

KALYANI INVESTMENT

KICL:SEC:

August 30, 2022

BSE Limited

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

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip Symbol : KICL

Dear Sir,

Sub. : Notice of 13th Annual General Meeting scheduled to be held on Tuesday, September 27, 2022 and Annual Report for the financial year ended March 31, 2022

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed herewith following documents :

- 1) Notice of 13th Annual General Meeting (AGM) scheduled to be held on Tuesday, September 27, 2022 at 11.00 a.m. (I.S.T.) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
- 2) Annual Report for the financial year ended March 31, 2022

These documents are also available on the Company's website at :
www.kalyani-investment.com

Information of AGM and E-Voting at a glance :

Particulars	Details
Date and time of AGM	Tuesday, September 27, 2022 at 11.00 a.m. (I.S.T.)
Web-link for E-Voting and for participating at AGM through VC / OAVM	https://www.evoting.nsdl.com
Cut-off date for E-Voting	Tuesday, September 20, 2022
E-Voting Start Date and Time	Saturday, September 24, 2022 at 9.00 a.m. (I.S.T.)
E-Voting End Date and Time	Monday, September 26, 2022 at 5.00 p.m. (I.S.T.)

Thanking you,

Yours faithfully,
For KALYANI INVESTMENT COMPANY LIMITED



ANIRVINNA A. BHAVE
COMPANY SECRETARY & COMPLIANCE OFFICER
E-mail : anirvinna.bhave@kalyani-investment.com



Encl. : As above



KALYANI
GROUP COMPANY

KALYANI INVESTMENT COMPANY LIMITED

CIN : L65993PN2009PLC134196

Registered Office : Mundhwa, Pune 411 036

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

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



NOTICE

NOTICE is hereby given that the THIRTEENTH Annual General Meeting of the Members of Kalyani Investment Company Limited will be held on Tuesday, September 27, 2022, at 11.00 a.m. (I.S.T), through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) 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, 2022 and the Reports of the Board of Directors and Auditors thereon.
 - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr.Amit B. Kalyani (DIN 00089430), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.R.K. Goyal (DIN 03050193), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. P G Bhagwat LLP, Chartered Accountants (Firm Registration No. 101118W/W100682), be and are hereby re-appointed as Auditors of the Company to hold the office for the period of 5 (Five) consecutive years i.e. from the conclusion of this Thirteenth Annual General Meeting until the conclusion of the Eighteenth Annual General Meeting of the Company to be held in 2027, on such remuneration plus taxes thereon and reimbursement of out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee.”

SPECIAL BUSINESS

5. Re-appointment of Mr.S.K. Adivarekar as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 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 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.Shrikrishna K. Adivarekar (DIN 06928271 and IDDB Registration No. IDDB-DI-202002-012411), who has submitted a declaration that he meets the criteria for independence as prescribed in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a Second Term of 5 (Five) consecutive years with effect from May 18, 2023 to May 17, 2028.”

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

Pune
May 30, 2022

Anirvinna A. Bhawe
Company Secretary

NOTES :

1. In view of the ongoing outbreak of the COVID 19 pandemic and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021 and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and May 5, 2022 respectively, issued by Ministry of Corporate Affairs (“MCA Circulars”) and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 13, 2022 respectively, issued by Securities and Exchange Board of India (“SEBI Circulars”) and in compliance with the provisions of the Companies Act, 2013 (“Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Thirteenth Annual General Meeting (“AGM”) of the Company will be conducted through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue.
2. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered

with the Company / Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.kalyani-investment.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of NSDL at www.evoting.nsdl.com

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Ordinary / Special Business under Item Nos.3 to 5 of the Notice to be transacted at the AGM is annexed hereto.
4. In terms of MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the AGM.
5. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting and for participation in the AGM through VC / OAVM Facility and e-Voting during the AGM.
6. Members can join the AGM through VC / OAVM facility, by following the procedure as mentioned below, which shall be kept open for the Members from 10.15 a.m. (I.S.T.) i.e. 45 minutes before the scheduled start time of the AGM and will be open upto 15 minutes after the scheduled start time of AGM.
7. Members may note that the VC / OAVM Facility, provided by NSDL, allows participation of 1,000 Members on a first-come-first-served basis. This will not include large shareholders (i.e. 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 AGM without any restriction on account of first-come-first-served principle.
8. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Members holding shares in dematerialized form are requested to intimate any change in their postal address, email address, Permanent Account Number (PAN), bank details, ECS details etc. to their respective Depository Participants and those holding shares in physical form are requested to intimate the said changes to the Registrar and Transfer Agent of the Company.

A) Updation of KYC Details and Mandatory Linkage of PAN with Aadhar.

SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, mandates all the listed Companies to record the PAN, Nomination, KYC details of all the shareholders and Bank Account details of first holder. The KYC letters along with requisite forms were dispatched to all such shareholders holding shares in physical form by speed post on March 9, 2022.

The salient features and requirements of the Circulars are as follows :

- a. Non-updation of KYC : Folios wherein any ONE of the cited details / documents (i.e.. PAN, Contact details, Bank Details, Nomination) are not available on or after April 1, 2023, shall be frozen.
- b. The securities in the frozen folios shall be :
 - i. Eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.
 - ii. Eligible for any payment including dividend, interest or redemption only through electronic mode upon complying with the above stated requirements.
- c. Mandatory Linkage of PAN with Aadhar : As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhar number by March 31, 2022. Security holders who are yet to link the PAN with Aadhar number are requested to get the same done on priority. Post March 31, 2022 or any other date as may be specified by the CBDT, RTAs shall accept only valid PANs and the ones which are linked to the Aadhar number. The folios in which PANs is / are not valid as on the notified cut-off date of March 31, 2022 or any other date as may be specified by the CBDT, shall also be frozen.

Note : Security holders from Sikkim can provide self-attested copy of Aadhar Card / Voter's Card / Driving License / Passport or any other identity proof as issued by the Government.


In view of aforesaid, we request you to submit the requisite Investor Service Request Form(s) along with the required supporting documents as stated therein at the earliest.

The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3 or SH-13, SH-14 and SEBI circular are available on the RTA website at <https://www.linkintime.co.in> ➤ Resources ➤ Downloads ➤ General ➤ Formats for KYC.

You may use any ONE of the following modes for submission of the Forms :

- i. In Person Verification (IPV) : by producing the originals to the Authorized Person of the RTA, who will retain copy(ies) of the document(s).
 - ii. In Hard Copy : by furnishing self-attested photocopy(ies) of the relevant documents, with date.
 - iii. With e-sign :
 - a. In case your email is already registered with RTA, you may send the scanned copies of your KYC documents with e-sign at RTA's dedicated email-id : kyc@linkintime.co.in Kindly mention the email subject line as "KYC Updation (Company Name) - Folio No : _____"
 - b. Investors can also upload KYC documents with e-sign on RTA's website <https://www.linkintime.co.in>. ➤ Investor Services ➤ KYC Compliance.
(e-sign is an integrated service which facilitates issuing a Digital Signature Certificate and performing signing of requested data by e-sign user. You may approach any of the empaneled e-sign service providers available on <https://cca.gov.in/> for the purpose of obtaining e-sign)
10. Equity Shares of the Company are under compulsory demat trading by all investors. Those shareholders, who have not dematerialized their shareholding, are advised to dematerialize the same to avoid any inconvenience in future.
 11. The Securities and Exchange Board of India (SEBI) has mandated that w.e.f. April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. In view of the same, members holding shares in physical form are requested to get them converted into dematerialized form.
 12. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief Profile / Resume of Director(s) proposed to be appointed / re-appointed, their expertise in specific functional areas, skills and capabilities, relationships between directors inter-se, names of listed companies in which they hold directorships and memberships / chairmanships of Board Committees, their shareholding in the Company, are provided in Annexure – A forming part of this Notice.
 13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialized form are therefore requested to submit their PAN to the Depository Participants with whom they are maintaining the demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent of the Company, at their address given below.
 14. Since the AGM will be held through VC / OAVM, the Proxy Form and Route Map for venue of AGM is not annexed to this Notice.
 15. Members, who need assistance before or during the AGM, can contact Mr. Umesh Sharma of Link Intime India Private Limited, Registrar and Transfer Agent of the Company, at umesh.sharma@linkintime.co.in or call on 020-26161629 / 26160084. Kindly quote your Name, DP ID and Client ID / Folio No. and EVEN in all your communications.
 16. The Register of Directors and Key Managerial Personnel and their shareholding, under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of Companies Act, 2013 and all documents referred to in this Notice and accompanying Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, will be available for inspection of the Members from the date of circulation of this Notice upto the date of AGM i.e. September 27, 2022. Members seeking to inspect, can send an e-mail to Secretarial Department of the Company at investor@kalyani-investment.com
 17. **The Instructions for Members for remote e-Voting and joining AGM are as under :**
The remote e-Voting period begins on Saturday, September 24, 2022 at 9.00 a.m. and ends on Monday, September 26, 2022 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. Tuesday, September 20, 2022, may cast their votes electronically. The voting rights 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 Tuesday, September 20, 2022. 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 and 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 and 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. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, 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

	<p>will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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.</p>
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 and 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 above mentioned 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.

Step 1 : 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 AGM on NSDL e-Voting system.

How to cast your vote electronically and join AGM 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 AGM. For joining virtual meeting, you need to click on "VC / OAVM" link placed under 'Join 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 cs@svdandassociates.com with a copy marked to evoting@nsdl.co.in Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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 Ms.Pallavi Mhatre, Manager, NSDL at evoting@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 email 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 pune@linkintime.co.in with copy marked to evoting@kalyani-investment.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 pune@linkintime.co.in with a copy marked to evoting@kalyani-investment.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 / member 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.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE 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 AGM THROUGH VC / OAVM ARE AS UNDER :

1. Member will be provided with a facility to attend the 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 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 investor@kalyani-investment.com. The same will be replied by the company suitably.
 6. Shareholders holding shares as on the cut-off date i.e. Tuesday, September 20, 2022, who would like to express their views / ask questions during the AGM, will have to register themselves as a "Speaker" and send their request mentioning their Name, Demat account number / folio number, email id, mobile number at investor@kalyani-investment.com between Tuesday, September 20, 2022 (9.00 a.m.) to Friday, September 23, 2022 (5.00 p.m.). Only those members who have registered themselves as a Speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
18. Mr.S.V. Deulkar and / or Mr.Sridhar Mudaliar and / or Mrs.Meenakshi Deshmukh, Partners of M/s. SVD & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
 19. The Scrutinizer shall immediately after conclusion of AGM, unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall submit not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or the person authorized by him in writing who shall countersign the same. The Chairman or the person authorized by him, shall declare the result of the voting forthwith.
 20. The results of voting along with the Scrutinizer's Report shall be placed on the Company's website www.kalyani-investment.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

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

ANNEXURE TO THE NOTICE

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

The following explanatory statement sets out, the material facts relating to Ordinary / Special Business Items as stated in the accompanying Notice dated May 30, 2022

ITEM NO.3

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

The members at their Tenth Annual General Meeting held on August 27, 2019, had re-appointed Mr.R.K. Goyal, as an Independent Director of the Company for the Second Term of 5 (Five) years with effect from September 5, 2019 to September 4, 2024.

In order to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors at their meeting held on November 1, 2021, changed the category of Mr.R.K. Goyal, from Independent Director to Non-Independent Director and in view of the said change Mr.Goyal being Non-Independent Director, is liable to retire by rotation.

Brief Profile of Mr.R.K. Goyal along with requisite information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed herewith as Annexure - A.

The Directors are of the view that the re-appointment of Mr.R.K. Goyal as Director, liable to retire by rotation, will be beneficial to the Company and accordingly recommend the Ordinary Resolution as set out at Item No.3 of the Notice for approval of the members.

Other than Mr.R.K. Goyal, none of the Directors / Key Managerial Personnel of the Company or their respective relatives are concerned or interested, in the Resolution as set out at Item No.3 of the Notice.

Mr.R.K. Goyal is not related to any other Director of the Company.

ITEM NO.4

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

M/s P G Bhagwat LLP, Chartered Accountants, Auditors of the Company were appointed for a Term of 5 (Five) consecutive years in the Eighth Annual General Meeting of the Company held on August 1, 2017 and the said term is valid upto conclusion of this Thirteenth Annual General Meeting.

Pursuant to Section 139 of the Companies Act, 2013, a listed Company can re-appoint an audit firm as Auditor for another term of 5 (Five) consecutive years.

On the basis of recommendation of the Audit Committee, the Board of Directors of the Company has recommended for the approval of the Members, the re-appointment of M/s P G Bhagwat LLP, Chartered Accountants, as the Auditors of the Company for the second term to hold Office for a period of 5 (Five) consecutive years i.e. from the conclusion of this Thirteenth Annual General Meeting till the conclusion of the Eighteenth Annual General Meeting to be held in 2027, on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee.

M/s P G Bhagwat LLP ("the Firm") was started initially by Mr.P.G. Bhagwat, as Proprietary Firm in 1938 and was converted into partnership firm in 1955. The Firm continued to be partnership firm till 2020 and thereafter converted into LLP. It is headquartered in Pune and is having branch offices at Mumbai, Kolhapur, Belagavi, Hubballi-Dharwad and Bengaluru. It has 14 Partners & has total staff strength of more than 200. The Firm has rich experience in Audit & Assurance, Direct and Indirect Taxes, Information System Audit, Management Consultancy, Accounting & Costing. The clientele of the Firm is spread over various sectors i.e. software, engineering, petrochemicals, automobile, real estate, banking and finance etc.

M/s P G Bhagwat LLP, Chartered Accountants have given their consent to act as the Auditors of the Company and have confirmed that the said re-appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, are interested in the Resolution, as set out at Item No. 4 of the Notice. The Board recommends this Resolution for approval of the members.

ITEM NO.5

The members at their Ninth Annual General Meeting held on August 21, 2018, had appointed Mr.S.K. Adivarekar, as an Independent Director of the Company for the period of 5 (Five) consecutive years with effect from May 18, 2018 to May 17, 2023 respectively.

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), it is proposed to re-appoint Mr.Adivarekar as an Independent Director of the Company.

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

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

In view of the same, pursuant to Section 149 (10) of the Companies Act, 2013, fresh approval of the members is sought by way of Special Resolution for the re-appointment of Mr.Adivarekar for a Second Term of 5 (Five) consecutive years with effect from May 18, 2023 to May 17, 2028.

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

The Board is of the opinion that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director on the Board of the Company.

Brief Profile of Mr.Shrikrishna K. Adivarekar along with requisite information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the skills and capabilities required for the role as Independent Director, is enclosed herewith as Annexure - A.

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

Except Mr.Adivarekar, being appointee, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the resolution set out at Item No.5 of the Notice.

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

Pune
May 30, 2022

Anirvinna A. Bhave
Company Secretary

Annexure – A
DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	Mr.Amit B. Kalyani	Mr.R.K. Goyal
Date of Birth	July 26, 1975	May 18, 1958
Brief Resume of the Director	Mr.Amit B. Kalyani is currently Deputy Managing Director of Bharat Forge Limited. He is a Mechanical Engineer from Bucknell University, Pennsylvania, U.S.A. He is instrumental in strategizing and execution of the several acquisitions that the Kalyani group had in Germany.	Mr.R.K. Goyal, is the current Managing Director of Kalyani Steels Limited. He is an Engineering Graduate from BITS, Pilani and M.B.A., having more than 40 years of rich experience, in Steel Industry. He has been instrumental in garnering several prestigious awards for Kalyani Steels Limited in the recent years and also has been awarded and honoured by various bodies such as EEPC, CONCOR, ECGC, CEO India Forum, Construction World (CW) Magazine etc.
Nature of expertise in specific functional areas / skills / capabilities	Technology & Innovations, Strategy & Planning, Sales & Marketing, Financial Skills, Legal & Regulatory Knowledge, Corporate Governance & Risk Management along with Industry knowledge and vast experience.	Technology & Innovations, Strategy & Planning, Sales & Marketing, Financial Skills, Legal & Regulatory Knowledge, Corporate Governance & Risk Management along with Industry knowledge and vast experience.
Disclosure of relationships between Directors inter-se	Husband of Mrs.Deeksha A. Kalyani.	Not Applicable
Directorships held in other Listed Companies (including resignation, if any, in other listed companies in the past three years)	<ul style="list-style-type: none"> • Bharat Forge Limited • Kalyani Steels Limited • BF Utilities Limited • BF Investment Limited • Hikal Limited • Schaeffler India Limited 	<ul style="list-style-type: none"> • Kalyani Steels Limited <p>Mr.R.K. Goyal resigned from the Board of Hikal Limited with effect from December 22, 2021.</p>
Committee Memberships / Chairmanships held in other Listed companies	<p><u>Bharat Forge Limited</u></p> <ul style="list-style-type: none"> • Corporate Social Responsibility Committee – Member • Risk Management Committee – Member • ESG Committee – Chairman <p><u>Kalyani Steels Limited</u></p> <ul style="list-style-type: none"> • Nomination and Remuneration Committee – Member <p><u>BF Utilities Limited</u></p> <ul style="list-style-type: none"> • Audit Committee – Member • Nomination & Remuneration Committee – Member • Corporate Social Responsibility Committee – Member • Risk Management Committee – Member <p><u>BF Investment Limited</u></p> <ul style="list-style-type: none"> • Nomination & Remuneration Committee – Member • Corporate Social Responsibility Committee – Member • Risk Management Committee – Member <p><u>Schaeffler India Limited</u></p> <ul style="list-style-type: none"> • Audit Committee– Member • Nomination & Remuneration Committee – Member • Corporate Social Responsibility Committee – Member 	<p><u>Kalyani Steels Limited</u></p> <ul style="list-style-type: none"> • Stakeholder Relationship Committee – Member • Corporate Social Responsibility Committee – Member • Risk Management Committee – Member • Share Transfer Committee – Member • Finance Committee – Member
Shareholding in the Company as on March 31, 2022	3,119 Equity Shares	Not Applicable

Annexure – A
DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	Mr.Shrikrishna K. Adivarekar
Date of Birth	May 9, 1982
Brief Resume of the Director	Mr.Adivarekar is qualified Chartered Accountant in practice for the last 19 years. He graduated in Commerce with 6th rank in Pune University in 2002. He has been working with M/s. Kunte & Vaidya, Chartered Accountants, since 2000, in various capacities and is one of the founder partners of M/s. KVBA & Associates, LLP.
Nature of expertise in specific functional areas / skills / capabilities	Corporate and legal matters under Direct Tax laws, Company Law, FEMA, International Taxation and Transfer Pricing as well as Corporate Tax.
Disclosure of relationships between Directors inter-se	Not Applicable
Directorships held in other Listed Companies (including resignation, if any, in other listed companies in the past three years)	<ul style="list-style-type: none"> • BF Utilities Limited • Hikal Limited • Kalyani Steels Limited
Committee Memberships / Chairmanships held in other Listed companies	<u>BF Utilities Limited</u> <ul style="list-style-type: none"> • Audit Committee – Chairman • Stakeholders Relationship Committee – Member • Risk Management Committee – Member • Nomination & Remuneration Committee – Member <u>Kalyani Steels Limited</u> <ul style="list-style-type: none"> • Audit Committee – Chairman • Nomination and Remuneration Committee – Chairman • Risk Management Committee – Member
Shareholding in the Company as on March 31, 2022	Not Applicable



KALYANI

**KALYANI
INVESTMENT
COMPANY LIMITED**

**13th Annual Report
2021-2022**

CORPORATE IDENTITY NUMBER (CIN)

L65993PN2009PLC134196

REGISTERED OFFICE

Mundhwa, Pune - 411 036

Phone : +91-020-26715000 / 66215000

Fax : +91-020-26821124

Website: www.kalyani-investment.com

E-mail : investor@kalyani-investment.com

**CHIEF EXECUTIVE OFFICER &
CHIEF FINANCIAL OFFICER**

Mr. Shekhar Bhivpathaki

COMPANY SECRETARY

Mr. Anirvinna A. Bhave

AUDITORS

P G BHAGWAT LLP

Chartered Accountants

Suite No. 2, "Orchard",

Dr. Pai Marg, Baner,

Pune - 411 045

BANKERS

HDFC Bank Limited

Canara Bank

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited

Block No.202, Akshay Complex,

2nd Floor, Off Dhole Patil Road,

Near Ganesh Mandir, Pune - 411 001

13th ANNUAL GENERAL MEETING

Day : Tuesday

Date : September 27, 2022

Time : 11.00 a.m. (I.S.T.)

Place of Meeting : Through Video Conferencing (VC) /
Other Audio Visual Means (OAVM)

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About the Report

Boundary and Scope of Reporting

The Report covers financial and non-financial information and activities of Kalyani Investment Company Limited, India for the period of April 1, 2021 to March 31, 2022.

Reporting Principle

We have prepared this Report in accordance with the Companies Act, 2013 (and the Rules made thereunder), Indian Accounting Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards.

Forward Looking Statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations.

Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Board of Directors



Mr. Amit B Kalyani
Chairman
4



Mrs. Deeksha A Kalyani
Non-Executive Director
2, 3



Mr. B B Hattarki
Independent Director
1, 2, 3, 4, 5, 6



Mr. R K Goyal
Non-Executive Director
1, 2, 3, 5, 6



Mr. S K Adivarekar
Independent Director
1, 2, 5



Mr. S G Joglekar
Independent Director
1, 4



Mrs. Shruti A Shah
Independent Director

Board Committees

1. Audit Committee
2. CSR Committee
3. Stakeholders Relationship Committee
4. Nomination & Remuneration Committee
5. Risk Management Committee
6. Share Transfer Committee

Member of the Committee #
Chairperson of the Committee #

KALYANI INVESTMENT COMPANY LIMITED

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is a pre-requisite for robust long term growth which is achieved by maintaining transparency in its dealings, creation of effective processes and systems with clear accountability, integrity and transparency. The Company always seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as applicable for the Financial Year 2021-22.

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

1. BOARD LEVEL ISSUES

COMPOSITION OF THE BOARD

As on March 31, 2022, the Board of Directors of Kalyani Investment comprised of Seven Directors. The Board consists of Non-Executive Chairman, who is a relative of Promoter and Six Non-Executive Directors, of which four are Independent. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations. Details of composition of the Board of Directors are given in Table 1.

NUMBER OF BOARD MEETINGS

During the year 2021-22, the Board of the Company met five times on May 18, 2021, August 10, 2021, November 1, 2021, February 11, 2022 and February 14, 2022. All the meetings were held in such manner that the gap between two consecutive meetings was not more than one hundred and twenty days.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

Table 1 : The composition of the Board, the category of Directors, their attendance at the meetings of the Board of Directors held during the year 2021-22 and at the last Annual General Meeting held on September 3, 2021 :

Name of the Director	Category	Particulars of Attendance		
		Number of Board Meetings		Last AGM
		Held	Attended	
Mr.Amit B. Kalyani	Relative of Promoter, Non-Executive	5	4	Yes
Mrs.Deeksha A. Kalyani	Relative of Promoter, Non-Executive	5	4	Yes
Mr.R.K. Goyal*	Non-Executive	5	5	Yes
Mr.B.B. Hattarki	Independent	5	5	Yes
Mr.S.K. Adivarekar	Independent	5	5	Yes
Mr.S.G. Joglekar	Independent	5	5	Yes
Mrs.Shruti A. Shah	Independent	5	4	Yes

* Category changed from Independent to Non-Executive Non-Independent with effect from November 1, 2021.

Table 2 : The details of the number of Directorships held and Committee Memberships / Chairmanships held in Indian Public Limited Companies, whether listed or not, including the Company, as on March 31, 2022 and details of Directorships held in other Listed Companies :

Name of the Director	In Indian Public Limited Companies, whether listed or not, including Kalyani Investment Company Limited			Directorships held in other Listed Companies	
	Directorships	*Committee Memberships	*Committee Chairmanships	Name of the Company	Type of Directorship
Mr.Amit B. Kalyani	8	2	—	Bharat Forge Limited Kalyani Steels Limited BF Utilities Limited BF Investment Limited Hikal Limited Schaeffler India Limited	Executive Non-Executive Non-Executive Non-Executive Non-Executive Independent
Mrs.Deeksha A. Kalyani	1	1	—	—	—
Mr.B.B. Hattarki	8	10	5	Automotive Axles Limited BF Utilities Limited Kalyani Steels Limited BF Investment Limited	Independent Independent Independent Independent
Mr.R.K. Goyal	4	3	—	Kalyani Steels Limited	Executive
Mr.S.K. Adivarekar	5	5	2	BF Utilities Limited Hikal Limited Kalyani Steels Limited	Independent Independent Independent
Mr.S.G. Joglekar	4	3	—	BF Investment Limited	Independent
Mrs.Shruti A. Shah	5	3	—	Kalyani Steels Limited Balkrishna Industries Limited Jai Corp Limited	Independent Independent Independent

* Memberships / Chairmanships of Audit Committee and Stakeholders Relationship Committee.

Certificate from M/s SVD & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the companies, by the Securities and Exchange Board of India (SEBI) / Ministry of Corporate Affairs (MCA) or any such Statutory Authority is enclosed as Annexure "A".

INDEPENDENT DIRECTORS

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that the Independent Directors on the Board of the Company fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and are independent of the Company's management. The terms of appointment of the Independent Directors are disclosed on the website of the Company viz. www.kalyani-investment.com/financial/policies.

BOARD PROCEDURE

Information Supplied to the Board

Among others, information supplied to the Board includes :

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

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

CEO AND CFO CERTIFICATION

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

KALYANI INVESTMENT COMPANY LIMITED

CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website viz. www.kalyani-investment.com/financial/policies.

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

COMMITTEES OF THE BOARD

As on March 31, 2022, the Company has Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Share Transfer Committee. The Board Committees are set up and reconstituted, as and when necessary, under the formal approval of the Board to carry out clearly defined role which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are applicable to the Committee Meetings, as far as may be practicable. Minutes of the proceedings of the Committee Meetings are placed before the Board Meeting for consideration and noting. The Company Secretary acts as the Secretary of all Committees.

AUDIT COMMITTEE

As on March 31, 2022, the Audit Committee comprised of four members viz. Mr.B.B. Hattarki as Chairman and Mr.S.K. Adivarekar, Mr.R.K. Goyal and Mr.S.G. Joglekar as other members of the Committee. All the members have accounting and finance management expertise. The Board of Directors at their meeting held on November 1, 2021, had reconstituted the Audit Committee, by inducting Mr.S.G. Joglekar as member of the Committee. Reconstitution of the Committee was done as the category of Mr.R.K. Goyal, was changed from Independent Director to Non-Independent Director, in order to comply with amendments in Listing Regulations.

The Annual General Meeting of the Company held on September 3, 2021 was attended by the Chairman of the Audit Committee, Mr.B.B. Hattarki, to answer the shareholders queries.

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

During the year 2021-22 Audit Committee met five times on May 18, 2021, August 10, 2021, November 1, 2021, February 11, 2022 and February 14, 2022 and there were no instances, where the Board had not accepted any of the recommendations of the Audit Committee. Particulars relating to the attendance at the Audit Committee meetings held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	5	5
Mr.R.K. Goyal*	Non-Executive	5	5
Mr.S.K. Adivarekar	Independent	5	5
Mr.S.G. Joglekar**	Independent	2	2

* Category changed from Independent to Non-Executive Non-Independent with effect from November 1, 2021.

** Inducted as member with effect from November 1, 2021.

Role / Terms of reference of the Audit Committee

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in the draft audit report, if any.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussions with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, if any.
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
- Reviewing the utilization of loans and / or advances from / investment by the Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information by the Audit Committee

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

Powers of Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

STAKEHOLDERS RELATIONSHIP COMMITTEE

As on March 31, 2022, Stakeholders Relationship Committee comprised of three members viz. Mr.B.B. Hattarki, Chairman and Mrs.Deeksha A. Kalyani and Mr.R.K. Goyal as other members of the Committee.

The Annual General Meeting of the Company held on September 3, 2021 was attended by the Chairman of the Stakeholders Relationship Committee, Mr.B.B. Hattarki, to answer the shareholders queries.

During the year 2021-22, the Stakeholders Relationship Committee met four times on May 17, 2021, August 9, 2021, October 30, 2021 and February 10, 2022. Particulars relating to the attendance at the Stakeholders Relationship Committee meetings held during the year are given below :

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

*Category changed from Independent to Non-Executive Non-Independent with effect from November 1, 2021.

KALYANI INVESTMENT COMPANY LIMITED

Role of the Stakeholders Relationship Committee

- Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

COMPLIANCE OFFICER

Mr. Anirvinna A. Bhawe, Company Secretary is the Compliance Officer.

STATUS OF INVESTORS' COMPLAINTS

During the year, one complaint, in nature of non-receipt of investor details, was received and duly redressed. The status of complaints is also reported to the Board of Directors, as an agenda item.

DESIGNATED EXCLUSIVE EMAIL-ID

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

NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2022, Nomination and Remuneration Committee comprised of three members viz. Mr.B.B. Hattarki as Chairman and Mr.Amit B. Kalyani and Mr.S.G. Joglekar as other members of the Committee. The Board of Directors at their meeting held on November 1, 2021, had reconstituted the Nomination and Remuneration Committee, by inducting Mr.S.G. Joglekar as member of the Committee. Reconstitution of the Committee was done, as the category of Mr.R.K. Goyal, was changed from Independent Director to Non-Independent Director, in order to comply with amendments in Listing Regulations.

During the year 2021-22, the Nomination and Remuneration Committee met thrice on May 17, 2021, August 9, 2021 and November 1, 2021. Particulars relating to the attendance at the Nomination and Remuneration Committee meetings held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	3	3
Mr.Amit B. Kalyani	Non-Executive	3	3
Mr.R.K. Goyal*	Non-Executive	3	3
Mr.S.G. Joglekar**	Independent	—	—

* Ceased to be member with effect from November 1, 2021.

** Inducted as member with effect from November 1, 2021.

Role of Nomination and Remuneration Committee

- Formulation of the criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
- For every appointment of an independent director on the Board, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the necessary capabilities identified in such description.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Performance Evaluation Criteria for Directors

The Nomination and Remuneration Committee has devised criteria for performance evaluation of Directors including independent Directors. The said criteria provides for certain parameters like seniority / experience, number of years on the Board, Board / Committee meetings attended, Director's position on the Company's Board Committees, other relevant factors and performance of the Company.

Directors with materially pecuniary or business relationship with the Company

There has been no materially relevant pecuniary transactions or relationship between the Company and its Non-Executive and / or Independent Directors for the year 2021-22.

Policy on Board Diversity and Nomination and Remuneration Policy

The Board on recommendation of the Nomination and Remuneration Committee, has approved Policy on Board Diversity and Nomination and Remuneration Policy and the same are available on the Company's website at the web-link : <https://www.kalyani-investment.com/financial/policies>. These Policies provides for criteria for determining qualifications, positive attributes & independence of director as well as remuneration policy for directors, key managerial personnel and other employees, with an objective to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Skills / Expertise / Competencies for the Board of Directors

The following is the list of core Skills / Expertise / Competencies identified by the Board of Directors for the Board members, in the context of the Company's business and that the said skills are available with the Board members :

Name of the Director	Industry Knowledge / experience	Strategy & Planning	Financial Skills	Legal and Regulatory knowledge	Corporate Governance and Risk Management
Mr.Amit B. Kalyani, Chairman	√	√	√	√	√
Mrs.Deeksha A. Kalyani	√	√	√	√	√
Mr.B.B. Hattarki	√	√	√	√	√
Mr.S.K. Adivarekar	√	√	√	√	√
Mr.R.K. Goyal	√	√	√	√	√
Mr.S.G. Joglekar	√	√	√	√	√
Mrs.Shruti A. Shah	√	√	√	√	√

Remuneration to Non-Executive Directors

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

Payments to Non-Executive Directors are decided based on multiple criteria of seniority / experience, number of years on the Board, Board / Committee meetings attended, Director's position on the Company's Board Committees, other relevant factors and performance of the Company. The Company does not have any stock option scheme.

Remuneration to Key Managerial Personnel and other Employees

Remuneration to Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals. The Remuneration will be such, so as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Table 3 : The details of the remuneration package of Directors during the year 2021-22, their shareholding in the Company and relationship with other directors, if any :

(₹ in Million)

Name of the Director	Relationship with other directors	Commission [#]	No. of Shares held
Mr.Amit B. Kalyani	*	1.00	3,119
Mrs.Deeksha A. Kalyani	**	1.00	50
Mr.B.B. Hattarki	None	1.00	—
Mr.S.K. Adivarekar	None	1.00	—
Mr.R.K. Goyal	None	1.00	—
Mr.S.G. Joglekar	None	1.00	—
Mrs.Shruti A. Shah	None	1.00	—

Commission proposed and payable after approval of accounts by members of the Company in the ensuing Annual General Meeting (AGM)

* Husband of Mrs.Deeksha A. Kalyani

** Wife of Mr.Amit B. Kalyani

None of the employees are related to any of the Directors of the Company.

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CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on March 31, 2022, Corporate Social Responsibility (CSR) Committee comprised of four members viz. Mr.B.B. Hattarki, Chairman and Mrs.Deeksha A. Kalyani, Mr.S.K. Adivarekar and Mr.R.K. Goyal as other members of the committee. The Board of Directors at their meeting held on May 18, 2021, had reconstituted the CSR Committee by inducting Mrs.Deeksha A. Kalyani as member of the Committee.

During the year 2021-22, the CSR Committee met twice on May 17, 2021 and August 9, 2021. Particulars relating to the attendance at the CSR Committee meetings held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	2	2
Mrs.Deeksha A. Kalyani*	Non-Executive	1	1
Mr.S.K. Adivarekar	Independent	2	2
Mr.R.K. Goyal**	Non-Executive	2	2

* Inducted as member with effect from May 18, 2021.

** Category changed from Independent to Non-Executive Non-Independent with effect from November 1, 2021.

Terms of Reference

- Formulation and recommendation to the Board, CSR Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in CSR Policy.
- Formulate and recommend to the Board, an Annual Action Plan in pursuance of CSR Policy, which shall include :
 - List of CSR Projects / programmes to be undertaken in the areas or subject specified in Schedule VII of the Companies Act, 2013.
 - Manner of execution of such Projects / programmes.
 - Modalities of utilization of funds and implementation schedules of such Projects / programmes.
 - Monitoring and reporting mechanism for such Projects / programmes.
 - Details of need and impact assessment, if any, for the projects undertaken by the Company.
 - Monitor CSR Policy of the Company from time to time.

The Committee's core responsibility is to assist the Board in discharging its social responsibility by formulating and monitoring implementation of the framework of the CSR Policy. The CSR Policy of the Company is available on the Company's website at the web-link : www.kalyani-investment.com/financial/policies

RISK MANAGEMENT COMMITTEE

The Board of Directors at their meeting held on August 10, 2021, had constituted the Risk Management Committee comprising of three members viz. Mr.B.B. Hattarki, Chairman, Mr.S.K. Adivarekar and Mr.R.K. Goyal as other members of the Committee.

During the year 2021-22, the Risk Management Committee met twice on October 30, 2021 and March 7, 2022. Particulars relating to the attendance at the Risk Management Committee meetings held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	2	2
Mr.S.K. Adivarekar	Independent	2	2
Mr.R.K. Goyal*	Non-Executive	2	2

*Category changed from Independent to Non-Executive Non-Independent with effect from November 1, 2021.

Role of the Risk Management Committee

- To formulate a detailed Risk Management Policy which shall include :
 - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly Environmental, Social and Governance (ESG) related risks), information, cyber security risks or any other risks as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, by considering the changing industry dynamics and evolving complexity.
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- The appointment, removal and terms of remuneration of the Chief Risk Officer, if any.
- To coordinate its activities with other committees, in instances where, there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

SHARE TRANSFER COMMITTEE

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

During the year 2021-22, the Share Transfer Committee met seven times on April 23, 2021, June 22, 2021, July 24, 2021, September 14, 2021, February 14, 2022, March 14, 2022 and March 29, 2022. The particulars relating to the attendance at the Share Transfer Committee meetings held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	7	7
Mr.R.K. Goyal*	Non-Executive	7	7

*Category changed from Independent to Non-Executive Non-Independent with effect from November 1, 2021.

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on February 11, 2022, inter alia to discuss :

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

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

2. MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

STRUCTURE OF THE COMPANY AND THRUST OF THE BUSINESS

Kalyani Investment is a Core Investment Company holding more than 60% of its net assets in the form of investments in equity capital of the Kalyani Group Companies, while more than 90% of its net assets are in the form of investments in equity / preference shares or debentures / debts of Kalyani Group Companies. Since the Company is not a systemically important Non-Deposit taking Core Investment Company, it is not required to obtain Certificate of Registration under Section 45-IA of the Reserve Bank of India Act, 1934. The thrust of business is to hold and continue to hold securities in Kalyani Group Companies.

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

KALYANI INVESTMENT COMPANY LIMITED

KEY FINANCIAL RATIOS

The Key Financial Ratios for FY 2021-22 and FY 2020-21, along with explanation for significant changes (change of 25% or more) are as follows :

Particulars	2021-22	2020-21	Change (%)
Current Ratio	69.47	86.40	(19.60)
Operating Profit Margin (%)	92.67	74.49	24.40
Net Profit Margin (%)	66.39	61.85	7.34
Net Worth (₹ in Million)	51,854.37	44,937.28	15.39
Return on Net Worth (%)	7.04	2.24	214.29*
Investment / Total assets	98.36	98.75	(0.39)

*Increase in Dividend Income

DISCLOSURES

RELATED PARTY TRANSACTIONS

All transactions entered into with related parties during the year were in ordinary course of business and have been approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website available at the web-link : <https://www.kalyani-investment.com/financial/policies>

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure set out in Note 27 to Financial Statements forming part of the Annual Report.

DISCLOSURES BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussions nor do they vote on such matters.

During the year 2021-22, no Loans or Advances have been advanced by the Company to the firms/companies in which Directors of the Company are interested.

WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal / unethical behavior. The Company has vigil mechanism named 'Whistle Blower Policy', wherein the employees / directors can report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and / or laws applicable to the Company and seek redressal. This mechanism provides for direct access to the Chairperson of the Audit Committee and appropriate protection to the genuine Whistle Blower, who avails of the mechanism. The Whistle Blower Policy / Vigil Mechanism has been disclosed on the website of the Company at the web-link : <https://www.kalyani-investment.com/financial/policies>

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the Listing Regulations, the Company had adopted the Dividend Distribution Policy which is available on the Company's website at the web-link : <https://www.kalyani-investment.com/financial/policies/>

POLICY ON DETERMINING MATERIAL SUBSIDIARY

The Board has approved Policy on Material Subsidiary and the same is available on the Company's website at the web-link : <https://www.kalyani-investment.com/financial/policies> The Policy is intended to identify Material Subsidiaries and to establish a governance framework for such subsidiaries. The Company does not have any subsidiary company.

INDEPENDENT DIRECTORS' TRAINING AND INDUCTION

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

Further, with a view to familiarize Director with the Company's operations, the Chairman also has one-to-one discussion with the newly appointed Director. These initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company. The details of this familiarization programme are available on the website of the Company at the web-link : <https://www.kalyani-investment.com/financial/policies/>

DISCLOSURE 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 Act"), the Company has formulated a Policy for prevention, prohibition and redressal of Sexual Harassment of Women at Workplace. All women employees (permanent, temporary, contractual and trainees), as well as any women visiting the Company's office premises are covered under the Policy. During the year under review, no complaint was filed pursuant to the said Act.

3. SHAREHOLDERS
DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Mr.Amit B. Kalyani and Mr.R.K. Goyal, Directors of the Company are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr.Shrikrishna K. Adivarekar, Independent Director on the Board of the Company is seeking re-appointment for the Second Term of 5 (Five) consecutive years with effect from May 18, 2023 to May 17, 2028.

Details of Directors to be re-appointed are given below :

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

Mr.Amit B. Kalyani is currently a Deputy Managing Director of Bharat Forge Limited. He also takes care of the overall group and is responsible for the expansion of steel business and driving the infrastructure foray of the group. Mr.Amit B. Kalyani holds 3,119 Equity shares of ₹ 10/- each of the Company as on March 31, 2022.

The details of Directorships and Committee Memberships held in other Public Limited Companies are as follows :

Other Directorships Name of the Company		Committee Memberships Name of the Company & Committee	
1.	Bharat Forge Limited	1.	Bharat Forge Limited
2.	Kalyani Steels Limited		Corporate Social Responsibility Committee - Member
3.	BF Utilities Limited		Risk Management Committee - Member
4.	BF Investment Limited		ESG Committee - Chairman
5.	Hikal Limited	2.	Kalyani Steels Limited
6.	Schaeffler India Limited		Nomination and Remuneration Committee - Member
7.	BF-NTPC Energy Systems Limited	3.	BF Utilities Limited
			Audit Committee - Member
			Nomination and Remuneration Committee - Member
			Corporate Social Responsibility Committee - Member
			Risk Management Committee - Member
		4.	BF Investment Limited
			Nomination and Remuneration Committee - Member
			Corporate Social Responsibility Committee - Member
			Risk Management Committee - Member
		5.	Schaeffler India Limited
			Audit Committee - Member
			Nomination and Remuneration Committee - Member
			Corporate Social Responsibility Committee - Member

- Mr.R.K. Goyal, born on May 18, 1958, is Managing Director of Kalyani Steels Limited. Mr.Goyal, is an Engineering Graduate from BITS, Pilani and M.B.A., having more than 40 years of rich experience, in Steel Industry. Mr.Goyal joined Kalyani Group in 2011 and is responsible for steel business of the group. He has been instrumental in garnering several prestigious awards for Kalyani Steels Limited in the recent years. He has been awarded and honoured by various bodies such as EEP, CONCOR, ECGC, CEO India Forum, Construction World (CW) Magazine etc. He is a member of the Advisory Board of Centre of Excellence in Steel at IIT Bombay, a member of CII and FICCI Steel Committee. Mr.Goyal does not hold any Equity shares of the Company as on March 31, 2022.

KALYANI INVESTMENT COMPANY LIMITED

The details of Directorships and Committee Memberships held in other Public Limited Companies are as follows :

Other Directorships Name of the Company		Committee Memberships Name of the Company & Committee	
1.	Kalyani Steels Limited	1.	Kalyani Steels Limited
2.	Hospet Steels Limited		Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member Risk Management Committee - Member Share Transfer Committee - Member Finance Committee - Member

- Mr. Shrikrishna K. Adivarekar, Independent Director on the Board of the Company is seeking re-appointment for the Second Term of 5 (Five) consecutive years with effect from May 18, 2023 to May 17, 2028, pursuant to notice received from the member of the Company, signifying his intention to propose Mr. Adivarekar, as candidate for the office of Independent Director. Mr. Adivarekar, being eligible, offers himself for appointment. In the opinion of the Board, Mr. Adivarekar fulfills the criteria of independence as prescribed under the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his re-appointment as an Independent Director of the Company.

Mr. Adivarekar, born on May 9, 1982, is a qualified Chartered Accountant (Fellow member of the ICAI) in practice for the last 19 years. He graduated in commerce with 6th rank in Pune University in 2002 and qualified as a Chartered Accountant in 2003. He has been working with M/s. Kunte & Vaidya, Chartered Accountants, since 2000, in various capacities and has been involved as a partner since 2005. He is one of the founder partners of M/s. KVBA & Associates, LLP. In his professional career, Mr. Adivarekar has dealt with and handled various corporate and legal matters under Direct Tax laws, Company Law, FEMA etc. for various corporate / industrial groups. He has also handled various assignments in International Taxation and Transfer Pricing as well as corporate tax. Mr. Adivarekar does not hold any Shares in the Company as on March 31, 2022.

The details of Directorships and Committee Memberships held in other Public Limited Companies are as follows :

Other Directorships Name of the Company		Committee Memberships Name of the Company & Committee	
1.	BF Utilities Limited	1.	BF Utilities Limited
2.	Hikal Limited		Audit Committee - Chairman
3.	Kalyani Steels Limited		Stakeholders Relationship Committee - Member
4.	Nandi Infrastructure Corridor Enterprise Limited		Risk Management Committee - Member Nomination & Remuneration Committee - Member
		2.	Kalyani Steels Limited
			Audit Committee - Chairman
			Nomination & Remuneration Committee - Chairman
			Risk Management Committee - Member
		3.	Nandi Infrastructure Corridor Enterprise Limited
			Audit Committee - Member
			Nomination & Remuneration Committee - Member
			Risk Management Committee - Member
			Finance Committee - Member

COMMUNICATION TO SHAREHOLDERS

Kalyani Investment puts all vital information about the Company and its performance, including quarterly results, official announcements and communication to the investors and analysts on its website <https://www.kalyani-investment.com> regularly for the benefit of the public at large.

During the year, quarterly, half yearly, annual financial results are published in leading newspapers such as Financial Express (All Editions) and Loksatta (Pune).

1. Website

The Company's website contains a separate dedicated section titled "Investors". The basic information about the Company, as called for in terms of Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, is provided on the Company's website : <https://www.kalyani-investment.com> and the same is updated from time-to-time.

2. Filing with Stock Exchanges

Financial Results / other information is filed with Stock Exchanges electronically on BSE Listing Centre for BSE and on NEAPS/ NSE's Digital Exchange for NSE.

3. Annual Report

Annual Report containing, inter alia, Audited Financial Statements, Consolidated Financial Statements, Directors' Report, Independent Auditor's Report and other important information, is circulated to members and others entitled thereto in electronic / physical form. The Management Discussion and Analysis (MDA) Report and Business Responsibility Report (BRR) forms part of the Annual Report and the same are also displayed on the Company's website www.kalyani-investment.com

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

FEES PAID TO STATUTORY AUDITORS

The Company has paid the fees of ₹ 0.33 Million to P G Bhagwat LLP, Chartered Accountants, Pune (Firm Registration No.101118W/100682) during the year 2021-22.

DETAILS OF NON-COMPLIANCE

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

GENERAL BODY MEETINGS

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

Date	Time	Venue	Special Resolutions Passed
September 3, 2021	2.00 p.m.	Held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	—
September 25, 2020	2.00 p.m.	Held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	—
August 27, 2019	2.00 p.m.	Registered Office of the Company at Mundhwa, Pune - 411 036	Re-appointment of Mr.R.K. Goyal, as an Independent Director

POSTAL BALLOT

No resolution was put through postal ballot during the Financial Year 2021-22.

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

COMPLIANCE WITH MANDATORY AND DISCRETIONARY REQUIREMENTS

The Company is fully compliant with the applicable mandatory requirements of the Listing Regulations. The Company has adopted the following non-mandatory requirements of the Listing Regulations.

1) Unmodified Opinion(s) in Audit Report

The Company is in the regime of financial statements with unqualified / unmodified Audit Opinion.

2) Reporting of Internal Auditors

The Internal Auditors of the Company report to the Audit Committee periodically to ensure independence of the Internal Audit function.

SHAREHOLDER INFORMATION

COMPANY REGISTRATION DETAILS

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

ANNUAL GENERAL MEETING

Day, Date and Time : Tuesday, September 27, 2022 at 11.00 a.m.

Mode of Meeting : Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)

KALYANI INVESTMENT COMPANY LIMITED

FINANCIAL CALENDAR

1st April to 31st March

EQUITY SHARES IN SUSPENSE ACCOUNT

In compliance with Regulation 39(4) of the Listing Regulations, the Company has transferred all of the 66 unclaimed Equity Shares in respect of 8 shareholders into one folio named as 'Unclaimed Suspense Account' and dematerialized the same. During the year, no shareholder / their legal heirs have approached the Company for transfer of shares from Unclaimed Suspense Account. The voting rights on the said shares shall remain frozen till the rightful owners of such shares claim the shares.

LISTING

The Equity Shares of the Company are listed on :

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

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

STOCK CODES

NSE : KICL

BSE : 533302

ISIN in NSDL and CDSL : INE029L01018

STOCK DATA

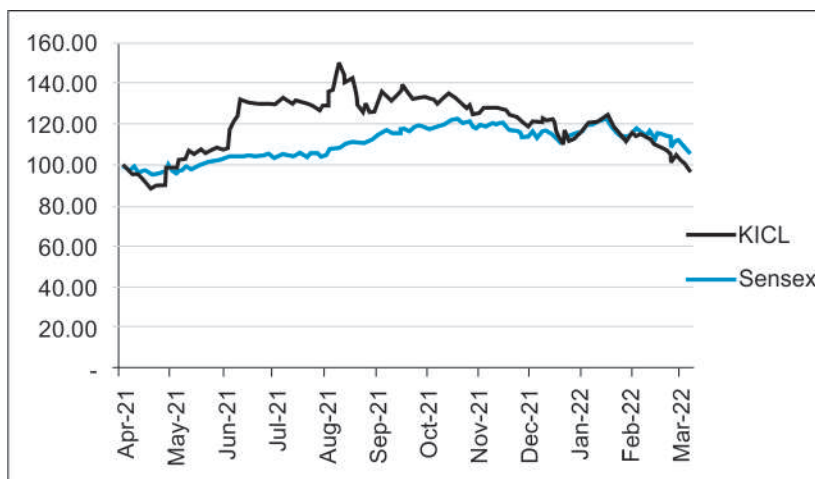
Table below gives the monthly high and low prices and volumes of trading of Equity Shares of the Company at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year 2021-22 :

Month & Year	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares Traded)	High (₹)	Low (₹)	Volume (No. of Shares Traded)
April, 2021	1,744.00	1,400.00	1,894	1,797.90	1,385.00	13,587
May, 2021	1,751.10	1,550.00	2,956	1,754.10	1,543.90	20,964
June, 2021	2,155.00	1,676.00	10,775	2,157.45	1,675.00	144,184
July, 2021	2,145.00	1,925.70	3,069	2,149.00	1,930.55	34,914
August, 2021	2,436.05	1,954.05	9,261	2,430.00	1,964.20	104,220
September, 2021	2,260.00	2,020.05	3,861	2,244.00	2,016.00	24,014
October, 2021	2,187.00	1,939.20	3,897	2,195.90	1,929.20	25,296
November, 2021	2,299.00	1,844.05	3,631	2,075.00	1,846.85	19,604
December, 2021	1,990.00	1,730.00	1,430	2,029.90	1,705.80	14,460
January, 2022	2,018.85	1,738.00	2,491	2,025.00	1,715.25	21,714
February, 2022	1,949.95	1,555.00	2,227	1,840.00	1,595.80	13,904
March, 2022	1,653.20	1,501.15	9,520	1,675.00	1,502.40	26,998

STOCK PERFORMANCE

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

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



Note : Share prices of Kalyani Investment and BSE Sensex have been indexed to 100 as on first working day of Financial Year 2021-22 i.e. April 1, 2021.

REGISTRAR AND TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

M/s. Link Intime India Private Limited, having Registered Office address at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 and Pune Branch Office at Block No.202, Akshay Complex, 2nd Floor, Off Dhole Patil Road, Near Ganesh Mandir, Pune – 411 001 are the Registrar and Transfer Agents of the Company and carry out the share transfer work on behalf of the Company. The Equity Shares of the Company are traded on the Stock Exchanges compulsorily in demat mode.

PATTERN OF SHAREHOLDING BY OWNERSHIP AS ON MARCH 31, 2022

Category of the Shareholder	No. of Equity Shares held	Shareholding %
Promoters	3,272,851	74.97
Mutual Funds	80	—
Financial Institutions / Banks	756	0.02
Foreign Portfolio Investors	126,506	2.90
Bodies Corporate	154,523	3.54
NRIs	17,799	0.41
Indian Public	792,791	18.16
TOTAL	4,365,306	100.00

PATTERN OF SHAREHOLDING BY SHARE CLASS AS ON MARCH 31, 2022

Category (Shares)	No. of Shareholders	No. of Equity Shares held	Shareholding %
Up to 5000	16,835	689,555	15.80
5,001 to 10,000	20	140,712	3.22
10,001 to 20,000	6	82,670	1.89
20,001 to 30,000	—	—	—
30,001 to 40,000	—	—	—
40,001 to 50,000	3	139,061	3.19
50,001 to 100,000	1	57,236	1.31
100,001 and above	2	3,256,072	74.59
TOTAL	16,867	4,365,306	100.00

KALYANI INVESTMENT COMPANY LIMITED

DEMATERIALIZATION

The Company's Equity Shares are under compulsory Demat Trading. As on March 31, 2022, dematerialized shares accounted for 98.42% of the total Equity.

INVESTORS CORRESPONDENCE ADDRESS

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

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I, Amit B. Kalyani, Chairman of the Company do hereby declare that all the Board Members and Senior Management Personnel have affirmed for the year ended March 31, 2022, compliance with the Code of Conduct of the Company laid down for them.

Place : Pune
Date : May 30, 2022

Amit B. Kalyani
Chairman

Annexure - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
Kalyani Investment Company Limited
Mundhwa
Pune - 411 036

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kalyani Investment Company Limited CIN L65993PN2009PLC134196 and having Registered Office at Mundhwa, Pune - 411 036 (hereinafter referred to as 'the Company'), produced before us by the Company on the email for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our 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 us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other authority.

Sr. No.	Name of Director	DIN	Original Date of appointment
1.	Mr.Amit Babasaheb Kalyani	00089430	16/09/2009
2.	Mrs.Deeksha Amit Kalyani	00129026	30/03/2015
3.	Mr.Bhalachandra Basappa Hattarki	00145710	25/06/2009
4.	Mr.Ravindra Kumar Goyal	03050193	12/08/2011
5.	Mr.Shrikrishna Kiran Adivarekar	06928271	18/05/2018
6.	Mr.Sanjeev Gajanan Joglekar	00073826	26/03/2019
7.	Mrs.Shruti Anup Shah	08337714	07/02/2020

Ensuring the eligibility 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.

For SVD & Associates
Company Secretaries

Meenakshi R. Deshmukh
Partner
FCS No. : 7364
CP No. : 7893

Place : Pune
Date : May 30, 2022

Peer Review No. : P2013MH075200
UDIN : F007364D000409271

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,
The Members of
Kalyani Investment Company Limited

We have examined the compliance of conditions of corporate governance by Kalyani Investment Company Limited CIN L65993PN2009PLC134196 (hereinafter referred "the Company"), for the year ended on March 31, 2022 as stipulated in relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

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

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

**For SVD & Associates
Company Secretaries**

**Meenakshi R. Deshmukh
Partner**

FCS No. : 7364

CP No. : 7893

Peer Review No. : P2013MH075200

UDIN : F007364D000409304

**Place : Pune
Date : May 30, 2022**

Note :

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

KALYANI INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting the Thirteenth Annual Report on the business and operations of the Company together with Audited Financial Statements for the Financial Year ended March 31, 2022.

1. Financial Highlights (on stand-alone basis)

(₹ in Million)

	2021-22	2020-21
Revenue from Operations	392.04	126.04
Other Income	0.26	—
Total Revenue	392.30	126.04
Total Expenditure	29.97	33.12
Profit before Tax	362.33	92.92
Tax Expenses	101.90	14.97
Profit after Tax	260.43	77.95

2. Dividend & Reserves

The Directors do not recommend any Dividend on Equity Shares for the financial year ended March 31, 2022.

During the year under review, it is proposed to transfer ₹ 52.09 Million to Statutory Reserve Fund (Under Section 45-IC(1) of the Reserve Bank of India Act, 1934). An amount of ₹ 1,241.47 Million is proposed to be retained as Retained Earnings.

3. Management Discussion and Analysis (MD&A)

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

4. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance Requirements set out by SEBI.

The Report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

The requisite certificate from Secretarial Auditors of the Company viz. M/s. SVD & Associates, Company Secretaries, Pune, confirming compliance with conditions of Corporate Governance is attached to Report on Corporate Governance.

5. Deposits

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

6. Directors

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr.Amit B. Kalyani and Mr.R.K. Goyal, Directors of the Company, are retiring by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Mr.S.K. Adivarekar, Independent Director of the Company is seeking re-appointment for a Second Term of 5 (Five) consecutive years with effect from May 18, 2023 to May 17, 2028.

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

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

6.1 Board Evaluation

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as composition of the Committee, effectiveness of the Committee meetings, information and functioning.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as contribution of individual director to the Board and Committee meetings like preparedness on the issues to be discussed and inputs in meetings etc.

In a separate meeting of independent directors, the performance of the non-independent directors, the Chairman of the Company and the Board as a whole was evaluated, taking into account the views of the executive and non-executive directors.

6.2 Nomination & Remuneration Policy

The Nomination and Remuneration Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Companies Act, 2013 and the Listing Regulations. The Policy is available on the website of the Company at the Web-link : <https://www.kalyani-investment.com/financial/policies>.

6.3 Meetings of the Board

During the Financial Year 2021-22, five Board Meetings were convened and held. Also a separate meeting of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013 was held. The details of meetings of Board of Directors are provided in the Report on Corporate Governance that forms part of this Annual Report.

7. Directors' Responsibility Statement

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

- i) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and that there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts for the year ended March 31, 2022, on a 'going concern' basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Your Directors have nothing to report on the aforesaid matters since your Company is not engaged in manufacturing, neither has any foreign collaboration and nor has exported and/or imported any goods or services.

9. Corporate Social Responsibility

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

The details of CSR Activities undertaken by the Company are annexed herewith as Annexure "A". The CSR Policy is available on the website of the Company at the Web-link : <https://www.kalyani-investment.com/financial/policies>.

10. Related Party Transactions

All transactions entered into with related parties during the year were in ordinary course of business, on an arm's length basis and were approved by the Audit Committee. Related Party disclosures as per Ind AS have been provided in Note 27 to the Financial Statements.

The policy on Related Party Transactions as amended in line with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as approved by the Board is uploaded on the website of the Company at the Web-link : <https://www.kalyani-investment.com/financial/policies>.

11. Risk Management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The policy on Risk Management as approved by the Board is uploaded on the website of the Company at the Web-link : <https://www.kalyani-investment.com/financial/policies/>

KALYANI INVESTMENT COMPANY LIMITED

12. Audit Committee

As on March 31, 2022, the Audit Committee comprises of Mr.B.B. Hattarki, Chairman of the Committee and Independent Director, Mr.S.K. Adivarekar and Mr.S.G. Joglekar, Independent Directors and Mr.R.K. Goyal, Non-Independent Director.

The Board of Directors at their meeting held on November 1, 2021, had reconstituted the Audit Committee, by inducting Mr.S.G. Joglekar as member of the Committee. Reconstitution of the committee was done, as the category of Mr.R.K. Goyal was changed from Independent Director to Non-Independent Director, in order to comply with amendments in the Listing Regulations.

All the recommendations made by the Audit Committee were deliberated and accepted by the Board during the Financial Year 2021-22.

13. Auditor and Auditor's Report

M/s. P G Bhagwat LLP, Chartered Accountants, Auditors of the Company, will be retiring at the ensuing 13th (Thirteenth) Annual General Meeting after completing their First Term of 5 (Five) years.

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

During the year under review, M/s. P G Bhagwat LLP, Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013 to the Audit Committee.

On the basis of the recommendations of the Audit Committee, the Board of Directors has recommended the re-appointment of M/s. P G Bhagwat LLP, Chartered Accountants (Firm Registration No.101118W/W100682) as Auditors of the Company for Second Term of 5 (Five) consecutive years, i.e. from the conclusion of the ensuing 13th (Thirteenth) Annual General Meeting, till the conclusion of the 18th (Eighteenth) Annual General Meeting to be held in the year 2027.

Necessary resolution for re-appointment of M/s. P G Bhagwat LLP is placed in the Notice of the ensuing 13th (Thirteenth) Annual General Meeting for consideration of the Members.

14. Secretarial Audit and Secretarial Standards

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board had appointed M/s. SVD & Associates, Company Secretaries, Pune, to undertake Secretarial Audit of the Company for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year ended March 31, 2022 is annexed herewith as Annexure "B" of the Director's Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

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

15. Particulars of Employees and related Disclosures

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

16. Annual Return

In accordance with Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2021, filed with Registrar of Companies, is available on the website of the Company at the Web-link : <https://www.kalyani-investment.com>.

17. Whistle Blower Policy

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

18. Particulars of Loans, Guarantees or Investments

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

19. Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the Financial Statements. During the year, such controls were tested and no reportable material weakness was observed in the design or implementation. The Internal Audit Plan is also aligned to the business objectives of the Company which is reviewed and approved by the Audit Committee. Further, the Audit Committee monitors the adequacy and effectiveness of your Company's internal control framework. The internal control system has been designed to ensure that financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

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

There are no adverse material changes or commitments occurring after March 31, 2022, which may affect the financial position of the Company or may require disclosure.

21. Significant and Material Orders

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

22. Familiarization Programme

The Company on a regular basis, makes detailed presentation to the entire Board including Independent Directors on the Company's operations and business plans, strategy and domestic business environment. Such presentations are made by the senior management, so that the Independent Directors can have direct interaction with them. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

The details of programmes for familiarization of Independent Directors with the Company are put up on website of the Company at the Web-link : <https://www.kalyani-investment.com/financial/policies/>

23. Subsidiaries, Joint Ventures or Associate Companies

The Company does not have any Subsidiary / Joint Venture.

As on March 31, 2022, the Company has two associates. A statement containing the salient features of the financial statement of the Associate Companies, in the prescribed format AOC-1, is annexed hereto as Annexure "D".

Lord Ganesha Minerals Private Limited (LGMPL), an Associate of the Company, has made voluntary application on February 9, 2022 to the Registrar of Companies (ROC), Pune (Maharashtra), for striking off its name from the Register of Companies, pursuant to the provisions of Section 248 of the Companies Act, 2013. The final order of the ROC approving the striking off the name is awaited.

24. Business Responsibility Report

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Business Responsibility Report (BRR) is provided as a part of this Annual Report, as Annexure "E"

25. Consolidated Financial Statements

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

26. Obligation of Company under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment of women at workplace and has adopted a Policy for prevention, prohibition and redressal of sexual harassment at workplace, in terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. All women employees (permanent, temporary, contractual and trainees), as well as any women visiting the Company's office premises are covered under the Policy. During the year under review, no complaint was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

27. Acknowledgement

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

For and on behalf of the Board of Directors

Place : Pune

Date : May 30, 2022

Amit B. Kalyani

Chairman

KALYANI INVESTMENT COMPANY LIMITED

ANNEXURE – A TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

1. A brief outline on CSR Policy of the Company :

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

2. The composition of the CSR Committee :

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr.B.B. Hattarki, Chairman	Independent	2	2
2	Mrs.Deeksha A. Kalyani*	Non-Executive	1	1
3	Mr.S.K. Adivarekar	Independent	2	2
4	Mr.R.K. Goyal	Non-Executive	2	2

*Inducted as member with effect from May 18, 2021

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 :

Web-link : <https://www.kalyani-investment.com/board-of-directors/>

CSR Policy Web-link : <https://www.kalyani-investment.com/financial/policies/>

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) :

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Million)	Amount required to be set-off for the financial year, if any (₹ in Million)
1	2021-22	—	—
	Total	—	—

6. Average Net Profit of the Company as per Section 135(5) : ₹ 95.51 Million

7. a) Two percent of Average Net Profit of the Company as per Section 135(5) : ₹ 1.92 Million

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Not Applicable

c) Amount required to be set off for the financial year, if any : Nil

d) Total CSR obligation for the financial year (7a+7b+7c) : ₹ 1.92 Million

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

Total Amount Spent for the Financial Year (₹ in Million)	Amount Unspent (₹ in Million)				
	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
1.92	—	—	—	—	—

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the Project (₹ in Million)	Amount spent in the current financial Year (₹ in Million)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ in Million)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
—	—	—	—	—	—	—	—	—	—	—	—	—

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the Project (₹ in Million)	Mode of Implementation Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
1	Education	(ii)	Yes	Maharashtra	Pune	1.92	No	Akutai Kalyani Charitable Trust	CSR00006405

d) Amount spent in Administrative Overheads : Not Applicable

e) Amount spent on Impact Assessment, if applicable : Not Applicable

f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 1.92 Million

g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Million)
i)	Two percent of average net profit of the Company as per Section 135(5)	1.92
ii)	Total amount spent for the Financial Year	1.92
iii)	Excess amount spent for the financial year [(ii)-(i)]	—
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	—
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	—

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (₹ in Million)	Amount spent in the reporting Financial Year (₹ in Million)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Million)
				Name of the Fund	Amount (₹ in Million)	Date of transfer	
—	—	—	—	—	—	—	—

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

Sl. No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project duration	Total amount allocated for the Project (₹ in Million)	Amount spent on the Project in the reporting Financial Year (₹ in Million)	Cumulative amount spent at the end of reporting Financial Year (₹ in Million)	Status of the Project - Completed / Ongoing
—	—	—	—	—	—	—	—	—

KALYANI INVESTMENT COMPANY LIMITED

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) :
- a) Date of creation or acquisition of the capital asset(s) : Not Applicable
 - b) Amount of CSR spent for creation or acquisition of capital asset : Not Applicable
 - c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable
 - d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) :
Not Applicable

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

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

Place : Pune

Date : May 30, 2022

Shekhar Bhivpathaki

**Chief Executive Officer
& Chief Financial Officer**

B.B. Hattarki

Chairman, CSR Committee

ANNEXURE - B TO DIRECTORS' REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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 Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Kalyani Investment Company Limited
Mundhwa,
Pune - 411 036

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kalyani Investment Company Limited CIN L65993PN2009PLC134196 (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 and explanation 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, 2022 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, 2022 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 thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (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 upto August 12, 2021. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from August 13, 2021 (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 upto August 15, 2021. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with effect from August 16, 2021 (not applicable to the Company during the Audit Period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (not applicable to the Company during the Audit Period);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 upto June 10, 2021. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 with effect from June 11, 2021 (not applicable to the Company during the Audit Period); and
 - h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (not applicable to the Company during the Audit Period).
- (vi) The specific laws applicable to the Company :
 - (a) The Reserve Bank of India, Act 1934 (Applicable to the extent being a Core Investment Company).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

KALYANI INVESTMENT COMPANY LIMITED

We further report that :

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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.

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 were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For SVD & Associates
Company Secretaries**

**Meenakshi R. Deshmukh
Partner**

FCS No. : 7364

CP No. : 7893

Peer Review No. : P2013MH075200

UDIN : F007364D000290944

Place : Pune

Date : May 12, 2022

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

'ANNEXURE - A'

To,

The Members,

Kalyani Investment Company Limited,

Mundhwa, Pune - 411 036

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 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**

**Meenakshi R. Deshmukh
Partner**

FCS No. : 7364

CP No. : 7893

Peer Review No. : P2013MH075200

UDIN : F007364D000290944

Place : Pune

Date : May 12, 2022

ANNEXURE - C TO DIRECTORS' REPORT

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

- a) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year :

Sr. No.	Name of the Director	Ratio
1	Mr.Amit B. Kalyani	0.57
2	Mrs.Deeksha A. Kalyani	0.57
3	Mr.B.B. Hattarki	0.57
4	Mr.R.K. Goyal	0.57
5	Mr.S.K. Adivarekar	0.57
6	Mr.S.G. Joglekar	0.57
7	Mrs.Shruti A. Shah	0.57

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :

Sr. No.	Name of Director	Remuneration		% increase / (decrease)
		2021-22	2020-21	
1	Mr.Amit B. Kalyani	1.00	—	—
2	Mrs.Deeksha A. Kalyani	1.00	—	—
3	Mr.B.B. Hattarki	1.00	0.40	150%
4	Mr.R.K. Goyal	1.00	—	—
5	Mr.S.K. Adivarekar	1.00	0.40	150%
6	Mr.S.G. Joglekar	1.00	—	—
7	Mrs.Shruti A. Shah	1.00	0.40	150%

Percentage increase in remuneration of Chief Executive Officer & Chief Financial Officer and Company Secretary : Not Applicable

- c) The percentage increase in the median remuneration of employee(s) in the financial year : Not Applicable
d) The number of permanent employees on the role of the Company as on March 31, 2022 : 2 Employees
e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :
Average percentile increase for Salaries of Non-Managerial Personnel – Not Applicable
Average percentile increase for Salaries of Managerial Personnel – Not Applicable
f) The remuneration paid to Directors is as per the Remuneration Policy of the Company.
g) Statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee of the Company, who - (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore two lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh fifty thousand rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company :

Sr. No.	Name & Designation	Remuneration Received (₹ in Million)	Nature of Employment	Qualifications	Experience (Years)	Date of Commencement of Employment	Age	Last Employment	% of Equity Shares held	Whether Relative of Director and if so, name of the Director
1	[#] Mr.Sanjay Yewale, CEO & CFO	7.95*	On deputation from Kalyani Steels Limited	B.Com, MBA	33	30-03-2015	57	Kalyani Steels Limited	—	N.A.
2	^{##} Mr.Akshay Chikodikar Company Secretary	0.39	Permanent Employee	B.Com, LL.B., ACS	6	29-10-2018	31	Fabtech Projects and Engineers Limited	—	N.A.
3	^{\$} Mr.Shekhar Bhivpathaki CEO & CFO	1.27*	On deputation from Kalyani Steels Limited	B.Com. MBA	24	02-11-2021	49	Kalyani Steels Limited	—	N.A.
4	^{\$\$} Mr.Anirvinna A. Bhawe Company Secretary	0.15	Permanent Employee	B.Com., LL.M., ACS	2	06-12-2021	25	Nexdigm Corporate Services Private Limited	—	N.A.

Upto November 1, 2021

Upto November 20, 2021

\$ with effect from November 2, 2021

\$\$ with effect from December 6, 2021

* Remuneration is net of GST.

For and on behalf of the Board of Directors

Place : Pune
Date : May 30, 2022

Amit B. Kalyani
Chairman

KALYANI INVESTMENT COMPANY LIMITED

ANNEXURE - D TO DIRECTORS' REPORT FORM AOC-1

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

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

Part "A" : Subsidiaries

Not Applicable

Part "B" : Associates and Joint Ventures

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

	Name of Associate	Hikal Limited	Lord Ganesha Minerals Private Limited
1.	Latest Audited Balance Sheet Date	31-03-2022	31-03-2022
2.	Date on which the Associate or Joint Venture was associated or acquired	#October 1, 2009	September 26, 2011
3.	Shares of Associate held by the Company on the year end		
	No.	38,667,375	450,000
	Amount of Investment in Associates	₹ 65.61 Million	₹ 55.19 Million
	Extent of Holding %	31.36%	22.50%
4.	Description of how there is significant influence	Note - A	Note - A
5.	Reason why the associate is not consolidated	Consolidated	Consolidated
6.	*Networth attributable to Shareholding as per latest Audited Balance Sheet	₹ 3,349.88 Million	Nil
7.	Profit / Loss for the year		
	Considered in Consolidation	₹ 399.20 Million	—
	Not Considered in Consolidation	—	₹ 35.73 Million

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

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

Notes :

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

B. Lord Ganesha Minerals Private Limited, had made voluntary application on February 9, 2022, to the Registrar of Companies (ROC), Pune (Maharashtra), for striking off its name from the Register of Companies, pursuant to the provisions of Section 248 of the Companies Act, 2013. The final order of the ROC approving striking off the name is awaited.

On behalf of the Board of Directors

Place : Pune
Date : May 30, 2022

Anirvinna A. Bhave
Company Secretary

Shekhar Bhivpathaki
Chief Executive Officer &
Chief Financial Officer

Amit B. Kalyani
Chairman

R.K. Goyal
Director

**ANNEXURE – E TO DIRECTORS’ REPORT
BUSINESS RESPONSIBILITY REPORT**

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015]

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY	
1. Corporate Identity Number (CIN) of the Company	: L65993PN2009PLC134196
2. Name of the Company	: Kalyani Investment Company Limited
3. Registered address	: Mundhwa, Pune – 411 036
4. Website	: www.kalyani-investment.com
5. E-mail id	: investor@kalyani-investment.com
6. Financial Year reported	: 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	: Investment Activity
8. List three key products / services that the Company manufactures / provides (as in balance sheet)	: The Company is a Non Deposit taking Core Investment Company, as defined in the Core Investment Companies (Reserve Bank) Directions, 2011
9. Total number of locations where business activity is undertaken by the Company	
a) Number of International Locations (Provide details of major 5)	: Not Applicable
b) Number of National Locations	: The Company operates from one location i.e. from its Registered Office situated at Mundhwa, Pune – 411 036
10. Markets served by the Company – Local / State / National / International	: Refer Point No.8 and 9 above
SECTION B : FINANCIAL DETAILS OF THE COMPANY	
1. Paid up Capital (INR)	: ₹ 43.65 Million
2. Total Turnover (INR)	: ₹ 392.30 Million
3. Total profit after taxes (INR)	: ₹ 260.43 Million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: 2% of the average net profits of the Company for the last three financial years was spent towards Corporate Social Responsibility during year 2021-22.
5. List of activities in which expenditure in 4 above has been incurred	: Promotion of education
SECTION C : OTHER DETAILS	
1. Does the Company have any Subsidiary Company / Companies?	: No.
2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s)	: Not Applicable
3. Do 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
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	: 03050193
Name	: Mr.R.K. Goyal
Designation	: Director
b. Details of BR head :	
DIN	: 03050193
Name	: Mr.R.K. Goyal
Designation	: Director
Telephone No.	: 020-66215000
E-mail ID	: rkgoyal@kalyanisteels.com

KALYANI INVESTMENT COMPANY LIMITED

2. 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 the hyperlink for viewing this report ? How frequently it is published?
The Company has been publishing the BR Report as a part of its Annual Report from last two years.
(<https://www.kalyani-investment.com/financial/>)

SECTION E : PRINCIPLE-WISE PERFORMANCE

Preface

As mandated by the Securities and Exchange Board of India (SEBI), India's top 1,000 listed entities based on market capitalization on the BSE Limited and National Stock Exchange of India Limited, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report for 2021-22. This report is required to be in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July, 2011.

Kalyani Investment Company Limited ('Company'), to whom the said requirement became applicable for the first time in 2019-20, presents its Third BRR in line with the NVGs and the BRR requirement of SEBI. The business responsibility performance of the Company will be assessed annually by the Company's Board of Directors.

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

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company practices its business with high standards of corporate governance, adhering to all applicable guidelines and gives transparent disclosures about the Company's performance. As the investment company of the Kalyani Group, the values of ethics, transparency and accountability are embedded into its daily operations.

The Company has a Code of Conduct for the Company's Directors and Senior Management. A declaration of compliance with the code of conduct by the directors and senior management, is communicated to all stakeholders by the Chairman in the Report on Corporate Governance.

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal / unethical behaviour. The Company has vigil mechanism named 'Whistle Blower Policy', wherein the employees / directors can report the instances of unethical behaviour, actual or suspected fraud or any violation of the Code of Conduct and / or laws applicable to the Company and seek redressal.

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

The Company is a Core Investment Company and the thrust of business is to hold and continue to hold securities in Kalyani Group Companies. The Company is not engaged in any manufacturing activity or providing services under the purview of BRR.

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

As of March 31, 2022, the Company has two employees. There are no contractual employees and no employees with disabilities in the Company. There is no employees association.

Employees are encouraged to participate in various skill development programmes, as a part of their professional and skill development.

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

The Company has identified its internal and external stakeholders. There are no stakeholders who are disadvantaged, marginalized and vulnerable, to the extent information available with the Company.

The Company is an equal opportunity employer and ensures that its remuneration practices are based on merit, irrespective of the person's ethnic background or gender. In addition, the Company practices affirmative action and ensures there is no discrimination of any type against socially disadvantaged sections at the work place.

Principle 5 : Businesses should respect and promote human rights

The Company respects the human rights of all its internal and external stakeholders and ensures compliance with applicable laws pertaining to human rights. The Company has not received any complaint relating to violation of human rights during the financial year under review.

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

The Company is dedicated to manage its business in a manner that preserves the environment. As a Core Investment Company with no direct customers / vendors etc. and small number of employees, the Company does not have any significant direct environmental impact.

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

The Company actively participates in putting forward its views on the setting of new industry benchmarks or regulatory developments pertaining to core investment companies.

Principle 8 : Businesses should support inclusive growth and equitable development

Please refer to the Annual Report on CSR activities forming part of the Annual Report 2021-22.

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

Being a Core Investment Company, the Company does not have any direct customers or consumers under the scope of this BRR.

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Kalyani Investment Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Kalyani Investment Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and other comprehensive income, its changes in equity and its 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Financial Statements under the provisions of the Act 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 financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) Valuation of investments

At the balance sheet date, the value of investments amounted to ₹ 51,595.78 Million representing 98.36% of the total assets. Investments have been considered as key audit matter due to the size of the balance, various recognition principles, subsequent measurement principles and disclosure requirements. Refer Note 1A(m) to the Standalone Financial Statements for its accounting policy.

Principle Audit Procedures

- i. We have understood and evaluated the process of the management to identify impairment indicators (if any) for the Company's investments.
- ii. For quoted investments, we have independently verified the fair values.
- iii. We have evaluated the fair value of unquoted investments adopted by the management and assessed the parameters of the fair valuation reports obtained by the management from external experts.
- iv. On a test check basis, we have verified appropriate evidence with regard to assertions of existence and rights to the investments.
- v. We have verified principles for recognition, subsequent measurement and disclosures as specified in the accounting policy adopted by the Company based on the Ind Accounting Standards.

KALYANI INVESTMENT COMPANY LIMITED

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone 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 Standalone 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 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 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 Financial Statements, the 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.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone 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 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 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the 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 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 Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, 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), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the 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 March 31, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 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 the Standalone 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.

KALYANI INVESTMENT COMPANY LIMITED

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
- (i) According to the information and explanation provided to us, the Company did not have any pending litigations that would have an impact on its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented to us, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.
 - (v) The Company has not declared or paid dividend during the year.
 - (vi) The requirement to the use of accounting software for maintaining Company's books of account which has a feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023, therefore reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

For P G Bhagwat LLP
Chartered Accountants
Firm's Registration No.101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.136835
UDIN : 22136835AJEPSC1209

Place : Pune
Date : May 12, 2022

Annexure “A” to the Independent Auditor’s Report

Referred to in paragraph 1 under the heading, “Report on Other legal and Regulatory Requirements” of our report on even date :

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
(B) The Company does not have any intangible assets.
- (b) According to the information and explanations provided to us, the property, plant and equipment of the Company are being physically verified by the Management, every year. In our opinion, the frequency of verification is reasonable. The property, plant and equipment have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The Company does not have any immovable properties.
- (d) According to the information and explanations provided to us, the Company has not revalued its property, plant and equipment during the year.
- (e) According to the information and explanations provided to us, there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company is a Core Investment Company (CIC) and therefore does not have any physical inventory. Accordingly, reporting on clause (ii) (a) of the Order is not applicable.
- (b) According to the information and explanations provided to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, reporting on clause (ii) (b) of the Order is not applicable.
- (iii) (a) According to the information and explanations provided to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, reporting on clause 3 (iii) (a) and (f) of the Order is not applicable. The Company has made investments in mutual funds during the current year.
- (b) According to information and explanation provided to us and in our opinion, the investments made during the year are, prima facie; not prejudicial to the interest of the Company.
- (c) According to the information and explanation provided to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal has not been stipulated. Therefore, we cannot comment on the regularity of the repayments of these loans. All the loans are non-interest bearing.
- (d) According to the information and explanation provided to us, no repayment schedule is stipulated and further no interest is being charged on any loans. Therefore, no amount is overdue.
- (e) According to the information and explanation provided to us, no loan or advance in the nature of loan granted has fallen due during the year. Accordingly, reporting on clause 3 (vi) (e) of the Order is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder or amounts which are deemed to be deposits. Accordingly, reporting on clause 3 (v) of the Order is not applicable.
- (vi) According to information and explanation provided to us, being an investment Company, maintenance of cost records under sub-section (l) of Section 148 of the Act is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees’ State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred in sub clause (a) above, were in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

KALYANI INVESTMENT COMPANY LIMITED

- (b) According to the information and explanation provided to us, there are no statutory dues referred to in clause (vii) (a) which have not been deposited because of any dispute.
- (viii) According to the information and explanations given to us and records examined by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix)
 - (a) The Company has not taken any loans or borrowings from any lender. Accordingly, reporting on clause 3 (ix) (c), (e) and (f) of the Order is not applicable.
 - (b) According to the information and explanations given to us, our audit procedures and as represented to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (x)
 - (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on clause 3 (x) (a) of the Order is not applicable.
 - (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on clause 3 (x) (b) of the Order are not applicable.
- (xi)
 - (a) Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
 - (b) According to information and explanation provided to us and based on our examination of records, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
 - (c) According to information and explanation provided to us and based on our audit procedures and enquiry with the vigil mechanism committee, there were no whistle-blower complaints received by the Company during the year and up to the date of this report.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, clause 3 (xii) (a), (b) & (c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of transactions have been disclosed in the Financial Statements as required by Ind AS 24 'Related Party Disclosures'. Refer Note 27 to the Standalone Financial Statements.
- (xiv)
 - (a) According to the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have taken into consideration the reports, made available to us by the management, of the Internal Auditors for the period under audit.
- (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 the Directors or persons connected with them during the year. Accordingly, reporting on clause 3 (xv) of the Order is not applicable.
- (xvi)
 - (a) According to the information and explanations given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
 - (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is a Core Investment Company (CIC) and does not conduct any Non-Banking Financial or Housing Finance activities.



- (c) According to the information and explanations given to us and in our opinion, the Company is a Core Investment Company (CIC) as per RBI Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 and continues to fulfil the criteria of a CIC. According to the information and explanations given to us, the Company is an unregistered CIC and in our opinion, it continues to fulfil such criteria.
- (d) According to the information and explanations given to us, there are two Core Investment Companies within the Group.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on clause 3 (xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for the year.
- (b) According to the information and explanations given to us, there is no amount remaining unspent towards Corporate Social Responsibility (CSR) under sub-section (5) of Section 135 of the Act, pursuant to any ongoing project. Accordingly, reporting on clause 3 (xx) (b) is not applicable.

For P G Bhagwat LLP
Chartered Accountants
Firm Registration No.101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.136835
UDIN : 22136835AJEPSC1209

Place : Pune
Date : May 12, 2022

KALYANI INVESTMENT COMPANY LIMITED

Annexure B to the Independent 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 with reference to Standalone Financial Statements 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 the Standalone Financial Statements of Kalyani Investment Company Limited ("the Company") as of March 31, 2022 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone 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, to the extent applicable to an audit of internal financial controls, 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 over financial reporting 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 with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone 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 the Standalone Financial Statements.

Meaning of Internal Financial controls with reference to the Standalone Financial Statements

A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and

Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Standalone 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 the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone 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, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls 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
Firm Registration No.101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.136835
UDIN : 22136835AJEPSC1209

Place : Pune
Date : May 12, 2022

KALYANI INVESTMENT COMPANY LIMITED

BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Million)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	3	0.73	0.47
(b) Bank balances other than (a) above	4	855.52	562.33
(c) Loans	5	—	—
(d) Investments	6	51,595.78	44,986.41
(e) Other financial assets	7a	0.50	0.50
Total		52,452.53	45,549.71
Non-Financial Assets			
(a) Property, Plant and Equipment	8	3.34	4.31
(b) Other non financial assets	7b	0.09	—
(c) Assets for current tax (net)	9	0.02	2.27
Total		3.45	6.58
Total Assets		52,455.98	45,556.29
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
(a) Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises		1.05	1.42
(b) Other financial liabilities	11	9.31	4.77
Total		10.36	6.19
Non-Financial Liabilities			
(a) Provisions	12	0.01	0.03
(b) Income tax liabilities (net)	13a	4.30	—
(c) Deferred tax liabilities (net)	13b	584.91	612.34
(d) Other non-financial liabilities	14	2.03	0.45
Total		591.25	612.82
Equity			
(a) Share capital	15	43.65	43.65
(b) Other equity			
(i) Reserves & Surplus	16	51,810.72	44,893.63
Total		51,854.37	44,937.28
Total Liabilities and Equity		52,455.98	45,556.29

Significant Accounting Policies

1

Significant accounting judgements, estimates and assumptions

2

The notes referred to above form an integral part of these standalone financial statements

As per our attached Report of even date

For P G Bhagwat LLP

Chartered Accountants

Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat

Partner

Membership No.136835

Anirvinna A. Bhave

Company Secretary

Shekhar Bhivpathaki

**Chief Executive Officer
& Chief Financial Officer**

Amit B. Kalyani

Chairman

R.K. Goyal

Director

Place : Pune

Date : May 12, 2022

Place : Pune

Date : May 12, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Million)

	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from Operations			
(a) Dividend income	17	358.11	46.40
(b) Interest on fixed deposit	17	37.25	33.37
(c) Net gain / (loss) on fair value changes	18	(3.32)	46.27
		<u>392.04</u>	<u>126.04</u>
Other Income	19	0.26	—
Total Income		392.30	126.04
Expenses			
(a) Employee benefits expense	20	10.54	16.80
(b) Depreciation and amortization expense	21	0.97	0.97
(c) Other expenses	22	18.46	15.35
Total expenses		29.97	33.12
Profit before exceptional items and tax		362.33	92.92
Exceptional items		—	—
Profit before tax		362.33	92.92
Tax expense	23		
Current tax		93.50	18.65
Deferred tax expense		8.40	0.69
Taxation in respect of earlier years (MAT)		—	(4.37)
Total Tax expense		101.90	14.97
Profit for the year		260.43	77.95
Other comprehensive income, net of income tax			
A. Items that will not be reclassified to profit or loss			
- Changes in fair value of FVTOCI equity investment		6,620.83	26,432.30
- Tax on above		(35.83)	582.37
Total other comprehensive income for the year (net)		6,656.66	25,849.93
Total comprehensive income for the year		6,917.09	25,927.88
Earnings per share (of ₹ 10/- each) :	24		
Basic & Diluted		59.66	17.86
Significant Accounting Policies	1		
Significant accounting judgements, estimates and assumptions	2		

The notes referred to above form an integral part of these standalone financial statements

As per our attached Report of even date

For P G Bhagwat LLP
Chartered Accountants
Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat
Partner
Membership No.136835

Anirvinna A. Bhave
Company Secretary

Shekhar Bhivpathaki
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R.K. Goyal
Director

Place : Pune
Date : May 12, 2022

Place : Pune
Date : May 12, 2022

KALYANI INVESTMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(₹ in Million)

Particulars	Notes	No. of shares	Amount
As at April 1, 2020	15	4,365,306	43.65
Changes in equity share capital		—	—
As at March 31, 2021	15	4,365,306	43.65
Changes in equity share capital		—	—
As at March 31, 2022	15	4,365,306	43.65

B. Other Equity

(₹ in Million)

Particulars	Notes	Reserves and Surplus				Other reserve	Total
		Retained Earnings	General Reserve	Statutory Reserve Fund	Capital Redemption Reserve	FVTOCI Equity Investment Reserve	
As at April 1, 2020	16	970.77	2,146.65	376.02	576.00	14,896.31	18,965.75
Profit for the year		77.95	—	—	—		77.95
Other Comprehensive Income (net of tax) :							
Changes in fair value of equity instruments		—	—	—	—	25,849.93	25,849.93
Total Comprehensive Income for the year		77.95	—	—	—	25,849.93	25,927.88
Transferred to Statutory Reserve Fund during the year	16	(15.59)	—	15.59	—	—	—
As at March 31, 2021		1,033.13	2,146.65	391.61	576.00	40,746.24	44,893.63

(₹ in Million)

Particulars	Notes	Reserves and Surplus				Other reserve	Total
		Retained Earnings	General Reserve	Statutory Reserve Fund	Capital Redemption Reserve	FVTOCI Equity Investment Reserve	
As at April 1, 2021	16	1,033.13	2,146.65	391.61	576.00	40,746.24	44,893.63
Profit for the year		260.43	—	—	—	—	260.43
Other Comprehensive Income (net of tax) :							
Changes in fair value of equity instruments		—	—	—	—	6,656.66	6,656.66
Total Comprehensive Income for the year		260.43	—	—	—	6,656.66	6,917.09
Transferred to Statutory Reserve Fund during the year	16	(52.09)	—	52.09	—	—	—
As at March 31, 2022		1,241.47	2,146.65	443.70	576.00	47,402.90	51,810.72

Significant Accounting Policies

1

Significant accounting judgements, estimates and assumptions

2

The notes referred to above form an integral part of these standalone financial statements

As per our attached Report of even date

For P G Bhagwat LLP

Chartered Accountants

Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat

Partner

Membership No.136835

Anirvinna A. Bhave

Company Secretary

Shekhar Bhivpathaki

Chief Executive Officer

& Chief Financial Officer

Amit B. Kalyani

Chairman

R.K. Goyal

Director

Place : Pune

Date : May 12, 2022

Place : Pune

Date : May 12, 2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Million)

	Year ended March 31, 2022	Year ended March 31, 2021
A) Cash Flows from Operating Activities		
Profit before income tax	362.33	92.92
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization	0.97	0.97
Profit on sale of investments	(0.31)	(0.67)
Net gain / (loss) on fair value changes	3.63	(45.60)
Provision no longer required	0.02	—
Cash Generated from Operations before working capital changes	366.64	47.62
Adjustments for changes in working capital		
Increase / (Decrease) in provisions	(0.03)	0.01
Increase / (Decrease) in trade payables	(0.37)	(2.20)
Increase / (Decrease) in other financial liabilities	4.54	(5.62)
Increase / (Decrease) in other non financial liabilities	1.59	0.05
(Increase) / Decrease in other non financial assets	(0.09)	—
(Increase) / Decrease in other financial assets	(293.19)	(209.97)
Cash generated from Operations	79.09	(170.11)
Income taxes paid (net of refunds)	(86.95)	(14.26)
Net Cash from Operating Activities	(7.86)	(184.37)
B) Cash Flows from Investing Activities		
(Purchase) / Sale of shares	3.50	—
(Purchase) / Sale of mutual funds	4.62	183.13
Net Cash Flows from Investing Activities	8.12	183.13
C) Cash Flows from Financing Activities		
Net Cash Flows from Financing Activities	—	—
Net increase / (decrease) in cash and cash equivalents	0.26	(1.24)
Cash and cash equivalents at the beginning of the year (refer Note 3)	0.47	1.71
Cash and cash equivalents at the end of the year (refer Note 3)	0.73	0.47

This statement has been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.

Significant Accounting Policies 1

Significant accounting judgements, estimates and assumptions 2

The notes referred to above form an integral part of these standalone financial statements

As per our attached Report of even date

For P G Bhagwat LLP
Chartered Accountants
Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat
Partner
Membership No.136835

Anirvinna A. Bhave
Company Secretary

Shekhar Bhivpathaki
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R.K. Goyal
Director

Place : Pune
Date : May 12, 2022

Place : Pune
Date : May 12, 2022

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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

1. Background

Kalyani Investment Company Limited ("the Company") is a public limited company domiciled in India and incorporated in June, 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. 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 – 411036. The CIN of the Company is L65993PN2009PLC134196.

These standalone financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 12, 2022.

1A. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone 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 standalone 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 from time to time.

(ii) Historical cost convention

The standalone 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.
- Defined benefit plans - plan assets 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) Estimation of uncertainties relating to the global health pandemic from COVID 19

The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the carrying amounts of Investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The impact of COVID 19 on the Company's financial statements may differ from the estimated as at the date of approval of these financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :
(c) 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 33 for segment information presented.

(d) Foreign currency transactions**Functional and presentation currency**

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone 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.

(e) Interest Income

Interest income from debt instruments is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(f) 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.

(g) 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

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

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.

(h) 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 recognize 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :
Lease modification

For a lease modification that is not accounted for as a standalone 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 capitalized 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 recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" for the first time, using the modified retrospective transition method, applied to lease contracts that are ongoing as at April 1, 2019.

(i) 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.

(j) Investment in associate

Investment in associate are accounted at cost less accumulated impairment.

(k) 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 standalone 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.

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

- 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 standalone 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.

(l) 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.

(m) 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 de-recognized 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

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.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

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.

(n) 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 an new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(o) 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.

(p) 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 standalone 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 standalone asset is de-recognized 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 technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. 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.

An item of property, plant and equipment and any significant part initially recognized is de-recognized 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 standalone statement of profit and loss when the asset is de-recognized.

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.

(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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

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 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.

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) Employee Benefits

(i) Short-term Employee Benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognized in the period in which the employee renders the related service.

(ii) Long term Employment benefits

The employee's long term compensated absences are Company's other long term benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognize the obligation on a net basis.

In regard to other long term employment benefits, the Company recognizes the net total of service costs, net interest on the net defined benefit liability (asset) and re-measurements of the net defined benefit liability (asset) in the statement of profit and loss.

Provident Fund

The Company operates single plan for its employees to provide employee benefits in the nature of provident fund.

The Company pays provident fund contributions to publicly administered provident funds as per regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates : (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(u) 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.

(v) Cash Flow Statement

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

(w) Dividend liability

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.

(x) 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.

(y) Rounding of amounts

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

1B Standards issued but not effective

The Ministry of Corporate Affairs (MCA) on April 5, 2022, vide Notification dated March 23, 2022 has issued Companies (Indian Accounting Standard) Amendment Rules, 2022 in consultation with the National Financial Reporting Authority (NFRA).

The Notification states that these rules shall be applicable from April 1, 2022 and would thus be applicable for the financial year ending March 31, 2023.

The amendments to Ind AS are intended to keep the Ind AS aligned with the amendments made in IFRS.

1. Amendments to Ind AS 16, "Property, Plant and Equipment"

The amendments to Ind AS 16 issued by the Ministry of Corporate Affairs amends provisions 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

2. Amendments to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets"

The amendments to Ind AS 37 issued by the Ministry of Corporate Affairs amends provisions regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

3. Amendments to Ind AS 41, "Agriculture"

The amendments to Ind AS 41 issued by the Ministry of Corporate Affairs amends provisions 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.

4. Amendments to Ind AS 101, "First-time Adoption of Indian Accounting Standards"

The amendments to Ind AS 101 issued by the Ministry of Corporate Affairs amends provisions 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.

5. Amendments to Ind AS 103, "Business Combination"

The amendments to Ind AS 103 issued by the Ministry of Corporate Affairs amends provisions to :

- substitute the word 'Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework)' with the words 'Conceptual Framework of Financial Reporting in Ind AS'.
- add to Ind AS 103 a requirement that, for transactions and other events within the scope of Ind AS 37, an acquirer applies Ind AS 37 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination.
- add to Ind AS 103 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

6. Amendments to Ind AS 109, "Financial Instruments"

The amendments to Ind AS 109 issued by the Ministry of Corporate Affairs amends provisions to prescribe the treatment of fees involved during exchange between an existing borrower and lender of debt instruments with substantially different terms. The amendment clarifies that if an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

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

1. Amendments to Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Accounting Estimates

The exposure draft on amendments to Ind AS 8 issued by the Institute of Chartered Accountants of India proposes amendments to introduce a new definition of 'accounting estimates'. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

2. Amendments to Ind AS 12, "Income Taxes" - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The exposure draft on amendments to Ind AS 12 issued by the Institute of Chartered Accountants of India proposes amendments to introduce an exception to the initial recognition exemption in Ind AS 12 whereby an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The amendments would apply to transactions that occur on or after the beginning of the earliest comparative period presented.

3. Amendments to : Ind AS 1, "Presentation of Financial Statements", Ind AS 34, "Interim Financial Reporting" and Ind AS 107, "Financial Instruments : Disclosures" - Disclosures of Accounting Policies

The exposure draft on amendments to Ind AS 1 issued by the Institute of Chartered Accountants of India proposes amendments whereby an entity will be required to disclose only its material accounting policy information instead of its significant accounting policies. The amendment explain how an entity can identify material accounting policy information. Consequential amendments are proposed for Ind AS 107, Financial Instruments : Disclosures, and Ind AS 34, Interim Financial Reporting.

4. 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. Further, amendments have also been proposed to the exposure draft to add a transition option relating to comparative information about financial assets presented on initial application of Ind AS 117.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

The above exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from April 1, 2022 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 standalone financial statements requires management to make judgements, 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 judgements 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 judgements, estimates and assumptions is mentioned below.

Judgements, 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.

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 has 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. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and benefit increases are based on expected future inflation rates. Further details about employee benefit obligations are given in Note 26.

2. 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 28 for further disclosures.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

NOTE 3 : CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Balances with Banks		
In current accounts	0.73	0.47
Total	0.73	0.47

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

NOTE 4 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Term deposits with original maturity of more than three months but less than twelve months	855.52	562.33
Total	855.52	562.33

NOTE 5 : LOANS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
(A) Loans		
(i) Inter-corporate deposit	50.00	50.00
Total (A) - Gross	50.00	50.00
Less : Impairment loss allowance	(50.00)	(50.00)
Total (A) - Net	—	—
(B) Others		
(i) Other receivable	0.07	0.07
Total (B) - Gross	0.07	0.07
Less : Impairment loss allowance	(0.07)	(0.07)
Total (B) - Net	—	—
Total (C) - Gross Loans in India (others)	50.07	50.07
Less : Impairment loss allowance	(50.07)	(50.07)
Total (C) - Net	—	—
Total (A + B) - Net	—	—
Secured	—	—
Unsecured	50.07	50.07
Less : impairment loss allowance	(50.07)	(50.07)
Total (A + B) - Net	—	—

Details of loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and the Related Parties that are repayable on demand or without any terms or period of repayment :

(₹ in Million)

Type of Borrower	March 31, 2022		March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans & Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans & Advances in the nature of loans
Promoters	—	—	—	—
Directors	—	—	—	—
KMPs	—	—	—	—
Related Parties	50.07	100%	50.07	100%

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Investments	Number of shares / debentures / units		Face Value	March 31, 2022				March 31, 2021							
				March 31, 2022		March 31, 2021		March 31, 2021		March 31, 2021					
				March 31, 2022	March 31, 2021	At Cost	At fair value	Through other comprehensive income	Through profit or loss	Total	At Cost	At fair value	Through other comprehensive income	Through profit or loss	Total
Mutual Funds															
HDFC Liquid Fund - Growth	1,046	1,471	1,000	—	—	—	4.34	—	—	—	—	5.91	—	—	5.91
HDFC Overnight Fund - Growth	—	888	1,000	—	—	—	—	—	—	—	—	2.70	—	—	2.70
Total Mutual Funds							4.34					8.61			8.61
Equity Shares															
Equity Shares of BF Utilities Limited	6,195,046	6,195,046	5	—	—	—	1,910.24	—	—	—	—	1,525.59	—	—	1,525.59
Equity Shares of Dandakaranya Investment and Trading Private Limited	22,005	22,005	100	—	—	—	2.20	—	—	—	—	2.20	—	—	2.20
Equity Shares of Hastinapur Investment and Trading Private Limited	22,005	22,005	100	—	—	—	2.20	—	—	—	—	2.20	—	—	2.20
Equity Shares of Dronacharya Investment and Trading Private Limited	22,005	22,005	100	—	—	—	2.20	—	—	—	—	2.20	—	—	2.20
Equity Shares of Campanula Investment and Finance Private Limited	220,000	220,000	10	—	—	—	2.20	—	—	—	—	2.20	—	—	2.20
Equity Shares of Cornflower Investment and Finance Private Limited	220,000	220,000	10	—	—	—	2.20	—	—	—	—	2.20	—	—	2.20
Equity Shares of Triumphant Special Alloys Private Limited	245,000	245,000	10	—	—	—	2.46	—	—	—	—	2.46	—	—	2.46
Equity Shares of Bharat Forge Limited	63,312,190	63,312,190	2	—	—	—	44,356.59	—	—	—	—	37,743.56	—	—	37,743.56
Equity Shares of KSL Holdings Private Limited	5,001,000	5,001,000	10	—	—	—	3,215.64	—	—	—	—	3,415.67	—	—	3,415.67
Equity Shares of Saarloha Advanced Materials Private Limited	2,930,218	2,930,218	10	—	—	—	1,204.32	—	—	—	—	1,473.90	—	—	1,473.90
Equity Shares of Khed Economic Infrastructure Private Limited	15,111,147	15,111,147	10	—	—	—	324.89	—	—	—	—	232.11	—	—	232.11
Less : Allowance for impairment loss for Equity Shares				—	—	—	13.46	—	—	—	—	13.46	—	—	13.46
Total Equity Shares							51,011.68					44,390.83			44,390.83
Equity Shares in Associates															
Equity Shares of Hikal Limited	38,667,375	38,667,375	2	65.61	—	—	—	—	—	—	—	65.61	—	—	65.61
Equity Shares of Lord Ganesha Minerals Private Limited	450,000	450,000	10	—	—	—	—	—	—	—	—	75.19	—	—	75.19
Less : Allowance for impairment loss for Equity Shares in Associates				—	—	—	—	—	—	—	—	75.19	—	—	75.19
Total Equity Shares in Associates				65.61								65.61			65.61

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

NOTE 6 : INVESTMENTS (Continued) (₹ in Million)

Investments	Number of shares / debentures / units		Face Value	March 31, 2022				March 31, 2021					
	March 31, 2022	March 31, 2021		At Cost	At fair value		At Cost	At fair value		Total			
					Through other comprehensive income	Through profit or loss		Through other comprehensive income	Through profit or loss				
Preference Shares													
Preference Shares of Sundaram and Investment Private Limited	—	35,000	100	—	—	—	—	—	—	—	—	3.50	3.50
Preference Shares of Lord Ganesha Minerals Private Limited	9,000,000	9,000,000	10	—	—	—	—	—	—	—	—	15.66	15.66
Preference Shares of Baramati Speciality Steels Limited	47,500,000	47,500,000	10	—	—	—	129.90	—	—	—	—	118.09	118.09
Preference Shares of Kalyani Mining Ventures Private Limited	2,030,000	2,030,000	10	—	—	—	—	—	—	—	—	20.35	20.35
Preference Shares of Kalyani Technoforge Limited	39,684,973	39,684,973	10	—	—	—	384.25	—	—	—	—	399.77	399.77
Total Preference Shares				—	—	—	514.15	—	—	—	—	557.37	557.37
Less : Allowance for impairment loss for Preference Shares				—	—	—	—	—	—	—	—	36.01	36.01
Total Preference Shares				—	—	—	514.15	—	—	—	—	521.36	521.36
Others (Debentures)													
0% Fully Convertible Debentures (FCD) of Azalea Enterprises Private Limited	725,000	725,000	100	—	—	—	72.50	—	—	—	—	72.50	72.50
Less : Allowance for impairment loss of Debentures				—	—	—	—	—	—	—	—	—	—
Total Debentures				—	—	—	72.50	—	—	—	—	72.50	72.50
Total - Gross (A)				65.61	51,011.68	—	518.49	51,595.78	65.61	44,390.83	—	529.97	44,986.41
(i) Investments outside India				—	—	—	—	—	—	—	—	—	—
(ii) Investments in India				65.61	51,011.68	—	518.49	51,595.78	65.61	44,390.83	—	529.97	44,986.41
Total (B)				65.61	51,011.68	—	518.49	51,595.78	65.61	44,390.83	—	529.97	44,986.41
Total Investments				65.61	51,011.68	—	518.49	51,595.78	65.61	44,390.83	—	529.97	44,986.41

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Refer notes on Investments below :

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

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

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

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

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

9,000,000 - 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited carry option to convert the entire amount outstanding into equity shares of the said company at par. The said 9,000,000 - 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up, if not opted for conversion, are redeemable on March 31, 2030. However, the said Company as well as the holders of 1% Non-Cumulative Optionally Convertible Preference Shares, have a call / put option respectively, by giving one month's notice to the other party.

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

12,500,000 - 7% Cumulative, Optionally Convertible, Non-participating Preference Shares of ₹ 10/- each, fully paid up of Kalyani Technoforge Limited allotted on December 22, 2017, carry an option to convert the entire amount in Equity Shares of Kalyani Technoforge Limited, at the option to be exercised by Kalyani Technoforge Limited. The Preference Shares which are not converted, are redeemable at the end of 7 years from the date of allotment, however Kalyani Technoforge Limited can redeem the same after completion of 5 years.

13,984,973 - 7% Cumulative, Optionally Convertible, Non-participating Preference Shares of ₹ 10/- each, fully paid up of Kalyani Technoforge Limited allotted on September 6, 2018 carry an option to convert the entire amount in Equity Shares of Kalyani Technoforge Limited, at the option to be exercised by Kalyani Technoforge Limited. The Preference Shares which are not converted, are redeemable at the end of 7 years from the date of allotment, however Kalyani Technoforge Limited can redeem the same after completion of 5 years.

13,200,000 - 7% Cumulative, Optionally Convertible, Non-participating Preference Shares of ₹ 10/- each, fully paid up of Kalyani Technoforge Limited allotted on September 27, 2019 carry an option to convert the entire amount in Equity Shares of Kalyani Technoforge Limited, at the option to be exercised by Kalyani Technoforge Limited. The Preference Shares which are not converted, are redeemable at the end of 7 years from the date of allotment, however Kalyani Technoforge Limited can redeem the same after completion of 5 years.

560,000 - 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited are compulsorily convertible into such number of fully paid up equity shares of ₹ 10/- each at such a price as shall be fixed by the said Company upon the expiry of the period of 5 years from the date of their original issue, i.e. on March 29, 2014. However the said Company has extended the tenure of the said debentures for further period of 5 years and accordingly the date of conversion shall be March 29, 2024.

165,000 - 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited are compulsorily convertible into such number of fully paid up equity shares of ₹ 10/- each at such a price as shall be fixed by the said Company upon the expiry of the period of 5 years from the date of their original issue, i.e. on April 4, 2014. However the said Company has extended the tenure of the said debentures for further period of 5 years and accordingly the date of conversion shall be April 4, 2024.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

NOTE 7A : OTHER FINANCIAL ASSETS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Security deposit	0.50	0.50
Total	0.50	0.50

NOTE 7B : OTHER NON-FINANCIAL ASSETS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Advance to Creditors	0.06	—
Prepaid expenses	0.03	—
Total	0.09	—

NOTE 8 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Million)

Particulars	Furniture and Fixtures
Gross Block as at March 31, 2020	10.24
Additions	—
Disposals / Adjustments	—
Gross Block as at March 31, 2021	10.24
Additions	—
Disposals / Adjustments	—
Gross Block as at March 31, 2022	10.24

(₹ in Million)

Particulars	Furniture and Fixtures
Accumulated Depreciation :	
As at March 31, 2020	4.96
For the year	0.97
Disposals / Adjustments	—
As at March 31, 2021	5.93
For the year	0.97
Disposals / Adjustments	—
As at March 31, 2022	6.90

(₹ in Million)

Particulars	Furniture and Fixtures
Net Block	
As at March 31, 2021	4.31
As at March 31, 2022	3.34

NOTE 9 : ASSETS FOR CURRENT TAX

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Advance Income Tax	0.02	2.27
Total	0.02	2.27

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

NOTE 10 : TRADE PAYABLES

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.05	1.42
Total	1.05	1.42

- (i) The Company has compiled this information based on the current information in its possession as at March 31, 2022, 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 except as disclosed above.
- (ii) Trade payables are non-interest bearing and are generally settled within 30 days.
- (iii) The Company does not owe any moneys to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables ageing schedule for the year ended March 31, 2022

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	—	—	—	—	—
(ii) Others	1.05	—	—	—	1.05
(iii) Disputed Dues - MSME	—	—	—	—	—
(iv) Disputed Dues - Others	—	—	—	—	—
(v) Unbilled Dues	—	—	—	—	—
Total	1.05	—	—	—	1.05

Trade payables ageing schedule for the year ended March 31, 2021

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	—	—	—	—	—
(ii) Others	1.42	—	—	—	1.42
(iii) Disputed Dues - MSME	—	—	—	—	—
(iv) Disputed Dues - Others	—	—	—	—	—
(v) Unbilled Dues	—	—	—	—	—
Total	1.42	—	—	—	1.42

NOTE 11 : OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Accrued expenses	9.27	4.72
Payable to employees	0.04	0.05
Total	9.31	4.77

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

NOTE 12 : PROVISIONS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for compensated absences (refer Note 26)	0.01	0.03
Total	0.01	0.03

NOTE 13A : INCOME TAX LIABILITIES, NET

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Provision for Income Tax	4.30	—
Total	4.30	—

NOTE 13B : DEFERRED TAX LIABILITIES, NET

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Deferred Tax Liabilities		
Depreciation and amortization	(0.32)	(0.24)
Fair valuation of equity shares	675.23	711.06
Total Deferred tax liabilities	674.91	710.82
Deferred Tax Assets		
Fair valuation of preference shares	(90.00)	(98.48)
Total Deferred tax assets	(90.00)	(98.48)
Deferred Tax Liabilities / (Assets) - (net)	584.91	612.34

Changes in Deferred Tax Assets / (Liabilities) in Profit and Loss [charged / (credited) during the year]

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Deferred tax assets		
Disallowances	—	—
Fair valuation of preference shares	8.48	0.80
	8.48	0.80
Deferred tax liabilities		
Depreciation and amortization	(0.08)	(0.11)
	(0.08)	(0.11)
Total	8.40	0.69

Changes in Deferred Tax Assets / (Liabilities) in Other Comprehensive Income [charged / (credited) during the year]

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Deferred tax liabilities		
Fair valuation of equity shares	(35.83)	582.37
Total	(35.83)	582.37

NOTE 14 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Statutory dues payable	2.03	0.45
Total	2.03	0.45

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

NOTE 15 : SHARE CAPITAL

(a) Authorized share capital

Particulars	Equity shares	14% Non Cumulative Redeemable Preference Shares
As at March 31, 2021 :		
Number of shares	12,000,000	60,000,000
Face value per share	10	10
Amount (₹ in Million)	120.00	600.00
As at March 31, 2022 :		
Number of shares	12,000,000	60,000,000
Face value per share	10	10
Amount (₹ in Million)	120.00	600.00

(b) Terms / rights attached to equity shares

The Company has only one class of issued equity shares having a par value of ₹ 10/- 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	(₹ in Million)	
	Number of shares	Amount
As at March 31, 2020	4,365,306	43.65
Changes in equity share capital	—	—
As at March 31, 2021	4,365,306	43.65
Changes in equity share capital	—	—
As at March 31, 2022	4,365,306	43.65

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

Particulars	Ajinkya Investment & Trading Company	Sundaram Trading & Investment Private Limited
As at March 31, 2021		
% of holding	12.28%	60.94%
Number of shares	536,182	2,660,074
As at March 31, 2022		
% of holding	13.65%	60.94%
Number of shares	595,998	2,660,074

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

(e) Details of Shares held by Promoter and Promoter Group

Promoter Name	March 31, 2022		March 31, 2021		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mr.B.N. Kalyani (Promoter)	111	—	111	—	—
Mrs.Sunita B. Kalyani	5,464	0.13	5,464	0.13	—
Mr.Amit B. Kalyani	3,119	0.07	3,119	0.07	—
Mrs.Deeksha A. Kalyani	50	—	50	—	—
Mrs.Sugandha Hiremath	678	0.02	678	0.02	—
Mrs.Sugandha Hiremath & Mr.Jai Hiremath	101	—	101	—	—
Ajinkya Investment & Trading Company	595,998	13.65	536,182	12.28	1.37
Sundaram Trading & Investment Private Limited	2,660,074	60.94	2,660,074	60.94	—
Ajinkyatara Trading Company Limited	256	—	256	—	—
Lohgaon Trading Company Private Limited	7,000	0.16	7,000	0.16	—
Babasaheb Kalyani Family Trust	—	—	—	—	—
Total	3,272,851	74.97	3,213,035	73.60	1.37

NOTE 16 : RESERVES AND SURPLUS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Retained earnings	1,033.13	970.77
Add : Profit for the year	260.43	77.95
Less : Transfer to Statutory Reserve Fund	(52.09)	(15.59)
As at the end of the year	1,241.47	1,033.13
General Reserve as at the beginning and end of the year	2,146.65	2,146.65
Statutory Reserve Fund		
As at the beginning of the year	391.61	376.02
Add : Transfer from retained earnings	52.09	15.59
As at the end of the year	443.70	391.61
Capital Redemption reserve as at the beginning and end of the year	576.00	576.00
FVTOCI Equity investments		
As at the beginning of the year	40,746.24	14,896.31
Add : Fair value gains / (losses) for the year	6,656.66	25,849.93
As at the end of the year	47,402.90	40,746.24
Total	51,810.72	44,893.63

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 during the current and previous year.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

ii) Statutory Reserve Fund

As per Section 45-IC(1) in The Reserve Bank of India Act, 1934, every Non-Banking Financial Company shall create a Reserve Fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

iii) FVTOCI Equity Investment Reserve

The Company has elected to recognize 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-recognized.

iv) Capital Redemption Reserve

Capital Redemption Reserve has been created on redemption of preference shares out of profits in accordance with the Companies Act, 2013 (erstwhile the Companies Act, 1956).

NOTE 17 : REVENUE FROM OPERATIONS

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Dividend received on shares	358.11	46.40
Interest on fixed deposit designated at amortized cost	37.25	33.37
Total	395.36	79.77

NOTE 18 : REVENUE FROM OPERATIONS - NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain / (loss) on financial instruments at fair value through profit or loss		
- preference shares	(3.71)	45.44
- mutual funds	0.39	0.83
Total net gain / (loss) on fair value changes	(3.32)	46.27
Fair value changes		
- Realized	0.31	0.67
- Unrealized	(3.63)	45.60
Total net gain / (loss) on fair value changes	(3.32)	46.27

NOTE 19 : OTHER INCOME

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on income tax refund	0.24	—
Provision no longer required	0.02	—
Total	0.26	—

NOTE 20 : EMPLOYEE BENEFIT EXPENSES

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	10.54	16.80
Total	10.54	16.80

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

NOTE 21 : DEPRECIATION

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation	0.97	0.97
Total	0.97	0.97

NOTE 22 : OTHER EXPENSES

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Legal and professional fees	6.12	6.24
Fees and subscription	0.80	0.80
Sundry expenses	0.10	0.10
Printing and stationery	0.13	0.14
Advertisement expenses	0.23	0.18
CSR expenditure (refer Note 32)	1.92	1.91
Audit fees (refer Note 25)	0.33	0.34
Communication	0.01	—
Brand usage fees	0.56	0.56
Rates & Taxes	1.26	3.88
Directors Commission	7.00	1.20
Total	18.46	15.35

NOTE 23 : TAX EXPENSE

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	93.50	14.30
Add : MAT credit utilized	—	4.35
	93.50	18.65
Deferred tax expense	8.40	0.69
Taxation in respect of earlier years (MAT)	—	(4.37)
Total	101.90	14.97

Reconciliation of tax expense and accounting profit multiplied by statutory tax rate

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	362.33	92.92
Applicable tax rate	25.17%	27.82%
Computed tax expense	91.19	25.85
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Non-deductible expenses	—	4.97
Income tax rate change	9.39	—
Profit on sale of investments	—	0.71
Taxation in respect of earlier years	—	(4.37)
Others	1.32	(12.19)
Income tax expense	101.90	14.97

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

NOTE 24 : EARNINGS PER SHARE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit / (loss) after tax (₹ in Million)	260.43	77.95
Weighted average number of equity shares	4,365,306	4,365,306
Basic and diluted earning per share of nominal value of ₹ 10/- each	59.66	17.86

The Company does not have any potential equity share that would have a dilutive effect on the Earnings Per Share.

NOTE 25 : PAYMENT TO AUDITORS

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As auditor :		
Audit fees	0.33	0.33
Certification fees	—	0.01
Total	0.33	0.34

NOTE 26 : PROVISION FOR EMPLOYEE BENEFITS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Compensated absences (refer Note A)	0.01	0.03

A Compensated absences

The compensated absences cover the Company's liability for privilege leave.

I Significant assumptions

The significant actuarial assumptions were as follows :

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.30%	6.80%
Salary escalation rate	8.00%	7.00%
Retirement age	VP and above - 60 years	VP and above - 60 years
Mortality rate	Others - 55 years Indian Assured Lives Mortality (2012-14) Ultimate	Others - 55 years Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	5.00%	5.00%

B Provident Fund

Defined contribution : The Company also has certain defined contribution plans. Contributions are made to provident fund in India for worker at the 12% of basic and dearness allowance as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is ₹ 0.029 Million (March 31, 2021 : ₹ 0.013 Million).

C Risk Exposure

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on certain long term obligations to make future benefit payments.

1) Liability Risks

a. Asset-Liability Mismatch Risk

Risks which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :
b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating the increasing risk.

2) Unfunded Plan Risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financial and also benefit risk through return on the funds made available for the plan.

NOTE 27 : RELATED PARTY TRANSACTIONS
A) Name of the related parties and nature of relationship

Holding Company	Ownership interest held in the Company	
	March 31, 2022	March 31, 2021
Sundaram Trading and Investment Private Limited	60.94%	60.94%

The principal place of business of the holding company is India.

(i) Associate with whom transactions have taken place during the year

Associate	Ownership interest held by the Company	
	March 31, 2022	March 31, 2021
Hikal Limited	31.36%	31.36%

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

(ii) Other related parties with whom transactions have taken place during the year
Entities under common control :

- i) Bharat Forge Limited
- ii) Kalyani Technoforge Limited
- iii) Kalyani Strategic Management Services Private Limited (formerly Kalyani Technologies Limited)
- iv) Kalyani Steels Limited

Key Management Personnel :

- i) Mr.Amit B. Kalyani, Chairman, Non-Executive Director
- ii) Mrs.Deeksha A. Kalyani, Non-Executive Director
- iii) Mr.B.B. Hattarki, Independent Director
- iv) Mr.R.K. Goyal, Non-Independent Director
- v) Mr.S.K. Adivarekar, Independent Director
- vi) Mr.S.G. Joglekar, Independent Director
- vii) Mrs.Shruti A. Shah, Independent Director
- viii) Mr.Sanjay Yewale, Chief Executive Officer and Chief Financial Officer, upto November 1, 2021
- ix) Mr.Shekhar Bhivpathaki, Chief Executive Officer and Chief Financial Officer, from November 2, 2021
- x) Mr.Akshay Chikodikar, Company Secretary, upto November 20, 2021
- xi) Mr.Anirvinna A. Bhawe, Company Secretary, from December 6, 2021

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

(₹ in Million)

a Remuneration	March 31, 2022	March 31, 2021
i) Mr.Amit B. Kalyani, Chairman, Non-Executive Director	1.00	—
ii) Mrs.Deeksha A. Kalyani, Non-Executive Director	1.00	—
iii) Mr.B.B. Hattarki, Independent Director	1.00	0.40
iv) Mr.R.K. Goyal, Non-Independent Director	1.00	—
v) Mr.S.K. Adivarekar, Independent Director	1.00	0.40
vi) Mr.S.G. Joglekar, Independent Director	1.00	—
vii) Mrs.Shruti A. Shah, Independent Director	1.00	0.40
viii) Mr.Sanjay Yewale, Chief Executive Officer and Chief Financial Officer*	7.95	11.52
ix) Mr.Shekhar Bhivpathaki, Chief Executive Officer and Chief Financial Officer *	1.27	—
x) Mr.Akshay Chikodkar, Company Secretary	0.39	0.49
xi) Mr.Anirvinna A. Bhave, Company Secretary	0.15	—
Total	16.76	13.21

* Excludes GST amounting to ₹ 1.66 Million (Previous year ₹ 2.07 Million)

(₹ in Million)

(iii) Compensation to key management personnel	March 31, 2022	March 31, 2021
Nature of transaction		
i) Short-term employee benefits	9.76	12.01
ii) Post-employment benefits	—	—
iii) Other-long term benefits	—	—
iv) Termination benefits	—	—
v) Share base payment	—	—

As the future liability for gratuity is provided on an actuarial basis for the Company as whole, the amount pertaining to individual is not ascertainable and therefore not included above.

(₹ in Million)

(iv) Transactions with related parties	March 31, 2022	March 31, 2021
i) Dividend received from Hikal Limited	85.07	46.40
ii) Dividend received from Bharat Forge Limited	221.59	—
iii) Dividend received from Kalyani Technoforge Limited	51.03	—
iv) Dividend received from Sundaram Trading & Investment Private Limited	0.42	—
v) Reimbursement of expenses to Kalyani Steels Limited	10.88	13.59
vi) Branding fees paid to Kalyani Strategic Management Services Private Limited	0.56	0.56

(₹ in Million)

(v) Outstanding balances with related parties	March 31, 2022	March 31, 2021
A Key Management Personnel compensation		
i) Mr.Amit B. Kalyani, Chairman, Non-Executive Director	1.00	—
ii) Mrs.Deeksha A. Kalyani, Non-Executive Director	1.00	—
iii) Mr.B.B. Hattarki, Independent Director	1.00	0.40
iv) Mr.R.K. Goyal, Non-Independent Director	1.00	—
v) Mr.S.K. Adivarekar, Independent Director	1.00	0.40
vi) Mr.S.G. Joglekar, Independent Director	1.00	—
vii) Mrs.Shruti A. Shah, Independent Director	1.00	0.40
Total Key Management Personnel compensation	7.00	1.20
B Trade payables		
Kalyani Steels Limited	2.05	3.70
C Loan given		
Azalea Enterprises Private Limited (fully provided)	50.00	50.00
D Other Receivables		
Kalyani International Limited (fully provided)	0.07	0.07

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

NOTE 28 : FAIR VALUE MEASUREMENTS

Financial assets and liabilities at amortized cost

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Financial assets		
Security deposits	0.50	0.50
Cash and cash equivalents	0.73	0.47
Bank balances other than above	855.52	562.33
Other financial assets	0.50	0.50
Total financial assets	857.25	563.80
Financial liabilities		
Trade payables	1.05	1.42
Accrued expenses	9.31	4.77
Total financial liabilities	10.36	6.19

Financial assets and liabilities classified as FVTPL

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Investment in preference shares	514.15	521.36
Investments in mutual funds	4.34	8.61

Financial assets and liabilities classified as FVTOCI

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Investment in equity shares	51,011.68	44,390.83

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about 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 Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3
Investment in preference shares			
March 31, 2022	—	—	514.15
March 31, 2021	—	—	521.36
Investments in mutual funds			
March 31, 2022	4.34	—	—
March 31, 2021	8.61	—	—
Investment in equity shares			
March 31, 2022	46,266.84	—	4,744.84
March 31, 2021	39,269.15	—	5,121.68

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 maximize 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.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

ii) **Valuation process**

The finance department of the Company includes a team that performs the valuations of assets and liabilities required for financial reporting purposes. This team appoints external valuation experts whenever the need arises for Level 3 fair valuation. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once in every year, in line with the Company's annual reporting period.

iii) **Fair value of financial assets and liabilities measured at amortized cost**

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

iv) **Fair value measurements using significant unobservable inputs (Level 3)**

The following table presents the changes in Level 3 items :

Particulars	(₹ in Million)		
	Preference shares	Equity Shares	Total
As at April 1, 2021	521.36	5,121.68	5,643.04
Gains / (losses) recognized in profit or loss	(3.71)	—	(3.71)
Redemption of preference shares	(3.50)	—	(3.50)
Gains / (losses) recognized in other comprehensive income	—	(376.83)	(376.83)
As at March 31, 2022	514.15	4,744.85	5,259.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

v) **Valuation inputs and relationships to fair value**
The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value

(₹ in Million)

Name of the entity	Method of valuation - significant unobservable inputs	Fair value as at		Inputs use for fair value	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Equity Shares of Saarloha Advanced Materials Private Limited	Market multiple method - EV / EBITDA multiple & Price / Sales multiple	1,204.32	1,473.90	4.51 and 0.60	3.88 and 0.20
Equity Shares of KSL Holdings Private Limited	Net Asset Value method Inputs considered for NAV : 1) KSL Holdings Private Limited has investment under Saarloha Advanced Materials Private Limited therefore sensitivity for Saarloha Advanced Materials Private Limited has an impact on KSL Holdings Private Limited fair value. 2) KSL Holdings Private Limited has investment under Baramati Speciality Steels Limited which in turn has investment in Saarloha Advanced Materials Private Limited, therefore sensitivity for Saarloha Advanced Materials Private Limited has an impact on Baramati Speciality Steels Limited and therefore Baramati Speciality Steels Limited has an impact on KSL Holdings Private Limited fair value. 3) KSL Holdings Private Limited also has investment in quoted investment to which considered on the basis of market price.	3,215.64	3,415.67	Fair value of net assets	Fair value of net assets
Equity Shares of 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	324.89	232.11	Inventory valuation Rate per acre for developed land and land under development in the range of ₹ 1.05 to ₹ 1.26 crore (weighted average ₹ 1.15 crore) per acre	Inventory valuation Rate per acre for developed land and land under development in the range of ₹ 1.04 to ₹ 1.26 crore (weighted average ₹ 1.15 crore) per acre
Preference Shares of Baramati Speciality Steels Limited	Discounted cash flow method	129.90	118.09	10%	10%
Preference Shares of Kalyani Technoforge Limited	Discounted cash flow method	384.25	399.77	10%	10%

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

The sensitivity analysis on account of inputs used for fair valuation are as follows :

Particulars	March 31, 2022	March 31, 2021
1. Equity Shares of Saarloha Advanced Materials Private Limited :		
EV / EBIDTA multiple & Price / Sales multiple		
Increase by 10%	39.56	—
Decrease by 10%	(41.02)	—
Increase by 5%	—	108.07
Decrease by 5%	—	(111.64)
2. Equity Shares of KSL Holdings Private Limited :		
Fair Value of investments		
Increase by 20%	285.09	—
Decrease by 20%	(300.09)	—
Increase by 5%	—	68.35
Decrease by 5%	—	(22.56)
3. Equity Shares of Khed Economic Infrastructure Private Limited :		
Rate per acre		
Increase by 5%	22.95	32.97
Decrease by 5%	20.06	(32.97)
4. Preference Shares of Baramati Speciality Steels Limited :		
Discount rate		
Increase by 1%	(1.61)	(0.87)
Decrease by 1%	1.61	0.87
5. Preference Shares of Kalyani Technoforge Limited :		
Discount rate		
Increase by 1%	8.51	3.98
Decrease by 1%	(8.51)	(3.98)

NOTE 29 : 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) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have foreign currency transactions and thereby is not exposed to foreign exchange risk arising from foreign currency transactions.

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 analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities :

(₹ in Million)		
March 31, 2022	Less than 1 year	More than 1 year
Non - derivative		
Trade Payables	1.05	—
Accrued Expenses	9.27	—
(₹ in Million)		
March 31, 2021	Less than 1 year	More than 1 year
Non - derivative		
Trade Payables	1.42	—
Accrued Expenses	4.72	—

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

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 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.

A Loans

i) Expected credit loss for loans :

Particulars	(₹ in Million)	
	March 31, 2022	March 31, 2021
Gross carrying amount	50.07	50.07
Expected loss rate	100.00%	100.00%
Expected credit losses (loss allowance provision)	50.07	50.07
Carrying amount of loans (net of impairment)	—	—

ii) Reconciliation of loss allowance provision - loans

(₹ in Million)	
Loss allowance as on April 1, 2021	50.07
Changes in loss allowance	—
Loss allowance as on March 31, 2022	50.07

NOTE 30 : 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 Million)	
	March 31, 2022	March 31, 2021
Share Capital	43.65	43.65
Other Equity	51,810.72	44,893.63
Total	51,854.37	44,937.28
Debt equity ratio	—	—

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

NOTE 31 : RATIOS

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Sr. No.	Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021
1	Capital to Risk-weighted Assets Ratio (CRAR)	Tier 1 capital + Tier 2 capital	Risk Weighted Assets	N.A.	N.A.
2	Tier I CRAR	Tier 1	Total Risk Weighted Assets	N.A.	N.A.
3	Tier II CRAR	Tier 2	Risk Weighted Assets	N.A.	N.A.
4	Liquidity Coverage Ratio	High quality liquid asset amount	Total net cash flow amount	N.A.	N.A.

Since the above ratios are relevant for NBFCs, therefore being Core Investment Company (CIC), the Company has not disclosed above ratios.

NOTE 32 : CORPORATE SOCIAL RESPONSIBILITY (CSR)

(₹ in Million)

Sr. No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i)	Amount required to be spent by the Company during the year	1.92	1.91
ii)	Amount of expenditure incurred (including set off availed)	1.92	1.91
iii)	Shortfall / (Excess) at the end of the year	—	—
iv)	Total of previous years shortfall / (excess)	—	—
v)	Nature of shortfall	N.A.	N.A.
vi)	Nature of CSR activities	Education	Education
vii)	Details of related party transactions, e.g. contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	N.A.	N.A.
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	N.A.	N.A.

NOTE 33 : 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 34 :

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020, draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period of the Code becomes effective.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :
NOTE 35

The Company has considered the impact of COVID 19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration and accordingly, the Company will continue to monitor any material changes of future economic conditions.

NOTE 36

As per the information available with the company, no transactions have been entered with any company struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year.

The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

The Company has complied with the requirement with respect to number of layers as prescribed under Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

NOTE 37

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

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

Sr. No.	Name of the company	Ultimate holding as on March 31, 2022
i)	Dandakaranya Investment and Trading Private Limited	23.92%
ii)	Hastinapur Investment and Trading Private Limited	23.92%
iii)	Dronacharya Investment and Trading Private Limited	23.92%
iv)	Campanula Investment and Finance Private Limited	23.91%
v)	Cornflower Investment and Finance Private Limited	23.91%

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

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

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

NOTE 38

Previous year figures have been regrouped / reclassified wherever necessary to conform with current year's classification / disclosure.

As per our attached Report of even date

For P G Bhagwat LLP
Chartered Accountants
Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat
Partner
Membership No.136835

Anirvinna A. Bhave
Company Secretary

Shekhar Bhivpathaki
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R.K. Goyal
Director

Place : Pune
Date : May 12, 2022

Place : Pune
Date : May 12, 2022

KALYANI INVESTMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Kalyani Investment Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Kalyani Investment Company Limited (hereinafter referred to as "the Company") and its Associates, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information / statements prepared by the Management the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its Associates as at March 31, 2022, of the consolidated profit and 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its Associates 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 Financial Statements under the provisions of the Act 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 obtained by us and by the other auditors referred to in the "Other Matter" paragraph, 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 Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a. Valuation of investments

At the balance sheet date, the value of investments of the Company amounted to ₹ 53,802.04 Million representing 98.43% of the total assets. Investments have been considered as key audit matter due to the size of the balance, various recognition principles, subsequent measurement principles and disclosure requirements. Refer note 1A(1) to the Consolidated Financial Statements for its accounting policy.

Principle Audit Procedures

- i) We have understood and evaluated the process of the Management to identify impairment indicators (if any) for the company's investments.
- ii) For quoted investments, we have independently verified the fair values.
- iii) We have evaluated the fair value of unquoted investments adopted by the Management and assessed the parameters of the fair valuation reports obtained by the Management from external experts.
- iv) On a test check basis, we have verified appropriate evidence with regard to assertions of existence and rights to the investments.
- v) We have verified principles for recognition, subsequent measurement and disclosures as specified in the accounting policy adopted by the company based on the Ind Accounting Standards.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Consolidated Financial Statements and our Auditors' Report thereon.

Our opinion on the Consolidated 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 Consolidated 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 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 Financial Statements

The Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), the consolidated changes in equity and consolidated cash flows of the Company and its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Company and its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Associates 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Company and its Associates are responsible for assessing the ability of the Company and its Associates 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 and its Associates or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its Associates are responsible for overseeing the financial reporting process of the Company and its Associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 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 Consolidated 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 Act, we are also responsible for expressing our opinion on whether the Company and its Associates has adequate internal financial controls with reference to the Consolidated 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 ability of the Company and its Associates 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 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 and its Associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated 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 Company and its Associates to express an opinion on the Consolidated 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 Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated 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 Company and other companies included in the Consolidated 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 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.

Other Matters

The Consolidated Financial Statements include the Company's share (by equity method) of total comprehensive income of ₹ 439.63 Million from its one Associate whose financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements to the extent they have been derived from such financial statements is based solely on the audit report of the other auditor. Also refer Note 27A to the Consolidated Financial Statements.

Our audit opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial statements, information prepared by the Management, as noted in the Other Matters paragraph, we report, to the extent applicable, that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

KALYANI INVESTMENT COMPANY LIMITED

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the 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 of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the Reports of Statutory Auditors of the Associate, none of the Directors of the Company and its Associate is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) For our opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company and its Associates and the operating effectiveness of such controls, refer to our separate Report in Annexure I.
 - g) As required by Section 197 (16) of the Act; in our opinion and according to the information and explanations given to us and on the consideration of Report of the other Auditors on separate financial statement, the remuneration paid during the current year to its Directors by the Company and its Associate is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of reports of the other auditors on separate financial statements:
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2022 on the consolidated financial position of the Company and its Associates - Refer Note 27A to the Consolidated Financial Statements.
 - (ii) The Company and its Associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its Associates during the year ended March 31, 2022.
 - (iv) (a) The respective Managements of the Company and its Associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and their respective auditors that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its Associates to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its Associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its Associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that and their respective auditors, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or its Associates from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its Associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and by the auditors of the Associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (v) The dividend declared and paid during the year by the Associate is in compliance with Section 123 of the Act, based on the Report by their Auditors. The Company has not declared or paid any dividend during the year.
2. With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and other Auditors of Associate included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For P G Bhagwat LLP
Chartered Accountants
Firm Registration No.101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.136835
UDIN : 22136835AKRIDE2407

Annexure I to the Independent Auditor's 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 with reference to Consolidated Financial Statements 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 the Consolidated Financial Statements of Kalyani Investment Company Limited (hereinafter referred to as "the Company") and its Associates for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company and its Associates is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company and its Associates internal financial controls with reference to the Consolidated 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, to the extent applicable to an audit of internal financial controls, 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 Consolidated 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 internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated 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 judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and audit evidence obtained by other auditors of the Associates in terms of their report referred to in other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company and its Associates internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and based on the audit reports of other auditors, the Company and its Associates have, in all material respects, an adequate internal financial controls system over financial reporting with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to the two Associates, is based on the corresponding reports of the auditors of such companies.

For P G Bhagwat LLP
Chartered Accountants
Firm Registration No.101118W/W100682

Abhijeet Bhagwat
Partner

Membership No.136835
UDIN : 22136835AKRIDE2407

KALYANI INVESTMENT COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Million)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	3	0.73	0.47
(b) Bank balances other than (a) above	4	855.52	562.33
(c) Loans	5	—	—
(d) Investments	6	53,802.04	46,838.10
(e) Other financial assets	7a	0.50	0.50
Total		54,658.79	47,401.40
Non-Financial Assets			
(a) Property, Plant and Equipment	8	3.34	4.31
(b) Other non financial assets	7b	0.09	—
(c) Assets for current tax	9	0.02	2.27
Total		3.45	6.58
Total Assets		54,662.24	47,407.98
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
(a) Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises		1.05	1.42
(b) Other financial liabilities	11	9.31	4.77
Total		10.36	6.19
Non-Financial Liabilities			
(a) Provisions	12	0.01	0.03
(b) Income tax liabilities (Net)	13a	4.30	—
(c) Deferred tax liabilities (Net)	13b	1,137.23	1,124.22
(d) Other non-financial liabilities	14	2.03	0.45
Total		1,143.57	1,124.70
Equity			
(a) Share capital	15	43.65	43.65
(b) Other equity			
(i) Reserves & Surplus	16	53,464.66	46,233.44
Total		53,508.31	46,277.09
Total Liabilities and Equity		54,662.24	47,407.98

Significant Accounting Policies 1

Significant accounting judgements, estimates and assumptions 2

The notes referred to above form an integral part of these consolidated financial statements

As per our attached Report of even date

For P G Bhagwat LLP

Chartered Accountants

Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat
Partner
Membership No.136835

Anirvinna A. Bhave
Company Secretary

Shekhar Bhivpathaki
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R.K. Goyal
Director

Place : Pune
Date : May 30, 2022

Place : Pune
Date : May 30, 2022

13th ANNUAL REPORT 2021-2022



KALYANI

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Million)

	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from Operations			
(a) Dividend income	17	273.04	—
(b) Interest on fixed deposit	17	37.25	33.37
(c) Net gain / (loss) on fair value changes	18	(3.32)	46.27
		<u>306.97</u>	<u>79.64</u>
Other Income	19	0.26	—
Total Income		307.23	79.64
Expenses			
(a) Employee benefits expense	20	10.54	16.80
(b) Depreciation and amortization expense	21	0.97	0.97
(c) Other expenses	22	18.46	15.35
		<u>29.97</u>	<u>33.12</u>
Profit before tax		277.26	46.52
Share in profit after tax of associates accounted for using equity method		435.87	417.56
Profit before tax		713.13	464.08
Tax expense	23		
Current tax		93.50	18.65
Deferred tax expense		47.89	103.95
Taxation in respect of earlier years (MAT)		—	(4.37)
Total Tax expense		<u>141.39</u>	<u>118.23</u>
Profit for the year		571.74	345.85
Other comprehensive income, net of income tax			
Items that will not be reclassified to profit or loss			
- Changes in fair value of FVTOCI equity investment		6,620.83	26,432.30
- Tax on above		(35.83)	582.37
Share of other comprehensive income of associates accounted for using equity method		2.82	(3.26)
		<u>6,659.48</u>	<u>25,846.67</u>
Total other comprehensive income for the year (net)		6,659.48	25,846.67
Total comprehensive income for the year		7,231.22	26,192.52
Earnings per share (of ₹ 10/- each) :	24		
Basic & Diluted		<u>130.97</u>	<u>79.23</u>
Significant Accounting Policies	1		
Significant accounting judgements, estimates and assumptions	2		

The notes referred to above form an integral part of these consolidated financial statements

As per our attached Report of even date

For P G Bhagwat LLP

Chartered Accountants

Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat
Partner
Membership No.136835

Anirvinna A. Bhave
Company Secretary

Shekhar Bhivpathaki
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R.K. Goyal
Director

Place : Pune
Date : May 30, 2022

Place : Pune
Date : May 30, 2022

KALYANI INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(₹ in Million)

Particulars	Notes	No. of shares	Amount
As at April 1, 2020	15	4,365,306	43.65
Changes in equity share capital		—	—
As at March 31, 2021	15	4,365,306	43.65
Changes in equity share capital		—	—
As at March 31, 2022	15	4,365,306	43.65

B. Other Equity

(₹ in Million)

Particulars	Notes	Reserves and Surplus				Other Reserve	Total
		Retained Earnings	General Reserve	Statutory Reserve Fund	Capital Redemption Reserve	FVTOCI Equity Investment Reserve	
As at April 1, 2020	16	2,045.94	2,146.65	376.02	576.00	14,896.31	20,040.92
Profit for the year		345.85	—	—	—	—	345.85
Other Comprehensive Income (net of tax) :							
Changes in fair value of equity instruments		—	—	—	—	25,849.93	25,849.93
Other Comprehensive income of associates accounted for using Equity Method		(3.26)	—	—	—	—	(3.26)
Total Comprehensive Income for the year		342.59	—	—	—	25,849.93	26,192.52
Transferred to Statutory reserve fund during the year	16	(15.59)	—	15.59	—	—	—
As at March 31, 2021		2,372.94	2,146.65	391.61	576.00	40,746.24	46,233.44

(₹ in Million)

Particulars	Notes	Reserves and Surplus				Other reserve	Total
		Retained Earnings	General Reserve	Statutory Reserve Fund	Capital Redemption Reserve	FVTOCI Equity Investment Reserve	
As at April 1, 2021	16	2,372.94	2,146.65	391.61	576.00	40,746.24	46,233.44
Profit for the year		571.74	—	—	—	—	571.74
Other Comprehensive Income (net of tax) :							
Changes in fair value of equity instruments		—	—	—	—	6,656.66	6,656.66
Other Comprehensive income of associates accounted for using Equity Method		2.82	—	—	—	—	2.82
Total Comprehensive Income for the year		574.56	—	—	—	6,656.66	7,231.22
Transferred to Statutory reserve fund during the year	16	(52.09)	—	52.09	—	—	—
As at March 31, 2022		2,895.41	2,146.65	443.70	576.00	47,402.90	53,464.66

Significant Accounting Policies

1

Significant accounting judgements, estimates and assumptions

2

The notes referred to above form an integral part of these consolidated financial statements

As per our attached Report of even date

For P G Bhagwat LLP

Chartered Accountants

Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat

Partner

Membership No.136835

Anirvinna A. Bhave

Company Secretary

Shekhar Bhivpathaki

Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani

Chairman

R.K. Goyal

Director

Place : Pune

Date : May 30, 2022

Place : Pune

Date : May 30, 2022


CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Million)

	Year ended March 31, 2022	Year ended March 31, 2021
A) Cash Flows from Operating Activities		
Profit before income tax	713.13	464.08
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization	0.97	0.97
Profit on sale of investments	(0.31)	(0.67)
Net gain on fair value changes	3.63	(45.60)
Provision no longer required	0.02	—
Share of net profits of associate	(435.87)	(417.56)
Cash Generated from Operations before working capital changes	281.57	1.22
Adjustments for changes in working capital		
Increase / (Decrease) in provisions	(0.03)	0.01
Increase / (Decrease) in trade payables	(0.37)	(2.20)
Increase / (Decrease) in other financial liabilities	4.54	(5.62)
Increase / (Decrease) in other non financial liabilities	1.59	0.05
(Increase) / Decrease in other non financial assets	(0.09)	—
(Increase) / Decrease in other financial assets	(293.19)	(209.97)
Cash generated from Operations	(5.98)	(216.51)
Income taxes paid (net of refunds)	(86.95)	(14.26)
Net Cash from Operating Activities	(92.93)	(230.77)
B) Cash Flows from Investing Activities		
(Purchase) / Sale of shares	3.50	—
(Purchase) / Sale of mutual funds	4.62	183.13
Dividend received from associate	85.07	46.40
Net Cash Flows from Investing Activities	93.19	229.53
C) Cash Flows from Financing Activities		
Net Cash Flows from Financing Activities	—	—
Net increase / (decrease) in cash and cash equivalents	0.26	(1.24)
Cash and cash equivalents at the beginning of the year (refer Note 3)	0.47	1.71
Cash and cash equivalents at the end of the year (refer Note 3)	0.73	0.47

This statement has been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.

Significant Accounting Policies 1

Significant accounting judgements, estimates and assumptions 2

The notes referred to above form an integral part of these consolidated financial statements

As per our attached Report of even date

For P G Bhagwat LLP
Chartered Accountants
Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat
Partner
Membership No.136835

Anirvinna A. Bhave
Company Secretary

Shekhar Bhivpathaki
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R.K. Goyal
Director

Place : Pune

Date : May 30, 2022

Place : Pune

Date : May 30, 2022

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

1. Background

Kalyani Investment Company Limited (“the Company”) is a public limited company domiciled in India and incorporated in June, 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. 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 - 411 036. The CIN of the Company is L65993PN2009PLC134196. The Company and its associates are together referred to as the ‘Group’.

These consolidated financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 30, 2022.

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 from time to time.

(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.
- Defined benefit plans - plan assets 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.

- 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 associate outside the statement of profit or loss and other comprehensive income of the associate.

(b) Estimation of uncertainties relating to the global health pandemic from COVID 19

The Group has considered the possible effects that may result from the pandemic relating to COVID 19 on the carrying amounts of Investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The impact of COVID 19 on the Group’s financial statements may differ from the estimated as at the date of approval of these financial statements.

(c) 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 33 for segment information presented.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(d) Foreign currency transactions**Functional and presentation currency**

Items included in the consolidated 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.

(e) Interest Income

Interest income from debt instruments is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(f) 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.

(g) 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.

(h) 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.

Group as a Lessee

At the commencement date, a lessee shall recognize 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 Group 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 Group 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 Group applies both recognition exemptions.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 Group 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 group 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 capitalized 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 recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Effective April 1, 2019, the group adopted Ind AS 116 "Leases" for the first time, using the modified retrospective transition method, applied to lease contracts that are ongoing as at April 1, 2019.

(i) 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.

(j) 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 Company's external valuers, which valuation techniques and inputs to use for each case.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

(k) 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.

(l) 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 de-recognized 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.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 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.

(m) 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.

(n) 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.

(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 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 de-recognized 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 technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. 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.

An item of property, plant and equipment and any significant part initially recognized is de-recognized 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 consolidated statement of profit and loss when the asset is de-recognized.

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.

(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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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) Employee Benefits
(i) Short-term Employee Benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognized in the period in which the employee renders the related service.

(ii) Long term Employment benefits

The employee's long term compensated absences are Group's other long term benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognize the obligation on a net basis.

In regard to other long term employment benefits, the Group recognizes the net total of service costs, net interest on the net defined benefit liability (asset) and re-measurements of the net defined benefit liability (asset) in the statement of profit and loss.

Provident Fund

The Group operates single plan for its employees to provide employee benefits in the nature of provident fund.

The Group pays provident fund contributions to publicly administered provident funds as per regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates : (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(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) Cash Flow statement

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

(v) Dividend Liability

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.

(w) 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.

(x) Rounding of amounts

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

1B Standards issued but not effective

The Ministry of Corporate Affairs (MCA) on April 5, 2022, vide Notification dated March 23, 2022 has issued Companies (Indian Accounting Standard) Amendment Rules, 2022 in consultation with the National Financial Reporting Authority (NFRA).

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The notification states that these rules shall be applicable from April 1, 2022 and would thus be applicable for the financial year ending March 31, 2023. The amendments to Ind AS are intended to keep the Ind AS aligned with the amendments made in IFRS.

1. Amendments to Ind AS 16, "Property, Plant and Equipment"

The amendments to Ind AS 16 issued by the Ministry of Corporate Affairs amends provisions 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.

2. Amendments to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets"

The amendments to Ind AS 37 issued by the Ministry of Corporate Affairs amends provisions regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

3. Amendments to Ind AS 41, "Agriculture"

The amendments to Ind AS 41 issued by the Ministry of Corporate Affairs amends provisions 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.

4. Amendments to Ind AS 101, "First-time Adoption of Indian Accounting Standards"

The amendments to Ind AS 101 issued by the Ministry of Corporate Affairs amends provisions 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.

5. Amendments to Ind AS 103, "Business Combination"

The amendments to Ind AS 103 issued by the Ministry of Corporate Affairs amends provisions to :

- substitute the word 'Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework)' with the words 'Conceptual Framework of Financial Reporting in Ind AS'.
- add to Ind AS 103, a requirement that, for transactions and other events within the scope of Ind AS 37, an acquirer applies Ind AS 37 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination.
- add to Ind AS 103 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

6. Amendments to Ind AS 109, "Financial Instruments"

The amendments to Ind AS 109 issued by the Ministry of Corporate Affairs amends provisions to prescribe the treatment of fees involved during exchange between an existing borrower and lender of debt instruments with substantially different terms. The amendment clarifies that if an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability

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

1. Amendments to Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Accounting Estimates

The exposure draft on amendments to Ind AS 8 issued by the Institute of Chartered Accountants of India proposes amendments to introduce a new definition of 'accounting estimates'. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

2. Amendments to Ind AS 12, "Income Taxes" - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The exposure draft on amendments to Ind AS 12 issued by the Institute of Chartered Accountants of India proposes amendments to introduce an exception to the initial recognition exemption in Ind AS 12 whereby an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The amendments would apply to transactions that occur on or after the beginning of the earliest comparative period presented.

3. Amendments to : Ind AS 1, "Presentation of Financial Statements", Ind AS 34, "Interim Financial Reporting" and Ind AS 107, "Financial Instruments : Disclosures" - Disclosures of Accounting Policies

The exposure draft on amendments to Ind AS 1 issued by the Institute of Chartered Accountants of India proposes amendments whereby an entity will be required to disclose only its material accounting policy information instead of its significant accounting policies. The amendment explain how an entity can identify material accounting policy information. Consequential amendments are proposed for Ind AS 107, Financial Instruments : Disclosures, and Ind AS 34, Interim Financial Reporting.

4. 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. Further, amendments have also been proposed to the exposure draft to add a transition option relating to comparative information about financial assets presented on initial application of Ind AS 117.

The above exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from April 1, 2022 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 consolidated 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.

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. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and benefit increases are based on expected future inflation rates. Further details about employee benefit obligations are given in Note 26.

2. 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 29 for further disclosures.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 3 : CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Balances with Banks		
In current accounts	0.73	0.47
Total	0.73	0.47

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

NOTE 4 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Term deposits with original maturity of more than three months but less than twelve months	855.52	562.33
Total	855.52	562.33

NOTE 5 : LOANS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
(A) Loans		
(i) Inter-corporate deposit	50.00	50.00
Total (A) - Gross	50.00	50.00
Less : Impairment loss allowance	(50.00)	(50.00)
Total (A) - Net	—	—
(B) Others		
(i) Other receivable	0.07	0.07
Total (B) - Gross	0.07	0.07
Less : Impairment loss allowance	(0.07)	(0.07)
Total (B) - Net	—	—
Total (C) - Gross Loans in India (others)	50.07	50.07
Less : Impairment loss allowance	(50.07)	(50.07)
Total (C) - Net	—	—
Total (A + B) - Net	—	—
Secured	—	—
Unsecured	50.07	50.07
Less : impairment loss allowance	(50.07)	(50.07)
Total (A + B) - Net	—	—

Details of loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and the Related Parties that are repayable on demand or without any terms or period of repayment :

(₹ in Million)

Type of Borrower	March 31, 2022		March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans & Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans & Advances in the nature of loans
Promoters	—	—	—	—
Directors	—	—	—	—
KMPs	—	—	—	—
Related Parties	50.07	100%	50.07	100%

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries).
- or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Investments	Number of shares / debentures / units		Face Value	March 31, 2022			March 31, 2021						
	March 31, 2022	March 31, 2021		At Cost	At fair value		At Cost	At fair value					
					Through other comprehensive income	Through profit or loss		Through other comprehensive income	Through profit or loss	Total			
Mutual Funds													
HDFC Liquid Fund - Growth	1,046	1,471	1,000	—	4.34	—	4.34	—	—	—	5.91	—	5.91
HDFC Overnight Fund - Growth	—	888	1,000	—	—	—	—	—	—	—	2.70	—	2.70
Total Mutual Funds					4.34		4.34				8.61		8.61
Equity Shares													
Equity Shares of BF Utilities Limited	6,195,046	6,195,046	5	—	1,910.24	—	1,910.24	—	—	—	1,525.59	—	1,525.59
Equity Shares of Dandakaranya Investment and Trading Private Limited	22,005	22,005	100	—	—	—	—	—	—	—	2.20	—	2.20
Equity Shares of Hastinapur Investment and Trading Private Limited	22,005	22,005	100	—	—	—	—	—	—	—	2.20	—	2.20
Equity Shares of Dronacharya Investment and Trading Private Limited	22,005	22,005	100	—	—	—	—	—	—	—	2.20	—	2.20
Equity Shares of Campanula Investment and Finance Private Limited	220,000	220,000	10	—	—	—	—	—	—	—	2.20	—	2.20
Equity Shares of Cornflower Investment and Finance Private Limited	220,000	220,000	10	—	—	—	—	—	—	—	2.20	—	2.20
Equity Shares of Triumphant Special Alloys Private Limited	245,000	245,000	10	—	—	—	—	—	—	—	2.46	—	2.46
Equity Shares of Bharat Forge Limited	63,312,190	63,312,190	2	—	—	—	—	—	—	—	37,743.56	—	37,743.56
Equity Shares of KSL Holdings Private Limited	5,001,000	5,001,000	10	—	—	—	—	—	—	—	3,415.67	—	3,415.67
Equity Shares of Saarloha Advanced Materials Private Limited	2,930,218	2,930,218	10	—	—	—	—	—	—	—	1,473.90	—	1,473.90
Equity Shares of Khed Economic Infrastructure Private Limited	15,111,147	15,111,147	10	—	—	—	—	—	—	—	232.11	—	232.11
Less: Allowance for impairment loss for Equity Shares				—	—	—	—	—	—	—	13.46	—	13.46
Total Equity Shares							51,011.68				44,390.83		44,390.83
Equity Shares in Associates													
Equity Shares of Hikal Limited	38,667,375	38,667,375	2	2,271.87	—	—	2,271.87	—	—	—	—	—	1,917.30
Equity Shares of Lord Ganesha Minerals Private Limited	450,000	450,000	10	—	—	—	—	—	—	—	—	—	75.19
Less: Allowance for impairment loss for Equity Shares in Associates				—	—	—	—	—	—	—	—	—	75.19
Total Equity Shares in Associates				2,271.87			2,271.87						1,917.30

NOTE 6 : INVESTMENTS

(₹ in Million)

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 6 : INVESTMENTS (Continued)

Investments	Number of shares / debentures / units		Face Value	March 31, 2022			March 31, 2021				
	March 31, 2022	March 31, 2021		At Cost	At fair value		At Cost	At fair value			
					Through other comprehensive income	Through profit or loss		Through other comprehensive income	Through profit or loss		
Preference Shares											
Preference Shares of Sundaram Trading and Investment Private Limited	—	35,000	100	—	—	—	—	—	—	3.50	3.50
Preference Shares of Lord Ganesha Minerals Private Limited	9,000,000	9,000,000	10	—	—	—	—	—	—	15.66	15.66
Preference Shares of Baramati Speciality Steels Limited	47,500,000	47,500,000	10	—	—	—	129.90	—	—	118.09	118.09
Preference Shares of Kalyani Mining Ventures Private Limited	2,030,000	2,030,000	10	—	—	—	—	—	—	20.35	20.35
Preference Shares of Kalyani Technoforge Limited	39,684,973	39,684,973	10	—	—	—	384.25	—	—	399.77	399.77
Total Preference Shares				—	—	—	514.15	—	—	557.37	557.37
Less : Allowance for impairment loss for Preference Shares				—	—	—	—	—	—	—	—
Total Preference Shares				—	—	—	514.15	—	—	521.36	521.36
Others (debentures)											
0% Fully Convertible Debentures (FCD) of Azalea Enterprises Private Limited	725,000	725,000	100	—	—	—	72.50	—	—	—	72.50
Less : Allowance for impairment loss of debentures				—	—	—	—	—	—	—	—
Total Debentures				—	—	—	—	—	—	—	—
Total - Gross (A)				2,271.87	51,011.68	518.49	53,802.04	1,917.30	44,390.83	529.97	46,838.10
(i) Investments outside India				—	—	—	—	—	—	—	—
(ii) Investments in India				2,271.87	51,011.68	518.49	53,802.04	1,917.30	44,390.83	529.97	46,838.10
Total (B)				2,271.87	51,011.68	518.49	53,802.04	1,917.30	44,390.83	529.97	46,838.10
Total Investments				2,271.87	51,011.68	518.49	53,802.04	1,917.30	44,390.83	529.97	46,838.10

(₹ in Million)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Refer notes on Investments below :

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

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

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

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

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

9,000,000 - 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited carry option to convert the entire amount outstanding into equity shares of the said company at par. The said 9,000,000 - 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up, if not opted for conversion, are redeemable on March 31, 2030. However, the said Company as well as the holders of 1% Non-Cumulative Optionally Convertible Preference Shares, have a call / put option respectively, by giving one month's notice to the other party.

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

12,500,000 - 7% Cumulative, Optionally Convertible, Non-participating Preference Shares of ₹ 10/- each, fully paid up of Kalyani Technoforge Limited allotted on December 22, 2017, carry an option to convert the entire amount in Equity Shares of Kalyani Technoforge Limited, at the option to be exercised by Kalyani Technoforge Limited. The Preference Shares which are not converted, are redeemable at the end of 7 years from the date of allotment, however Kalyani Technoforge Limited can redeem the same after completion of 5 years.

13,984,973 - 7% Cumulative, Optionally Convertible, Non-participating Preference Shares of ₹ 10/- each, fully paid up of Kalyani Technoforge Limited allotted on September 6, 2018 carry an option to convert the entire amount in Equity Shares of Kalyani Technoforge Limited, at the option to be exercised by Kalyani Technoforge Limited. The Preference Shares which are not converted, are redeemable at the end of 7 years from the date of allotment, however Kalyani Technoforge Limited can redeem the same after completion of 5 years.

13,200,000 - 7% Cumulative, Optionally Convertible, Non-participating Preference Shares of ₹ 10/- each, fully paid up of Kalyani Technoforge Limited allotted on September 27, 2019 carry an option to convert the entire amount in Equity Shares of Kalyani Technoforge Limited, at the option to be exercised by Kalyani Technoforge Limited. The Preference Shares which are not converted, are redeemable at the end of 7 years from the date of allotment, however Kalyani Technoforge Limited can redeem the same after completion of 5 years.

560,000 - 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited are compulsorily convertible into such number of fully paid up equity shares of ₹ 10/- each at such a price as shall be fixed by the said Company upon the expiry of the period of 5 years from the date of their original issue, i.e. on March 29, 2014. However the said Company has extended the tenure of the said debentures for further period of 5 years and accordingly the date of conversion shall be March 29, 2024.

165,000 - 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited are compulsorily convertible into such number of fully paid up equity shares of ₹ 10/- each at such a price as shall be fixed by the said Company upon the expiry of the period of 5 years from the date of their original issue, i.e. on April 4, 2014. However the said Company has extended the tenure of the said debentures for further period of 5 years and accordingly the date of conversion shall be April 4, 2024.

NOTE 7A : OTHER FINANCIAL ASSETS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Security deposit	0.50	0.50
Total	0.50	0.50

NOTE 7B : OTHER NON-FINANCIAL ASSETS

(₹ in Million)

Particulars	March 31, 2022	March 31, 2021
Advance to Creditors	0.06	—
Prepaid expenses	0.03	—
Interest Receivable	—	—
Total	0.09	—

NOTE 8 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Million)

Particulars	Furniture and Fixtures
Gross Block as at March 31, 2020	10.24
Additions	—
Disposals / Adjustments	—
Gross Block as at March 31, 2021	10.24
Additions	—
Disposals / Adjustments	—
Gross Block as at March 31, 2022	10.24

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 8 : PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	(₹ in Million)
Particulars	Furniture and Fixtures
Accumulated Depreciation :	
As at March 31, 2020	4.96
For the year	0.97
Disposals / Adjustments	—
As at March 31, 2021	5.93
For the year	0.97
Disposals / Adjustments	—
As at March 31, 2022	6.90

	(₹ in Million)
Particulars	Furniture and Fixtures
Net Block	
As at March 31, 2021	4.31
As at March 31, 2022	3.34

NOTE 9 : ASSETS FOR CURRENT TAX

	March 31, 2022	March 31, 2021
Advance Income Tax	0.02	2.27
Total	0.02	2.27

NOTE 10 : TRADE PAYABLES

	March 31, 2022	March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.05	1.42
Total	1.05	1.42

- (i) The Company has compiled this information based on the current information in its possession as at March 31, 2022. 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.
- (ii) Trade payables are non-interest bearing and are generally settled within 30 days.
- (iii) The Company does not owe any moneys to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables ageing schedule for the year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	—	—	—	—	—
(ii) Others	1.05	—	—	—	1.05
(iii) Disputed Dues - MSME	—	—	—	—	—
(iv) Disputed Dues - Others	—	—	—	—	—
(v) Unbilled Dues	—	—	—	—	—
Total	1.05	—	—	—	1.05

Trade payables ageing schedule for the year ended March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	—	—	—	—	—
(ii) Others	1.42	—	—	—	1.42
(iii) Disputed Dues - MSME	—	—	—	—	—
(iv) Disputed Dues - Others	—	—	—	—	—
(v) Unbilled Dues	—	—	—	—	—
Total	1.42	—	—	—	1.42

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 11 : OTHER FINANCIAL LIABILITIES

(₹ in Million)		
Particulars	March 31, 2022	March 31, 2021
Accrued expenses	9.27	4.72
Payable to employees	0.04	0.05
Total	9.31	4.77

NOTE 12 : PROVISIONS

(₹ in Million)		
Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for compensated absences (refer Note 26)	0.01	0.03
Total	0.01	0.03

NOTE 13A : INCOME TAX LIABILITIES, NET

(₹ in Million)		
Particulars	March 31, 2022	March 31, 2021
Provision for Income Tax	4.30	—
Total	4.30	—

NOTE 13B : DEFERRED TAX LIABILITIES, NET

(₹ in Million)		
Particulars	March 31, 2022	March 31, 2021
Deferred Tax Liabilities		
Depreciation and amortization	(0.32)	(0.24)
Fair valuation of equity shares	675.23	711.06
On undistributed profits of Associate	552.32	511.88
Total Deferred tax liabilities	1,227.23	1,222.70
Deferred Tax Assets		
Fair valuation of preference shares	(90.00)	(98.48)
Total Deferred tax assets	(90.00)	(98.48)
Deferred Tax Liabilities / (Assets) - (net)	1,137.23	1,124.22

Changes in Deferred Tax Assets / (Liabilities) in Profit and Loss [charged / (credited) during the year]

(₹ in Million)		
Particulars	March 31, 2022	March 31, 2021
Deferred tax assets		
Disallowances	—	—
Fair valuation of preference shares	8.48	0.80
	8.48	0.80
Deferred tax liabilities		
Depreciation and amortization	(0.08)	(0.11)
On undistributed profits of Associate	40.44	101.99
	40.36	101.88
Total	48.84	102.68

Changes in Deferred Tax Assets / (Liabilities) in Other Comprehensive Income [charged / (credited) during the year]

(₹ in Million)		
Particulars	March 31, 2022	March 31, 2021
Deferred tax liabilities		
Fair valuation of equity shares	(35.83)	582.37
Total	(35.83)	582.37

NOTE 14 : OTHER NON-FINANCIAL LIABILITIES

(₹ in Million)		
Particulars	March 31, 2022	March 31, 2021
Statutory dues payable	2.03	0.45
Total	2.03	0.45

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 15 : SHARE CAPITAL

(a) Authorized share capital

Particulars	Equity shares	14% Non Cumulative Redeemable Preference shares
As at March 31, 2021 :		
Number of shares	12,000,000	60,000,000
Face value per share	10	10
Amount (₹ in Million)	120.00	600.00
As at March 31, 2022 :		
Number of shares	12,000,000	60,000,000
Face value per share	10	10
Amount (₹ in Million)	120.00	600.00

(b) Terms / rights attached to equity shares

The Company has only one class of issued equity shares having a par value of ₹ 10/- 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	(₹ in Million)	
	Number of shares	Amount
As at March 31, 2020	4,365,306	43.65
Changes in equity share capital	—	—
As at March 31, 2021	4,365,306	43.65
Changes in equity share capital	—	—
As at March 31, 2022	4,365,306	43.65

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

Particulars	Ajinkya Investment & Trading Company	Sundaram Trading & Investment Private Limited
As at March 31, 2021		
% of holding	12.28%	60.94%
Number of shares	536,182	2,660,074
As at March 31, 2022		
% of holding	13.65%	60.94%
Number of shares	595,998	2,660,074

(e) Details of Shares held by Promoter and Promoter Group

Promoter Name	March 31, 2022		March 31, 2021		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mr.B.N. Kalyani (Promoter)	111	—	111	—	—
Mrs.Sunita B. Kalyani	5,464	0.13	5,464	0.13	—
Mr.Amit B. Kalyani	3,119	0.07	3,119	0.07	—
Mrs.Deeksha A. Kalyani	50	—	50	—	—
Mrs.Sugandha Hiremath	678	0.02	678	0.02	—
Mrs.Sugandha Hiremath & Mr.Jai Hiremath	101	—	101	—	—
Ajinkya Investment & Trading Company	595,998	13.65	536,182	12.28	1.37
Sundaram Trading & Investment Private Limited	2,660,074	60.94	2,660,074	60.94	—
Ajinkyatara Trading Company Limited	256	—	256	—	—
Lohgaon Trading Company Private Limited	7,000	0.16	7,000	0.16	—
Babasaheb Kalyani Family Trust	—	—	—	—	—
Total	3,272,851	74.97	3,213,035	73.60	1.37

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 16 : RESERVES AND SURPLUS

	(₹ in Million)	
Particulars	March 31, 2022	March 31, 2021
Retained earnings	2,372.94	2,045.94
Add : Profit for the year	571.74	345.85
Add : Share of other comprehensive income of associates accounted	2.82	(3.26)
Less : Transfer to statutory reserve fund	(52.09)	(15.59)
As at the end of the year	<u>2,895.41</u>	<u>2,372.94</u>
General Reserve as at the beginning and end of the year	2,146.65	2,146.65
Statutory Reserve Fund		
As at the beginning of the year	391.61	376.02
Add : Transfer from retained earnings	52.09	15.59
As at the end of the year	<u>443.70</u>	<u>391.61</u>
Capital Redemption Reserve as at the beginning and end of the year	576.00	576.00
FVTOCI Equity Investments		
As at the beginning of the year	40,746.24	14,896.31
Add : Fair value gains / (losses) for the year	6,656.66	25,849.93
As at the end of the year	<u>47,402.90</u>	<u>40,746.24</u>
Total	53,464.66	46,233.44

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 during the current and previous year.

ii) Statutory Reserve Fund

As per Section 45-IC(1) in The Reserve Bank of India Act, 1934, every non-banking financial company shall create a Reserve Fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

iii) FVTOCI Equity Investment Reserve

The Company has elected to recognize 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-recognized.

iv) Capital Redemption Reserve

Capital Redemption Reserve has been created on redemption of preference shares out of profits in accordance with the Companies Act, 2013 (erstwhile the Companies Act, 1956).

NOTE 17 : REVENUE FROM OPERATIONS

	(₹ in Million)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Dividend received on shares, designated at FVTOCI	222.01	—
Dividend received on shares, designated at FVTPL	51.03	—
	273.04	—
Interest on fixed deposit designated at amortized cost	37.25	33.37
Total	310.29	33.37

NOTE 18 : REVENUE FROM OPERATIONS - NET GAIN / (LOSS) ON FAIR VALUE CHANGES

	(₹ in Million)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain / (loss) on financial instruments at fair value through profit or loss		
- preference shares	(3.71)	45.44
- mutual funds	0.39	0.83
Total net gain / (loss) on fair value changes	(3.32)	46.27
Fair value changes		
- Realized	0.31	0.67
- Unrealized	(3.63)	45.60
Total net gain / (loss) on fair value changes	(3.32)	46.27

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 19 : OTHER INCOME

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on income tax refund	0.24	—
Provision no longer required	0.02	—
Total	0.26	—

NOTE 20 : EMPLOYEE BENEFIT EXPENSES

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	10.54	16.80
Total	10.54	16.80

NOTE 21 : DEPRECIATION

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation	0.97	0.97
Total	0.97	0.97

NOTE 22 : OTHER EXPENSES

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Legal and professional fees	6.12	6.24
Fees and subscription	0.80	0.80
Sundry expenses	0.10	0.10
Printing and stationery	0.13	0.14
Advertisement expenses	0.23	0.18
CSR expenditure (refer Note 32)	1.92	1.91
Audit fees (refer Note 25)	0.33	0.34
Communication	0.01	—
Brand usage fees	0.56	0.56
Rates & Taxes	1.26	3.88
Directors Commission	7.00	1.20
Total	18.46	15.35

NOTE 23 : TAX EXPENSE

(₹ in Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	93.50	14.30
Add : MAT credit utilized	—	4.35
	93.50	18.65
Deferred tax expense	8.40	0.69
Taxation in respect of earlier years (MAT)	—	(4.37)
Deferred tax expense on undistributed profits of Associate	39.49	103.26
Total	141.39	118.23

Reconciliation of tax expense and accounting profit multiplied by statutory tax rate

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	713.13	464.08
Applicable tax rate	25.17%	27.82%
Computed tax expense	179.48	129.11
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Non-deductible expenses	—	4.97
Income tax rate change	(39.41)	—
Provision for diminution in investment	—	—
Profit on sale of investments	—	0.71
Taxation in respect of earlier years	—	(4.37)
Share in profit of associate	(39.49)	(103.26)
Deferred tax expense on undistributed profits of Associate	39.49	103.26
Others	1.32	(12.19)
Income tax expense	141.39	118.23

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 24 : EARNINGS PER SHARE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit / (loss) after tax (₹ in Million)	571.74	345.85
Weighted average number of equity shares	4,365,306	4,365,306
Basic and diluted earning per share of nominal value of ₹ 10/- each	130.97	79.23

NOTE 25 : PAYMENT TO AUDITORS

(₹ in Million)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As auditor		
Audit fees	0.33	0.33
Certification fees	—	0.01
Total	0.33	0.34

NOTE 26 : PROVISION FOR EMPLOYEE BENEFITS

(₹ in Million)		
Particulars	March 31, 2022	March 31, 2021
Compensated absences (refer Note A)	0.01	0.03

A Compensated absences

The compensated absences cover the Company's liability for privilege leave.

I Significant assumptions

The significant actuarial assumptions were as follows :

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.30%	6.80%
Salary escalation rate	8.00%	7.00%
Retirement age	VP and above - 60 years	VP and above - 60 years
Mortality rate	Others - 55 years Indian Assured Lives Mortality (2012-14) Ultimate	Others - 55 years Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	5.00%	5.00%

B Provident Fund

Defined contribution : The Company also has certain defined contribution plans. Contributions are made to provident fund in India for worker at the 12% of basic and dearness allowance as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is ₹ 0.029 Million (March 31, 2021 : ₹ 0.013 Million).

C Risk Exposure

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on certain long term obligations to make future benefit payments.

1) Liability Risks

a. Asset-Liability Mismatch Risk

Risks which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating the increasing risk.

2) Unfunded Plan Risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financial and also benefit risk through return on the funds made available for the plan.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 27A : INTEREST IN ASSOCIATES

Name of entity	:	Hikal Limited
Place of business	:	Mumbai, India
% of ownership interest	:	31.36%
Relationship	:	Associate
Accounting method	:	Equity method
Quoted fair value	:	March 31, 2022 ₹ 15,555.88
		March 31, 2021 ₹ 5,548.77
Carrying amount	:	March 31, 2022 ₹ 2,271.87
		March 31, 2021 ₹ 1,917.30

The company is engaged in the manufacturing of various chemical intermediates, speciality chemicals, Active Pharma Ingredients and contract research activities.

Commitments and contingent liabilities in respect of associates

(₹ in Million)

	March 31, 2022	March 31, 2021
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	372.34	363.92
Total Commitments	372.34	363.92
Contingent liabilities :		
Income Taxes	75.68	75.68
Excise Duty	12.58	12.58
Value Added Tax (VAT)	3.51	3.51
Central Sales Tax (CST)	0.88	0.88
Total Contingent liabilities	92.65	92.65

Summarized financial information for associates Summarized balance sheet

(₹ in Million)

	Hikal Limited	
	March 31, 2022	March 31, 2021
Total non-current assets	12,488.40	10,346.24
Total current assets	9,642.80	8,785.98
Total non-current liabilities	3,759.40	3,230.34
Total current liabilities	7,692.00	6,567.87
Net Assets	10,679.80	9,334.01

Reconciliation to carrying amounts

(₹ in Million)

	March 31, 2022	March 31, 2021
Opening net assets	9,334.01	8,165.02
Profit for the year	1,604.98	1,331.40
Other comprehensive income	12.06	(14.45)
Dividends paid	(271.25)	(147.96)
Dividend distribution tax	—	—
Closing net assets	10,679.80	9,334.01
Group's share in %	31.36%	31.36%
Group's share in INR	3,349.88	2,927.83
Capital Reserve on acquisition	(1,078.01)	(1,078.01)
Share in other reserves not accounted as per the accounting policy adopted by the Group (Refer note 1A(a)(iv))	—	67.48
Carrying amount	2,271.87	1,917.30

Summarized statement of profit and loss

(₹ in Million)

	March 31, 2022	March 31, 2021
Revenue	19,476.10	17,254.17
Profit for the year	1,604.98	1,331.40
Other comprehensive income	12.07	(14.45)
Total comprehensive income	1,617.05	1,316.95
Dividends received	85.07	46.40

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Individually immaterial associates

(₹ in Million)

	March 31, 2022	March 31, 2021
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	—	—
Share of unrecognized losses of Lord Ganesha Mineral Private Limited	35.33	71.06

Lord Ganesha Minerals Private Limited (LGMP), associate of the Company, has made voluntary application on February 9, 2022 to the Registrar of Companies (ROC), Pune (Maharashtra), for striking off its name from the Register of Companies, pursuant to the provisions of Section 248 of the Companies Act, 2013. The final order of the ROC approving the striking off the name is awaited.

NOTE 27B : DISCLOSURE IN TERMS OF SCHEDULE III OF THE COMPANIES ACT, 2013

Particulars	As at March 31, 2022		Year ended March 31, 2022					
	Net Assets (i.e. Total Assets minus total liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	(₹ in Million)	As a % of consolidated profit / (loss)	(₹ in Million)	As a % of consolidated other comprehensive income	(₹ in Million)	As a % of consolidated total comprehensive income	(₹ in Million)
1. Parent								
Kalyani Investment Company Limited	97%	51,854.37	46%	260.43	100%	6,656.66	96%	6,917.09
2. Associate (Domestic)								
Hikal Limited	4%	2,206.26	69%	396.38	—	2.82	5%	399.20
Lord Ganesha Minerals Private Limited	—	—	—	—	—	—	—	—
Consolidation adjustments	(1%)	(552.32)	(15%)	(85.07)	—	—	(1%)	(85.07)
Total	100%	53,508.31	100%	571.74	100%	6,659.48	100%	7,231.22

Particulars	As at March 31, 2021		Year ended March 31, 2021					
	Net Assets (i.e. Total Assets minus total liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	(₹ in Million)	As a % of consolidated profit / (loss)	(₹ in Million)	As a % of consolidated other comprehensive income	(₹ in Million)	As a % of consolidated total comprehensive income	(₹ in Million)
1. Parent								
Kalyani Investment Company Limited	97%	44,937.28	23%	77.95	100%	25,849.93	99%	25,927.88
2. Associate (Domestic)								
Hikal Limited	4%	1,851.69	91%	314.30	—	(3.26)	1%	311.04
Lord Ganesha Minerals Private Limited	—	—	—	—	—	—	—	—
Consolidation adjustments	(1%)	(511.88)	(14%)	(46.40)	—	—	—	(46.40)
Total	100%	46,277.09	100%	345.85	100%	25,846.67	100%	26,192.52

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 28 : RELATED PARTY TRANSACTIONS

A) Name of the related parties and nature of relationship

Holding Company	Ownership interest held in the Company	
	March 31, 2022	March 31, 2021
Sundaram Trading and Investment Private Limited	60.94%	60.94%

The principal place of business of the holding company is India.

(i) Where control exists

Associate	Ownership interest held by the Company	
	March 31, 2022	March 31, 2021
Hikal Limited	31.36%	31.36%

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

(ii) Other related parties with whom transactions have taken place during the year

Entities under common control :

- i) Bharat Forge Limited
- ii) Kalyani Technoforge Limited
- iii) Kalyani Strategic Management Services Private Limited (formerly Kalyani Technologies Limited)
- iv) Kalyani Steels Limited

Key Management Personnel :

- i) Mr.Amit B. Kalyani, Chairman, Non-Executive Director
- ii) Mrs.Deeksha A. Kalyani, Non-Executive Director
- iii) Mr.B.B. Hattarki, Independent Director
- iv) Mr.R.K. Goyal, Non-Independent Director
- v) Mr.S.K. Adivarekar, Independent Director
- vi) Mr.S.G. Joglekar, Independent Director
- vii) Mrs.Shruti A. Shah, Independent Director
- viii) Mr.Sanjay Yewale, Chief Executive Officer and Chief Financial Officer upto November 1, 2021
- ix) Mr.Shekhar Bhivpathaki, Chief Executive Officer and Chief Financial Officer from November 2, 2021
- x) Mr.Akshay Chikodkar, Company Secretary, upto November 20, 2021
- xi) Mr.Anirvinna A. Bhave, Company Secretary, from December 6, 2021

(₹ in Million)

a	Remuneration	March 31, 2022	March 31, 2021
i)	Mr.Amit B. Kalyani, Chairman, Non-Executive Director	1.00	—
ii)	Mrs.Deeksha A. Kalyani, Non-Executive Director	1.00	—
iii)	Mr.B.B. Hattarki, Independent Director	1.00	0.40
iv)	Mr.R.K. Goyal, Non-Independent Director	1.00	—
v)	Mr.S.K. Adivarekar, Independent Director	1.00	0.40
vi)	Mr.S.G. Joglekar, Independent Director	1.00	—
vii)	Mrs.Shruti A. Shah, Independent Director	1.00	0.40
viii)	Mr.Sanjay Yewale, Chief Executive Officer and Chief Financial Officer*	7.95	11.52
ix)	Mr.Shekhar Bhivpathaki, Chief Executive Officer and Chief Financial Officer*	1.27	—
x)	Mr.Akshay Chikodkar, Company Secretary	0.39	0.49
xi)	Mr.Anirvinna A. Bhave, Company Secretary	0.15	—
	Total	16.76	13.21

* Excludes GST amounting to ₹ 1.66 Million (Previous year ₹ 2.07 Million)

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	(₹ in Million)	
	March 31, 2022	March 31, 2021
(iii) Compensation to key management personnel		
Nature of transaction		
Short-term employee benefits	9.76	12.01
Post-employment benefits	—	—
Other-long term benefits	—	—
Termination benefits	—	—
Share base payment	—	—

As the future liability for gratuity is provided on an actuarial basis for the Company as whole, the amount pertaining to individual is not ascertainable and therefore not included above.

	(₹ in Million)	
	March 31, 2022	March 31, 2021
(iv) Transactions with related parties		
i) Dividend received from Hikal Limited	85.07	46.40
ii) Dividend received from Bharat Forge Limited	221.59	—
iii) Dividend received from Kalyani Technoforge Limited	51.03	—
iv) Dividend received from Sundaram Trading & Investment Private Limited	0.42	—
v) Reimbursement of expenses to Kalyani Steels Limited	10.88	13.59
vi) Branding fees paid to Kalyani Strategic Management Services Private Limited	0.56	0.56

	(₹ in Million)	
	March 31, 2022	March 31, 2021
(v) Outstanding balances with related parties		
A Key Management Personnel compensation		
i) Mr.Amit B. Kalyani, Chairman, Non-Executive Director	1.00	—
ii) Mrs.Deeksha A. Kalyani, Non-Executive Director	1.00	—
iii) Mr.B.B. Hattarki, Independent Director	1.00	0.40
iv) Mr.R.K. Goyal, Non-Independent Director	1.00	—
v) Mr.S.K. Adivarekar, Independent Director	1.00	0.40
vi) Mr.S.G. Joglekar, Independent Director	1.00	—
vii) Mrs.Shruti A. Shah, Independent Director	1.00	0.40
Total Key management personnel compensation	7.00	1.20
B Trade payables		
Kalyani Steels Limited	2.05	3.70
C Loan given		
Azalea Enterprises Private Limited (fully provided)	50.00	50.00
D Other Receivables		
Kalyani International Limited (fully provided)	0.07	0.07

NOTE 29 : FAIR VALUE MEASUREMENTS

Financial assets and liabilities at amortized cost

	(₹ in Million)	
Particulars	March 31, 2022	March 31, 2021
Financial assets		
Security Deposits	0.50	0.50
Cash and cash equivalents	0.73	0.47
Bank balances other than above	855.52	562.33
Other financial assets	0.50	0.50
Total financial assets	857.25	563.80
Financial liabilities		
Trade payables	1.05	1.42
Accrued expenses	9.31	4.77
Total financial liabilities	10.36	6.19

Financial assets and liabilities classified as FVTPL

	(₹ in Million)	
Particulars	March 31, 2022	March 31, 2021
Investment in preference shares	514.15	521.36
Investments in mutual funds	4.34	8.61

Financial assets and liabilities classified as FVTOCI

	(₹ in Million)	
Particulars	March 31, 2022	March 31, 2021
Investment in equity shares	51,011.68	44,390.83

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about 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 Million)		
Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3
Investment in preference shares			
March 31, 2022	—	—	514.15
March 31, 2021	—	—	521.36
Investments in mutual funds			
March 31, 2022	4.34	—	—
March 31, 2021	8.61	—	—
Investment in equity shares			
March 31, 2022	46,266.84	—	4,744.84
March 31, 2021	39,269.15	—	5,121.68

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 maximize 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 process

The finance department of the Company includes a team that performs the valuations of assets and liabilities required for financial reporting purposes. This team appoints external valuation experts whenever the need arises for Level 3 fair valuation. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every year, in line with the Company's annual reporting period.

iii) Fair value of financial assets and liabilities measured at amortized cost

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

iv) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 items :

	(₹ in Million)		
Particulars	Preference shares	Equity Shares	Total
As at April 1, 2021	521.36	5,121.68	5,643.04
Gains / (losses) recognized in profit or loss	(3.71)	—	(3.71)
Redemption of preference shares	(3.50)	—	(3.50)
Gains / (losses) recognized in other comprehensive income	—	(376.83)	(376.83)
As at March 31, 2022	514.15	4,744.85	5,259.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

v) **Valuation inputs and relationships to fair value**
The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value

(₹ in Million)

Name of the entity	Method of valuation - significant unobservable inputs	Fair value as at		Inputs use for fair value	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Equity Shares of Saarloha Advanced Materials Private Limited	Market multiple method - EV / EBITDA multiple & Price / Sales multiple	1,204.32	1,473.90	4.51 and 0.60	3.88 and 0.20
Equity Shares of KSL Holdings Private Limited	<p>Net Asset Value method Inputs considered for NAV :</p> <p>1) KSL Holdings Private Limited has investment under Saarloha Advanced Materials Private Limited and therefore sensitivity for Saarloha Advanced Materials Private Limited has impact on KSL Holdings Private Limited fair value.</p> <p>2) KSL Holdings Private Limited has investment under Baramati Speciality Steels Limited which in turn has investment in Saarloha Advanced Materials Private Limited and therefore sensitivity for Saarloha Advanced Materials Private Limited has impact on Baramati Speciality Steels Limited and therefore Baramati Speciality Steels Limited has impact on KSL Holdings Private Limited fair value.</p> <p>3) KSL Holdings Private Limited also has investment in quoted investment to which considered on the basis of market price.</p>	3,215.64	3,415.67	Fair value of net assets	Fair value of net assets
Equity Shares of Khed Economic Infrastructure Private Limited	<p>Cost approach method Inputs considered for cost approach :</p> <p>Inventory valuation</p> <p>1) Rate per acre for developed land</p> <p>2) Rate per acre for land under development</p>	324.89	232.11	Inventory valuation Rate per acre for developed land and land under development in the range of ₹ 1.05 to ₹ 1.26 crore (weighted average ₹ 1.15 crore) per acre	Inventory valuation Rate per acre for developed land and land under development in the range of ₹ 1.04 to ₹ 1.26 crore (weighted average ₹ 1.15 crore) per acre
Preference Shares of Baramati Speciality Steels Limited	Discounted cash flow method	129.90	118.09	10%	10%
Preference Shares of Kalyani Technoforge Limited	Discounted cash flow method	384.25	399.77	10%	10%

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The sensitivity analysis on account of inputs used for fair valuation are as follows :

Particulars	March 31, 2022	March 31, 2021
1. Equity Shares of Saarloha Advanced Materials Private Limited :		
EV / EBIDTA multiple & Price / Sales multiple		
Increase by 10%	39.56	—
Decrease by 10%	(41.02)	—
Increase by 5%	—	108.07
Decrease by 5%	—	(111.64)
2. Equity Shares of KSL Holdings Private Limited :		
Fair Value of investments		
Increase by 20%	285.09	—
Decrease by 20%	(300.09)	—
Increase by 5%	—	68.35
Decrease by 5%	—	(22.56)
3. Equity Shares of Khed Economic Infrastructure Private Limited :		
Rate per acre		
Increase by 5%	22.95	32.97
Decrease by 5%	20.06	(32.97)
4. Preference Shares of Baramati Speciality Steels Limited :		
Discount rate		
Increase by 1%	(1.61)	(0.87)
Decrease by 1%	1.61	0.87
5. Preference Shares of Kalyani Technoforge Limited :		
Discount rate		
Increase by 1%	8.51	3.98
Decrease by 1%	(8.51)	(3.98)

NOTE 30 : 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) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have foreign currency transactions and thereby is not exposed to foreign exchange risk arising from foreign currency transactions.

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 analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities :

	(₹ in Million)	
March 31, 2022	Less than 1 year	More than 1 year
Non - derivative		
Trade Payables	1.05	—
Accrued Expenses	9.27	—
	(₹ in Million)	
March 31, 2021	Less than 1 year	More than 1 year
Non - derivative		
Trade Payables	1.42	—
Accrued Expenses	4.72	—

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 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.

A Loans

i) Expected credit loss for loans :

Particulars	(₹ in Million)	
	March 31, 2022	March 31, 2021
Gross carrying amount	50.07	50.07
Expected loss rate	100.00%	100.00%
Expected credit losses (loss allowance provision)	50.07	50.07
Carrying amount of loans (net of impairment)	—	—

ii) Reconciliation of loss allowance provision - loans

(₹ in Million)	
Loss allowance as on April 1, 2021	50.07
Changes in loss allowance	—
Loss allowance as on March 31, 2022	50.07

NOTE 31 : 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 Million)	
	March 31, 2022	March 31, 2021
Share Capital	43.65	43.65
Other Equity	53,464.66	46,233.44
Total	53,508.31	46,277.09
Debt equity ratio	—	—

NOTE 32 : CORPORATE SOCIAL RESPONSIBILITY (CSR)

Sr. No.	Particulars	(₹ in Million)	
		Year ended March 31, 2022	Year ended March 31, 2021
i)	Amount required to be spent by the company during the year	1.92	1.91
ii)	Amount of expenditure incurred (including set off availed)	1.92	1.91
iii)	Shortfall / (Excess) at the end of the year	—	—
iv)	Total of previous years shortfall / (excess)	—	—
v)	Nature of shortfall	N.A.	N.A.
vi)	Nature of CSR activities	Education	Education
vii)	Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	N.A.	N.A.
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	N.A.	N.A.

NOTE 33 : 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.

KALYANI INVESTMENT COMPANY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 34

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September, 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period of the Code becomes effective.

NOTE 35

The Company has considered the impact of COVID 19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration and accordingly, the Company will continue to monitor any material changes of future economic conditions.

NOTE 36

As per the information available with the company, no transactions have been entered with any company struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year.

The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

The Company has complied with the requirement with respect to number of layers as prescribed under Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

NOTE 37

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

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

Sr. No.	Name of the company	Ultimate holding as on March 31, 2022
i)	Dandakaranya Investment and Trading Private Limited	23.92%
ii)	Hastinapur Investate and Trading Private Limited	23.92%
iii)	Dronacharya Investment and Trading Private Limited	23.92%
iv)	Campanula Investment and Finance Private Limited	23.91%
v)	Cornflower Investment and Finance Private Limited	23.91%

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

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

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

NOTE 38

Previous year figures have been regrouped / reclassified wherever necessary to conform with current year's classification / disclosure.

As per our attached Report of even date

For P G Bhagwat LLP

Chartered Accountants

Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat
Partner
Membership No.136835

Anirvinna A. Bhave
Company Secretary

Shekhar Bhivpathaki
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R.K. Goyal
Director

Place : Pune

Date : May 30, 2022

Place : Pune

Date : May 30, 2022



KALYANI

DRIVING INNOVATION

KALYANI INVESTMENT COMPANY LIMITED

MUNDHWA, PUNE - 411 036
MAHARASHTRA, INDIA