be held through VC/OAVM only
Financial Year	April 1 to March 31
Book Closure Date	Thursday, September 30, 2021 as annual closure for the purpose of AGM
Last date for receipt of Proxy Forms	In terms of the relaxations granted by MCA and SEBI, the facility for appointment of Proxies by Members will not be available at the ensuing e-AGM
Listing on Stock Exchanges	The Company's Ordinary Shares are listed on the following Stock Exchanges: BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 The Company has paid the listing fees to these Stock Exchanges for FY 2020-21 and FY 2021-22
Stock Code	BSE Limited : 533303 The National Stock Exchange of India Limited : BFINVEST
International Securities Identification Number (ISIN) in NSDL and CDSL	INE878K01010 (Ordinary Shares)

Market Price Data

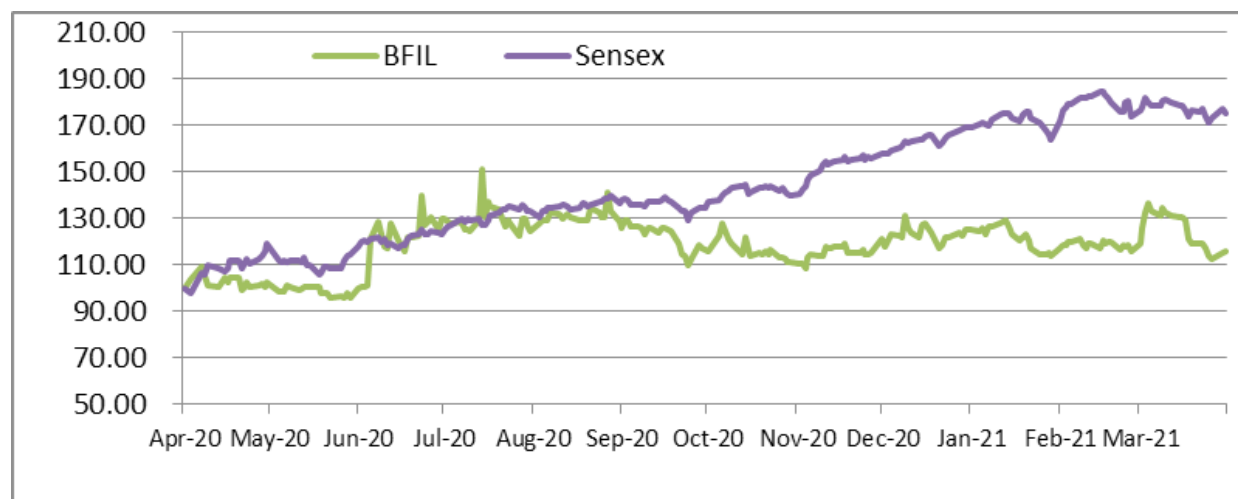
Market price data - monthly high/low, number of shares traded and number of trades of BSE/NSE depicting liquidity of the Company's Ordinary Shares on the said exchanges is given hereunder:

Stock Exchange	BSE			NSE		
	High Rs.	Low Rs.	Traded Volume	High Rs.	Low Rs.	Traded Volume
Apr-20	268.50	228.75	9644	268.80	226.15	177668
May-20	245.10	224.30	16331	247.00	224.00	101956
Jun-20	348.90	232.15	243686	348.45	230.50	821302
Jul-20	368.40	290.30	474501	368.50	290.65	3067625
Aug-20	348.50	299.80	400089	348.85	298.00	1662160
Sep-20	316.45	258.50	240360	317.00	258.30	465080
Oct-20	318.15	262.40	89013	319.00	259.20	464622
Nov-20	292.70	255.05	95322	294.00	252.95	508240
Dec-20	324.35	269.80	204272	327.80	272.10	1875334
Jan-21	330.95	269.00	130995	331.10	268.15	1143786
Feb-21	293.05	270.50	79709	293.90	270.60	422694
Mar-21	329.50	266.00	86926	330.00	265.10	774531

[Source: This information is compiled from the data available on the websites of BSE and NSE]

Performance of the Company's average monthly share price data in comparison to broad-based indices like BSE Sensex in FY 2020-21

BFIL Price in Rs.



Note : Share price of BF Investment Limited and BSE Sensex have been indexed to 100 as on first working day of financial year 2020-21 i.e. 1st April, 2020.

Registrar and Transfer Agent

Members are requested to correspond with the Company's Registrar and Transfer Agent - Link Intime India Private Limited, quoting their folio no./DP ID and Client ID at the following addresses:

For transmission, transposition and other correspondence:

Link Intime India Private Limited

Registrar & Transfer Agent

Block No.202, 2nd Floor, Akshay Complex,
Off Dhole Patil Road,
Pune 411 001.

Phone No.: 020-26161629

Email : pune@linkintime.co.in

Website: <https://www.linkintime.co.in>

Business Hours: 10.00 a.m. to 3.30 p.m. (Monday to Friday)

Share Transfer Process

Effective April 1, 2019, requests for effecting the transfer of listed securities were required to be processed only in dematerialised form with a Depository.

The Company had stopped accepting any fresh transfer requests for securities held in physical form with effect from the said date. In order to address the issue of transfer requests filed prior to April 1, 2019 but rejected due to deficiency in documents, etc., the Company accepted transfer requests up to March 31, 2021 in accordance with SEBI Circular dated September 7, 2020. After March 31, 2021, the Company has stopped accepting any transfer requests.

Dematerialisation of holdings will, *inter alia*, curb fraud in physical transfer of securities by unscrupulous entities and improve ease, convenience and safety of transactions for investors. In view of the aforesaid, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.

Secretarial Audit

M/s. SVD & Associates, Practising Company Secretaries (Firm Registration No. P2013MH075200), has conducted a Secretarial Audit of the Company for FY 2020-21.

The observations of Secretarial Auditors are given in the Directors' Report alongwith Board's explanations to the same.

In accordance with the SEBI Circular dated February 8, 2019 read with Regulation 24A of the SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from M/s. SVD & Associates, Practising Company Secretaries.

Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued, on a half-yearly basis, by M/s. SVD & Associates, Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

Subhash Y. Joshi & Co., Chartered Accountant in practice has carried out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with NSDL & CDSL and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

Certificate from Practising Company Secretary

M/s. SAW & Associates, Practising Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/MCA or any such statutory authority. The said Certificate is annexed to the Director's Report.

Distribution of Shareholding as on March 31, 2021

Range	Number of Shares	Amount	% to Capital	Number of Shareholders	% to total Shareholders
Up to 5,000	3296970	10665920.00	8.76	20540	96.8192
5,001 to 10,000	400028	2392005.00	1.06	56	1.5928
10,001 to 20,000	317929	2397570.00	0.84	23	0.8182
20,001 to 30,000	134240	1467585.00	0.36	5	0.2905
30,001 to 40,000	70500	816845.00	0.19	2	0.1162
40,001 to 50,000	84715	745065.00	0.22	2	0.0775
50,001 to 100,000	627475	1589645.00	1.66	9	0.1114
100,001 and above	32735771	168263505.00	86.91	18	0.1743
	37,667,628	188338140.00	100.00	20655	100.00

Category of Shareholding as on March 31, 2021

	Category	No. of Shares	% of Shareholding
1.	Promoter and Promoter Group	27,640,976	73.38
2.	Mutual Funds / UTI	1,709	0.00
3.	Financial Institutions / Banks	3,521	0.01
4.	Bodies Corporate	3,848,740	10.22
5.	Foreign Portfolio Investors	417,387	1.11
6.	Clearing Members	10,410	0.03
7.	Non Resident Indians	99,226	0.26
8.	General Public	5567996	14.99
	Total	37,667,628	100.00

Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories viz. NSDL and CDSL.

Shares held in	As on March 31, 2021	As on March 31, 2020
Physical form	1.67	5.86
Electronic form with NSDL	94.62	90.51
Electronic form with CDSL	3.71	3.63

The Company's Ordinary Shares are regularly traded on BSE and NSE

Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs or ADRs or warrants or any convertible instruments during the year under review.

Commodity price risk or foreign exchange risk and hedging activities**Commodity Price Risk**

The Company's operations do not involve commodity price risk.

Foreign exchange risk and hedging activities

The Company's operations do not involve Foreign exchange and hedging risk.

Address for Correspondence

BF Investment Ltd
Mundhwa, Pune Cantonment,
Pune - 411 036,
Tel. No.: +91 20 2672 5257
Email: Secretarial@bfilpune.com
Website: www.bfilpune.com

Credit Ratings obtained by the Company - Nil**11. Other Disclosures****Related Party Transactions**

All related party transactions that were entered into during FY 2020-21 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. There were no material significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at <http://www.bfilpune.com>

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets. During the last three years, no penalties or strictures have been imposed on the Company by these authorities except as disclosed elsewhere in the Annual Report. None of the Company's listed securities is suspended from trading.

Whistleblower Policy and Vigil Mechanism

The Company has adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism. No personnel of the Company has been denied access to the Chairperson of the Audit Committee.

The Whistleblower Policy and Vigil Mechanism ensures that strict confidentiality is maintained in such cases and no unfair treatment is meted out to a Whistleblower.

The Whistleblower Policy as adopted by the Company is available on the Company's website at www.bfilpune.com

Code of Conduct for Prevention of Insider Trading

The Company has adopted the Model Code of Conduct for Prevention of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Code'). The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company

Mr. S. R. Kshirsagar, Company Secretary, is the Compliance Officer for ensuring the compliance with and for the effective implementation of the SEBI PIT Regulations and the Code across the Company.

The Company has in place a digital platform for ensuring compliance with the provisions of the SEBI PIT Regulations and the Code of Conduct for Prevention of Insider Trading.

Other Policies under the SEBI Listing Regulations

Policy on Retention and Archival of Documents as required under Regulation 9 of the SEBI Listing Regulations is available on the website of the Company at <http://www.bfilpune.com>

Policy on Determination of Materiality of Events/ Information for Disclosures of Events or Information as per Regulation 30 of the SEBI Listing Regulations is available on the website of the Company at <http://www.bfilpune.com>

Accounting Treatment in preparation of Financial Statements

The Company has prepared the Financial Statements in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.

CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the SEBI Listing Regulations pertaining to CEO/CFO certification for the year ended March 31, 2021.

Details of utilisation of funds raised through preferential allotment or qualified institutional placement

The Company has not raised any funds through preferential allotment or qualified institutional placement during the year under review.

Acceptance of recommendations of Committees by the Board of Directors

In terms of the SEBI Listing Regulations, there have been no instances during the year under review, when the recommendations of any of the Committees were not accepted by the Board.

Fees paid to P. G. Bhagwat LLP, Statutory Auditors and all entities in the network firm of the Statutory Auditors

During FY 2020-21, a total fee of Rs.8.15 Lacs was paid by the Company, for all services to P. G. Bhagwat LLP, Statutory Auditors and all entities in the network firm/entity of which they are a part.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. During

the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Green Initiative

In order to enable us to further extend our support towards paperless compliance as a part of Green Initiative in the Corporate Governance, which was introduced by the Ministry of Corporate Affairs (MCA) in the year 2011, the shareholders who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

In respect of shares held in physical form, shareholders are requested to register their e-mail addresses with the Company / R & T Agent (with Depository Participants in case of shares held in dematerialized form).

Mandatory Requirements

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance, except otherwise disclosed elsewhere in the Annual Report.

Shareholder Rights:

The quarterly/half-yearly/financial performance of the Company are also available on the Company's website at: <http://www.bfilpune.com>

Modified opinion(s) in Audit Report:

During the year under review, there was no audit qualification in the Company's Financial Statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion. The observations given in the Secretarial Audit Report are duly explained in the Director's Report.

Reporting of Internal Auditor:

The Internal Auditor reports to the Audit Committee

For BF Investment Limited

Place : Pune
Date : 11th August, 2021

B.B. Hattarki
Director
DIN:00145710

M.U. Takale
Director
DIN:01291287

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of BF Investment Limited

I, J. G. Patwardhan, CEO & CFO of BF Investment Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI Listing Regulations for the year ended March 31, 2021.

For BF Investment Limited

Place : Pune
Date : 11th August, 2021

J.G. Patwardhan
C.E.O. & C.F.O.

Independent Auditor's Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members
BF Investment Limited

This certificate contains details of compliance of conditions of corporate governance by BF Investment Limited ('the Company') for the year ended 31st March 2021 as stipulated in Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time.

Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

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 opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of corporate governance as stipulated in Listing Regulations for the year ended 31st March 2021.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion, and to the best of our information and according to 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.

We 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.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For P.G.Bhagwat LLP
Chartered Accountants,
FRN : 101118W / W100682

Sanjay Athavale
Partner
Membership No. 83374
UDIN : 21083374AAAADU8152

Place : Pune
Date : 11/08/2021

TO THE BOARD OF DIRECTORS OF BF INVESTMENT LIMITED

CERTIFICATION BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY OF THE COMPANY

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

We the undersigned, in our respective capacities as, Chief Executive Officer and Chief Financial Officer and Company Secretary, of BF Investment Limited, ("the Company") to the best of our knowledge and belief certify that :

- a) we have reviewed the standalone financial statements and the cash flow statements of BF Investment Ltd. for the year 2020-21 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by BF Investment Ltd. during the year 2020-21 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting of BF Investment Ltd. and that we have evaluated the effectiveness of the internal control systems of BF Investment Ltd. pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee, with respect to BF Investment Ltd.:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
 - iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Pune
Date : 11th August, 2021

J. G. Patwardhan
C.E.O. & C.F.O.

S. R. Kshirsagar
Company Secretary

DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2021

To,
The Members,

Your Directors have pleasure in presenting their 12th Annual Report on the business and operations of the Company together with Audited Statement of Accounts for the year ended March 31, 2021.

1. FINANCIAL PERFORMANCE :

(Rs. in Mlns)

Particulars	Year ended March 31, 2021 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2021 (Consolidated)	Year ended March 31, 2020 (Consolidated)
Total Income	322.27	718.60	169.09	221.34
Total Expenditure	65.30	67.47	65.30	67.47
Exceptional items	-	35.81	-	35.81
Profit before taxation	256.97	615.32	3570.53*	2297.52*
Tax Expenses	73.43	30.21	900.21	854.28
Profit after Tax	183.54	584.34	2644.39	1442.47
Balance of Profit/(Loss) from previous year	3784.82	3317.50	11404.54	10079.09
Balance available for appropriation	3968.36	3901.84	14048.93	11521.56
Appropriations :				
Transfer to Reserve Fund in terms of Section 45-IC of the Reserve Bank of India Act, 1934	(36.71)	(117.02)	(36.71)	(117.02)
Balance carried to Balance Sheet	3931.65	3784.82	14012.22	11404.54

*includes share in profits of associates and joint ventures

2. KEY FINANCIAL RATIOS

Details of changes in key financial ratios including significant changes i.e. change of 25% or more as compared to the immediately previous financial year along with detailed explanations:

Particulars	FY 2020-21	FY 2019-20	Explanation for significant change
Debtor Turnover	N.A.	N.A.	NA
Inventory Turnover	N.A.	N.A.	NA
Interest Coverage Ratio	NIL	NIL	NA
Current Ratio	180.14%	59.16	NA
Debt Equity Ratio	NIL	NIL	NA
Operating Profit Margin (%)	83.23%	91.77%	NA
Net profit Margin (%)	57.85%	81.45%	NA

Details of any change in Return on Net Worth as compared to the immediately previous financial year:

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Return on Net Worth (%)	3.43%	11.33%	17.31%	11.29%

Return on net worth is computed as net profit by average net worth. The details for change, if any, in return on net worth are explained in relevant sections above.

3. SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2021 stood at Rs.188.34 Millions. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2021, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

4. DIVIDEND :

Your Directors do not recommend any dividend on the equity shares for the year ended March 31, 2021.

5. MANAGEMENT DISCUSSION AND ANALYSIS

The main object of the Company is to make strategic investments in the Kalyani Group Companies. 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 Sec. 45-IA of the Reserve Bank of India Act, 1934.

6. COVID-19:

FY 2020-21 was an unprecedented year with Covid-19 pandemic impacting the global economy, amidst biggest global health crisis ever faced by the world. The uncertainty around the resurgence of second wave across India towards the end of March 2021 is being closely monitored and all necessary actions are underway.

In order to respond to the pandemic effectively, the Company navigated through these difficult times by adopting a multi-pronged strategy. The Company practised extreme care and caution towards the health and well-being of its employees. The Company regularly adhered to various guidelines and advisories issued by the authorities from time to time including maintaining social distancing in offices, practices such as sanitation, temperature checks, masks, digital interface, etc. were adopted.

7. COMPANY PERFORMANCE

During the Financial Year under review, on a standalone basis, your Company earned total income of Rs.322.27 Mln. (previous years Rs.718.60 Mln.). The net profit after tax is Rs.183.54 Mlns. (previous years Rs.585.11 Mlns.).

During the Financial Year under review, on a consolidated basis, your Company earned total income of Rs.169.09 Mln. (previous years Rs.221.34 Mln.). The net profit after tax is Rs. 2644.39* Mlns. (previous years Rs. 1442.47* Mlns.).

*including share in profits of associates and joint ventures.

8. BUSINESS OVERVIEW AND OPERATIONS OF THE COMPANY

The main operations of the Company are that of investments and majority of the investments of the Company are in the nature of strategic investments in Kalyani Group Companies. The investment pattern of the Company also complies with the requirement for the Company continuing to qualify as a Non Deposit taking Core Investment Company. The main source of income for the Company is in the form of dividends as declared by these companies. The business prospects of the Company depend upon the business prospects of the underlying companies in which your Company holds investments.

9. FINANCE AND CREDIT RATING

During the year under review, the liquidity and cash positions were monitored with reinforced focus. Earnings from the cash surplus investments, comprising bank fixed deposits during the year saw a reduction due to the drop in the market interest rates. Nevertheless, utmost importance was given to ensure the safety and liquidity of surplus cash.

Your Company has not done any Credit Rating.

10. HUMAN RESOURCES

As on March 31, 2021, the Company had 2 Key Managerial Personnel on deputation, including the CEO / CFO & Company Secretary.

11. CONCERNS AND THREATS

- Fluctuations in the securities market and global economic scenario, may pose a risk of devaluation of the investments made by the Company.
- Main source of income for the Company is dividend from the Kalyani Group Companies.
- The risks and concerns associated with the businesses / operations of these investee companies, which may impact the performance of these companies, could result in variation in dividends declared by these companies.
- Non recovery of principal of the amounts lent and interest thereon.

12. PROSPECTS FOR THE CURRENT YEAR

The current economic slowdown and COVID-19 pandemic in India and globally has posed new challenges to the Company. The Company has seen a substantial drop in the revenue during the FY 2020-21. The Company is confident of business recovery in line with overall economic recovery in India.

13. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report initiatives taken from an environmental, social and governance perspective in the prescribed format forms part of this Integrated Annual Report.

14. 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 various laws and regulations.

The internal control system is supported by the internal audit process. The internal audit is conducted by an Independent Chartered Accountant. The Audit Committee of the Board reviews the Internal Audit process and the adequacy and effectiveness of internal audit and controls periodically.

15. SAFETY, HEALTH AND ENVIRONMENT

The Company ensures safety of all its employees working at different places.

16. CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

17. SUBSIDIARY COMPANIES, JOINT VENTURES & ASSOCIATES

The Company does not have any subsidiary company as on March 31, 2021. The information of joint ventures and associates is given in the annual accounts for the year ended March 31, 2021 enclosed and forming part of the Annual Report. As on March 31, 2021, the Company had 6 Associates and 2 joint ventures. There has been no material change in the nature of the business of the Joint Ventures and Associates.

The Company's Policy on determining material subsidiaries, as approved by the Board, is uploaded on the Company's website at <http://www.bfilpune.com>

A report on the financial position of each of the Associates and joint ventures as per the Act is provided in Form No. AOC-1 attached to the Financial Statements

18. PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The details are given in 'Annexure III'

19. NUMBER OF MEETINGS OF THE BOARD

During the year under review, seven Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations 2015 hereinafter called "Regulations, 2015".

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, in respect of Directors' Responsibility Statement, your Directors state that:

- a) in the preparation of the Annual Financial Statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b) accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently. Further judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care has been taken 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;

- d) the Annual Financial Statements have been prepared on a going concern basis;
- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

21. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with Rule (6) of The Companies (Appointment and Qualifications) rules, 2014 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also confirmed that they have complied with the Code of Independent Directors prescribed in Schedule IV of The Companies Act, 2013.

The Company has laid down a Code for the Board of Directors and Senior Management of the Company. The said Code is available on the website of the Company viz. www.bfilpune.com

All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct.

22. COMPANY'S POLICY ON DIRECTORS' AND KMP'S APPOINTMENT AND REMUNERATION

Director's appointment and remuneration is done as per the policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration.

23. ACCOUNTS AND AUDIT

a. Statutory Auditors

P. G. Bhagwat LLP, Chartered Accountants, Pune (FRN. 101118W/ W100682), are the auditors of the Company and will continue the audit for Financial year 2021-22.

b. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SVD & Associates, Company Secretaries, Pune, to undertake the Secretarial Audit of the Company for the year 2020-21. The Report of the Secretarial Audit is annexed herewith as '**Annexure IV**' to this Report.

c. Consolidated Accounts

The Consolidated Accounts for the year ended 31st March, 2021 are enclosed. Further, a statement containing the salient features of the financial statements of associate companies and joint ventures in the prescribed Form AOC-1 is appended as '**Annexure V**' which forms part of this Report.

The Company will make the said financial statements and related detailed information available upon the request by any Member of the Company. These financial statements will also be kept open for inspection by any Member at the Registered Office of the Company. Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents are available on the website of the Company at <http://www.bfilpune.com>.

24. EXPLANATION ON COMMENTS ON STATUTORY AUDITORS' AND SECRETARIAL AUDITORS' REPORTS

There are no qualifications, reservations or adverse remarks or disclaimers made by P. G. Bhagwat LLP, Statutory Auditors, in their Audit Report. M/s. SVD & Associates, Practicing Company Secretary, in their Secretarial Audit Report have made certain qualifications. The auditors qualifications and Boards explanation thereto are summarized as under:

Auditors Qualifications	Boards' explanation
Secretarial Audit -	
<i>A. SEBI Circular No. CIR/CFD/CMD-1/142/2018 dated 20.11.2018 requires that, if any listed entity does not submit its financial results in accordance with the timelines specified in Regulation 33 of LODR, the listed entity shall disclose detailed reasons for such delay to the stock exchanges within one working day of the due date of submission for the results. However the Company has not submitted the reasons for delay in submission of</i>	Due to lock down announced by Government authorities to prevent spread of Covid-19, the Company's offices were closed. This has resulted in delay in preparation of financial results for the year ended 31/03/2020 and submission of reasons for such delay to stock exchanges. Non submission was unintentional.

Auditors Qualifications	Boards' explanation
Secretarial Audit -	
<i>consolidated financial results for the quarter and year ended March 31, 2020.</i>	
<i>II. As required under respective regulations of LODR:</i>	
<i>a) The Audited Consolidated Financial statements for the quarter and year ended on March 31, 2020 were submitted to the Stock Exchange(s) beyond the time period prescribed under Regulation 33 of LODR.</i>	Due to lock down announced by Government authorities to prevent spread of Covid-19, the Company's offices were closed during March 2020 to June 2020. This has resulted in delay in preparation of financial results for the year ended 31/03/2020
<i>b) The report of corporate governance for the quarter ended March 31, 2020 was submitted to the Stock Exchange(s) beyond the time period prescribed under Sub regulation (2) of Regulation 27 of LODR.</i>	The delay was due to reasons beyond the control of the Company.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

During the year, the Company has not made any fresh investments. The closing balances of investments which would be covered under Section 186 of the Companies Act, 2013, are disclosed in the Schedule of Non-Current Investments in the Financial Statements. The details of loans and guarantees, if any, are given in the financial statements of 2020-21.

26. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

The Company has formulated a Policy on Related Party Transactions which is available on the Company's website at <http://www.bfilpune.com>. All related party transactions entered into during FY 2020-21 were on arm's length basis and in the ordinary course of business. No material related party transactions were entered into during the year under review by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 ('the Act') in Form No. AOC-2 is not applicable to the Company for FY 2020-21 and hence the same is not provided.

All transactions with related parties were reviewed and approved by the Audit Committee. Omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. A statement giving details of all related party transactions entered pursuant to omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review. The related party transactions entered into pursuant to the omnibus approval so granted are also reviewed by the internal audit team on a half-yearly basis.

The details of the transactions with related parties are provided in the accompanying Financial Statements.

27. STATE OF COMPANY'S AFFAIRS

Discussion on state of Company's affairs has been covered in the Management Discussion and Analysis.

28. AMOUNTS PROPOSED TO BE CARRIED TO RESERVES

Particulars of the amounts proposed to be carried to reserves have been covered as part of the financial performance of the Company.

29. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report, except as disclosed elsewhere in this report.

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy and Technology Absorption

The Company has no particulars to report regarding conservation of energy, technology absorption as required under Section 134 (3) (m) of the Companies Act, 2013, read with Rules thereunder.

B. Foreign exchange earnings and outgo

Sr. No.	Particulars	Amount in ₹
i	Foreign Exchange earned in terms of actual inflows during the year	Nil
ii	Foreign Exchange outgo during the year in terms of actual outflows	Nil

31. RISK MANAGEMENT POLICY

Risk Management at BF Investment Ltd. forms an integral part of Management focus.

The Risk Management Committee oversees the risk management process in the Company. The RMC is chaired by an Independent Director and the Chairperson of the Audit Committee is also a member of the RMC.

Some of the risks identified are set out in the Management Discussion and Analysis and this report which forms part of this Integrated Annual Report.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility ('CSR') activities of the Company are governed through the Corporate Social Responsibility Policy ('CSR Policy') approved by the Board. The CSR Policy guides in designing CSR activities for improving quality of life of society and conserving the environment and biodiversity in a sustainable manner. The CSR Committee of the Board oversees the implementation of CSR Projects in line with the Company's CSR Policy. The CSR Policy is available on Company's website www.bfilpune.com

The Annual Report on CSR activities for FY 2020-21 is enclosed as 'Annexure I' to this Report.

33. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The information is given at the relevant places in the Financial Statements.

34. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business during the Financial Year under review.

35. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Directors appointed during the year

Name of Director	Designation	Term of appointment
Ms. A. A. Sathe	Independent Director	Appointed in Annual General Meeting held on September 30, 2020, w.e.f. September 19, 2020.

Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. They are not liable to retire by rotation in terms of Section 149(13) of the Act.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of technology, strategy, finance, engineering and Law, etc. and that they hold highest standards of integrity

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. They are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

Details of Familiarisation Programme for the Independent Directors are provided separately in the Corporate Governance Report which forms a part of this Integrated Annual Report.

Key Managerial Personnel ('KMP')

In terms of the provisions of Section 2(51) and Section 203 of the Act, the following are the KMP of the Company:

- Mr. J. G. Patwardhan CEO & CFO
- Mr. S. R. Kshirsagar (Company Secretary)

Employees designated as Key Managerial Personnel (KMP) during the year

NIL

Directors and KMP's resigned during the year

None of the Directors and KMPs resigned during the year ended March 31, 2021.

Procedure for Nomination and Appointment of Directors.

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing the profiles of potential candidates vis-a-vis the required competencies and meeting the potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position including expert knowledge expected is communicated to the appointee.

The list of core skills, expertise and competencies of the Board of Directors as are required in the context of the businesses and sectors applicable to the Company are identified by the Board and are available with the Board. The Company has also mapped each of the skills, expertise and competencies against the names of the Board Members possessing the same. The same is disclosed in the Corporate Governance Report forming part of this Integrated Annual Report.

Criteria for determining Qualifications, Positive Attributes and Independence of a Director

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and the SEBI Listing Regulations. The relevant information has been given in 'Annexure II' which forms part of this Report. The Policy on Nomination & Remuneration Policy is available on the website of the Company www.bfilpune.com

Board Evaluation

The Board has carried out the annual evaluation of its own performance and that of its Committees and individual Directors for the year pursuant to the provisions of the Act and the SEBI Listing Regulations.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long-term strategic planning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation are broadly based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as structure and composition of Committees, effectiveness of Committee Meetings, etc.

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of the NRC had one-on-one meetings with each Executive and Non-Executive, Non-Independent Directors.

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole including the Chairman of the Board. The NRC reviewed the performance of the Board, its Committees and of the Individual Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and the NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed.

The Company follows a practice of addressing each of the observations and suggestions by drawing up an action plan and monitoring its implementation through the Action Taken Report which is reviewed by the Board of Directors from time to time.

Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting

- 1) Mr. B. S. Mitkari (DIN : 03632549) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The brief resumes and other details relating to Directors who are proposed to be re-appointed, as required to be disclosed under 'Regulations 2015', form part of the Notes and Statement setting out material facts annexed to the Notice of the Annual General Meeting.

36. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

NIL.

37. DETAILS OF DEPOSITS WHICH ARE NOT IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER V OF THE COMPANIES ACT, 2013

None. The Company has not accepted Public Deposits under Chapter V of the Companies Act, 2013.

38. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

The Company has neither received nor is aware of any such order from Regulators, Courts or Tribunals during the year.

39. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has suitable internal control system comprising of proper checks and balances, policies and procedures. This includes code of conduct, whistle blower policy, MIS and internal audit mechanism.

The Audit Committee along with Management review the internal audit and internal controls on a regular basis. The internal audit is conducted by an Independent Chartered Accountant.

The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the internal audit team and statutory auditors to ascertain, their views on the internal financial control systems. The Audit Committee satisfied itself as to the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed. However, the Company recognises that no matter how the internal control framework is, it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals.

40. COMPOSITION OF AUDIT COMMITTEE

The composition of the Audit Committee has been mentioned in the Corporate Governance Report annexed to this Report.

41. COMPOSITION OF CSR COMMITTEE

The CSR Committee comprised 3 Members out of which 2 are independent Directors. During the year under review, 1 meeting of the CSR Committee was held, details of which are provided in the Corporate Governance Report. The Company has revised the CSR Policy and the Charter pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021. The revised CSR Policy is available on the website of the Company at <http://www.bfilpune.com>. During the year under review, there were no instances when the recommendations of the CSR Committee were not accepted by the Board.

42. WHISTLEBLOWER POLICY AND VIGIL MECHANISM

The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism. This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The aforesaid policy has also been uploaded on the Company's website <http://www.bfilpune.com>

43. CASH FLOW

A Cash Flow Statement for the year ended March 31, 2021 is attached to the Balance Sheet.

44. CORPORATE GOVERNANCE

A report on the Corporate Governance, along with the certificate of compliance from the Auditors, forms part of the Annual Report.

45. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No cases were pending at the beginning of the year and no complaint was pending at the end of the financial year.

46. REPORTING OF FRAUD

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

47. AUDITORS

1. Statutory Auditors

At the Ninth Annual General Meeting held on 1st September, 2018 P. G. Bhagwat LLP, Chartered Accountants (Firm Registration No.101118W/W100682), were appointed as Statutory Auditors of the Company to hold office till the conclusion of 14th Annual General Meeting.

2. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SVD & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year 2020-21. The Secretarial Audit Report is annexed herewith as 'Annexure IV'.

M/s. SVD & Associates, Practicing Company Secretaries has also submitted Secretarial Compliance Report as laid down in SEBI Circular CIR/CFD/CMD1/27/2019 dated 8th February 2019 and has also confirmed that the Company has complied with of all applicable SEBI Regulations and circulars / guidelines issued thereunder, for the Financial Year 2020-21, subject to the observations given therein.

3. SECRETARIAL STANDARDS

During the year under review, the Company has complied with Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, to the extent applicable.

4. CERTIFICATE FROM PRACTICING COMPANY SECRETARY:

The Company has received a certificate from Mr. Sunny Warghade, Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified by MCA or SEBI or any such statutory authority from being appointed / continuing as Director and the same is appended as 'Annexure VI' to the Directors' Report.

48. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website at <http://www.bfilpune.com>.

49. ACKNOWLEDGMENTS

Your Directors wish to place on record, their appreciation for the contribution made and support provided to the Company by the shareholders, employees and bankers, during the year under the report.

For and on behalf of the Board of Directors

Place : Pune
Date : 11th August, 2021

B.B. Hattarki
Director
DIN:00145710

M.U. Takale
Director
DIN:01291287

'ANNEXURE I' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules made thereunder]

1. Brief outline on CSR Policy of the Company:

BF Investment Limited ('the Company') is committed to upholding the highest standards of Corporate Social Responsibility ('CSR'). The Company has identified training and education and hygiene as thrust areas for CSR activities.

The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website at <http://www.bfilpune.com>.

2. Composition of CSR Committee as on March 31, 2021:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. B. B. Hattarki (Chairman)	Independent Director	1	1
2	Mr. A. B. Kalyani	Non-Executive Non-Independent Director	1	0
3	Mr. M. U. Takale	Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<http://www.bfilpune.com>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

The CSR project undertaken is with respect to training and education, impact of which can be reasonably assessed in the next financial year.

Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any -

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
Not Applicable			

5. Average net profit of the Company as per Section 135(5):

Rs.386,282,028/- for the preceding three Financial Years.

6. a) Two percent of average net profit of the Company as per Section 135(5): Rs.77,25,700/-

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Rs.1,07,78,600/-

c) Amount required to be set-off for the financial year, if any: N.A.

d) Total CSR obligation for the financial year (7a+7b-7c): Rs.1,85,04,300/-

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

Total Amount Spent for the Financial Year (Rs.in Crores)	Amount Unspent (Rs. in Crores)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1.85	N.A.	N.A.	N.A.	N.A.	N.A.

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

NIL

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

1 Sl. No	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act	4 Local area (Yes/No)	5 Location of the project		6 Amount spent for the project (in Rs.crore)	7 Mode of implementation - Direct (Yes/No)	8 Mode of Implementation - Through Implementing Agency	
				State	District/Area			Name	CSR registration number
1	Education	II	No	Maharashtra	Satara	1.70	No	Akutai Kalyani Charitable Trust	NA
2	Health & Hygiene	I	No	Maharashtra	Pune	0.15	Yes		

(ii) Amount spent in Administrative Overheads: NIL**(iii) Amount spent on Impact Assessment: N.A.****(iv) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 1.85 crore****(v) Excess amount for set-off, if any: NIL****8. (a) Details of Unspent CSR amount for the preceding three financial years:**

1 Sl. No.	2 Preceding Financial Year	3 Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	4 Amount spent in the reporting Financial Year (in ₹)	5 Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			6 Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

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

1 Sl. No	2 Project ID	3 Name of the Project	4 Financial Year in which the project was commenced	5 Project duration	6 Total amount allocated for the project (in Rs.)	7 Amount spent on the project in the reporting Financial Year (in Rs.)	8 Cumulative amount spent at the end of reporting Financial Year (in Rs.)	9 Status of the project - Completed/ Ongoing
Not Applicable								

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**(a) Date of creation or acquisition of the capital asset(s): 31/03/2021****(b) Amount of CSR spent for creation or acquisition of capital asset: 1.70 Cr.****(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc: Akutai Kalyani Charitable Trust, 221, Kalyani Nagar, Pune - 411006****(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): As per table below**

Assets Description	Date of Creation	Amount (Rs.)	Address
Infrastructure for training centre			
Various	31/03/ 2021	1.70 Crores	At post -Mahabaleshwar, Dist- Satara

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):

Not Applicable

Place : Pune
Date : 11th August, 2021**B.B. Hattarki**
Chairman CSR Committee
DIN:00145710**M.U. Takale**
Director
DIN:01291287

'ANNEXURE II' TO THE DIRECTORS' REPORT

Criteria for Determining Qualifications, Positive Attributes and Independence of Directors

1. Definition of Independence

- A director will be considered as an 'Independent Director' ('ID') if the person meets with the criteria for 'Independent Director' as laid down in the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
- The definition of Independent Director is as provided in the Act and Listing Regulations.
- Current and ex-employees of a Kalyani Group company may be considered as independent only if he/she has or had no pecuniary relationship with the Company (due to employment/receipt of monthly pension by way of Special Retirement Benefits/holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

2. Qualifications of Directors

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that boards have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee ('NRC') consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- IDs ideally should be thought/practice leaders in their respective functions/domains.

3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

1. Act in accordance with the articles of the company.
2. Act in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
3. Exercise duties with due and reasonable care, skill and diligence and exercise independent judgement.
4. Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
5. Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
6. Not assign his office.

On behalf of the Board of Directors

A. B. Kalyani
Chairman
(DIN:00089430)

Pune, 11th August, 2021

'ANNEXURE III' TO THE DIRECTORS' REPORT

INFORMATION FORMING PART OF THE DIRECTORS' REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2020-21 as well as the percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary are as under:

Name of Director/Key Managerial Personnel	Ratio to median remuneration	% increase in remuneration over previous year
Non-Executive Directors		
Mr. A. B. Kalyani	5:1	(80 %)
Mr. B. B. Hattarki	1:1	(33%)
Mr. M. U. Takale	1:1	(33%)
Ms. A. A. Sathe	1:1	(33%)
Mr.S. G. Joglekar	1:1	(33%)
Mr. B. S. Mitkari	1:1	(33%)
Key Managerial Personnel		
Mr. J. G. Patwardhan, CEO & CFO	1.45:1	(16.55%)
Mr. S. R. Kshirsagar, Company Secretary	0.53:1	Nil

B. Percentage increase in the median remuneration of employees in FY 2020-21: (16.55%)

C. Number of permanent employees on the rolls of the Company as on March 31, 2021:

2 (all the employees on deputation)

D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration :

Particulars	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	NA
Average increase in remuneration of managerial personnel	NA

E. **Affirmation:**

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

F. Statement showing the names of the top ten employees in terms of remuneration drawn and the names of every employee 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 Lakhs 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 Lakhs 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.

No employee falls in this category.

On behalf of the Board of Directors

A. B. Kalyani
Chairman
(DIN:00089430)

Pune, 11th August, 2021

'ANNEXURE IV' TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2021

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

and

Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,

The Members,
BF Investment Limited,
Mundhwa, Pune Cantonment
Pune-411036
CIN: L65993PN2009PLC134021

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BF Investment Limited** bearing CIN -L65993PN2009PLC134021 (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 authorized 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 **March 31, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- (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 there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under **(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, 2018 **(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;
 - g) 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, 2018 **(Not applicable to the Company during the Audit Period)**;
- (vi) Law specifically applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
 - (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'; and
- (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") including any amendments thereto.

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

- i. *SEBI Circular No. CIR/CFD/CMD-1/142/2018 dated 20.11.2018 requires that, if any listed entity does not submit its financial results in accordance with the timelines specified in Regulation 33 of LODR, the listed entity shall disclose detailed reasons for such delay to the stock exchanges within one working day of the due date of submission for the results. However the Company has not submitted the reasons for delay in submission of consolidated financial results for the quarter and year ended March 31, 2020.*
- ii. *As required under respective regulations of LODR:*
 - a) *The Audited Consolidated Financial statements for the quarter and year ended on March 31, 2020 were submitted to the Stock Exchange(s) beyond the time period prescribed under Regulation 33 of LODR.*
 - b) *The report of corporate governance for the quarter ended March 31, 2020 was submitted to the Stock Exchange(s) beyond the time period prescribed under Sub regulation (2) of Regulation 27 of LODR*

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. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 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. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to agenda are circulated with shorter period of less than seven days, all the Directors including Independent Directors have consented to the shorter period of circulation of the same.

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 laws, rules, regulations, guidelines, standards, etc. except following:

1. In the Annual General Meeting held on September 30, 2020, the following special resolutions were approved:
 - i. For re-appointment of Ms. Aarti A. Sathe (DIN 06925030) as an Independent Director of the Company, for second term of five consecutive years starting from September 19, 2020 to September 18, 2025.
 - ii. For payment of commission upto Rs. 1,22,50,000/- to Mr. Amit Kalyani, Non Executive director of the Company for the financial year ended March 31, 2020.

For **SVD & Associates**
Company Secretaries

Sheetal S. Joshi

Partner

FCS No. 10480

C P No. 11635

UDIN: F010480C000752672

Place: Pune

Date: August 11, 2021

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.

To,
Members,

BF Investment Limited
Mundhawa, Pune Cantonment,
Pune- 411036
CIN: L65993PN2009PLC134021

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. We have relied on the documents and evidences provided by electronic mode, in view of the prevailing Pandemic situation of COVID-19.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

Sheetal S. Joshi
Partner

FCS No. 10480
C P No. 11635

UDIN: F010480C000752672

Place: Pune
Date: August 11, 2021

'ANNEXURE V' TO THE DIRECTORS' REPORT

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

[Pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 - Form AOC - 1]

Part "A": Subsidiaries: -

The Company does not have subsidiaries

Part "B": Associates and Joint Ventures : -

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

Sr.	Name of Associates / Joint Ventures	Kalyani Steels Ltd.	Kalyani Financial Services Ltd.	Nandi Engineering Ltd.	KSL Holdings Pvt. Ltd.	Triumphant Special Alloys Pvt. Ltd	Synise Technologies Limited	Meritor HVS (India) Ltd.	Automotive Axles Ltd.
1	Date of the latest audited Balance Sheet	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021
2	Shares of Associates / Joint Ventures held by the Company on the year end								
	No.	17,052,421	2,940,000	25,000	32,999,000	3,195,397	1,131,793	1,190,694	5,367,803
	Amount of Investment in Associates / Joint Ventures	Rs. 309.57 Mln. #	Rs.47.88 Mln. #	Rs. 1/- #	Rs. 330.00 Mln. #	Rs.4.76 Mln. #	Rs. 1/- #	Rs. 11.91 Mln. #	Rs.260.68 Mln. #
	Extent of holding %	39.06	49.00	40.00	42.52	45.51	46.77	48.99	35.52
3	Description of how there is significant influence	Associate	Associate	Associate	Associate	Associate	Associate	Joint Venture	Joint Venture
4	Reason why the associates / joint ventures is not consolidated	Not applicable	Not applicable	See note below. *	Not applicable	Not applicable	See note below. *	Not applicable	Not applicable
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs. 4489.58 Mln.	Rs.615.29 Mln	-*	Rs.16,098.94 Mln	Rs .5.78 Mln.	-*	Rs. 812.26 Mln	Rs. 1968.00 Mln.
6	Profit/Loss for the year								
	i) Considered in Consolidation	Rs. 742.07 Mln	Rs. (0.12) Mln	-*	Rs. 2458.08 Mln	Rs 0.23 Mln	-*	Rs.185.75 Mln	Rs 80.74 Mln
	ii) Not Considered in Consolidation	Rs.1157.76 Mln	Rs. (0.13) Mln	-*	Rs. 3323.02 Mln	Rs. 0.27 Mln	-*	Rs. 193.33 Mln	Rs. 146.56 Mln

Note : *-Companies not considered for consolidation in view of Brought forward losses.

As Per Historical cost. (IGAAP)

For and on behalf of the Board
BF Investment Limited

B.S. Mitkari
Director
DIN:03632549

B.B. Hattarki
Director
DIN:00145710

Place : Pune
Date : 11th August, 2021

S. R. Kshirsagar
Company Secretary
PAN : AWUPK4403D

J.G.Patwardhan
CEO/CFO
PAN : AEAPP5559B

'ANNEXURE VI' TO THE DIRECTORS' REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To, The Members of
BF Investment Limited
Mundhwa,
Pune Cantonment,
Pune - 411 036

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BF Investment Limited having CIN L65993PN2009PLC134021 and having registered office at Mundhwa, Pune Cantonment, Pune - 411 036 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	AMIT BABASAHEB KALYANI	00089430	26/05/2009
2	BHALCHANDRA BASAPPA HATTARKI	00145710	26/05/2009
3	MADAN UMAKANT TAKALE	01291287	05/03/2010
4	AARTI ARUN SATHE	06925030	31/03/2015
5	SANJEEV GAJANAN JOGLEKAR	00073826	01/04/2019
6	BHALCHANDRA SHANKAR MITKARI	03632549	01/04/2019

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

Place: Pune
Date :14th June, 2021

Signature:
Name: Sunny Arun Warghade
Membership No.: 30072
CP No.: 11426,
UDIN: A030072C000457587

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN):** L65993PN2009PLC134021
2. **Name of the Company:** BF Investment Limited
3. **Registered address:** Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India
4. **Website:** www.bfilpune.com
5. **E-mail id:** secretarial@bfilpune.com
6. **Financial Year reported:** 2020-21
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

BF Investment Limited is in the business of Investment and financing and is a core investment company.

*Industrial Group	Description
N.A.	Investment and Financing

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

Sr. No.	Name and Description of main products/services
1	Investment and Financing

9. **Total number of locations where business activity is undertaken by the Company:**

- (a) **Number of International Locations (Provide details of major 5):**

NIL

- (b) **Number of National Locations:**

Mundhwa Pune 411036 , Maharashtra State.

10. **Markets served by the Company - Local/State/National/ International:**

Local market in India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital:** Rs.188.34 Million
2. **Total Turnover:** Rs.322.27 Million
3. **Total Profit after Taxes:** Rs.183.54 Million
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
10.08
5. **List of activities in which expenditure in 4 above has been incurred:**

Sanitization and hygiene

Training and education.

SECTION C: OTHER DETAILS

1. **Subsidiary Company/Companies**

The Company does not have any subsidiary as on March 31, 2021.

2. **Participation of Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).**

NA

3. **Participation of any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

No, other entities with whom the Company does business with viz. suppliers, distributors etc. do not participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN : 00089430
 Name : Mr. A. B. Kalyani
 Designation : Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN	00089430
2	Name	Mr. A. B. Kalyani
3	Designation	Director
4	Telephone Number	+91 20 26725000
5	E-mail Id	secretarial@bfilpune.com

2. Principle-wise (as per NVGs) BR Policy/policies?

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as under:

- P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
 P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
 P3 - Businesses should promote the well-being of all employees.
 P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
 P5 - Businesses should respect and promote human rights.
 P6 - Businesses should respect, protect and make efforts to restore the environment.
 P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
 P8 - Businesses should support inclusive growth and equitable development.
 P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement and CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	NA	Y	N	N	N	N	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	N	NA	NA	N.A	NA	N	NA
3	Does the policy conform to any national/international standards? If yes, specify?	The policies are in line with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board of Directors?	The mandatory Polices under Indian laws and regulations have been adopted by the Board and signed by the Director.								

5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to ensure implementation of various policies. We review the implementation of policies through our internal audit, risk management process, monitoring of KPI's in-line with established Policies.
6	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Insider Trading Policy, Code of Conduct are available on Company's website. All other policies are available at the Registered Office.
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies are communicated to internal stakeholders and the same are available at the Registered Office. Wherever required, the Policies are also communicated to our external stakeholders and are made available on Company's website.
8	Does the Company have in-house structure to implement the policy/policies?	Yes. We have an in-house structure with clearly defined roles and responsibilities which periodically reviews implementation of various policies under the aegis of Internal Risk Management Framework, Internal Audits and review of KPI's at various levels of management.
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes. Each of the Policies formulated by the Company have an in-built grievance and redressal mechanism.
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments where ever required.

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why: (Tick upto 2 options)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	This clause is not applicable considering nature of business.				-	The Company is always responsive to its customer needs.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR Performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.

Annually.

(b) Does the Company publish a BR or a Sustainability Report? What is hyperlink for viewing this report? How frequently it is published ?

No.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

Yes. It extends to outside Company to the extent applicable.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year under review, the Company has not received any complaint under the investigation mechanism.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

Considering nature of our business, these clauses are not applicable.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

5. Does the Company have a mechanism to re-cycle products and waste? If yes, what is the percentage of re-cycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Considering nature of business, these clauses are not applicable

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the total number of employees

Total number of employees: on deputation 2

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

Total number of employees hired on temporary/contractual/ casual basis: NIL

3. Please indicate the number of permanent women employees:

Number of permanent women employees: Nil

4. Please indicate the number of permanent employees with disabilities:

Number of permanent employees with disabilities: NIL

5. Do you have an employee association that is recognized by Management?

No.

6. What percentage of your permanent employees is members of this recognised employee association?
N.A.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as at the end of the financial year

Sr.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/ Involuntary labour	Nil	Nil
2.	Sexual Harassment	Nil	Nil
3.	Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

- Permanent Employees- NIL
- Permanent Women Employees- NIL
- Casual/Temporary/Contractual Employees- NIL
- Employees with Disabilities- NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

NIL

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders ? If so, provide details thereof, in about 50 words or so.

NIL

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company does not have a stated Human Rights Policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Except to the extent specifically stated elsewhere in Annual Report, during the year under review, the Company has not received any complaint from any stakeholders.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?

N.A.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Yes/No If yes, please give hyperlink for webpage etc.

N.A.

3. Does the Company identify and assess potential environmental risks? Y/N

No

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

N.A.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

N.A.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

N.A.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at end of the Financial Year.

NIL

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company is a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

No.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

N.A.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company has CSR Policy

2. Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/ government structures/any other organization?

The Company has undertaken CSR programmes. The details are given in the annual report on CSR.

3. Have you done any impact assessment of your initiative?

No.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company is evaluating various areas/projects.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

N.A.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

- 1. What percentage of customer complaints/consumer cases are pending as on the end of Financial Year.**

NIL

- 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

N.A.

- 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as at the end of Financial Year. If so, provide details thereof, in about 50 words or so.**

No.

- 4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

No.

INDEPENDENT AUDITORS' REPORT

To the Members of BF Investment Limited

Report on the Audit of the Standalone Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of BF Investment Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, hereinafter referred to as 'the standalone Ind AS financial statements'.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 standalone state of affairs of the Company as at 31st March 2021, and its standalone profit (including Other Comprehensive Income), standalone changes in equity and its standalone cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter :

Valuation of investments

At the balance sheet date, the value of investments amounted to Rs. 13,812.06 millions. Investments have been considered as key audit matter due to the size of the balance, various recognition and subsequent measurement principles. Refer note 1A. (h) to (k) to the Standalone Financial Statements for its accounting policy.

Principle Audit Procedures

- i. We have obtained independent external confirmations of all material current investments in order to test the assertion of existence, accuracy, valuation and completeness.
- ii. We have independently evaluated the fair values of listed and quoted investments.
- iii. We have evaluated the fair value of unquoted investments adopted by the management.
- iv. We have evaluated the process of the management to identify impairment (if any) for the investments measured at amortised cost.
- v. We have assessed the compliance of the recognition and subsequent measurement principles as specified in the accounting policy adopted by the company.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report to the members & Annexures thereto and the Corporate Governance Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. These reports are yet to be made available to us and are expected to be made available to us after the date of our audit report. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the said reports after they are made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the standalone Ind AS financial position, standalone Ind AS financial performance, standalone Ind AS changes in equity and standalone Ind AS cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.
 - (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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 45 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For P.G. BHAGWAT LLP
Chartered Accountants
FRN : 101118W / W100682

Sanjay Athavale
Partner

Membership No. 83374
UDIN : 21083374AAAADA4617

Pune : 14 June 2021

"ANNEXURE A" TO AUDITORS' REPORT

ANNEXURE A TO THE AUDITORS' REPORT

(Referred to in our above Independent Auditor's Report of even date to the members of BF Investment Limited on the financial statements for the year ended March 31, 2021)

- (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. The frequency of such verification is reasonable. According to the information and explanations given to us, no discrepancies were noticed on such physical verification of the fixed assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties as disclosed in Note No. 9 to the standalone Ind AS financial statements, are held in the name of the company, except for the buildings, regarding which, as informed to us, the title is as yet being obtained in the name of the company as the process of completing the required legal formalities is in progress.
- (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) As informed to us, 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, except a ICD given during the year amounting to Rs. 22.5 millions
- (a) As informed to us, the terms and conditions of the grant of such loan during the year are not prejudicial to the company's interest;
 - (b) As informed to us the schedule of repayment of principal and payment of interest has been stipulated, and the repayment / payment are as per the stipulation ;
 - (c) As informed to us, the amount is not overdue ;
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any investments or granted any guarantees or security during the year to which the provisions of sections 185 and 186 of the Companies Act 2013 are attracted. In our opinion and according to the information and explanations given to us, in respect of the loan (ICD) as above, granted by the company during the year, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (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. As informed to us, there is no Order from RBI or Tribunal.
- (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, GST, 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, GST and any other statutory dues were outstanding as at 31st March, 2021, 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 or GST, 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) Managerial remuneration for the year has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (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 our 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 our 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) As informed to us, the company is not required to obtain Certificate of Registration under Section 45-IA of the Reserve Bank of India Act, 1934.

For P.G. BHAGWAT LLP
Chartered Accountants
FRN : 101118W / W100682

Sanjay Athavale
Partner
Membership No. 83374
UDIN : 21083374AAAADA4617

Pune : 14 June 2021

"ANNEXURE B" TO AUDITORS' REPORT

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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 BF Investment Limited ("the Company") as of 31st March, 2021, 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, 2021, 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 P.G. BHAGWAT LLP
Chartered Accountants
FRN : 101118W / W100682

Sanjay Athavale
Partner
Membership No. 83374
UDIN : 21083374AAAADA4617

Pune : 14 June 2021

Financial Statements

Balance Sheet as at 31st March, 2021

(₹ in Mln.s)

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	Note 3a	223.52	160.12
(b) Bank Balances other (a) above	Note 3b	807.65	705.10
(c) Loans	Note 4	224.71	189.51
(d) Investments	Note 5	13,812.06	7,885.32
(e) Other financial assets	Note 6	272.04	273.27
		15,339.98	9,213.32
2 Non-financial Assets			
(a) Current Tax Assets (net)	Note 7	-	-
(b) Deferred Tax Asset (net)	Note 8	68.15	67.58
(c) Investment Property	Note 9	130.18	130.31
(d) Property, Plant and Equipment	Note 10	18.84	5.62
Right to Use Asset	Note 10 ii)	-	1.60
(e) Other non-financial assets	Note 11	0.24	-
		217.41	205.11
		15,557.39	9,418.43
Total Assets			
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Trade payables	Note 12		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		0.02	0.34
(b) Other financial liabilities	Note 13	5.00	16.00
		5.02	16.34
2 Non-Financial Liabilities			
(a) Current tax liabilities	Note 14	0.87	2.08
(b) Other non-financial liabilities	Note 15	2.97	5.17
		3.84	7.25
3 EQUITY			
(a) Share capital	Note 16	188.34	188.34
(b) Other equity			
(i) Reserves & Surplus	Note 17	15,360.19	9,206.50
		15,548.53	9,394.84
		15,557.39	9,418.43
Total Liabilities and Equity			
Significant accounting policies	1		
Significant accounting judgements, estimates and assumptions	2		
The notes 1 to 49 form an integral part of these Standalone financial statements			

As per my attached report of even date,

For P. G. BHAGWAT LLP
(FRN No. 101118W/ W100682)
Chartered Accountants

Sanjay Athavale
Partner
Membership No.83374

Place : Pune
Date : 14th June, 2021

On behalf of the Board of Directors,

B.S. Mitkari
Director
DIN: 03632549

J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

Place : Pune
Date : 14th June, 2021

B. B. Hattarki
Director
DIN : 00145710

S. R. Kshirsagar
Company Secretary

Statement of Profit and Loss for the Year Ended 31st March, 2021

		(₹ in Mln.s)	
	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
1	Revenue from Operations		
	(i) Interest Income	48.44	41.32
	(ii) Dividend Income	175.85	621.17
	(iii) Net gain on fair value changes	92.99	55.90
	Total Revenue from Operations	317.28	718.39
	Other Income	4.99	0.21
	Total Income (1+2)	322.27	718.60
2	Expenses		
	(a) Employee benefits expense	4.96	5.71
	(b) Finance costs	0.05	0.59
	(c) Depreciation	7.06	7.58
	(d) Other expenses	53.23	53.59
	Total expenses	65.30	67.47
3	Profit / (Loss) before exceptional items and tax	256.97	651.13
4	Exceptional items	-	35.81
5	Profit / (Loss) before tax	256.97	615.32
6	Tax expense		
	Current tax	50.44	8.47
	Tax in respect of earlier years	0.02	(1.78)
	Deferred tax expense	22.97	23.52
	Total Tax expense	73.43	30.21
7	Profit/(Loss) for the period	183.54	585.11
8	Other comprehensive income, net of income tax		
	A. Items that will not be reclassified to profit or loss		
	(a) Changes in fair value of FVOCI equity investment	5,946.60	(4,721.41)
	Tax thereon	(23.55)	26.10
	Total other comprehensive income for the year	5,970.15	(4,747.51)
9	Total comprehensive income for the period	6,153.69	(4,162.40)
10	Earnings per share (of Rs. 5/- each) :	4.87	15.53
	Basic & Diluted		
	Significant accounting policies	1	
	Significant accounting judgements, estimates and assumptions	2	
	The notes 1 to 49 form an integral part of these Standalone financial statements		

As per my attached report of even date,

For P. G. BHAGWAT LLP
(FRN No. 101118W/ W100682)
Chartered Accountants

Sanjay Athavale
Partner
Membership No.83374

Place : Pune
Date : 14th June, 2021

On behalf of the Board of Directors,

B.S. Mitkari
Director
DIN: 03632549

J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

Place : Pune
Date : 14th June, 2021

B. B. Hattarki
Director
DIN : 00145710

S. R. Kshirsagar
Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2021

(₹ in Mln.s)

	Year ended March 31, 2021	Year ended March 31, 2020
A) Cash flows from operating activities		
Profit before income tax but after exceptional items	256.97	615.32
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	7.06	7.58
Interest - Lease	0.04	0.59
Net gain on fair value changes	(92.99)	(55.90)
Provision for doubtful dividend written back	(4.27)	-
Rent related to INDAS 116	(1.96)	(7.75)
Adjustments for changes in working capital		
(Increase) / Decrease in loans	6.10	8.00
Increase / (Decrease) in trade payables	(0.32)	(0.98)
Increase / (Decrease) in other financial liabilities	(11.00)	4.00
(Increase) / Decrease in other financial assets	(19.18)	(0.77)
(Increase) / Decrease in other non financial assets	3.00	(100.00)
Increase / (Decrease) in other non financial liabilities	(0.28)	0.76
Cash generated from operations	143.17	470.85
Income taxes paid (net of refunds)	(51.67)	(4.16)
Net Cash from Operating activities	91.50	466.69
B) Cash flows from investing activities		
(Purchase) / Sale of shares	93.00	(120.00)
Net gain on fair value changes	-	-
Term deposits in bank	(102.55)	(271.70)
(Purchase) / Sale of asset	(18.55)	-
Net cash flows from investing activities	(28.10)	(391.70)
C) Cash flows from financing activities		
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	63.40	74.99
Cash and cash equivalents at the beginning of the (refer note 13)	160.12	85.13
Cash and cash equivalents at the end of the (refer note 13)	223.52	160.12

The cashflow is prepared by indirect method

As per my attached report of even date,

For P. G. BHAGWAT LLP
(FRN No. 101118W/ W100682)
Chartered Accountants

Sanjay Athavale
Partner
Membership No.83374

Place : Pune
Date : 14th June, 2021

On behalf of the Board of Directors,

B.S. Mitkari
Director
DIN: 03632549

J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

Place : Pune
Date : 14th June, 2021

B. B. Hattarki
Director
DIN : 00145710

S. R. Kshirsagar
Company Secretary

Statement of Changes in Equity (SOCIE) for the period ended 31st March, 2021

A. Equity Share Capital

	Notes	No. of shares	Amount (₹ in Mln.s)
As at March 31, 2019		37,667,628	1,88.34
Changes in equity share capital		-	-
As at March 31, 2020		37,667,628	1,88.34
Changes in equity share capital		-	-
As at March 31, 2021		37,667,628	1,88.34

B. Other Equity

	Notes	Reserves and Surplus					Other reserve	Total
		Retained Earnings	General reserve	Reserve Fund	Capital Redemption reserve	Capital Reserve	FVOCI equity investment reserve	
As at April 01, 2019		3,317.50	0.87	1,070.98	-	2,367.52	6,612.80	13,369.67
Profit for the year		585.11	-	-	-	-	-	585.11
Less : Transition effect of Ind AS 116		(0.77)	-	-	-	-	-	(0.77)
Other Comprehensive Income :								
Changes in fair value of equity instruments (compulsorily convertible debentures)		-	-	-	-	-	(4,747.51)	(4,747.51)
Total Comprehensive Income for the year		584.34	-	-	-	-	(4,747.51)	(4,163.17)
Add : Arising during the year		-	-	-	-	-	-	-
Add/Less: Amortised during the year		-	-	-	-	-	-	-
Transferred to Statutory reserve fund during the year		(117.02)	-	117.02	-	-	-	-
As at March 31, 2020		3,784.82	0.87	1,188.00	-	2,367.52	1,865.29	9,206.50
Profit for the year		183.54	-	-	-	-	-	183.54
Less : Transition effect of Ind AS 116		-	-	-	-	-	-	-
Other Comprehensive Income :								
Changes in fair value of equity instruments (compulsorily convertible debentures)		-	-	-	-	-	5,970.15	5,970.15
Total Comprehensive Income for the year		183.54	-	-	-	-	5,970.15	6,153.69
Add : Arising during the year		-	-	-	-	-	-	-
Add/Less: Amortised during the year		-	-	-	-	-	-	-
Transferred to Statutory reserve fund during the year		(36.71)	-	36.71	-	-	-	-
As at March 31, 2021		3,931.65	0.87	1,224.71	-	2,367.52	7,835.44	15,360.19
Significant accounting policies	1							
Significant accounting judgements, estimates and assumptions	2							
The notes 1 to 49 form an integral part of these Standalone financial statements								

As per my attached report of even date,

On behalf of the Board of Directors,

For P. G. BHAGWAT LLP
(FRN No. 101118W/ W100682)
Chartered Accountants

B.S. Mitkari
Director
DIN: 03632549

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 14th June, 2021

Place : Pune
Date : 14th June, 2021

(All amounts are in Rupees Millions, except per share data and unless stated otherwise)

1. Background:

BF Investment Company Limited ("the Company") is a public limited company domiciled in India and incorporated in May, 2009 under the provisions of Companies Act, 1956. The equity shares of the Company are listed on two recognized stock exchanges in India i.e. the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company is primarily engaged in the business of making investments in group companies. The registered office of the Company is located at, Mundhwa Pune Cantonment, Pune-411036. The CIN of the Company is L65993PN2009PLC134021.

These separate financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 14, 2021.

1A. Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of these separate financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

These separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

(ii) Historical cost convention

The separate financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value

(iii) Current versus non-current classification

The company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when,

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources

and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions for the company. Refer note 35 for segment information presented.

(c) Foreign currency translation

Functional and presentation currency

Items included in the separate financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The separate financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Initial Recognition

Foreign currency transactions are recorded in Indian currency, by applying the exchange rate between the Indian currency and the foreign currency at the date of transaction.

Conversion

Monetary items, designated in foreign currencies are revalued at the rate prevailing on the date of Balance Sheet.

Exchange Differences

Exchange differences arising on the settlement and conversion of foreign currency transactions are recognized as income or as expenses in the year in which they arise, except in cases where they relate to the acquisition of qualifying assets, in which cases they were adjusted in the cost of the corresponding asset.

(d) Interest Income

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

(e) Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

(f) Taxes

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961. - The management periodically evaluates positions taken in returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred Tax

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

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

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Current and deferred taxes are recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

(h) Investment in associates and jointly controlled companies :

Investment in associates and jointly controlled companies are accounted at cost less accumulated impairment.

(i) Fair value measurement :

The Company measures financial instruments at fair value on initial recognition.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is un-observable

For assets and liabilities that are recognized in the separate financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(k) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortized cost:

A financial asset is measured at amortized cost if both following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following criteria are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets, until they are derecognized or reclassified, are subsequently measured at fair value and recognized in other comprehensive income except for interest income, gain/loss on impairment, gain/loss on foreign exchange which is recognized in the statement of profit and loss.

Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

After initial measurement, such financial assets are subsequently measured at fair value in the statement of profit and loss.

De-recognition of financial assets

A financial asset is de-recognized when:

- the contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset or
 - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt-securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head "Other Expenses" in the statement of profit and loss.

The Balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost.

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-offs criteria, the Company does not de-recognize impairment allowance from the gross carrying amount.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

(I) De-recognition of financial liabilities

A financial liability (or a part of a financial liability) is de-recognized from its balance sheet when, and only when, it is extinguished i.e., when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(m) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(n) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized

Investment property are depreciated using straight line method over their estimated useful lives.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognized as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(o) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All significant costs relating to the acquisition and installation of property, plant and equipment are capitalized. Such cost includes the cost of replacing part of the property, plant and equipment and borrowings costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection/relining is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss during the reporting period in which they are incurred.

Subsequent costs are included in the asset's carrying amount as recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for a separate asset is derecognized when replaced.

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation on additions is provided from the beginning of the month in which the asset is put to use.

Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata basis up to the end of the month prior to the month in which such assets are sold, discarded or demolished.

The useful lives has been determined based on those specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Depreciation is charged on the basis of useful life of assets on straight line method for furniture & fixtures & on WDV method for car.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the separate statement of profit and loss when the asset is derecognized.

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property,

plant and equipment recognized as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(p) Leases

The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

● **Company as a Lessee**

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability. A lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The Company uses the practical expedient to apply the requirements of Ind AS 116 to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However, when the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty the Company considers that lease to be no longer enforceable. Also according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, the lessee is not required to recognize right-of-use asset and a lease liability. The Company applies both recognition exemptions.

Right of use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

Lease modification

For a lease modification that is not accounted for as a separate lease, the company accounts for the re-measurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

● **Company as Lessor**

A lessor shall classify each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. However, if there is no reasonable certainty that the company will obtain possession of the asset upon end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant

lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach. Consequently, the Company has recorded lease liability of Rs.9.092 millions calculated as the present value of the remaining lease payments discounted at the incremental borrowing rate. Right of use asset has been recognised at Rs. 8.022 millions determined at net of the amount calculated by applying the standard since the date of the commencement of lease and the resulting depreciation upto the date of adoption. The net effect of initial application of Ind AS 116 has been adjusted to retained earnings of Rs. 0.773 millions (net of taxes) as on April 1, 2019.

Due to transition, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right-to-use assets and for interest accrued on lease liability respectively, and therefore these expenses for the current period are not comparable to the previous periods disclosed. The adoption of the standard did not have any material impact on the profit for the period as compared to previous periods.

(q) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognized in the statement of profit and loss.

Previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of asset does not exceed its recoverable amount. Such reversal is recognized in statement of profit and loss.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are unsecured and are presented as current liabilities unless payment is not due within operating cycle determined by the Company after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(s) Provisions and contingent liabilities

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure

for a contingent liability is made where there is a possible obligation arising out of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(t) Paid-up equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Dividends

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(v) Earnings per share

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted Earnings per Share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(w) Rounding of amounts:

All amounts disclosed in these separate financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

1B. Standards issued but not yet effective

Amendments:

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III (Division I, II and III) of the Companies Act, 2013. The amendment is applicable from 1 April 2021 and it specifies additional disclosures in the financial statements.

Key amendments in Division II applicable to the Company include:

- Disclosures for prior period errors in the statement of changes in equity
- Disclosure of shareholdings of promoters
- Disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- Disclosure of deviation from stated purpose in use of borrowings from banks and financial institutions
- Disclosures under 'additional regulatory requirements' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable properties not held in the name of the company, loans and advances to promoters, directors, key managerial personnel and related parties, details of benami property held etc.
- Disclosures relating to amount of expenditure on CSR, crypto or virtual currency, undisclosed income etc.

The amendments are extensive and the Company is in the process of evaluating the same to give effect to the same as required by law.

Exposure Drafts:

Following exposure drafts have been issued by the Institute of Chartered Accountants of India:

1. Amendment to Ind AS 116, "Leases" - Covid-19-Related Rent Concessions beyond 30 June 2021

On 24 July 2020, the MCA issued the Companies (Indian Accounting Standard) Amendment Rules, 2020

which amended Ind AS 116 to provide relief for lessees in accounting for eligible rent concessions upto 31 July 2021 that are a direct consequence of COVID-19. The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to extend the relief for lessees in accounting for eligible rent concessions upto 31 July 2022.

2. Amendment to Ind AS 116, "Leases" - Interest Rate Benchmark Reform: Phase 2

The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to include a practical expedient in respect of all lease modifications that change the basis for determining future lease payments as a result of interest rate benchmark reform.

3. Amendments to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" - Onerous Contracts

The exposure draft on amendments to Ind AS 37 issued by the Institute of Chartered Accountants of India proposes amendments regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

4. Amendments to Ind AS 16, "Property, Plant and Equipment" - Proceeds before Intended Use

The exposure draft on amendments to Ind AS 16 issued by the Institute of Chartered Accountants of India proposes amendments regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

5. Amendments to Ind AS 103, "Business Combinations" - Reference to the Conceptual Framework

The exposure draft on amendments to Ind AS 103 issued by the Institute of Chartered Accountants of India proposes amendments to change out updated reference to "Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards" and update it with reference to "Conceptual Framework for Financial Reporting under Indian Accounting Standards". It also proposes certain consequential amendments.

6. Amendments to 101, "First-time Adoption of Indian Accounting Standards" - Subsidiary as a First-time Adopter

The exposure draft on amendments to Ind AS 101 issued by the Institute of Chartered Accountants of India proposes amendments to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

7. Amendments to 41, "Agriculture" - Taxation in Fair Value Measurements

The exposure draft on amendments to Ind AS 41 issued by the Institute of Chartered Accountants of India proposes amendments to remove a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in Ind AS 41 with those in other Ind AS's.

8. Amendments to Ind AS 109, "Financial Instruments" and Ind AS 107, "Financial Instruments: Disclosures" - Interest Rate Benchmark Reform: Phase 2

The exposure draft on amendments to Ind AS 109 and Ind AS 107 issued by the Institute of Chartered Accountants of India proposes amendments to assist entities in providing useful information about the effects of the transition to alternative benchmark rates and support preparers in applying the requirements of Ind AS's when changes are made to contractual cash flows or hedging relationships as a result of the transition to an alternative benchmark interest rate.

9. New Indian Accounting Standard (Ind AS) 117, Insurance Contracts

The exposure draft of Ind AS 117 is issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts.

The above exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from 1 April, 2021 as at the date of approval of these financial statements. On issue of the amendment by MCA, the Company would evaluate the impact of the change in the standalone financial statements.

2. Significant accounting judgements, estimates and assumptions

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. This note provides an overview of the areas that involve a higher degree of judgments or complexities and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these judgments, estimates and assumptions is mentioned below.

Judgments, estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that

are believed to be reasonable under the circumstances.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the separate financial statements:

1. Segment Reporting

Ind-AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD), based on its internal reporting structure and functions of the BoD. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources.

2. Legal Contingencies

The Company has received various orders and notices from tax authorities in respect of direct and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1. Fair value measurement of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 32 for further disclosures.

2. Deferred Tax

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax asset could change if estimates of projected future taxable income or if changes in current tax regulations are enacted.

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

(₹ in Mln.s)

Particulars	March 31, 2021	March 31, 2020
Note 3a: Cash and Cash Equivalents		
Balances with Banks		
In current accounts	3.02	0.12
Term deposits with original maturity of less than three months	220.50	160.00
Cash in Hand	0.00	0.00
Total	223.52	160.12

Note 3b : Bank Balances other (a) above

Term Deposits with Banks with original maturity of more than 3 months but less than 12 months

Total	807.65	705.10
Total	807.65	705.10

Note 4: Loans

	As on March 31, 2021			As on March 31, 2020		
	Amortised cost	Fair value through profit or loss	Total	Amortised cost	Fair value through profit or loss	Total
(A) Loans						
(i) Intercorporate deposit	109.43	202.21	311.64	88.00	188.44	276.44
(ii) Other long term loans						
Total (A) - Gross	109.43	202.21	311.64	88.00	188.44	276.44
Less: impairment loss allowance	(86.93)	-	(86.93)	(86.93)	-	(86.93)
Total (A) - Net	22.50	202.21	224.71	1.07	188.44	189.51
(B)						
(i) Unsecured	109.43	202.21	311.64	88.00	188.44	276.44
Total (B) - Gross	109.43	202.21	311.64	88.00	188.44	276.44
Less: impairment loss allowance	(86.93)	-	(86.93)	(86.93)	-	(86.93)
Total (B) - Net	22.50	202.21	224.71	1.07	188.44	189.51
(C) Loans in India						
Total (C) - Gross	109.43	202.21	311.64	88.00	188.44	276.44
Less: impairment loss allowance	(86.93)	-	(86.93)	(86.93)	-	(86.93)
Total (C) - Net	22.50	202.21	224.71	1.07	188.44	189.51
Good			224.71			189.51
Doubtful			86.93			86.93

Note 5: Investments

Investments	Quantity in numbers	If Quoted	As on March 31, 2021			As on March 31, 2020			
			At Cost	At fair value	Through profit or loss	Total	At Cost	At fair value	Through profit or loss
				Through other comprehensive income				Through other comprehensive income	
Mutual Funds:									
Total Mutual Funds:	-		-	-	-	-	-	-	
Equity shares:									
Equity Shares of ₹ 2/- each fully paid in Bharat Forge Ltd.	15,614,676	Quoted	9,305.57	-	-	3,679.60	-	3,679.60	
Equity Shares of ₹ 5/- each fully paid in BF Utilities Ltd.	1,187,903	Quoted	292.22	-	-	171.00	-	171.00	
Equity Shares of ₹ 2/- each fully paid in Hikal Ltd.	3,273,375	Quoted	469.89	-	-	228.97	-	228.97	
Equity Shares of ₹ 10/- each fully paid in Kalyani Forge Ltd.	569,600	Quoted	109.93	-	-	51.26	-	51.26	
Equity Shares of ₹ 10/- each fully paid in Saarloha Advanced Materials Pvt. Ltd. (previously known as Kalyani Carpenter Special Steels Pvt. Ltd.)	500		0.01	-	-	0.01	-	0.01	
Equity Shares of ₹ 10/- each fully paid in Khed Economic Infrastructure Pvt. Ltd.	71,362,260		1,096.12	-	-	1,193.18	-	1,193.18	
Equity Shares of ₹ 10/- each fully paid in Kalyani Maxion Wheels Ltd.	2,399,998		437.14	-	-	433.63	-	433.63	
Total Equity Shares			11,710.88	-	-	5,757.65	-	5,757.65	
Equity Shares in Associates									
Equity Shares of ₹ 5/- each, fully paid in Kalyani Steels Ltd.	17,052,421	Quoted	309.57	-	-	309.57	-	309.57	
Equity Shares of ₹ 10/- each fully paid in KSL Holdings Pvt. Ltd.	32,999,000		330.00	-	-	330.00	-	330.00	
Equity Shares of ₹ 10/- each fully paid in Truimphant Special Alloys Pvt. Ltd. (previously known as Carpenter Kalyani Special Alloys Pvt. Ltd.)	3,195,397		4.76	-	-	4.76	-	4.76	
Equity Shares of ₹ 10/- each fully paid in Kalyani Financial Services Ltd.	2,940,000		47.88	-	-	47.88	-	47.88	
Equity Shares of ₹ 10/- each fully paid in Nandi Engineering Ltd.	25,000		0.25	-	-	0.25	-	0.25	
Equity Shares of ₹ 10/- each fully paid in Synise Technologies Ltd.	1,131,793		55.85	-	-	55.85	-	55.85	
Total Equity shares in associates			748.31	-	-	748.31	-	748.31	
Equity Shares in Joint Venture									
Equity Shares of ₹ 10/- each fully paid in Automotive Axles Ltd.	5,367,803	Quoted	260.68	-	-	260.68	-	260.68	
Equity Shares of ₹ 10/- each fully paid in Merritor HVS India Ltd.	1,190,694		11.91	-	-	11.91	-	11.91	
Total Equity shares in joint ventures			272.59	-	-	272.59	-	272.59	
Preference shares:									
7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.	36,042,440		-	369.90	-	-	338.25	338.25	
8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.	(9300000)		-	-	-	-	92.96	92.96	
Preference shares in Associates									
6 % Non-cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Ltd.	-		-	369.90	-	-	431.21	431.21	
			1020.90	11710.88	-	1020.90	5757.65	6778.55	

Carried over

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)	
	March 31, 2021	March 31, 2020
Note 6: Other financial assets		
Interest and dividend receivable	7.18	10.43
Provision for Doubtful dividend and Interest Receivable	(1.45)	(5.73)
Net Interest receivable	5.73	4.70
Security deposits	266.31	268.57
Total	272.04	273.27
Note 7 : Current Tax Assets (net)		
Tax paid in advance,(net of provisions)	-	-
Total	-	-
Note 8 : Deferred Tax Asset (net)		
Deferred tax asset (net)	68.15	67.58
Total	68.15	67.58
Changes in Deferred Tax Assets/ (Liabilities) in Profit and Loss [charged / (credited) during the year]		
Deferred tax liabilities		
Deferred tax assets		
On account of temporary difference		
Depreciation and amortisation	0.52	(0.73)
Disallowances	-	-
Deferred tax asset on fair valuation of preference shares, loans and Lease	(23.49)	(22.79)
	(22.97)	(23.52)
Total	(22.97)	(23.52)
Changes in Deferred Tax Assets/ (Liabilities) in Other Comprehensive income [charged / (credited) during the year]		
Deferred tax on unquoted shares	23.55	(26.10)
Total	23.55	(26.10)

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

(₹ in Mln.s)

Particulars	Freehold land	Buildings	Total
Note 9: Investment property			
Gross block as at 1 April 2019	125.85	7.66	133.51
Additions	-	-	-
Adjustments	-	-	-
Gross block as at March 31, 2020	125.85	7.66	133.51
Additions	-	-	-
Adjustments	-	-	-
Gross block as at March 31, 2021	125.85	7.66	133.51

Accumulated depreciation as at 1 April 2019	-	3.07	3.07
Depreciation charge	-	0.13	0.13
Closing accumulated depreciation as at March 31, 2020	-	3.20	3.20
Depreciation charge	-	0.13	0.13
Closing accumulated depreciation as at March 31, 2021	-	3.33	3.33
Net carrying amount as at March 31, 2021	125.85	4.33	130.18
Net carrying amount as at March 31, 2020	125.85	4.46	130.31

Amount recognised in profit and loss for investment properties

Particulars	March 31, 2021	March 31, 2020
Depreciation	0.13	0.13
Total	0.13	0.13

Fair Value of investment properties

Particulars	Freehold land	Buildings
As on March 31, 2021	865.80	18.00
As on March 31, 2020	715.00	15.13

Note 10: Property, plant and equipment

(₹ in Mln.s)

Particulars	Vehicles	Furniture and Fixtures	Total
Gross Block as at April 1, 2019	-	10.91	10.91
Additions	-	-	-
Disposals/Adjustments	-	-	-
Gross block as at March 31, 2020	-	10.91	10.91
Additions	18.55	-	18.55
Transfers			
Disposals / Adjustments			
Gross Block as at March 31, 2021	18.55	10.91	29.46
Accumulated Depreciation :			
As at April 1, 2019	-	4.26	4.26
For the year		1.03	1.03
Disposals/Adjustments	-	-	-
As at March 31, 2020	-	5.29	5.29
For the year	4.29	1.04	5.33
Disposals/Adjustments	-	-	-
As at March 31, 2021	4.29	6.33	10.62
Particulars	Furniture and Fixtures	Furniture and Fixtures	Total
Net Block			
As at March 31, 2020	-	5.62	5.62
As at March 31, 2021	14.26	4.58	18.84

i) The information relating to Gross block, accumulated Depreciation and Impairment if any, has been disclosed as an additional information since the Group has adopted deemed cost exemption under Ind AS 101.

ii) **Right to Use Asset (ROUA)**

Particulars	ROUA
Gross Block as at April 1, 2019	-
Additions	8.02
Disposals/Adjustments	-
Gross block as at March 31, 2020	8.02
Additions	-
Transfers	-
Disposals / Adjustments	
Gross Block as at March 31, 2021	8.02
Accumulated Depreciation :	
As at April 1, 2019	-
For the year	6.42
Disposals/Adjustments	-
As at March 31, 2020	6.42
For the year	1.60
Disposals/Adjustments	-
As at March 31, 2021	8.02
Net Block	
As at March 31, 2020	1.60
As at March 31, 2021	-

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

(₹ in Mln.s)

Particulars	March 31, 2021	March 31, 2020
Note 11 : Other non-financial assets		
Prepaid expenses	0.04	-
Other Assets	0.20	-
Total	0.24	-
Note 12: Current Financial Liabilities - Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.02	0.34
Total	0.02	0.34
<p>The Company has compiled this information based on the current information in its possession as at March 31, 2021, no supplier has intimated the Company about its status as Micro and Small Enterprises or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.</p>		
Note 13: Other Current Financial Liabilities		
Director's commission payable	5.00	16.00
Financial guarantee	-	-
Total	5.00	16.00
Note 14: Current Tax Liabilities		
Current Tax Liabilities (net of advance tax)	0.87	2.08
Total	0.87	2.08
Note 15: Other non financial liabilities		
Others	2.97	3.24
Lease liability	-	1.93
Total	2.97	5.17

(₹ in Mln.s)

Note 16: Share capital**(a) Authorised share capital**

Particulars	Equity shares
As at March 31, 2021 :	
Number of shares	40000000
Face value per share (Rupees)	5.00
Amount (Rs. in millions)	200.00
As at March 31, 2020 :	
Number of shares	40000000
Face value per share (Rupees)	5.00
Amount (Rs. in millions)	200.00

(b) Terms/ rights attached to equity shares

The Company has only one class of issued equity shares having a par value of Rs.5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

(c) Issued and subscribed equity share capital

Particulars	(Rs. in Mln.s)	
	Number of shares	Amount
As at March 31, 2021	37,667,628	188.34
Changes in equity share capital	-	-
As at March 31, 2020	37,667,628	188.34
Changes in equity share capital	-	-

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	Ajinkya Investment & Trading Company	Sundaram Trading & Investment Private Limited	KSL Holdings Pvt. Ltd.
As at March 31, 2021			
% of holding	27.32%	25.99%	13.42%
Number of shares	10,292,103	9,793,068	5,054,091
As at March 31, 2020			
% of holding	27.32%	25.99%	13.42%
Number of shares	10,292,103	9,793,068	5,054,091

Note 17: Reserves and Surplus

Particulars	(₹ in Mln.s)	
	March 31, 2021	March 31, 2020
Retained earnings	3,784.82	3,317.50
Less : transition effect of Ind AS 116	-	(0.77)
Add: Profit for the year	183.54	585.11
Less: Transfer to statutory reserve fund	(36.71)	(117.02)
	<u>3,931.65</u>	<u>3,784.82</u>
General Reserve as at the beginning and end of the year	0.87	0.87
Capital reserve as at the beginning and end of the year	2,367.52	2,367.52
Capital Redemption reserve as at the beginning and end of the year	0.00	0.00
Reserve Fund as at the beginning of the year	1,188.00	1,070.98
Add:	36.71	117.02
Reserve Fund as at the end of the year	<u>1,224.71</u>	<u>1,188.00</u>
FVOCI Equity investments		
As at the beginning of the year net of deferred taxes	1,865.29	6,612.80
Deferred Tax Impact (FVOCI)	-	-
Add: Fair value gains/losses for the year net of deferred taxes	5,970.15	(4,747.51)
As at the end of the year	<u>7,835.44</u>	<u>1,865.29</u>
Total	<u><u>15,360.19</u></u>	<u><u>9,206.50</u></u>

Nature and purpose of reserves:**i General reserve :**

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in General Reserve since transfer under the scheme of arrangement.

ii Capital reserve : It is the reserve pertaining to the investment undertaking transferred to the Resultant Company, i.e. BF Investment Ltd., Consequent to the scheme of arrangement approved by High Court of judicature, Mumbai during F.Y. 2009-2010.

iii Capital Redemption Reserve : An erstwhile subsidiary of BF Utilities Ltd. (amalgamated company) had preference capital. At the time of redemption of said preference capital, Redemption reserve was created, which has since got transferred to BF Investment by means of scheme of arrangement.

iv Reserve Fund : Under sec 45IC(1) of RBI act, every NBFC has to transfer 20% of it's post tax profits to a corpus termed as Reserve Fund.

v FVTOCI Equity investment reserve

The Company has elected to recognise changes in the fair value of investment in equity shares in other comprehensive income. These changes are accumulated within the FVTOCI investment reserve within equity. The Company will transfer amounts from the said reserve to retained earnings when the relevant equity shares are de-recognised.

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)	
	Year ended March 31, 2021	Year ended March 31, 2020
Note 18: Interest Income		
On Financial Assets measured at Amortised Cost		
Interest Received on Bank Deposits	47.33	41.32
Interest Received on Inter Corporate Deposits	1.11	-
Total	48.44	41.32
Note 19: Dividend Income		
Dividend received on shares investments	175.85	621.17
Total	175.85	621.17
Note 20: Net Gain/(loss) on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit or loss		
- preference shares and Loans	92.99	55.90
- mutual funds	-	-
Total Net gain/(loss) on fair value changes		
Fair Value Changes:		
- Realised		
- Unrealised	92.99	55.90
Total Net gain/(loss) on fair value changes	92.99	55.90
Note 21: Other Income		
Miscellaneous Income	0.72	0.21
Provision written back	4.27	-
Surplus on Redemption of Mutual Funds	-	-
Total	4.99	0.21
Note 22: Employee Benefit Expenses (refer Note 30)		
As reimbursement to companies from where the officers are on deputation		
Salaries and wages	4.72	5.46
Contribution to provident and other funds	0.14	0.12
Staff welfare expenses	0.03	0.13
Medical Reimbursement	0.01	-
Leave Travel Allowance	0.06	-
Total	4.96	5.71
Note 23: Finance Cost		
Other interest	0.01	-
Finance cost on leases	0.04	0.59
Total	0.05	0.59

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)	
	Year ended March 31, 2021	Year ended March 31, 2020
Note 24: Depreciation		
Depreciation	7.06	7.58
Total	7.06	7.58
Note 25: Other Expenses		
Rent , rates and taxes	5.73	1.65
Repairs and maintenance	0.24	1.20
Communication expenses	0.02	0.17
Printing and stationery	0.06	0.55
Advertisement and publicity	0.21	0.27
Director's fees, allowances and expenses	0.25	0.27
Auditor's fees and expenses (refer note 29)	0.82	0.82
Insurance	0.01	0.01
Brand Fees	0.56	0.56
Professional Fees	17.10	15.96
Commission to Directors	5.00	16.00
CSR Expenditure	18.50	5.00
Donation	-	2.50
Provision for doubtful income	-	4.27
Other expenditure	4.73	4.36
Total	53.23	53.59
Note: 26 Exceptional item		
Provision for doubtful advances	-	-
Stamp duty	-	35.81
Diminution in Investment (Provision)	-	-
Total	-	35.81
Note 27: Tax Expense		
Current tax	50.44	8.47
Deferred tax expense	22.97	23.52
Tax for earlier years	0.02	(1.78)
Total	73.43	30.21

Company has provided Income Tax for the year ended on 31st March, 2021 and remeasured its Deferred Tax Asset / Liability on the basis of rates prescribed under section 115BAA of the Income Tax Act, 1961 exercising the option permitted under that section.

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)	
	Year ended March 31, 2021	Year ended March 31, 2020
Reconciliation of tax expense and accounting profit multiplied by statutory tax rate		
Profit before tax	256.97	615.32
Applicable tax rate	0.2517	0.2517
Computed tax expense	64.68	154.88
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Non-deductible expenses	8.75	24.20
Income exempt from tax	-	(156.35)
Effect of change in Tax Rate on deferred tax	-	7.03
Others	(0.02)	2.23
Tax in respect of earlier years	0.02	(1.78)
Income tax expense	73.43	30.21
Note 28: Earnings per share		
Net profit / (loss) after tax	183.54	585.11
Weighted average number of equity shares	37,667,628	37,667,628
Basic and diluted earning per share of nominal value of Rs. 5/- each	4.87	15.53
Note 29: Payment to auditors		
As auditor:		
Audit fees	0.63	0.63
Tax Audit	0.04	0.04
Certification fees	0.03	0.03
Reimbursement of out of pocket expenses	0.12	0.12
Total	0.82	0.82
Note 30: Employee benefits		
Employee benefits comprise 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 recognized in the books of the Company.		

Note 31: Related party transactions

A) Name of the related parties and nature of relationship

(i) Where control exists :

Associate Company	Ownership interest held by the Company	
	March 31, 2021	March 31, 2020
i Kalyani Steels Limited	39.06%	39.06%
ii KSL Holdings Private Limited	42.52%	42.52%
iii Triumphant Special Alloys Pvt. Ltd. (previously known as Carpenter Kalyani Special Alloys Pvt. Ltd)	45.51%	45.51%
vi Kalyani Financial Services Limited	49.00%	49.00%
v Nandi Engineering Limited	40.00%	40.00%
vi Synise Technologies Limited	46.77%	46.77%

The principal place of business of the associate is India and the Company has accounted for its investment in associate at cost.

(i) Where control exists :

Joint Venture	Ownership interest held by the Company	
	March 31, 2021	March 31, 2020
i Automotive Axles Limited	35.52%	35.52%
ii Meritor (HVS) India Limited	48.99%	48.99%

The principal place of business of the Joint Venture is India and the Company has accounted for its investment in Joint Venture at cost.

Key Management Personnel

- i Mr. J. G. Patwardhan, the Chief Executive Officer and Chief Financial Officer
- ii Mr. S. R. Kshirsagar, the Company Secretary
- iii Mr. Amit B. Kalyani, Director
- iv Mr. B. B. Hattarki, Director
- v Mr.M. U. Takale, Director
- vi Mr. B. S. Mitkari, Director
- vii Mr. S. G. Joglekar, Director
- viii Ms. A. A. Sathe, Director

Trnsactions with related parties

Particulars	(₹ in Mln.s)	
	March 31, 2021	March 31, 2020
a Interest received from associates		
i Kalyani Financial Services Limited	-	-
Total	<u>-</u>	<u>-</u>
b Dividend Received from Associates		
i Kalyani Steels Limited	-	170.52
Total	<u>-</u>	<u>170.52</u>

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

(₹ in Mln.s)

Particulars	March 31, 2021	March 31, 2020
c Dividend Received from Joint venture		
i Automotive Axles Limited	4.29	136.88
ii Meritor HVS India Limited	148.90	189.86
Total	<u>153.19</u>	<u>326.74</u>
d Remuneration to Key Managerial Person		
i Mr. J. G. Patwardhan, the Chief Financial Officer and Chief Executive Officer	3.63	4.35
ii Mr. S. R. Kshirsagar, the Company Secretary	1.33	1.35
Total	<u>4.96</u>	<u>5.70</u>
Reimbursed to BF Utilities Ltd. and Kalyani Global Engineering Pvt. Ltd., respectively, being on deputation from them		
e Director's sitting fees		
i Mr. Amit B. Kalyani, Director	0.04	0.03
ii Mr. B. B Hattarki, Director	0.04	0.03
iii Mr.M. U Takale, Director	0.04	0.04
iv Ms. A. A Sathe, Director	0.01	0.01
v Mr. B. Mitkari, Director	0.04	0.04
vi Mr. S.G.Joglekar, Director	0.04	0.03
Total	<u>0.21</u>	<u>0.18</u>
f Director's commission		
i Mr. Amit B. Kalyani, Director	2.50	12.25
ii Mr. B. B Hattarki, Director	0.50	0.75
iii Mr.M. U Takale, Director	0.50	0.75
iv Ms. A. A Sathe, Director	0.50	0.75
v Mr. B. Mitkari, Director	0.50	0.75
vi Mr. S.G.Joglekar, Director	0.50	0.75
Total	<u>5.00</u>	<u>16.00</u>
Balances with related parties		
a Director's commission payable		
i Mr. Amit B. Kalyani, Director	2.50	12.25
ii Mr. B. B Hattarki, Director	0.50	0.75
iii Mr.M. U Takale, Director	0.50	0.75
iv Mr. B. Mitkari	0.50	0.75
v Mr. S.G.Joglekar	0.50	0.75
vi Ms. A. A Sathe, Director	0.50	0.75
Total	<u>5.00</u>	<u>16.00</u>

The above transactions are at arm's length, and the commission payable is unsecured.

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

Note 32 : Fair value measurements

Financial assets and liabilities at amortised cost

(₹ in Mln.s)

Particulars	March 31, 2021	March 31, 2020
Financial assets		
Term deposits	807.65	705.10
Security deposits	266.31	268.55
Loans	22.50	1.06
Interest receivable	5.73	4.70
Cash and cash equivalents	223.52	160.12
Total financial assets	1,325.71	1,139.53
Financial liabilities		
Trade payables	0.02	0.34
Directors Commission payable	5.00	16.00
Total financial liabilities	5.02	16.34

Financial assets and liabilities classified as FVPL

(₹ in Mln.s)

Particulars	March 31, 2021	March 31, 2020
Investment in Preference shares	950.56	970.42
Loans	202.21	188.45
Investments in Mutual Funds	-	-

Financial assets and liabilities classified as FVOCI

(₹ in Mln.s)

Particulars	March 31, 2021	March 31, 2020
Investment in Equity Shares	11,710.88	5,757.65
Investment in Debentures	185.82	192.45

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	(₹ in Mln.s)		
Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3
Investment in Preference shares			
March 31, 2021	-	-	950.56
March 31, 2020	-	-	970.42
Investments in Mutual Funds			
March 31, 2021	-	-	-
March 31, 2020	-	-	-
Investment in Equity Shares			
March 31, 2021	11,710.88	-	-
March 31, 2020	5,757.65	-	-
Investment in Debentures			
March 31, 2021	-	-	185.82
March 31, 2020	-	-	192.45

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value for preference shares is determined using discounted cash flow analysis (KSL Holding Limited, Kalyani Technoforge Limited, Baramati Speciality Steels Limited and Kalyani Financial Services Limited)
- The fair value for Loans is determined using discounted cash flow analysis (Loans to BF Utilities Limited, NICE Limited and Nandi Economic Corridor Enterprises Limited)
- The fair value for compulsorily convertible debentures is determined using asset approach (Net Asset Value method)

iii) Valuation process

The Company performs the valuations of assets and liabilities required for financial reporting purposes. The Company appoints external valuation experts whenever the need arises for level 3 fair valuation. Discussions of valuation processes and results are held between the the Company and the valuation experts periodically, in line with the Company's annual reporting period.

iv) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of such financial assets and liabilities are a reasonable approximation of their fair values.

v) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items:

(₹ in Mln.s)

Particulars	Preference shares	Debentures	Total
As at March 31, 2020	970.42	192.45	1,162.87
Purchased (redeemed) during the year	(93.00)	-	(93.00)
Gain / (loss) recognised in profit or loss	73.14	-	73.14
Gains/ (losses) recognised in other comprehensive income	-	(6.63)	(6.63)
As at March 31, 2021	950.56	185.82	1,136.38

v) Valuation inputs and relationships to fair value		The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value (Rs. Min.)			
		Fair value as at		Inputs used for fair value	
Name of the entity	Method of valuation- significant unobservable inputs	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Equity Shares of ₹ 10/- each fully paid in Khed Economic Infrastructure Private Limited.	Cost approach - method Inputs considered for cost approach : Inventory valuation 1) Rate per acre for developed land 2) Rate per acre for land under development 3) Rate per acre for undeveloped land	1,096.12	1,193.18	Inventory valuation 1) Rate per acre for developed land in the range of Rs. 1.24 to Rs. 1.51 crore (weighted average Rs. 1.38 crore) per acre 2) Rate per acre for developed land in the range of Rs. 1.24 to Rs. 1.51 crore (weighted average Rs. 1.38 crore) per acre	Inventory valuation 1) Rate per acre for developed land in the range of Rs. 1.24 to Rs. 1.51 crore (weighted average Rs. 1.38 crore) per acre 2) Rate per acre for developed land in the range of Rs. 1.24 to Rs. 1.51 crore (weighted average Rs. 1.38 crore) per acre
Equity Shares of ₹ 10/- each fully paid in Kalyani Maxton Wheels Limited	Cost approach - method Inputs considered for cost approach : Fair valuation of Tangible assets	437.14	433.63	Fair value tangible assets viz. land, buildings and plant and equipment viz. plant and machinery, factory equipment, research and development.	Fair value tangible assets viz. land, buildings and plant and equipment viz. plant and machinery, factory equipment, research and development.
0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.	Cost approach - method Inputs considered for cost approach : Fair valuation of Investments	185.82	192.44	Fair value of current and non current investments viz. equity shares and debentures.	Fair value of current and non current investments viz. equity shares and debentures.
7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.	Discounted cash flow method	369.90	338.25	10%	10%
9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Private Limited.	Discounted cash flow method	528.46	491.74	10%	10%
1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial services Limited	Discounted cash flow method	52.20	47.47	10%	10%
8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.	Discounted cash flow method	-	92.96	10%	10%

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

Particulars	March 31, 2021	March 31, 2020
The sensitivity analysis on account of inputs used for fair valuation are as follows:		
Equity shares of Khed Economic Infrastructure Private Limited:		
Rate per acre		
Increase by 5%	54.81	59.66
Decrease by 5%	(54.81)	(59.66)
Equity shares of Kalyani Maxion Wheels Limited:		
Fair value of tangible assets		
Increase by 5%	21.86	21.68
Decrease by 5%	(21.86)	(21.68)
0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.:		
Fair value of investments		
Increase by 5%	9.29	9.62
Decrease by 5%	(9.29)	(9.62)
7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.		
Discount rate		
Increase by 1%	(13.82)	(12.56)
Decrease by 1%	14.78	13.44
9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Private Limited.		
Discount rate		
Increase by 1%	(45.27)	(41.15)
Decrease by 1%	51.99	47.26
1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial services Limited		
Discount rate		
Increase by 1%	(1.58)	(1.74)
Decrease by 1%	1.67	1.83
8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.:		
Discount rate		
Increase by 1%	-	(5.74)
Decrease by 1%	-	6.58

Note 33 : Financial risk management

Presented below is a description of the risks (market risk, and liquidity risk) together with a sensitivity analysis, performed annually, of each of these risks based on selected changes in market rates and prices. These analyses reflect management's view of changes which are reasonably possible to occur over a one-year period.

I Market Risk

A Price risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet wither at fair value through Other Comprehensive Income or at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the group diversifies the portfolio. The majority of group's equity investments are publically traded and are included in the BSE and NSE indices.

II Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these debt financing plans.

i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

	(₹ in Mln.s)	
	Less than 1 year	More than 1 year
March 31, 2021		
Non- derivative		
Trade payables	0.02	-
Director's commission payable	5.00	-
March 31, 2020		
Non- derivative		
Trade payables	0.34	-
Director's commission payable	16.00	-

III Credit Risk:

The Company is exposed to credit risk from its activity of giving loans and from its financing activities, including deposits with banks and other financial instruments. The balances with banks, loans given to corporate bodies, security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

i) Expected credit loss for loans :

	(₹ in Mln.s)	
Particulars	March 31, 2021	March 31, 2020
Gross carrying amount	311.64	276.44
Expected loss rate	(27.89%)	(31.45%)
Expected credit losses (loss allowance provision)	(86.93)	(86.93)
Carrying amount of loans (net of impairment)	224.71	189.51

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

ii) Reconciliation of loss allowance provision - loans		(₹ in Mln.s)
Loss allowance as on April 1, 2021		86.93
Changes in loss allowance		-
Loss allowance as on March 31, 2020		86.93

Note 34 : Capital management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The capital structure of the Company is as follows:

Particulars	(₹ in Mln.s)	
	March 31, 2021	March 31, 2020
Share Capital	188.34	188.34
Other Equity	15,360.19	9,206.50
Total	15,548.53	9,394.84

Note 35 : Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors has been identified as the chief operating decision maker.

The Company is in the business of making investments in group companies, focusing on earning income through dividends, interest and gains on investment held, which is a single segment in accordance with Ind AS 108 - "Operating segment" notified pursuant to Companies (Indian Accounting Standards) Rules, 2015 as amended.

All assets are in India.

Note 36 : Corporate social responsibility (CSR)

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 recognizes CSR spends as and when incurred. Relevant details for the financial year covered by these statements are as under.

	(₹ in Mln.s)	
	Year ended March 31, 2021	Year ended March 31, 2020
Gross Amount required to be spent by the Company during the year	7.72	5.18
Amount spent during the year	18.50	5.00
Amount spent during the year on :		
(i) construction / acquisition of asset	-	-
(ii) on purposes other than (i) above	18.50	5.00
Cumulative shortfall	0.00	10.78

Note 37 : Impact of COVID 19 :

Corona virus (COVID 19) has badly affected the world economy, including India. COVID-19 has severely affected the business of the company, with a significant drop in the income. However, the company does not anticipate any major challenge in meeting its financial obligations, on long term basis and has a very limited risk of recoverability of some of the loans and advances. It does not anticipate any additional liability as at the Balance Sheet date.

The value of investments by the Company in equities, has substantially increased in line with the buoyant sentiment in Capital Markets.

The company will closely monitor any material changes that may take place in future that may impact its business.

Carrying value of financial instruments: The company has financial instruments in the nature of inter group advances / loans / convertible instruments, which are issued by the companies within Kalyani Group and hence there is no risk of default or liquidity.

Impact on revenue: The majority of the source of income of the company is in the form of dividend. The dividend income for FY 2020-21 has seen a significant drop compared to earlier years.

However, Impact assessment of COVID- 19 is an ongoing process given the uncertainties associated with its nature and duration., and the company will evaluate the same at regular intervals.

38 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 5th February, 2010 referred to herein before, could not be transferred in the name of the Company as at 31st March, 2021. The Company is in the process of completing the required legal formalities.

39 Company has given a financial guarantee to Axis Finance Ltd., of an amount of ₹ 1200 million in December 2018, in respect of a term loan availed by a Kalyani group company from Axis Finance Ltd, for a period ending upto 31st March 2023. The balance outstanding of that loan as at 31st March 2021 is ₹ 663.10 million (previous year ₹ 722.52 million). The company has accounted for the fair value of this financial guarantee in the financial statements, which as per the valuation report obtained by the company, is Nil as on March 31st, 2021.

40 40,000,000 9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Pvt. Ltd. are redeemable at par on or before 25th October, 2036.

41 21,042,440 7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited are redeemable at par on or before 21st December, 2024. 3,000,000 7% Cumulative Optionally Convertible Non Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited are redeemable at par on or before 5th September, 2025. 12,000,000 7% Cumulative Optionally Convertible Non Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited are redeemable at par on or before 26th September, 2026.

42 9,300,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each of Baramati Speciality Steels Ltd. have been redeemed at par during the year.

43 Of the 6,636,000 0% Fully Convertible Debentures (FCDs) of ₹ 100/- each, fully paid of Kalyani Financial Services Limited, . 4,980,346 FCDs 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 on or before 27th September, 2022. 398,801 FCDs are compulsorily convertible into Equity Shares of ₹ 10/- each, fully paid up at a premium of ₹ 20/- per share on or before 30th March, 2024 and 1,256,853 FCDs are compulsorily convertible into Equity Shares of ₹ 10/- each, fully paid up at a premium of ₹ 20/- per share on or before 31st March, 2024.

44 Long term loans given :

The Company has given letter of subordination to Nandi Economic Corridor Enterprises Ltd. (NECE) and Airro (Mauritius) Holdings V, whereby the Company has agreed to subordinate the interest free unsecured loan of ₹ 1,160,520,067 (Previous Year : ₹ 1,160,520,067) granted by it to NECE, until the entire stakeholding of Airro (Mauritius) Holdings V in NECE Ltd. is completely sold off or all the amounts payable by NECE Ltd. to Airro

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2021.

(Mauritius) Holdings V in terms of the Shareholders Agreement dated 24th December, 2010, between Airro (Mauritius) Holdings V and NECE Ltd. are fully paid off. The Company has given Interest free unsecured Loans of ₹ 19,42,65,288/- (P.Y. ₹ 20,03,61,785/-) and Rs. 3,00,00,000/- (P.Y. ₹ 3,00,00,000/-) to BF Utilities Ltd. & NICE Ltd. respectively. These loans are repayable over 10 & 30 year period respectively, commencing from 1st april, 2018.

(₹ in Mln.s)

45 Contingent Liabilities not provided for :

	March 31, 2021	March 31, 2020
During the previous year, the Company had paid a Transfer Duty of ₹ 10,85,127/- to New Delhi Municipal Council, towards registration of it's property held at Antariksh Bhavan, New Delhi, in its name. The relevant mutation certificates as Property Tax payer are on Companies record. The process for registering name of the company as propertyholder in the land records is currently in process.	Unascertainable	Unascertainable

(₹ in Mln.s)

46 Capital commitments (net of advances) :

	March 31, 2021	March 31, 2020
	-	3.00

47 Leases:

Effective April1, 2019, the company has adopted IND AS 116 "Leases" using modified retrospective approach. Consequently, in FY 2019-20, the company has recorded lease liability of ₹ 90.92 Lakhs calculated as the present value of the remaining lease payments discounted at the incremental borrowing rate. Right of use asset has been recognised at ₹ 80.22 lakhs determined at the net of amount calculated by applying the standard since the date of commencement of lease and the resulting depreciation upto the date of adoption. The net effect of initial application of IND AS 116 has been adjusted to retained earnings of ₹ 7.73 lakhs (Net of taxes) as on April1, 2020. This lease has ended in the second quarter of the present year.

48 Since the introduction of GST in July 2017, till the previous Financial year (FY. 2018-19), the Company was grouping the GST paid under Rates and Taxes. During the year under review, the Company has charged off the GST paid to the respective expenses heads. Consequently, the figures of some of the expenses heads for the current year are not comparable to the previous year.

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

As per my attached report of even date,

On behalf of the Board of Directors,

For P. G. BHAGWAT LLP
(FRN No. 101118W/ W100682)
Chartered Accountants

B.S. Mitkari
Director
DIN: 03632549

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 14th June, 2021

Place : Pune
Date : 14th June, 2021

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of BF Investment Limited

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of BF Investment Limited (hereinafter referred to as the "Holding Company") and its associates & Joint venture companies, which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 of the Company as at March 31, 2021, of consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter :

Valuation of investments

At the balance sheet date, the value of investments amounted to Rs. 34,236.77 millions. Investments have been considered as key audit matter due to the size of the balance, various recognition and subsequent measurement principles. Refer note 1A. (h) to (j) to the Consolidated Financial Statements for its accounting policy.

Principle Audit Procedures

- i. We have obtained independent external confirmations of all material current investments in order to test the assertion of existence, accuracy, valuation and completeness.
- ii. We have independently evaluated the fair values of listed and quoted investments.
- iii. We have evaluated the fair value of unquoted investments adopted by the management.
- iv. We have evaluated the process of the management to identify impairment (if any) for the investments measured at amortised cost.
- v. We have assessed the compliance of the recognition and subsequent measurement principles as specified in the accounting policy adopted by the company.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Shareholder Information and Director's Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, the consolidated statement of changes in equity and consolidated cash flows of the Holding Company and its associates & Joint venture companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Holding Company and its associates & Joint venture companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its associates & Joint venture companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Holding Company and its associates & Joint venture companies are responsible for assessing the ability of the Holding Company and its associates & Joint venture companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company and its associates & Joint venture companies or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Holding Company and its associates & Joint venture companies are responsible for overseeing the financial reporting process of the Holding Company and its associates & Joint venture companies.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its associates & Joint venture companies to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associates & Joint venture companies to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company and its associates & Joint venture companies to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in these Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. 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.

Other Matters

The Consolidated Financial Statements and other financial information includes Rs.2724.67 millions & Rs. 7252 millions being the Holding company's proportionate share in the net profits & OCI respectively, of the three associate companies, & two Joint venture companies, which are not audited by us but are audited by other auditors.

The audited Ind AS financial statements & audit reports of the associates & Joint venture companies and of the Holding company are available. We have considered the Audit Reports of the associates & Joint venture companies whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associates & Joint venture companies, 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 & Joint venture companies, is based solely on those reports.

Our opinion on the consolidated Ind AS 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

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 of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated

Ind AS 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 (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS 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 March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associates & Joint venture companies incorporated in India, none of the directors of the Holding Company and its associates & Joint venture companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its associates & Joint venture companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure".
- (g) As required by section 197 (16) of the Act, in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.
- (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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2021 on the consolidated financial position of the Holding Company and its associates & Joint venture companies.
 - (ii) The Holding Company and its associates & Joint venture companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its associates & Joint venture companies incorporated in India during the year ended March 31, 2021.

For P.G. BHAGWAT LLP
Chartered Accountants
FRN : 101118W / W100682

Sanjay Athavale
Partner

Membership No. 83374

UDIN : 21083374AAAADB6119

Pune : 14th June, 2021

"ANNEXURE" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 (f) of the Independent Auditor's Report of even date to the members of BF Investment Limited on the consolidated Ind AS financial statements for the year ended March 31, 2021

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 March 31, 2021, We have audited the internal financial controls with reference to financial statements of BF Investment Limited (hereinafter referred to as "the Holding Company") and its associates & Joint venture 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 associates & Joint venture 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 Companies' 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 associates & Joint venture 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 March 31, 2021, 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 four of its associates & two Joint venture companies, which are companies incorporated in India, is based on corresponding reports of the auditors of such companies incorporated in India.

For P.G. BHAGWAT LLP
Chartered Accountants
FRN : 101118W / W100682

Sanjay Athavale
Partner
Membership No. 83374
UDIN : 21083374AAAADB6119

Pune : 14th June, 2021

Consolidated Balance Sheet as at 31st March, 2021

(₹ in Mln.s)

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	Note 3a	223.52	160.12
(b) Bank Balances other (a) above	Note 3b	807.65	705.10
(c) Loans	Note 4	224.71	189.51
(d) Investments	Note 5	34,236.77	17,770.48
(e) Other financial assets	Note 6	272.04	273.26
		35,764.69	19,098.47
2 Non-financial Assets			
(a) Current Tax Assets (net)	Note 7	-	-
(b) Deferred Tax Asset (net)	Note 8	68.15	67.58
(c) Investment Property	Note 9	130.18	130.31
(d) Property, Plant and Equipment	Note 10	18.84	5.62
Right to Use Asset	Note 10 ii)	-	1.60
(e) Other non-financial assets	Note 11	0.24	-
		217.41	205.11
	Total Assets	35,982.10	19,303.58
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Trade payables	Note 12		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		0.02	0.34
(b) Other financial liabilities	Note 13	5.00	16.00
		5.02	16.34
2 Non-Financial Liabilities			
(a) Current tax liabilities	Note 14	0.87	2.08
Deferred Tax Liability (net)	Note 15	2,996.98	2,170.20
(b) Other non-financial liabilities	Note 16	2.97	5.17
		3,000.82	2,177.45
3 EQUITY			
(a) Share capital	Note 17	188.34	188.34
(b) Other equity			
(i) Reserves & Surplus	Note 18	32,787.92	16,921.45
		32,976.26	17,109.79
	Total Liabilities and Equity	35,982.10	19,303.58
Significant accounting policies	1		
Significant accounting judgements, estimates and assumptions	2		
The notes 1 to 45 form an integral part of these Standalone financial statements			

As per my attached report of even date,

On behalf of the Board of Directors,

For P. G. BHAGWAT LLP
Chartered Accountants
(FRN No. 101118W/ W100682)

B.S. Mitkari
Director
DIN: 03632549

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 14th June, 2021

Place : Pune
Date : 14th June, 2021

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2021

(₹ in Mln.s)

	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
1 Revenue from Operations			
(i) Interest Income	Note 19	48.45	41.32
(i) Dividend Income	Note 20	22.66	123.91
(iii) Net gain on fair value changes	Note 21	92.99	55.90
Total Revenue from Operations		164.10	221.13
2 Other Income	Note 22	4.99	0.21
Total Income (1+2)		169.09	221.34
2 Expenses			
(a) Employee benefits expense	Note 23	4.96	5.71
(b) Finance costs	Note 24	0.05	0.59
(c) Depreciation	Note 25	7.06	7.58
(d) Other expenses	Note 26	53.23	53.59
Total expenses		65.30	67.47
3 Profit / (Loss) before exceptional items and tax		103.79	153.87
4 Exceptional items	Note 27	-	35.81
Share in profit of associates accounted for using equity method		3,466.74	2,179.46
5 Profit / (Loss) before tax		3,570.53	2,297.52
6 Tax expense	Note 28		
Current tax		50.44	8.47
Tax in respect of earlier years		0.02	(1.78)
Deferred tax expense		849.75	847.59
Total Tax expense		900.21	854.28
7 Profit/(Loss) for the period		2,670.32	1,443.24
8 Other comprehensive income, net of income tax			
A. Items that will not be reclassified to profit or loss			
(a) Changes in fair value of FVOCI equity investment		5,946.60	(4,721.41)
Tax on above		23.55	(26.10)
(b) Share of other comprehensive income of associates and Joint Ventures accounted for using equity method :			
Changes in fair value of FVOCI equity investments		7,254.67	(99.68)
Remeasurements on account of post-employment benefit obligations		(2.74)	(8.69)
Total other comprehensive income for the year		13,222.08	(4,855.88)
9 Total comprehensive income for the period		15,892.40	(3,412.64)
10 Earnings per share (of Rs. 5/- each) :	Note 29	70.89	38.32
Basic & Diluted			
Significant accounting policies	1		
Significant accounting judgements, estimates and assumptions	2		
The notes 1 to 45 form an integral part of these Standalone financial statements			

As per my attached report of even date,

On behalf of the Board of Directors,

For P. G. BHAGWAT LLP
Chartered Accountants
(FRN No. 101118W/ W100682)

B.S. Mitkari
Director
DIN: 03632549

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 14th June, 2021

Place : Pune
Date : 14th June, 2021

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(₹ in Mln.s)

	Year ended March 31, 2021	Year ended March 31, 2020
A) Cash flows from operating activities		
Profit before income tax but after exceptional items	3,570.53	2,297.52
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	7.06	7.59
Profit on sale of investments	-	-
Interest - Other	0.04	0.59
Profit on sale of asset	-	-
Net gain on fair value changes	(92.99)	(55.90)
Provision for doubtful advances / receivables	(4.27)	-
Provision for diminution in value of long term investments	-	-
Rent paid	(1.96)	(7.75)
Profits of Associates	(3,466.74)	(2,179.47)
Adjustments for changes in working capital		
(Increase) / Decrease in loans	6.10	8.00
Increase / (Decrease) in trade payables	(0.32)	(0.98)
Increase / (Decrease) in other financial liabilities	(11.00)	4.00
(Increase) / Decrease in other financial assets	(19.18)	(0.77)
(Increase) / Decrease in other non financial assets	3.00	(100.00)
Increase / (Decrease) in other non financial liabilities	(0.28)	0.76
Cash generated from operations	(10.01)	(26.41)
Income taxes paid (net of refunds)	(51.67)	(4.16)
Net Cash from Operating activities	(61.68)	(30.57)
B) Cash flows from investing activities		
(Purchase) / Sale of shares	93.00	(120.00)
Term deposits in bank	(102.55)	(271.70)
Dividend of Associates and Joint Ventures	153.18	497.26
(Purchase) / Sale of asset	(18.55)	-
Net cash flows from investing activities	125.08	105.56
C) Cash flows from financing activities		
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	63.40	74.99
Cash and cash equivalents at the beginning of the year (refer note 13)	160.12	85.13
Cash and cash equivalents at the end of the year (refer note 13)	223.52	160.12
The cashflow is prepared by indirect method		
Significant accounting policies	1	
Significant accounting judgements, estimates and assumptions	2	
The notes 1 to 45 form an integral part of these Standalone financial statements		

As per my attached report of even date,

On behalf of the Board of Directors,

For P. G. BHAGWAT LLP
Chartered Accountants
(FRN No. 101118W/ W100682)

B.S. Mitkari
Director
DIN: 03632549

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 14th June, 2021

Place : Pune
Date : 14th June, 2021

Consolidated Statement of Changes in Equity (SOCIE) for the period ended 31st March, 2021

A. Equity Share Capital

(₹ in Mln.s)

	Notes	No. of shares	Amount
As at March 31,2019		37,667,628	1,88.34
Changes in equity share capital		-	-
As at March 31,2020		37,667,628	1,88.34
Changes in equity share capital		-	-
As at March 31,2021		37,667,628	1,88.34

B. Other Equity

(₹ in Mln.s)

	Notes	Reserves and Surplus					Other reserve	Total
		Retained Earnings	General reserve	Reserve Fund	Capital Redemption reserve	Capital Reserve	FVOCI equity investment reserve	
As at April 1, 2019		10,079.09	0.87	1,070.99	0.00	2,367.52	6,816.38	20,334.85
Profit for the year		1,443.24	-	-	-	-	-	1,443.24
Other Comprehensive Income :								
Changes in fair value of equity instruments (compulsorily convertible debentures)		-	-	-	-	-	(4,855.87)	(4,855.87)
Total Comprehensive Income for the year		1,443.24	-	-	-	-	(4,855.87)	(3,412.63)
Less : Transition effect of Ind AS 116		(0.77)	-	-	-	-	-	(0.77)
Add/Less: Amortised during the year								
Transferred to Statutory reserve fund during the year		(117.02)	-	117.02	-	-	-	-
As at March 31, 2020		11,404.54	0.87	1,188.01	0.00	2,367.52	1,960.51	16,921.45
Profit for the year		2,670.32	-	-	-	-	-	2,670.32
Other Comprehensive Income :								
Changes in fair value of equity instruments (including compulsorily convertible debentures)		-	-	-	-	-	13,222.08	13,222.08
Total Comprehensive Income for the year		2,670.32	-	-	-	-	13,222.08	15,892.40
Adjustments in retained earnings of Associates/JVs		(25.93)	-	-	-	-	-	(25.93)
Transferred to Statutory reserve fund during the year		(36.71)	-	36.71	-	-	-	-
As at March 31, 2021		14,012.22	0.87	1,224.72	0.00	2,367.52	15,182.59	32,787.92
Significant accounting policies	1							
Significant accounting judgements, estimates and assumptions	2							
The notes 1 to 45 form an integral part of these Standalone financial statements								

As per my attached report of even date,

On behalf of the Board of Directors,

For P. G. BHAGWAT LLP
Chartered Accountants
(FRN No. 101118W/ W100682)

B.S. Mitkari
Director
DIN: 03632549

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 14th June, 2021

Place : Pune
Date : 14th June, 2021

(All amounts are in Rupees Mln.s, except per share data and unless stated otherwise)

Background:

BF Investment Company Limited ("the Company") is a public limited company domiciled in India and incorporated in May, 2009 under the provisions of Companies Act, 1956. The equity shares of the Company are listed on two recognized stock exchanges in India i.e. the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company is primarily engaged in the business of making investments in Group companies. The registered office of the Company is located at, Mundhwa Pune Cantonment, Pune-411036. The CIN of the Company is L65993PN2009PLC134021. The Company has seven Associates and two joint ventures, together referred as the Group.

These consolidated financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on June 14, 2021.

1A. Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. For all periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value

(iii) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when,

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(iv) Principles of consolidation and equity accounting

● Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

- **Joint Arrangements**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Group only has joint ventures.

Joint Ventures

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

- **Equity method**

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group has adopted not to recognize the effects of the transactions recorded in equity of associates and joint ventures outside the statement of profit or loss and other comprehensive income of the associates and joint ventures.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions for the Group. Refer note 37 for segment information presented.

(c) Foreign currency translation

Functional and presentation currency

Items included in the separate financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

Initial Recognition

Foreign currency transactions are recorded in Indian currency, by applying the exchange rate between the Indian currency and the foreign currency at the date of transaction.

Conversion

Monetary items, designated in foreign currencies are revalued at the rate prevailing on the date of Balance Sheet.

Exchange Differences

Exchange differences arising on the settlement and conversion of foreign currency transactions are recognized as income or as expenses in the year in which they arise, except in cases where they relate to the acquisition of qualifying assets, in which cases they were adjusted in the cost of the corresponding asset.

(d) Interest Income

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

(e) Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(f) Taxes

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961. - The management periodically evaluates positions taken in returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred Tax

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

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

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in associates deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Current and deferred taxes are recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Group's cash management.

(h) Fair value measurement :

The Group measures financial instruments at fair value on initial recognition.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is un-observable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(j) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortized cost:

A financial asset is measured at amortized cost if both following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following criteria are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets, until they are derecognized or reclassified, are subsequently measured at fair value and recognized in other comprehensive income except for interest income, gain/loss on impairment, gain/loss on foreign exchange which is recognized in the statement of profit and loss.

Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

In addition, the Group may elect to classify a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). After initial measurement, such financial assets are subsequently measured at fair value in the statement of profit and loss.

De-recognition of financial assets

A financial asset is de-recognized when:

- the contractual rights to receive cash flows from the financial asset have expired, or
- The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either
 - (a) The Group has transferred substantially all the risks and rewards of the asset or
 - (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt-securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head "Other Expenses" in the statement of profit and loss.

The Balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost.

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-offs criteria, the Group does not de-recognize impairment allowance from the gross carrying amount.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

(k) De-recognition of financial liabilities

A financial liability (or a part of a financial liability) is de-recognized from its balance sheet when, and only when, it is extinguished i.e., when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(l) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(m) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized

Investment property are depreciated using straight line method over their estimated useful lives.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(n) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All directly attributable costs relating to the acquisition and installation of property, plant and equipment are capitalized. All repair and maintenance costs are recognized in statement of profit and loss during the reporting period in which they are incurred.

Subsequent costs are included in the asset's carrying amount as recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for a separate asset is derecognized when replaced.

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation on additions is provided from the beginning of the month in which the asset is put to use.

Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata basis up to the end of the month prior to the month in which such assets are sold, discarded or demolished.

The useful lives has been determined based on those specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Depreciation is charged on the basis of useful life of assets on straight line method for furniture & fixtures & on WDV method for car.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the separate statement of profit and loss when the asset is derecognized.

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(o) Leases

The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- **Company as a Lessee**

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability. A lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The Company uses the practical expedient to apply the requirements of Ind AS 116 to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However, when the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty the Company considers that lease to be no longer enforceable. Also according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, the lessee is not required to recognize right-of-use asset and a lease liability. The Company applies both recognition exemptions.

Right of use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

Lease modification

For a lease modification that is not accounted for as a separate lease, the company accounts for the re-measurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

- **Company as Lessor**

A lessor shall classify each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant

periodic rate of return on the net investment outstanding in respect of the lease.

Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. However, if there is no reasonable certainty that the company will obtain possession of the asset upon end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach. Consequently, the Company has recorded lease liability of Rs.9.092 millions calculated as the present value of the remaining lease payments discounted at the incremental borrowing rate. Right of use asset has been recognised at Rs. 8.022 millions determined at net of the amount calculated by applying the standard since the date of the commencement of lease and the resulting depreciation upto the date of adoption. The net effect of initial application of Ind AS 116 has been adjusted to retained earnings of Rs.0.773 millions (net of taxes) as on April 1, 2019.

Due to transition, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right-to-use assets and for interest accrued on lease liability respectively, and therefore these expenses for the current period are not comparable to the previous periods disclosed. The adoption of the standard did not have any material impact on the profit for the period as compared to previous periods.

(p) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss.

Previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of asset does not exceed its recoverable amount. Such reversal is recognized in statement of profit and loss.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are unsecured and are presented as current liabilities unless payment is not due within operating cycle determined by the Group after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(r) Provisions and contingent liabilities

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates.

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 recognized 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 recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure for a

contingent liability is made where there is a possible obligation arising out of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(s) Paid-up equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Dividends

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the Group when distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(u) Earnings per share

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted Earnings per Share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(v) Rounding of amounts:

All amounts disclosed in these separate financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

1B. Standards issued but not effective

Amendments:

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III (Division I, II and III) of the Companies Act, 2013. The amendment is applicable from 1 April 2021 and it specifies additional disclosures in the financial statements.

Key amendments in Division II applicable to the Company include:

- Disclosures for prior period errors in the statement of changes in equity
- Disclosure of shareholdings of promoters
- Disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- Disclosure of deviation from stated purpose in use of borrowings from banks and financial institutions
- Disclosures under 'additional regulatory requirements' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable properties not held in the name of the company, loans and advances to promoters, directors, key managerial personnel and related parties, details of benami property held etc.
- Disclosures relating to amount of expenditure on CSR, crypto or virtual currency, undisclosed income etc.

The amendments are extensive and the Company is in the process of evaluating the same to give effect to the same as required by law.

Exposure Drafts:

Following exposure drafts have been issue by the Institute of Chartered Accountants of India:

1. Amendment to Ind AS 116, "Leases" - Covid-19-Related Rent Concessions beyond 30 June 2021

On 24 July 2020, the MCA issued the Companies (Indian Accounting Standard) Amendment Rules, 2020 which amended Ind AS 116 to provide relief for lessees in accounting for eligible rent concessions upto 31 July 2021 that are a direct consequence of COVID-19. The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to extend the relief for

lessees in accounting for eligible rent concessions upto 31 July 2022.

2. Amendment to Ind AS 116, "Leases" - Interest Rate Benchmark Reform: Phase 2

The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to include a practical expedient in respect of all lease modifications that change the basis for determining future lease payments as a result of interest rate benchmark reform.

3. Amendments to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" - Onerous Contracts

The exposure draft on amendments to Ind AS 37 issued by the Institute of Chartered Accountants of India proposes amendments regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

4. Amendments to Ind AS 16, "Property, Plant and Equipment" - Proceeds before Intended Use

The exposure draft on amendments to Ind AS 16 issued by the Institute of Chartered Accountants of India proposes amendments regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

5. Amendments to Ind AS 103, "Business Combinations" - Reference to the Conceptual Framework

The exposure draft on amendments to Ind AS 103 issued by the Institute of Chartered Accountants of India proposes amendments to change out updated reference to "Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards" and update it with reference to "Conceptual Framework for Financial Reporting under Indian Accounting Standards". It also proposes certain consequential amendments.

6. Amendments to 101, "First-time Adoption of Indian Accounting Standards" - Subsidiary as a First-time Adopter

The exposure draft on amendments to Ind AS 101 issued by the Institute of Chartered Accountants of India proposes amendments to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

7. Amendments to 41, "Agriculture" - Taxation in Fair Value Measurements

The exposure draft on amendments to Ind AS 41 issued by the Institute of Chartered Accountants of India proposes amendments to remove a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in Ind AS 41 with those in other Ind AS's.

8. Amendments to Ind AS 109, "Financial Instruments" and Ind AS 107, "Financial Instruments: Disclosures" - Interest Rate Benchmark Reform: Phase 2

The exposure draft on amendments to Ind AS 109 and Ind AS 107 issued by the Institute of Chartered Accountants of India proposes amendments to assist entities in providing useful information about the effects of the transition to alternative benchmark rates and support preparers in applying the requirements of Ind AS's when changes are made to contractual cash flows or hedging relationships as a result of the transition to an alternative benchmark interest rate.

9. New Indian Accounting Standard (Ind AS) 117, Insurance Contracts

The exposure draft of Ind AS 117 is issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts.

The above exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from 1 April, 2021 as at the date of approval of these financial statements. On issue of the amendment by MCA, the Company would evaluate the impact of the change in the standalone financial statements.

2. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. This note provides an overview of the areas that involve a higher degree of judgments or complexities and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these judgments, estimates and assumptions is mentioned below.

Judgments, estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the separate financial statements:

1. Segment Reporting

Ind-AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Group has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD), based on its internal reporting structure and functions of the BoD. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources.

2. Legal Contingencies

The Group has received various orders and notices from tax authorities in respect of direct and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

1. Fair value measurement of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 34 for further disclosures.

2. Deferred Tax

At each balance sheet date, the Group assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax asset could change if estimates of projected future taxable income or if changes in current tax regulations are enacted.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

(₹ in Mln.s)

Particulars	March 31, 2021	March 31, 2020
Note 3a: Cash and Cash Equivalents		
Balances with Banks		
In current accounts	3.02	0.12
Term deposits with original maturity of less than three months	220.50	160.00
Cash in Hand	0.00	0.00
Total	223.52	160.12

Note 3b : Bank Balances other (a) above

Term Deposits with Banks with original maturity of more than 3 months but less than 12 months

Total	807.65	705.10
Total	807.65	705.10

Note 4: Loans

	As on March 31, 2021			As on March 31, 2020		
	Amortised cost	Fair value through profit or loss	Total	Amortised cost	Fair value through profit or loss	Total
(A) Loans						
(i) Intercompany deposit	109.43	202.21	311.64	87.99	188.45	276.44
Total (A) - Gross	109.43	202.21	311.64	87.99	188.45	276.44
Less: impairment loss allowance	(86.93)	-	(86.93)	(86.93)	-	(86.93)
Total (A) - Net	22.50	202.21	224.71	1.06	188.45	189.51
(B)						
(i) Unsecured	109.43	202.21	311.64	87.99	188.45	276.44
Total (B) - Gross	109.43	202.21	311.64	87.99	188.45	276.44
Less: impairment loss allowance	(86.93)	-	(86.93)	(86.93)	-	(86.93)
Total (B) - Net	22.50	202.21	224.71	1.06	188.45	189.51
(C) Loans in India						
Total (C) - Gross	109.43	202.21	311.64	87.99	188.45	276.44
Less: impairment loss allowance	(86.93)	-	(86.93)	(86.93)	-	(86.93)
Total (C) - Net	22.50	202.21	224.71	1.06	188.45	189.51
Good			224.71			189.51
Doubtful			86.93			86.93

Note 5: Investments (Contd.)

Investments	As on March 31, 2021						As on March 31, 2020			Total
	Quantity in numbers	If Quoted	At Cost	At fair value		Total	At Cost	At fair value		
				Through other compre- hensive income	Through profit or loss			Through other compre- hensive income	Through profit or loss	
			21445.61	11710.89	-	33156.50	10906.06	5757.66	-	16663.72
			-	-	369.90	369.90	-	-	431.21	431.21
		Brought over }								
Preference shares in Associate										
6 % Non-cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Ltd.	-		-	-	-	-	-	-	-	0.00
9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Pvt. Ltd.	4000000		-	-	528.46	528.46	-	-	491.74	491.74
1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial services Ltd.	6860000		-	-	52.20	52.20	-	-	47.47	47.47
Total Preference Shares:			-	-	950.56	950.56	-	-	970.42	970.42
Debentures in Associate:										
0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.	6636000		-	185.81	-	185.81	-	192.44	-	192.44
Total Debentures:			-	185.81	-	185.81	-	192.44	-	192.44
Total - Gross (A)			21,445.61	11,896.70	950.56	34,292.87	10,906.05	5,950.10	970.42	17,826.58
(i) investments outside india						-	0.00	0.00	0.00	
(ii) investments in India			21,445.61	11,896.70	950.56	34,292.87	10,906.05	5,950.10	970.42	17,826.58
Total (B)			(56.10)	-	-	(56.10)	(56.10)	-	-	(56.10)
Less: Allowance for impairment loss										
Total Investments			21,389.51	11,896.70	950.56	34,236.77	10,849.95	5,950.10	970.42	17,770.48
Quoted shares valued at Fair Value through OCI						10,177.62				4,130.83
Quoted Shares valued at cost, being Associate / Joint Venture						4,736.47				3,901.02

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)	
	March 31, 2021	March 31, 2020
Note 6: Other financial assets		
Interest and dividend receivable	7.18	10.43
Provision for Doubtful dividend and Interest Receivable	(1.45)	(5.73)
Net Interest receivable	5.73	4.70
Security deposits	266.31	268.56
Total	272.04	273.26
Note 7 : Current Tax Assets (net)		
Tax paid in advance,(net of provisions)	-	-
Total	-	-
Note 8 : Deferred Tax Asset (net)		
Deferred tax asset (net)	68.15	67.58
Total	68.15	67.58
Changes in Deferred Tax Assets/ (Liabilities) in Profit and Loss [charged / (credited) during the year]		
Deferred tax liabilities		
On account of temporary difference		
Deferred tax arising due to consolidation on equity shares Associates & Joint Ventures	(826.78)	(824.07)
Deferred tax assets		
On account of temporary difference		-
Depreciation and amortisation	0.52	(0.73)
Disallowances		-
Deferred tax asset on fair valuation of preference shares		-
Deferred tax on fair valuation of shares, loans & lease	(23.49)	(22.79)
Total	(849.75)	(847.59)
Changes in Deferred Tax Assets/ (Liabilities) in Other Comprehensive income [charged / (credited) during the year]		
Deferred tax charged	23.55	(26.10)
Total	23.55	(26.10)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)		
	Freehold land	Buildings	Total
Note 9: Investment property			
Gross block as at 1 April 2019	125.85	7.66	133.51
Additions	-	-	-
Adjustments	-	-	-
Gross block as at March 31, 2020	125.85	7.66	133.51
Additions	-	-	-
Adjustments	-	-	-
Gross block as at March 31, 2021	125.85	7.66	133.51
Accumulated depreciation as at 1 April 2019	-	3.07	3.07
Depreciation charge	-	0.13	0.13
Closing accumulated depreciation as at March 31, 2020	-	3.20	3.20
Depreciation charge	-	0.13	0.13
Closing accumulated depreciation as at March 31, 2021	-	3.33	3.33
Net carrying amount as at March 31, 2021	125.85	4.33	130.18
Net carrying amount as at March 31, 2020	125.85	4.46	130.31

Amount recognised in profit and loss for investment properties

Particulars	(₹ in Mln.s)	
	March 31, 2021	March 31, 2020
Depreciation	0.13	0.13
Total	0.13	0.13

Particulars	(₹ in Mln.s)	
	Freehold land	Buildings
As on March 31, 2021	865.80	18.00
As on March 31, 2020	715.00	15.13

Particulars	(₹ in Mln.s)		Total
	Vehicles	Furniture and Fixtures	
Note 10: Property, plant and equipment			
Gross Block as at April 1, 2019	-	10.91	10.91
Additions	-	-	-
Disposals/Adjustments	-	-	-
Gross block as at March 31, 2020	-	10.91	10.91
Additions	18.55	-	18.55
Transfers	-	-	-
Disposals / Adjustments	-	-	-
Gross Block as at March 31, 2021	18.55	10.91	29.46
Accumulated Depreciation :			
As at April 1, 2019	-	4.26	4.26
For the year		1.03	1.03
Disposals/Adjustments	-	-	-
As at March 31, 2020	-	5.29	5.29
For the year	4.29	1.04	5.33
Disposals/Adjustments	-	-	-
As at March 31, 2021	4.29	6.33	10.62
Net Block			
As at March 31, 2020	-	5.62	5.62
As at March 31, 2021	14.26	4.58	18.84
i) The information relating to Gross block, accumulated Depreciation and Impairment if any, has been disclosed as an additional information since the Group has adopted deemed cost exemption under Ind AS 101.			
ii) Right to Use Asset (ROUA)			
Particulars			ROUA
Gross Block as at April 1, 2019			-
Additions			8.02
Disposals/Adjustments			-
Gross block as at March 31, 2020			8.02
Additions			-
Transfers			-
Disposals / Adjustments			8.02
Gross Block as at March 31, 2021			0.00
Accumulated Depreciation :			
As at April 1, 2019			-
For the year			6.42
Disposals/Adjustments			-
As at March 31, 2020			6.42
For the year			1.60
Disposals/Adjustments			8.02
As at March 31, 2021			0.00
Net Block			
As at March 31, 2020			1.60
As at March 31, 2021			0.0

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)	
	March 31, 2020	March 31, 2019
Note 11 : Other non-financial assets		
Prepaid expenses	0.24	-
Other Assets	-	-
Total	0.24	-
Note 12: Current Financial Liabilities - Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.02	0.34
Total	0.02	0.34
<p>The Company has compiled this information based on the current information in its possession as at March 31, 2020, no supplier has intimated the Company about its status as Micro and Small Enterprises or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.</p>		
Note 13: Other Current Financial Liabilities		
Director's commission payable	5.00	16.00
Financial guarantee	-	-
Total	5.00	16.00
Note 14: Current Tax Liabilities		
Current Tax Liabilities (net of advance tax)	0.87	2.08
Total	0.87	2.08
Note 15: Deferred Tax Liabilities (Net)		
Deferred tax liability (net)	2,996.98	2,170.20
Total	2,996.98	2,170.20
Note 16: Other non financial liabilities		
Statutory dues payable	2.97	3.24
Lease liability	-	1.93
Total	2.97	5.17

Note 17: Share capital**(a) Authorised share capital**

Particulars	Equity shares
As at March 31, 2021 :	
Number of shares	40,000,000
Face value per share (Rupees)	5
Amount (Rs. in Mlns)	200.00
As at March 31, 2020 :	
Number of shares	40,000,000
Face value per share (Rupees)	5
Amount (Rs.in Mlns)	200.00

(b) Terms/ rights attached to equity shares

The Company has only one class of issued equity shares having a par value of Rs.5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

(c) Issued and subscribed equity share capital

Particulars	(Rs. in Mln.s)	
	Number of shares	Amount
As at March 31, 2020	37,667,628	188.34
Changes in equity share capital	-	-
As at March 31, 2021	37,667,628	188.34
Changes in equity share capital	-	-

(d) Details of shareholders holding more than 5% shares in the Company

Particulars	Ajinkya Investment & Trading Company	Sundaram Trading & Investment Private Limited	KSL Holdings Pvt. Ltd.
As at March 31, 2020			
% of holding	27.32%	25.99%	13.42%
Number of shares	10,292,103	9,793,068	5,054,091
As at March 31, 2021			
% of holding	27.32%	25.99%	13.42%
Number of shares	10,292,103	9,793,068	5,054,091

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)	
	March 31, 2021	March 31, 2020
Note 18: Reserves and Surplus		
Retained earnings	11,404.54	10,079.09
Less : transition effect of Ind AS 116	-	(0.77)
Add: Profit for the year	2,670.32	1,443.24
Adjustments in retained earnings of Associates/JVs	(25.93)	-
Less: Transfer to statutory reserve fund	(36.71)	(117.02)
	14,012.22	11,404.54
General Reserve as at the beginning and end of the year	0.87	0.87
Capital reserve as at the beginning and end of the year	2,367.52	2,367.52
Capital Redemption reserve as at the beginning and end of the year	-	0.00
Reserve Fund as at the beginning of the year	1,188.01	1,070.99
Add:	36.71	117.02
Reserve Fund as at the end of the year	1,224.72	1,188.01
FVOCI Equity investments		
As at the beginning of the year net of deferred taxes	1,960.51	6,816.38
Deferred Tax Impact (FVOCI)	-	-
Add: Fair value gains/losses for the year net of deferred taxes	13,222.08	(4,855.87)
As at the end of the year	15,182.59	1,960.51
Total	32,787.92	16,921.45

Nature and purpose of reserves:

i General reserve :

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in General Reserve since transfer under the scheme of arrangement.

ii Capital reserve :

It is the reserve pertaining to the investment undertaking transferred to the Resultant Company, i.e. BF Investment Ltd., Consequent to the scheme of arrangement approved by High Court of judicature, Mumbai during F.Y. 2009-2010.

iii Capital Redemption Reserve :

An erstwhile subsidiary of BF Utilities Ltd. (amalgamated company) had preference capital. At the time of redemption of said preference capital, Redemption reserve was created, which has since got transferred to BF Investment by means of scheme of arrangement.

iv Reserve Fund :

Under sec 45IC(1) of RBI act, every NBFC has to transfer 20% of its post tax profits to a corpus termed as Reserve Fund.

v FVTOCI Equity investment reserve

The Company has elected to recognise changes in the fair value of investment in equity shares in other comprehensive income. These changes are accumulated within the FVTOCI investment reserve within equity. The Company will transfer amounts from the said reserve to retained earnings when the relevant equity shares are de-recognised.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)	
	Year ended March 31, 2021	Year ended March 31, 2020
Note 19: Interest Income		
Interest Received on Bank Deposits	47.34	41.32
Interest Received on Inter Corporate Deposits	1.11	-
Total	48.45	41.32
Note 20: Dividend Income		
Dividend received on shares investments	22.66	123.91
Total	22.66	123.91
Note 21: Net Gain/(loss) on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit or loss		
- preference shares and loans	92.99	55.90
- mutual funds	-	-
Total Net gain/(loss) on fair value changes		
Fair Value Changes:		
- Realised		
- Unrealised	92.99	55.90
Total Net gain/(loss) on fair value changes	92.99	55.90
Note 22: Other Income		
Miscellaneous Income	0.72	0.21
Provision no longer required	4.27	-
Total	4.99	0.21
Note 23: Employee Benefit Expenses (Refer Note 31 below)		
As reimbursement to companies from where the officers are on deputation		
Salaries and wages	4.72	5.46
Contribution to provident and other funds	0.14	0.12
Staff welfare expenses	0.04	0.13
Medical Reimbursement	-	-
Leave Travel Allowance	0.06	-
Total	4.96	5.71
Note 24: Finance Cost		
Other interest	0.01	-
Finance cost on leases	0.04	0.59
Total	0.05	0.59

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)	
	Year ended March 31, 2021	Year ended March 31, 2020
Note 25: Depreciation		
Depreciation	7.06	7.58
Total	7.06	7.58
Note 26: Other Expenses		
Rent rates and taxes	5.73	1.65
Repairs and maintenance	0.24	1.20
Communication expenses	0.02	0.17
Printing and stationery	0.06	0.55
Advertisement and publicity	0.21	0.27
Director's fees, allowances and expenses	0.25	0.27
Auditor's fees and expenses (refer note no. 29)	0.82	0.82
Insurance	0.01	0.01
Brand Fees	0.56	0.56
Professional Fees	17.10	15.96
Commission to Directors	5.00	16.00
CSR Expenditure	18.50	5.00
Donation	-	2.50
Provision for doubtful income	-	4.27
Other expenditure	4.73	4.36
Total	53.23	53.59
Note: 27 Exceptional item		
Provision for doubtful advances	-	-
Stamp duty	-	35.81
Diminution in Investment (Provision)	-	-
Total	-	35.81
Note 28: Tax Expense		
Current tax	50.44	8.47
Deferred tax expense	849.75	847.59
Tax for earlier years	0.02	(1.78)
Total	900.21	854.28

Company has provided Income Tax for the year ended on 31st March, 2020 and remeasured its Deferred Tax Asset / Liability on the basis of rates prescribed under section 115BAA of the Income Tax Act, 1961 exercising the option permitted under that section.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

Particulars	(₹ in Mln.s)	
	Year ended March 31, 2021	Year ended March 31, 2020
Reconciliation of tax expense and accounting profit multiplied by statutory tax rate		
Profit before tax	3,570.53	2,297.52
Applicable tax rate	0.2517	0.2517
Computed tax expense	898.70	578.29
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Non-deductible expenses	8.75	24.19
Income exempt from tax	-	(31.19)
Taxable dividend of Associates & JV	38.56	-
Deferred tax liability on undistributed profits of associates and joint venture	826.78	824.07
Share of results of associates and joint venture	(872.58)	(548.57)
Others	(0.02)	5.71
Tax in respect of earlier years	0.02	1.78
Income tax expense	900.21	854.28
Note 29: Earnings per share		
Net profit / (loss) after tax	2,670.32	1,443.24
Weighted average number of equity shares	37,667,628	37,667,628
Basic and diluted earning per share of nominal value of Rs. 5/- each	70.89	38.32
Note 30: Payment to auditors		
As auditor:		
Audit fees	0.63	0.63
Tax Audit	0.04	0.04
Certification fees	0.03	0.03
Reimbursement of out of pocket expenses	0.12	0.12
Total	0.82	0.82
Note 31: Employee benefits		
Employee benefits comprise 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 recognized in the books of the Company.		

Note 32: Related party transactions

A) Name of the related parties and nature of relationship

(i) Where control exists

Associate Company	Ownership interest held by the Company	
	March 31, 2021	March 31, 2020
i Kalyani Steels Limited	39.06%	39.06%
ii KSL Holdings Private Limited	42.52%	42.52%
iii Triumphant Special Alloys Pvt. Ltd. (previously known as Carpenter Kalyani Special Alloys Pvt. Ltd)	45.51%	45.51%
vi Kalyani Financial Services Limited	49.00%	49.00%
v Nandi Engineering Limited	40.00%	40.00%
vi Synise Technologies Limited	46.77%	46.77%

The principal place of business of the associate is India and the Company has accounted for its investment in associate at cost.

(ii) Where control exists

Joint Venture	Ownership interest held by the Company	
	March 31, 2021	March 31, 2020
i Automotive Axles Limited	35.52%	35.52%
ii Meritor (HVS) India Limited	48.99%	48.99%

The principal place of business of the Joint Venture is India and the Company has accounted for its investment in Joint Venture at cost.

Key Management Personnel

- i Mr. J. G. Patwardhan, the Chief Executive Officer and Chief Financial Officer
- ii Mr. S. R. Kshirsagar, the Company Secretary
- iii Mr. Amit B. Kalyani, Director
- iv Mr. B. B Hattarki, Director
- v Mr. M. U Takale, Director
- vi Mr. B. S. Mitkari, Director
- vii Mr. S. G. Joglekar, Director
- vi Ms. A. A. Sathe, Director

	(₹ in Mln.s)	
	March 31, 2021	March 31, 2020
Transactions with related parties		
a Interest received from associates		
i Kalyani Financial Services Limited	-	-
Total	<u>-</u>	<u>-</u>
b Dividend Received from Associates		
i Kalyani Steels Limited	-	170.52
Total	<u>-</u>	<u>170.52</u>
c Dividend Received from Joint venture		
i Automotive Axles Limited	4.29	136.88
ii Meritor HVS India Limited	148.90	189.86
Total	<u>153.19</u>	<u>326.74</u>
d Remuneration to Key Managerial Person		
i Mr. J. G. Patwardhan, the Chief Financial Officer and Chief Executive Officer	3.63	4.35
ii Mr. S. R. Kshirsagar, the Company Secretary	1.33	1.35
Total	<u>4.96</u>	<u>5.70</u>
Reimbursed to BF Utilities Ltd. and Kalyani Global Engineering Pvt. Ltd., respectively, being on deputation from them		
e Director's sitting fees		
i Mr. Amit B. Kalyani, Director	0.04	0.03
ii Mr. B. B Hattarki, Director	0.04	0.03
iii Mr.M. U Takale Director	0.04	0.04
iv Ms. A. A Sathe Director	0.01	0.01
v Mr. B. Mitkari Director	0.04	0.04
vi Mr. S.G.Joglekar Director	0.04	0.03
Total	<u>0.21</u>	<u>0.18</u>
f Director's commission		
i Mr. Amit B. Kalyani, Director	2.50	12.25
ii Mr. B. B Hattarki, Director	0.50	0.75
iii Mr.M. U Takale, Director	0.50	0.75
iv Mr. B. Mitkari Director	0.50	0.75
v Mr. S.G.Joglekar Director	0.50	0.75
vi Ms. A. A Sathe, Director	0.50	0.75
Total	<u>5.00</u>	<u>16.00</u>
Balances with related parties		
a Director's commission payable		
i Mr. Amit B. Kalyani, Director	2.50	12.25
ii Mr. B. B Hattarki, Director	0.50	0.75
iii Mr.M. U Takale, Director	0.50	0.75
iv Mr. B. Mitkari Director	0.50	0.75
v Mr. S.G.Joglekar Director	0.50	0.75
vi Ms. A. A Sathe, Director	0.50	0.75
Total	<u>5.00</u>	<u>16.00</u>

The above transactions are at arms length, and the commission payable is unsecured.

(₹ in Mln.s)

Note 33: Interests in associates and jointly controlled entities

Name of entity	Kalyani Steels Limited	KSL Holdings Private Limited	Truimphant Special Alloys Private Limited	Kalyani Financial Services Limited	Meritor (HVS) India Limited	Automotive Axles Limited
Place of business	Pune, India	Pune, India	Pune, India	Pune, India	Mysuru, India	Mysuru, India
% of ownership interest	39.06%	42.52%	45.51%	49.00%	48.99%	35.52%
Relationship	Associate	Associate	Associate	Associate	Joint Venture	Joint Venture
Accounting method	Equity method	Equity method	Equity method	Equity method	Equity method	Equity method
Quoted fair value						
March 31, 2021	5,433.75					5,674.84
March 31, 2020	1,958.47					2,053.99
Carrying amount						
March 31, 2021	2,869.48	15,652.69	6.91	80.57	912.87	1,866.99
March 31, 2020	2,110.19	5,973.23	6.68	94.02	875.01	1,790.83

Commitments and contingent liabilities in respect of associates and jointly controlled entities

	March 31, 2021	March 31, 2020
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	122.20	278.21
Total Commitments:	122.20	278.21
Contingent liabilities :		
Associates	381.56	319.06
Joint Ventures	2.64	3.05
Total Contingent liabilities	384.20	322.11

Summarised financial information for associates and jointly controlled entities.

Summarised balance sheet (Associates)

	Kalyani Steels Limited		KSL Holdings Private Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total non-current assets	6,220.86	5,786.72	48,360.84	18,924.83
Total current assets	10,283.70	7,858.36	5,289.60	3,483.79
Total non-current liabilities	619.11	390.29	12,137.62	4,965.04
Total current liabilities	4,391.34	3,660.31	3,650.77	2,367.00
Net Assets	11,494.11	9,594.48	37,862.05	15,076.58

(₹ in Mln.s)

Summarised balance sheet (Associates)

	Truimphant Special Alloys Private Limited		Kalyani Financial Services Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total non-current assets	0.63	0.58	1,283.37	1,310.63
Total current assets	12.11	11.65	2.39	2.56
Total non-current liabilities	-	-	140.00	140.00
Total current liabilities	0.04	0.03	0.08	0.08
Net Assets	12.70	12.20	1,145.68	1,173.11

Summarised balance sheet (Joint ventures)

	Meritor (HVS) India Limited		Automotive Axles Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total non-current assets	99.94	117.73	3,108.27	3,190.63
Total current assets	4,266.29	2,994.94	6,334.14	4,094.27
Cash and cash equivalents	737.37	516.97	726.02	737.34
Other assets	3,528.92	2,477.97	5,608.12	3,356.93
Total non-current liabilities	-	16.62	284.80	381.93
Financial liabilities (excluding trade payables)	-	11.35	234.48	294.91
Other liabilities	-	5.27	50.32	87.02
Total current liabilities	2,708.56	1,515.63	3,617.06	1,583.60
Financial liabilities (excluding trade payables)	13.55	13.55	304.18	199.68
Other liabilities	68.56	53.60	408.03	238.29
Net Assets	1,657.67	1,580.42	5,540.55	5,319.37

Summarised statement of profit and loss**Summarised statement of profit and loss (Associates)**

	Kalyani Steels Limited		KSL Holdings Private Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue	11,880.40	11,989.28	17,743.82	14,810.61
Profit for the year	1,899.83	1,340.80	5,781.00	3,029.25
Other comprehensive income	(0.18)	(111.27)	17,079.47	(232.93)
Total comprehensive income	1,899.65	1,229.53	22,860.47	2,796.32
Dividends received	-	170.52	-	-

(₹ in Mln.s)

Summarised statement of profit and loss (Associates)

	Truimphant Special Alloys Private Limited		Kalyani Financial Services Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue	-	-	-	-
Profit/(Loss) for the year	0.49	0.51	(0.25)	3.48
Other comprehensive income	-	-	(27.16)	75.01
Total comprehensive income	0.49	0.51	(27.41)	78.49
Dividends received	-	-	-	-

Summarised profit and loss (Joint ventures)

	Meritor (HVS) India Limited		Automotive Axles Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue	8937.56	9,538.38	9,055.74	9,519.58
Interest Income	4.77	14.52	54.77	56.61
Depreciation and amortisation	21.18	26.20	360.03	372.22
Interest expense	2.76	4.59	29.69	18.07
Income tax expense	133.21	164.97	74.35	188.20
Profit for the year	379.08	448.30	227.30	411.34
Other comprehensive income	2.05	(1.68)	5.96	(5.04)
Total comprehensive income	381.13	446.62	233.26	406.30
Dividends received	148.90	189.86	4.29	136.88

Reconciliation to carrying amounts (Associates)

	Kalyani Steels Limited		KSL Holdings Private Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening net assets	9,550.17	8,846.95	15,097.57	12,301.25
Profit for the year	1,899.83	1,340.80	5,781.00	3,029.25
Other comprehensive income	(0.18)	(111.27)	17,079.47	(232.93)
Total Comprehensive Income	1,899.65	1,229.53	22,860.47	2,796.32
Dividends paid	-	(436.54)	-	-
Dividend distribution tax	-	(89.77)	-	-
Adjustments in retained earnings of Associates/JVs	44.25	-	(95.99)	-
Closing net assets	11,494.07	9,550.17	37,862.05	15,097.57
Group's share in %	39.06%	39.06%	42.52%	42.52%
Group's share in INR	4,489.58	3,730.30	16,098.94	6,419.49
Goodwill/(Capital Reserve)	(1,620.11)	(1,620.11)	(446.26)	(446.26)
Carrying amount	2,869.48	2,110.19	15,652.69	5,973.23

(₹ in Mln.s)

Reconciliation to carrying amounts (Associates)

	Truimphant Special Alloys Private Limited		Kalyani Financial Services Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening net assets	12.21	11.71	1,283.10	1,204.61
Profit for the year	0.49	0.50	(0.25)	3.48
Other comprehensive income	-	-	(27.16)	75.01
Total Comprehensive Income	0.49	0.50	(27.41)	78.49
Dividends paid	-	-	-	-
Dividend distribution tax	-	-	-	-
Closing net assets	12.70	12.21	1,255.69	1,283.10
Group's share in %	45.51%	45.51%	49.00%	49.00%
Group's share in INR	5.79	5.56	615.29	628.72
Goodwill/(Capital Reserve)	1.12	1.12	(534.72)	(534.70)
Carrying amount	6.91	6.68	80.57	94.02

Reconciliation to carrying amounts (Joint Ventures)

	Meritor (HVS) India Limited		Automotive Axles Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening net assets	1,580.42	1,600.90	5,326.13	5,384.40
Profit for the year	379.08	448.30	227.30	411.34
Other comprehensive income	2.05	(1.68)	5.96	(5.04)
Total Comprehensive Income	381.13	446.62	233.26	406.30
Dividends paid	(303.88)	(387.46)	(12.08)	(385.36)
Dividend distribution tax	-	(79.64)	-	(79.21)
Adjustments in retained earnings of Associates/JVs	-	-	(6.76)	-
Closing net assets	1,657.67	1,580.42	5,540.55	5,326.13
Group's share in %	48.99%	48.99%	35.52%	35.52%
Group's share in INR	812.26	774.40	1,968.00	1,891.84
Goodwill/(Capital Reserve)	100.61	100.61	(101.01)	(101.01)
Carrying amount	912.87	875.01	1,866.99	1,790.83

Individually immaterial associates

	Nandi Engineering Limited		Synise Technologies Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Aggregate carrying amount of individually immaterial associates	-	-	-	-
Aggregate amounts of the group's share of:	-	-	-	-
Profit/(loss) from operations	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

	(₹ in Mln.s)	
	March 31, 2021	March 31, 2020
Note 34 : Fair value measurements		
Financial assets and liabilities at amortised cost		
Financial assets		
Term deposits	807.65	705.10
Security deposits	266.31	268.56
Loans	10.66	1.06
Interest receivable	5.73	4.70
Cash and cash equivalents	223.52	160.12
Total financial assets	1,313.87	1,139.54
Financial liabilities		
Trade payables	0.02	0.34
Directors Commission payable	5.00	16.00
Total financial liabilities	5.02	16.34

Financial assets and liabilities classified as FVPL

Investment in Preference shares	950.56	970.42
Loans	202.21	188.45
Investments in Mutual Funds	-	-

Financial assets and liabilities classified as FVOCI

Investment in Equity Shares	11,710.89	5,757.66
Investment in Debentures	185.81	192.44

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	(₹ in Mln.s)		
Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3
Investment in Preference shares			
March 31, 2021	-	-	950.56
March 31, 2020	-	-	970.42
Investment in Equity Shares			
March 31, 2021	11,710.89	-	-
March 31, 2020	5,757.65	-	-
Investment in Debentures			
March 31, 2021	-	-	185.81
March 31, 2020	-	-	192.44

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value for preference shares is determined using discounted cash flow analysis (KSL Holding Limited, Kalyani Technoforge Limited, Baramati Speciality Steels Limited and Kalyani Financial Services Limited)
- The fair value for Loans is determined using discounted cash flow analysis (Loans to BF Utilities Limited, loan to NICE Limited and loan to Nandi Economic Corridor Enterprises Limited)
- The fair value for compulsorily convertible debentures is determined using asset approach (Net Asset Value method)

iii) Valuation process

The Company performs the valuations of assets and liabilities required for financial reporting purposes. The Company appoints external valuation experts whenever the need arises for level 3 fair valuation. Discussions of valuation processes and results are held between the the Company and the valuation experts periodically, in line with the Company's annual reporting period.

iv) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of such financial assets and liabilities are a reasonable approximation of their fair values.

v) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items:

(₹ in Mln.s)

Particulars	Preference shares	Debentures	Total
As at March 31, 2019	812.66	177.35	990.01
Purchased during the year	120.00	-	120.00
Gain / (loss) recognised in profit or loss	37.76	-	37.76
Gains/ (losses) recognised in other comprehensive income	-	15.09	15.09
As at March 31, 2020	970.42	192.44	1,162.86
Purchased / (redeemed) during the year	(93.00)	-	(93.00)
Gain / (loss) recognised in profit or loss	73.14	-	73.14
Gains/ (losses) recognised in other comprehensive income	-	(6.64)	(6.64)
As at March 31, 2021	950.56	185.80	1,136.36

v) Valuation inputs and relationships to fair value				
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value				
Name of the entity	Method of valuation- significant unobservable inputs	Fair value as at		Inputs used for fair value
		March 31, 2021	March 31, 2020	
Equity Shares of ₹ 10/- each fully paid in Khed Economic Infrastructure Private Limited.	Cost approach - method inputs considered for cost approach : Inventory valuation 1) Rate per acre for developed land 2) Rate per acre for land under development 3) Rate per acre for undeveloped land	1,096.12	1,193.18	March 31, 2020 Inventory valuation 1) Rate per acre for developed land : Rs. 0.99 to Rs. 1.26 crore (weighted average Rs. 1.06 crore) per acre 2) Rate per acre for land under development : Rs. 0.99 to Rs. 1.26 crore (weighted average Rs. 1.06 crore) per acre
Equity Shares of ₹ 10/- each fully paid in Kalyani Maxton Wheels Limited	Cost approach - method Inputs considered for cost approach : Fair valuation of Tangible assets	437.14	433.63	March 31, 2021 Inventory valuation 1) Rate per acre for developed land in the range of Rs. 1.24 to Rs. 1.51 crore (weighted average Rs. 1.38 crore) per acre 2) Rate per acre for developed land in the range of Rs. 1.24 to Rs. 1.51 crore (weighted average Rs. 1.38 crore) per acre Fair value tangible assets viz. land, buildings and plant and equipment viz. plant and machinery, factory equipment, research and development.
0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.	Cost approach - method Inputs considered for cost approach : Fair valuation of Investments	185.81	192.44	Fair value of current and non current investments viz. equity shares and debentures.
7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.	Discounted cash flow method	369.90	338.25	10%
9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Private Limited.	Discounted cash flow method	528.46	491.74	10%
1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial services Limited	Discounted cash flow method	52.20	47.47	10%
8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.	Discounted cash flow method	-	92.96	10%

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

Particulars	March 31, 2021	March 31, 2020
The sensitivity analysis on account of inputs used for fair valuation are as follows:		
Equity shares of Khed Economic Infrastructure Private Limited:		
Rate per acre		
Increase by 5%	54.81	59.66
Decrease by 5%	(54.81)	(59.66)
Equity shares of Kalyani Maxion Wheels Limited:		
Fair value of tangible assets		
Increase by 5%	21.86	21.68
Decrease by 5%	(21.86)	(21.68)
0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.:		
Fair value of investments		
Increase by 5%	9.29	9.62
Decrease by 5%	(9.29)	(9.62)
7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.		
Discount rate		
Increase by 1%	(13.82)	(12.56)
Decrease by 1%	14.78	13.44
9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Private Limited.		
Discount rate		
Increase by 1%	(45.27)	(41.15)
Decrease by 1%	51.99	47.26
1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial services Limited		
Discount rate		
Increase by 1%	(1.58)	(1.74)
Decrease by 1%	1.67	1.83
8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.:		
Discount rate		
Increase by 1%	-	(5.74)
Decrease by 1%	-	6.58

Note 35 : Financial risk management

Presented below is a description of the risks (market risk, and liquidity risk) together with a sensitivity analysis, performed annually, of each of these risks based on selected changes in market rates and prices. These analyses reflect management's view of changes which are reasonably possible to occur over a one-year period.

I Market Risk

A Price risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet wither at fair value through Other Comprehensive Income or at fair value through profit and loss. To manage its price risk arising from investments from investments in equity securities, the group diversifies the portfolio. The majority of group's equity investments are publically traded and are included in the BSE and NSE indices.

II Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these debt financing plans.

i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

	(₹ in Mln.s)	
	Less than 1 year	More than 1 year
March 31, 2021		
Non- derivative		
Trade payables	0.02	-
Director's commission payable	5.00	-
March 31, 2020		
Non- derivative		
Trade payables	0.34	-
Director's commission payable	16.00	-

III Credit Risk:

The Company is exposed to credit risk from its activity of giving loans and from its financing activities, including deposits with banks and other financial instruments. The balances with banks, loans given to corporate bodies, security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

i) Expected credit loss for loans :

	(₹ in Mln.s)	
Particulars	March 31, 2021	March 31, 2020
Gross carrying amount	311.64	276.44
Expected loss rate	(27.89%)	(31.45%)
Expected credit losses (loss allowance provision)	(86.93)	(86.93)
Carrying amount of loans (net of impairment)	224.71	189.51

ii) Reconciliation of loss allowance provision - loans

	(₹ in Mln.s)
Loss allowance as on April 1, 2020	86.93
Changes in loss allowance	-
Loss allowance as on March 31, 2021	86.93

Note 36 : Capital management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The capital structure of the Company is as follows:

Particulars	(₹ in Mln.s)	
	March 31, 2021	March 31, 2020
Share Capital	188.34	188.34
Other Equity	32,787.92	16,921.45
Total	32,976.26	17,109.79

Note 37 : Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors has been identified as the chief operating decision maker.

The Company is in the business of making investments in group companies, focusing on earning income through dividends, interest and gains on investment held, which is a single segment in accordance with Ind AS 108 - "Operating segment" notified pursuant to Companies (Indian Accounting Standards) Rules, 2015 as amended.

All assets are in India.

Note 38 : Corporate social responsibility (CSR)

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 recognizes CSR spends as and when incurred. Relevant details for the financial year covered by these statements are as under.

	(₹ in Mln.s)	
	Year ended March 31, 2020	Year ended March 31, 2019
Gross Amount required to be spent by the Company during the year	7.72	5.18
Amount spent during the year	18.50	5.00
Amount spent during the year on :		
(i) construction / acquisition of asset	-	-
(ii) on purposes other than (i) above	18.50	5.00
Cumulative shortfall	0.00	10.78

Note 39: Others

- a** 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 5th February, 2010 referred to herein before, could not be transferred in the name of the Company as at 31st March, 2021. The Company is in the process of completing the required legal formalities.
- b** Company has given a financial guarantee to Axis Finance Ltd., of an amount of ₹ 1200 million in December 2018, in respect of a term loan availed by a Kalyani group company from Axis Finance Ltd, for a period ending upto 31st March 2023. The balance outstanding of that loan as at 31st March 2021 is ₹ 663.10 million (previous year ₹ 722.52 million). The company has accounted for the fair value of this financial guarantee in the financial statements, which as per the valuation report obtained by the company, is Nil as on March 31st, 2021.
- c** 40,000,000 9% Cumulative Redeemable Non Convertible Preference Shares of ₹10/- each, fully paid in KSL Holdings Pvt. Ltd. are redeemable at par on or before 25th October, 2036.
- d** 21,042,440 7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹10/- each, fully paid in Kalyani Technoforge Limited are redeemable at par on or before 21st December, 2024. 3,000,000 7% Cumulative Optionally Convertible Non Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited are redeemable at par on or before 5th September, 2025. 12,000,000 7% Cumulative Optionally Convertible Non Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited are redeemable at par on or before 26th September, 2026.
- e** 9,300,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each of Baramati Speciality Steels Ltd. have been redeemed at par during the year.
- f** Of the 6,636,000 0% Fully Convertible Debentures (FCDs) of Rs. 100/- each, fully paid of Kalyani Financial Services Limited. 4,980,346 FCDs 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 on or before 27th September, 2022. 398,801 FCDs are compulsorily convertible into Equity Shares of ₹ 10/- each, fully paid up at a premium of ₹ 20/- per share on or before 30th March, 2024 and 1,256,853 FCDs are compulsorily convertible into Equity Shares of ₹ 10/- each, fully paid up at a premium of ₹ 20/- per share on or before 31st March, 2024.

g Long term loans given :

The Company has given letter of subordination to Nandi Economic Corridor Enterprises Ltd. (NECE) and Airro (Mauritius) Holdings V, whereby the Company has agreed to subordinate the interest free unsecured loan of ₹ 1,160,520,067 (Previous Year : ₹ 1,160,520,067) granted by it to NECE, until the entire stakeholding of Airro (Mauritius) Holdings V in NECE Ltd. is completely sold off or all the amounts payable by NECE Ltd. to Airro (Mauritius) Holdings V in terms of the Shareholders Agreement dated 24th December, 2010, between Airro (Mauritius) Holdings V and NECE Ltd. are fully paid off. The Company has given Interest free unsecured Loans of ₹ 19,42,65,288/- (P.Y. ₹ 20,03,61,785/-) and ₹ 3,00,00,000/- (P.Y. ₹ 3,00,00,000/-) to BF Utilities Ltd. & NICE Ltd. respectively. These loans are repayable over 10 & 30 year period respectively, commencing from 1st april, 2018.

40 Contingent Liabilities not provided for :

	March 31, 2021	March 31, 2020
During the previous year ,the Company had paid a Transfer Duty of Rs. 10,85,127/- to New Delhi Municipal Council, towards registration of it's property held at Antariksh Bhavan, New Delhi, in its name. The relevant mutation certificates as Property Tax payer are on Companies record. The process for registering name of the company as propertyholder in the land records is currently in process.	Unascertainable	Unascertainable

For proportionate contingent liabilities of Associates and Joint ventures, refer Note 33

(₹ in Mln.s)

	March 31, 2021	March 31, 2020
41 Capital commitments (net of advances) :	-	3

For proportionate commitments of Associates and Joint ventures, refer Note 33

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021.

- 42 **Lease** : Effective April 1, 2019, the company has adopted IND AS 116 "Leases" using modified retrospective approach. Consequently, in FY 2019-20, the company has recorded lease liability of ₹ 90.92 Lakhs calculated as the present value of the remaining lease payments discounted at the incremental borrowing rate. Right of use asset has been recognised at ₹ 80.22 lakhs determined at the net of amount calculated by applying the standard since the date of commencement of lease and the resulting depreciation upto the date of adoption. The net effect of initial application of IND AS 116 has been adjusted to retained earnings of ₹ 7.73 lakhs (Net of taxes) as on April 1, 2020. This lease has ended in the second quarter of the present year.
- 43 Since the introduction of GST in July 2017, till the previous Financial year (FY. 2018-19), the Company was grouping the GST paid under Rates and Taxes. During the year under review, the Company has charged off the GST paid to the respective expenses heads. Consequently, the figures of some of the expenses heads for the current year are not comparable to the previous year.
- 44 Corona virus (COVID 19) has badly affected the world economy, including India. COVID-19 has severely affected the business of the company, with a significant drop in the income. However, the company does not anticipate any major challenge in meeting its financial obligations, on long term basis and has a very limited risk of recoverability of some of the loans and advances. It does not anticipate any additional liability as at the Balance Sheet date.
- The value of investments by the Company in equities, has substantially increased in line with the buoyant sentiment in Capital Markets.
- The company will closely monitor any material changes that may take place in future that may impact its business.
- Carrying value of financial instruments: The company has financial instruments in the nature of inter group advances / loans / convertible instruments, which are issued by the companies within Kalyani Group and hence there is no risk of default or liquidity.
- Impact on revenue : The majority of the source of income of the company is in the form of dividend. The dividend income for FY 2020-21 has seen a significant drop compared to earlier years.
- However, Impact assessment of COVID- 19 is an ongoing process given the uncertainties associated with its nature and duration., and the company will evaluate the same at regular intervals.
- 45 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per my attached report of even date,

On behalf of the Board of Directors,

For P. G. BHAGWAT LLP
Chartered Accountants
(FRN No. 101118W/ W100682)

B.S. Mitkari
Director
DIN: 03632549

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 14th June, 2021

Place : Pune
Date : 14th June, 2021



KALYANI
DRIVING INNOVATION

BF INVESTMENT LIMITED

MUNDHWA, PUNE CANTONMENT, PUNE 411 036
MAHARASHTRA, INDIA.
website : www.bfilpune.com