KALYANI INVESTMENT

KICL:SEC:

August 07, 2017

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

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

Dear Sir,

Sub. : Submission of Annual Report for the Financial Year ended 31st March, 2017

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company, as approved and adopted in the 8th Annual General Meeting held on 1st August, 2017.

Thanking you,

Yours faithfully,
For KALYANI INVESTMENT COMPANY LIMITED

ADWAIT JOSHI
COMPANY SECRETARY

Encl. : Annual Report for FY 2016-17

KALYANI INVESTMENT COMPANY LIMITED

KALYANI

DRIVING INNOVATION

8TH ANNUAL REPORT
2016-2017

BOARD OF DIRECTORS

Mr. Amit B. Kalyani
Chairman

Mrs.Deeksha A. Kalyani

Mr. S.S. Vaidya

Mr. B.B. Hattarki

Mr. C.G. Patankar

Mr. R.K. Goyal

CORPORATE IDENTITY NUMBER (CIN)
L65993PN2009PLC134196

REGISTERED OFFICE
Mundhwa, Pune - 411 036
Phone : +91-020-26715000 / 66215000
Fax : +91-020-26821124
Website : www.kalyani-investment.com
E-mail : investor@kalyani-investment.com

CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER
Mr. Sanjay Yewale

COMPANY SECRETARY
Mr. Adwait Joshi

AUDITORS
Mr. Prashant V. Deo
Chartered Accountant
Office No. 604, Jeewan Heights,
Plot No. 53/3, Thorat Colony,
S. No.110, Erandawana,
Off Prabhat Road,
Pune - 411 004

BANKERS
Canara Bank
HDFC Bank Limited

REGISTRAR & TRANSFER AGENTS
Link Intime India Private Limited
Block No.202, Akshay Complex,
2nd Floor, Off Dhole Patil Road,
Near Ganesh Mandir, Pune – 411 001

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8TH ANNUAL GENERAL MEETING

Day	:	Tuesday
Date	:	1st August, 2017
Time	:	2.00 p.m. (I.S.T.)
Place	:	Registered Office, Kalyani Investment Company Limited, Mundhwa, Pune - 411 036

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Kalyani Investment has always focused on good Corporate Governance, which is a key driver of sustainable corporate growth and long-term value creation. The basic philosophy of Corporate Governance is to achieve business excellence and dedicate itself for increasing long-term shareholder value.

The Company recognises that good Corporate Governance is a continuing exercise and is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance, applicable for the Financial Year 2016-17.

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

1. BOARD LEVEL ISSUES

COMPOSITION OF THE BOARD

As on 31st March, 2017, the Board of Directors of Kalyani Investment comprised six Directors. The Board consists of Non-Executive Chairman, who is a relative of Promoter and five Non-Executive Directors, of which four are Independent. Details are given in Table 1.

NUMBER OF BOARD MEETINGS

During the year 2016-17, the Board of the Company met six times on 24th May, 2016, 25th July, 2016, 21st October, 2016, 21st December, 2016, 9th February, 2017 and 14th March, 2017. All the meetings were held in such manner that the gap between two consecutive meetings was not more than one hundred and twenty days.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

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

Table - 1 - Details about Board of Directors of the Company

Name of the Director	Category	Particulars of Attendance			Number of Directorships and Committee Memberships / Chairmanships as on 31st March, 2017		
		Number of Board Meetings		Last AGM	Directorships	Committee Memberships*	Committee Chairmanships*
		Held	Attended				
Mr.Amit B. Kalyani Chairman	Relative of Promoter Non-Executive	6	6	Yes	8	1	—
Mrs.Deeksha A. Kalyani	Relative of Promoter Non-Executive	6	5	No	1	—	—
Mr.S.S. Vaidya	Independent	6	6	No	5	2	2
Mr.B.B. Hattarki	Independent	6	6	Yes	8	4	5
Mr.C.G. Patankar	Independent	6	5	Yes	6	3	—
Mr.R.K. Goyal	Independent	6	6	Yes	3	3	—

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

INDEPENDENT DIRECTORS

As mandated by Regulation 25 and as defined by Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 'Independent Directors' on Kalyani Investment Company Limited's Board :

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

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

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

BOARD PROCEDURE

Information Supplied to the Board

Among others, information supplied to the Board includes :

- Annual operating plans and budgets, capital budgets and any update thereof.
- Quarterly results for the Company.
- Minutes of meetings of Audit Committee and other committees of the Board.
- 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 material nature of investments, assets which are not in normal course of business.
- 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.
- 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.

The Board of the Company is presented with all the relevant information on various vital matters affecting the working of the Company, as well as those matters, which require deliberation at the highest level. Board Members are given appropriate documents / detailed notes and information in advance of each Board and Committee Meeting.

CEO AND CFO CERTIFICATION

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

CODE OF CONDUCT

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

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

DIRECTORS WITH MATERIALLY PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

There has been no materially relevant pecuniary transactions or relationship between the Company and its non-executive and / or independent Directors for the year 2016-17.

COMMITTEES OF THE BOARD

As on 31st March, 2017, the Company has Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The Board Committees are set up 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 31st March, 2017, the Audit Committee of Kalyani Investment comprised four members, who are all Independent Directors. All the members have accounting and finance management expertise. The Chairman of the Audit Committee is Mr.B.B. Hattarki. Mr.S.S. Vaidya, Mr.C.G. Patankar and Mr.R.K. Goyal are the other members of the Committee. The Annual General Meeting of the Company held on 11th August, 2016 was attended by the Chairman of the Audit Committee, Mr.B.B. Hattarki, to answer the shareholders' queries.

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

During the year 2016-17 Audit Committee met on 24th May, 2016, 25th July, 2016, 21st October, 2016 and 9th February, 2017 and there were no instances, where the Board had not accepted the recommendations of the Audit Committee. Particulars relating to the attendance at the Audit Committee meetings held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	4	4
Mr.S.S. Vaidya	Independent	4	4
Mr.C.G. Patankar	Independent	4	3
Mr.R.K. Goyal	Independent	4	4

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

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

- Approval of payment to Statutory Auditor for any other services rendered by the Statutory Auditor.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Modified opinion(s) in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussions with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information by the Audit Committee :

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

As on 31st March, 2017, Stakeholders Relationship Committee comprised of three Directors viz. Mr.B.B. Hattarki, Chairman, Mr.C.G. Patankar and Mr.R.K. Goyal. During the year 2016-17, the Stakeholders Relationship Committee met on 24th May, 2016, 25th July, 2016, 21st October, 2016, and 9th February, 2017.

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

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	4	4
Mr.C.G. Patankar	Independent	4	3
Mr.R.K. Goyal	Independent	4	4

COMPLIANCE OFFICER

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

STATUS OF INVESTORS' COMPLAINTS

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

DESIGNATED EXCLUSIVE EMAIL-ID

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

NOMINATION AND REMUNERATION COMMITTEE

As on 31st March, 2017, Nomination and Remuneration Committee comprised of three Directors viz. Mr.B.B. Hattarki, Chairman, Mr.Amit B. Kalyani and Mr.R.K. Goyal. During the year 2016-17, the Nomination and Remuneration Committee met on 24th May, 2016.

Role of Nomination and Remuneration Committee :

- Formulation of the criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Particulars relating to the attendance at the Nomination and Remuneration Committee 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	1	1
Mr.Amit B. Kalyani	Non-Executive	1	1
Mr.R.K. Goyal	Independent	1	1

BOARD DIVERSITY AND REMUNERATION POLICY

The Board on recommendation of the Nomination and Remuneration Committee, has approved Board Diversity and Remuneration Policy and the same is available on the Company's website. (Web-link : http://www.kalyani-investment.com/corporate-social-responsibility-csr/board-diversity-remuneration/)

The Policy provides for criteria for determining qualifications, positive attributes & independence of director as well as remuneration policy for directors, key managerial personnel and other employees.

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

Remuneration to Non-Executive Directors

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

Remuneration to Key Managerial Personnel and other Employees

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

REMUNERATION OF DIRECTORS

No remuneration was paid to any Director during the year 2016-17. The Company does not have any stock option scheme.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility (CSR) Committee comprises of three Directors viz. Mr.B.B. Hattarki, Chairman, Mr.S.S. Vaidya and Mr.R.K. Goyal. During the year 2016-17, the Corporate Social Responsibility Committee met on 25th July, 2016.

Role of CSR Committee :

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

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

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

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	1	1
Mr.S.S. Vaidya	Independent	1	1
Mr.R.K. Goyal	Independent	1	1

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 9th February, 2017, inter alia to discuss :

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

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

2. MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

STRUCTURE OF THE COMPANY AND THRUST OF THE BUSINESS

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

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

Cautionary Statement

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

DISCLOSURES

RELATED PARTY TRANSACTIONS

The Company has not entered into any 'Related Party Transaction' pursuant to Section 188(1) of the Companies Act, 2013, during the financial year 2016-17.

DISCLOSURES BY MANAGEMENT TO THE BOARD

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

WHISTLE BLOWER POLICY

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

INDEPENDENT DIRECTORS TRAINING AND INDUCTION

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

Further, with a view to familiarise Director with the Company's operations, the Chairman also has one-to-one discussion with the newly appointed Director. These initiatives help the Director to understand the Company, its business and the

regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company. The details of this familiarisation programme are available on the website of the Company.

(Web-link : http://www.kalyani-investment.com/board-of-directors/)

3. SHAREHOLDERS

DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Following information is furnished about the Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting.

- Mrs.Deeksha A. Kalyani, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

  Mrs.Deeksha A. Kalyani, born on 3rd March, 1974, has done her Bachelor's Degree in Arts (Psychology Hons.) and thereafter her Master's Degree in Child Psychology from Tufts University, U.S.A. Mrs.Kalyani is instrumental in driving the educational foray of the group.

  Mrs.Deeksha A. Kalyani is wife of Mr.Amit B. Kalyani, Chairman and does not hold any Equity Shares of the Company as on 31st March, 2017.

COMMUNICATION TO SHAREHOLDERS

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

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

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

SHARE TRANSFER

The Company has constituted the Share Transfer Committee to approve share transfers, transmissions, consolidation, sub-division, issue of duplicate share certificates, requests for rematerialisation of shares. The Committee comprises of Mr.B.B. Hattarki, Chairman, Mr.C.G. Patankar and Mr.R.K. Goyal, Directors.

DETAILS OF NON-COMPLIANCE

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

GENERAL BODY MEETINGS

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

Date	Time	Type of Meeting	Venue	Special Resolutions Passed
5th September, 2014	2.00 p.m.	Annual General Meeting	Registered Office of the Company at Mundhwa, Pune - 411 036	—
13th August, 2015	2.00 p.m.	Annual General Meeting	Registered Office of the Company at Mundhwa, Pune - 411 036	—
11th August, 2016	2.00 p.m	Annual General Meeting	Registered Office of the Company at Mundhwa, Pune - 411 036	1*

*Special Resolution passed was - (i) Adoption of new set of Articles of Association of the Company

No Special Resolution was put through postal ballot in the last year.

This year no resolution is proposed to be taken up through postal ballot.

COMPLIANCE WITH MANDATORY AND DISCRETIONARY REQUIREMENTS

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

SHAREHOLDER INFORMATION

COMPANY REGISTRATION DETAILS

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

ANNUAL GENERAL MEETING

Day and Date : Tuesday, 1st August, 2017 at 2.00 p.m.

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

FINANCIAL CALENDAR

1st April to 31st March

BOOK CLOSURE

The books will be closed on Tuesday, 1st August, 2017, as an Annual Closure for the Annual General Meeting.

LISTING

1) National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

2) BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

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

STOCK CODES

NSE : KICL

BSE : 533302

ISIN in NSDL and CDSL: INE029L01018

STOCK DATA

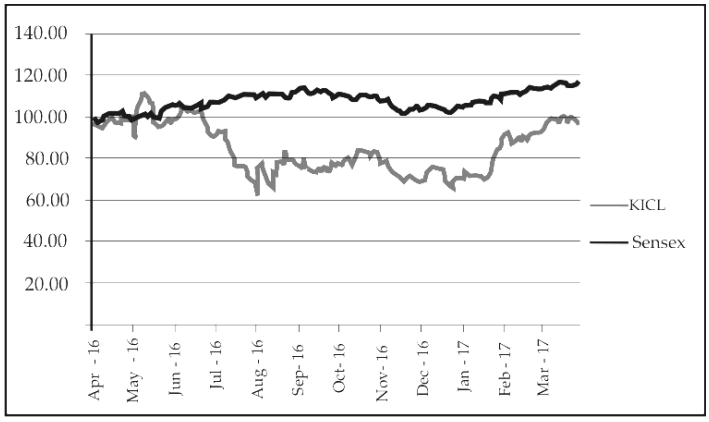
Table below gives the monthly high and low prices and volumes of trading of Equity Shares of the Company at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year 2016-17 :

Month & Year	NSE			BSE		
	High (₹)	Low (₹)	Volume (No. of Shares Traded)	High (₹)	Low (₹)	Volume (No. of Shares Traded)
April, 2016	1,738.40	1,535.00	5,984	1,750.00	1,573.00	732
May, 2016	1,890.40	1,480.15	35,374	1,881.00	1,485.00	4,705
June, 2016	1,750.00	1,485.10	25,010	1,749.95	1,490.00	3,472
July, 2016	1,585.00	1,171.00	70,067	1,651.15	1,170.00	11,755
August, 2016	1,452.00	1,015.00	213,860	1,470.00	1,021.50	58,574
September, 2016	1,360.00	1,201.40	112,533	1,353.60	1,205.00	33,849
October, 2016	1,419.15	1,242.45	61,932	1,420.00	1,248.00	16,487
November, 2016	1,396.40	1,116.70	32,457	1,390.00	1,060.00	6,821
December, 2016	1,349.00	1,103.00	41,997	1,330.05	1,100.00	16,089
January, 2017	1,438.00	1,160.00	58,281	1,445.00	1,160.00	10,666
February, 2017	1,575.00	1,385.30	43,765	1,569.00	1,379.95	11,874
March, 2017	1,715.00	1,511.50	45,857	1,718.00	1,500.05	17,323

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 2016-17 i.e. 1st April, 2016

REGISTRAR AND TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

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

PATTERN OF SHAREHOLDING BY OWNERSHIP AS ON 31ST MARCH, 2017

Category of the Shareholder	No. of Equity Shares held	Shareholding %
Promoters	2,997,092	68.66
Mutual Funds	74,363	1.70
Financial Institutions / Banks	1,515	0.03
Foreign Institutional / Portfolio Investors	37,267	0.86
Bodies Corporate	404,913	9.28
NRIs	20,223	0.46
Foreign Companies / Foreign Nationals	66	—
Indian Public	829,867	19.01
TOTAL	4,365,306	100.00

PATTERN OF SHAREHOLDING BY SHARE CLASS AS ON 31ST MARCH, 2017

Category (Shares)	No. of Shareholders	No. of Equity Shares held	Shareholding %
Up to 5000	19,337	823,068	18.85
5,001 to 10,000	20	145,985	3.35
10,001 to 20,000	3	42,391	0.98
20,001 to 30,000	1	20,500	0.47
30,001 to 40,000	1	37,267	0.85
40,001 to 50,000	3	138,100	3.16
50,001 to 100,000	1	58,481	1.34
100,001 and above	3	3,099,514	71.00
TOTAL	19,369	4,365,306	100.00

DEMATERIALISATION

The Company's Equity Shares are under compulsory Demat Trading. As on 31st March, 2017, dematerialised shares accounted for 93.04% 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 - 26715000/66215000
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 31st March, 2017, compliance with the Code of Conduct of the Company laid down for them.

Place : Pune
Date : 25th May, 2017

Amit B. Kalyani
Chairman

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Kalyani Investment Company Limited

I have examined the compliance of conditions of Corporate Governance by KALYANI INVESTMENT COMPANY LIMITED ("the Company") for the year ended 31st March, 2017, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. My examination was carried out in accordance with the Guidance Note on Certification on Corporate Governance, issued by the Institute of the Chartered Accountants of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit, nor an expression of an opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given and the representations made to me by the management, I certify that, the Company has complied with the conditions of the Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

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

P. V. Deo
Chartered Accountant
Membership No.41609

Place : Pune
Date : 25th May, 2017

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting the Eighth Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended 31st March, 2017.

1. Financial Highlights (on stand-alone basis)

(₹ in Million)

		2016-17	2015-16
Revenue from Operations	:	—	5.352
Other Income	:	**142.324**	402.096
Total Revenue	:	**142.324**	407.448
Total Expenditure	:	**21.039**	20.839
Profit before Exceptional Items and Tax	:	**121.285**	386.609
Exceptional Items	:	**(1.485)**	(122.516)
Profit before Tax	:	**119.800**	264.093
Tax (Expenses) / Savings	:	**0.075**	(0.113)
Profit after Tax	:	**119.875**	263.980

2. Dividend & Reserves

The Directors have decided to consolidate Company's finances during the current year. As a result, the Directors do not recommend any Dividend on Equity Shares for the financial year ended 31st March, 2017.

During the year under review, it is proposed to transfer ₹ 23.975 Million to Reserve Fund (Under Section 45IC(1) of the Reserve Bank of India Act, 1934). An amount of ₹ 3,473.673 Million is proposed to be retained as Surplus in the Statement of Profit and Loss.

3. Management Discussion and Analysis Report

Management Discussion and Analysis Report (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 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.

A certificate from Statutory Auditor of the Company Mr.P.V. Deo, Chartered Accountant, Pune, confirming compliance with conditions of Corporate Governance as stipulated under the aforesaid Regulations, is attached to Report on Corporate Governance.

5. Fixed Deposits

The Company has not accepted any deposits from the public during the year.

6. Directors

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs.Deeksha A. Kalyani, Director of the Company, is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The said re-appointment forms part of the Notice of Annual General Meeting and the Resolution is recommended for your approval. Profile of Mrs.Deeksha A. Kalyani, is given in the Report on Corporate Governance.

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down 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.

6.2 Board Diversity and Remuneration Policy

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

6.3 Meetings of the Board

During the Financial Year 2016-17, six Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

7. Directors' Responsibility Statement

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

i) in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed and that there are no material departures;

ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for that period;

iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the Directors have prepared the annual accounts for the year ended 31st March, 2017, on a 'going concern' basis;

v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

9. Corporate Social Responsibility

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

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

10. Related Party Transactions

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

11. Risk Management

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

12. Statutory Auditor and Auditor's Report

As per the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the term of Mr.P.V. Deo, Chartered Accountant, Pune (Membership No.41609) as the Statutory Auditor of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by Mr.P.V. Deo, as Statutory Auditor of the Company.

In view of the mandatory requirement of rotation of Auditors, the Board of Directors of the Company on the recommendation of the Audit Committee, have proposed the appointment of M/s. P. G. Bhagwat, Chartered Accountants, Pune (Firm Registration No.101118W), as Statutory Auditors of the Company to hold office for the period of five years i.e. from the conclusion of ensuing Annual General Meeting till the conclusion of Thirteenth Annual General Meeting of the Company to be held in 2022 (subject to ratification of appointment at every Annual General Meeting).

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

The Directors recommend appointment of M/s. P. G. Bhagwat, Chartered Accountants, as Statutory Auditors from the conclusion of ensuing Annual General Meeting till the conclusion of the Thirteenth Annual General Meeting to be held in 2022.

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

13. Secretarial Audit

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 2016-17. The Secretarial Audit Report for the Financial Year ended 31st March, 2017 is annexed herewith as Annexure "B". The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

14. 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".

15. Extract of the Annual Return

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

16. Whistle Blower Policy

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

17. 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.

18. 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.

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

There are no adverse material changes or commitments occurring after 31st March, 2017, which may affect the financial position of the Company or may require disclosure.

20. 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.

21. Familiarisation Programme

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

22. Names of companies which have become / ceased to be Subsidiaries, Joint Ventures or Associate Companies during the year

The Company does not have any Subsidiary / Joint Venture.

A statement containing the salient features of the financial statement of the Associate Companies, in the prescribed format AOC-1, is annexed hereto as Annexure "E".

23. 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.

24. Acknowledgement

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

For and on behalf of the Board of Directors

Place : Pune
Date : 25th May, 2017

Amit B. Kalyani
Chairman

ANNEXURE - A TO DIRECTORS' REPORT
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

2. The composition of the CSR Committee :

   The CSR Committee consists of three Directors viz. Mr.B.B. Hattarki, as the Chairman and Mr.S.S. Vaidya and Mr.R.K. Goyal, as members.

3. Average Net Profit of the Company for last three financial years : ₹ 51.396 Million

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 1.028 Million

   Budgeted CSR expenditure : ₹ 1.028 Million

5. Details of CSR spent during the Financial Year :

   a) Total amount spent for the financial year : ₹ 1.028 Million

   b) Amount unspent, if any : Not Applicable

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

(₹ in Million)

No.	CSR Project or Activity identified	Sector in which the project is covered	Location District (State)	Amount outlay (budget) Project or Programme wise	Amount spent on the Project or Programme	Cumulative Expenditure upto reporting period	Amount spent : Direct or through implementing agency
1	Kalyani School	Education	Pune (Maharashtra)	1.028	1.028	1.028	Through implementing agency

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

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

Place : Pune
Date : 25th May, 2017

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

B.B. Hattarki
Chairman, CSR Committee

ANNEXURE - B TO DIRECTORS' REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of :

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder (in so far as they are made applicable);

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the Audit Period);
   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the Company during the Audit Period);
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit Period);
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (not applicable to the Company during the Audit Period);
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period); and
   (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 (not applicable to the Company during the Audit Period).

(vi) The Specific laws applicable to the Company :
   (a) The Reserve Bank of India Act, 1934 (applicable to the extent being a Core Investment Company)

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

(i) Secretarial Standards issued by 'The Institute of Company Secretaries of India';

(ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

We further report that :

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

We further report that during the audit period :

Company has passed a Special Resolution in the Annual General Meeting held on 11th August, 2016 for adoption of new set of Articles of Association.

For SVD & Associates
Company Secretaries

Sridhar G. Mudaliar
Partner
FCS No : 6156
C P No : 2664

Place : Pune
Date : 25th May, 2017

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

ANNEXURE - A

To,

The Members
Kalyani Investment Company Limited
Mundhwa,
Pune - 411036

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For SVD & Associates
Company Secretaries

Sridhar G. Mudaliar
Partner
FCS No : 6156
C P No : 2664

Place : Pune
Date : 25th May, 2017

ANNEXURE - C TO DIRECTORS' REPORT

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

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

No remuneration has been paid to the Directors of the Company during the Financial Year 2016-17.

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

Percentage increase in remuneration of Mr.Sanjay Yewale, Chief Executive Officer & Chief Financial Officer is 15.99% and of Mr.Adwait Joshi, Company Secretary is 10.87%.

c) The percentage increase in the median remuneration of employee(s) in the financial year : 13.43%

d) The number of permanent employees on the role of the Company as on 31st March, 2017 : 2 Employees

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

Average percentile increase for Salaries of Non-Managerial Personnel - Not Applicable

Percentage increment at 50th Percentile for Salaries of Managerial Personnel is 13.43%

The increase in remuneration is not solely based on Company performance but also includes various other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects etc. besides Company performance. There are no exceptional circumstances for increase in managerial remuneration.

f) The Company has remuneration policy in place, however no remuneration was paid to the Directors during Financial Year 2016-17.

g) Statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee of the company, who (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore two lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh fifty thousand rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company :

Sr.No.	Name & Designation	Remuneration Received (₹)	Nature of Employment	Qualifications	Experience (Years)	Date of Commencement of Employment	Age	Last Employment	% of Equity Shares held	Whether Relative of Director and if so, name of the Director
1	Mr.Sanjay Yewale, CEO & CFO	*8,934,723	On deputation from Kalyani Steels Limited	B.Com, MBA	28 years	30-03-2015	52	Kalyani Steels Limited	—	N.A.
2	Mr.Adwait Joshi	470,171	Permanent Employee	B.Com, L.L.B., ACS	2 years	03-08-2015	26	—	—	N.A.

* represents total payment made to employer.

For and on behalf of the Board of Directors

Place : Pune

Date : 25th May, 2017

Amit B. Kalyani

Chairman

ANNEXURE - D TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Sundaram Trading and Investment Private Limited, Industry House, S.No.49, Mundhwa, Pune - 411 036	U67110MH1976PTC018904	Holding	56.10	2(46)
2	Hikal Limited 717/718, Maker Chamber V, Nariman Point, Mumbai - 400 021	L24200MH1988PTC048028	Associate	31.36	2(6)
3	Lord Ganesha Minerals Private Limited Industry House, S.No.49, Mundhwa, Pune - 411 036	U14213PN2007PTC129573	Associate	22.50	2(6)
4	Kalyani Agro Corporation Limited C/o. Kalyani Steels Limited, 1st Floor, Mundhwa, Pune 411 036	U01111MH1991PLC062106	Associate	29.57	2(6)
5	Dandakaranya Investment & Trading Private Limited 1st Floor, Shangrila Garden, Opp Bund Garden, Pune - 411 001	U65993MH1983PTC029066	Associate	23.92	2(6)
6	Hastinapur Investment & Trading Private Limited 1st Floor, Shangrila Garden, Opp Bund Garden, Pune - 411 001	U65993MH1983PTC029067	Associate	23.92	2(6)
7	Dronacharya Investment & Trading Private Limited 1st Floor, Shangrila Garden, Opp Bund Garden, Pune - 411 001	U67190MH1983PTC029065	Associate	23.92	2(6)
8	Campanula Investment & Finance Private Limited 1st Floor, Shangrila Garden, Opp Bund Garden, Pune - 411 001	U65993PN1987PTC045150	Associate	23.91	2(6)
9	Cornflower Investment & Finance Private Limited, 1st Floor, Shangrila Garden, Opp Bund Garden, Pune - 411 001	U65993MH1987PTC045152	Associate	23.91	2(6)

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

i) Category-wise Share Holding

No.	Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2016)				No. of Shares held at the end of the year (31-03-2017)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
1)	Indian									
a)	Individuals / HUF	4,833	—	4,833	0.11	4,833	—	4,833	0.11	—
b)	Central Govt.	—	—	—	—	—	—	—	—	—
c)	State Govt.(s)	—	—	—	—	—	—	—	—	—
d)	Bodies Corporates	2,978,259	—	2,978,259	68.23	2,992,259	—	2,992,259	68.55	0.32
e)	Banks / FI's	—	—	—	—	—	—	—	—	—
f)	Any other (specify)	—	—	—	—	—	—	—	—	—
	Sub-total (A)(1)	2,983,092	—	2,983,092	68.34	2,997,092	—	2,997,092	68.66	0.32
2)	Foreign									
a)	NRI- Individual	—	—	—	—	—	—	—	—	—
b)	Other Individual	—	—	—	—	—	—	—	—	—
c)	Bodies Corporates	—	—	—	—	—	—	—	—	—
d)	Banks / FI's	—	—	—	—	—	—	—	—	—
e)	Any other (Specify)	—	—	—	—	—	—	—	—	—
	Sub-total (A)(2)	—	—	—	—	—	—	—	—	—
	Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	2,983,092	—	2,983,092	68.34	2,997,092	—	2,997,092	68.66	0.32
B.	**Public Shareholding**									
1.	Institutions									
a)	Mutual Funds	67,098	70	67,168	1.54	74,293	70	74,363	1.70	0.16
b)	Banks / FI's	63	110	173	—	805	710	1,515	0.03	0.03
c)	Central Govt.	—	—	—	—	—	—	—	—	—
d)	State Govt.(s)	—	—	—	—	—	—	—	—	—
e)	Venture Capital Funds	—	—	—	—	—	—	—	—	—
f)	Insurance Companies	—	—	—	—	—	—	—	—	—
g)	FII's	230,757	—	230,757	5.29	—	—	—	—	(5.29)
h)	Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i)	Any Other (specify)									
	(i) Foreign Portfolio Investors	—	—	—	—	37,267	—	37,267	0.86	0.86
	Sub-total (B)(1)	297,918	180	298,098	6.83	112,365	780	113,145	2.59	(4.24)
2.	Non-Institutions									
a)	Bodies Corporates									
i.	Indian	162,741	222,239	384,980	8.82	182,674	222,239	404,913	9.28	0.46
ii.	Overseas	—	—	—	—	—	—	—	—	—
b)	Individuals									
i)	Individual Shareholders holding nominal share capital up to Rs.1 lakh	531,240	82,280	613,520	14.05	672,709	79,760	752,469	17.24	3.19
ii)	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	64,669	—	64,669	1.48	62,039	—	62,039	1.42	(0.06)
c)	Any other (specify)									
i.	NRI's	15,856	1,161	17,017	0.39	19,062	1,161	20,223	0.46	0.07
ii.	Foreign Companies/OCB's	—	66	66	—	—	66	66	—	—
ii.	Clearing Member	3,864	—	3,864	0.09	15,359	—	15,359	0.35	0.26
	Sub-total (B)(2)	778,370	305,746	1,084,116	24.83	951,843	303,226	1,255,069	28.75	3.92
	Total Public Shareholding (B) = (B)(1) + (B)(2)	1,076,288	305,926	1,382,214	31.66	1,064,208	304,006	1,368,214	31.34	(0.32)
C.	**Shares held by Custodian for GDR's & ADR's**	—	—	—	—	—	—	—	—	—
	Grand Total (A+B+C)	4,059,380	305,926	4,365,306	100.00	4,061,300	304,006	4,365,306	100.00	—

ii) Shareholding of Promoters

No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2016)			Shareholding at the end of the year (31-03-2017)			% change during the year
		No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Ajinkya Investment and Trading Company	536,182	12.28	—	536,182	12.28	—	—
2	Sundaram Trading & Investment Private Limited	2,434,821	55.78	—	2,448,821	56.10	—	0.32
3	Ajinkyatara Trading Company Limited	256	0.01	—	256	0.01	—	—
4	Lohagaon Trading Company Private Limited	7,000	0.16	—	7,000	0.16	—	—
5	Mr.B.N. Kalyani	111	—	—	111	—	—	—
6	Mr.Amit B. Kalyani	3,169	0.07	—	3,169	0.07	—	—
7	Mrs.Sugandha J. Hiremath	678	0.02	—	678	0.02	—	—
8	Mrs.Sunita B. Kalyani	774	0.02	—	774	0.02	—	—
9	Mrs.Sugandha Hiremath & Mr.Jai Hiremath	101	—	—	101	—	—	—
	Total	2,983,092	68.34	—	2,997,092	68.66	—	0.32

iii) Change in Promoter's Shareholding

No.	Promoter's Shareholding	Shareholding at the beginning of the year (01-04-2016)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the Year	2,983,092	68.34	—	—
	Sundaram Trading and Investment Private Limited (Market Purchase)	14,000	0.32	—	—
	At the end of the Year	—	—	2,997,092	68.66

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

No.	Name of the Shareholder	Shareholding at the beginning of the year (01-04-2016)		Increase-Market Purchase /(Decrease-Market Sale) in Shareholding		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	No. of Shares	% of total shares of the Company
1	Morgan Stanley Asia (Singapore) Pte.*	175,111	4.01	22-04-2016	2,000	177,111	4.05
				06-05-2016	(2,690)	174,421	3.99
				13-05-2016	4,042	178,463	4.09
				20-05-2016	2,796	181,259	4.09
				30-06-2016	(3,037)	178,222	4.08
				01-07-2016	(2,183)	176,039	4.03
				08-07-2016	(369)	175,670	4.02
				22-07-2016	(6,994)	168,676	3.86
				29-07-2016	(15,000)	153,676	3.52
				05-08-2016	(15,000)	138,676	3.17
				12-08-2016	(14,247)	124,429	2.85
				19-08-2016	(10,915)	113,514	2.60
				26-08-2016	(10,915)	102,599	2.35
				02-09-2016	(10,914)	91,685	2.10
				09-09-2016	(10,918)	80,767	1.85
				16-09-2016	(10,912)	69,855	1.60
				23-09-2016	(10,915)	58,940	1.35
				30-09-2016	(10,914)	48,026	1.10
				07-10-2016	(10,915)	37,111	0.85
				14-10-2016	(7,641)	29,470	0.68
				21-10-2016	(78)	29,392	0.67
				11-11-2016	(989)	28,403	0.65
				18-11-2016	(165)	28,238	0.65
				25-11-2016	(457)	27,781	0.64
				02-12-2016	(2,557)	25,224	0.58
				09-12-2016	(2,975)	22,249	0.51
				16-12-2016	(1,673)	20,576	0.47
				23-12-2016	(2,875)	17,701	0.41
				30-12-2016	(3,519)	14,182	0.32
				06-01-2017	(3,530)	10,652	0.24
				13-01-2017	(4,079)	6,573	0.15
				20-01-2017	(4,280)	2,293	0.05
				27-01-2017	(2,293)	—	—
2	Sadguru Investment and Trading Company	160,112	3.67	—	—	160,112	3.67
3	ICICI Prudential Dynamic Plan	58,481	1.34	—	—	58,481	1.34
4	Gloxinia Investment and Finance Private Limited	50,000	1.15	—	—	50,000	1.15
5	Privatbank IHAG Zurich AG	41,767	0.96	10-02-2017	(428)	41,339	0.94
				03-03-2017	(909)	40,430	0.92
				10-03-2017	(1,461)	38,969	0.89
				17-03-2017	(681)	38,288	0.88
				24-03-2017	(1,021)	37,267	0.85
6	Hitesh Satishchandra Doshi	29,331	0.67	26-08-2016	1,459	30,790	0.71
				07-10-2016	3,628	34,418	0.79
				14-10-2016	467	34,885	0.79
				21-10-2016	1,799	36,684	0.84
				28-10-2016	22	36,706	0.84
				04-11-2016	1,732	38,438	0.88
				11-11-2016	4,061	42,499	0.97

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

No.	Name of the Shareholder	Shareholding at the beginning of the year (01-04-2016)		Increase-Market Purchase /(Decrease-Market Sale) in Shareholding		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	No. of Shares	% of total shares of the Company
7	SMS Holdings Private Limited	24,371	0.56	20-05-2016	(300)	24,071	0.55
				10-06-2016	(1,000)	23,071	0.53
				19-08-2016	(100)	22,971	0.53
				26-08-2016	100	23,071	0.53
				31-03-2017	(2,571)	20,500	0.47
8	Bhavna Govindbhai Desai	19,540	0.45	—	—	19,540	0.45
9	Romil Oza*	15,798	0.36	08-04-2016	(154)	15,644	0.36
				15-04-2016	(387)	15,257	0.35
				22-04-2016	(2,122)	13,135	0.30
				06-05-2016	(13,134)	1	—
				13-05-2016	3	4	—
10	Barclays Capital Mauritius Limited*	13,879	0.32	27-05-2016	(13,879)	—	—
11	Shri Badrinath Investment Private Limited**	12,500	0.29	—	—	12,500	0.29
12	Smita Jitendra Sanghavi**	9,420	0.22	14-10-2016	178	9,598	0.22
				21-10-2016	57	9,655	0.22
13	Globe Capital Market Limited**	2	—	13-05-2016	(1)	1	—
				15-07-2016	7	8	—
				22-07-2016	20	28	—
				29-07-2016	9	37	—
				05-08-2016	91	128	—
				12-08-2016	(26)	102	—
				19-08-2016	530	632	0.01
				26-08-2016	(86)	546	0.01
				02-09-2016	50	596	0.01
				09-09-2016	91	687	0.01
				16-09-2016	315	1,002	0.02
				23-09-2016	170	1,172	0.03
				30-09-2016	6,495	7,667	0.18
				07-10-2016	4,422	12,089	0.28
				21-10-2016	(176)	11,913	0.28
				28-10-2016	(70)	11,843	0.28
				11-11-2016	(2,366)	9,477	0.22
				18-11-2016	325	9,802	0.22
				25-11-2016	222	10,024	0.23
				02-12-2016	108	10,132	0.23
				09-12-2016	(93)	10,039	0.23
				16-12-2016	49	10,088	0.23
				23-12-2016	36	10,124	0.23
				30-12-2016	(96)	10,028	0.23
				31-12-2016	(120)	9,908	0.23
				27-01-2017	4	9,912	0.23
				03-02-2017	203	10,115	0.23
				10-02-2017	1,687	11,802	0.27
				17-02-2017	809	12,611	0.29
				24-02-2017	124	12,735	0.29
				03-03-2017	909	13,644	0.31
				10-03-2017	22	13,666	0.31
				17-03-2017	(272)	13,394	0.31
				24-03-2017	(763)	12,631	0.29
				31-03-2017	(2,280)	10,351	0.24

* Ceased to be in the list of Top 10 shareholders as on 31-03-2017. The same has been reflected above since the shareholders were one of the Top 10 shareholders as on 01-04-2016.

** Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholders were one of the Top 10 shareholders as on 31-03-2017.

v) Shareholding of Directors and Key Managerial Personnel

No.	Name of the Director/ Key Managerial Personnel	Shareholding at the beginning of the year (01-04-2016)		Increase / (Decrease) in Shareholding		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	No. of Shares	% of total shares of the Company
1	Mr.Amit B. Kalyani	3,169	0.07	—	—	3,169	0.07
2	Mr.C.G. Patankar	243	—	—	—	243	—
3	Mr.Sanjay Yewale, CEO & CFO	20	—	—	—	20	—

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

V. INDEBTEDNESS :

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

(Amount in ₹)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Wholetime Directors and / or Manager

(Amount in ₹)

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

B. Remuneration to other Directors

(Amount in ₹)

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

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

(Amount in ₹)

		Key Managerial Personnel		
		Mr.Sanjay Yewale CEO & CFO	Mr.Adwait Joshi Company Secretary	Total
1.	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	8,934,723	470,171	9,404,894
b)	Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	—	—	—
c)	Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- As % of profit	—	—	—
	- Others, specify	—	—	—
5.	Others, please specify	—	—	—
	Total	8,934,723	470,171	9,404,894

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCE :

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

For and on behalf of the Board of Directors

Place : Pune
Date : 25th May, 2017

Amit B. Kalyani
Chairman

ANNEXURE - E TO DIRECTORS' REPORT

FORM AOC-1

Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013
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	Kalyani Agro Corporation Limited	Lord Ganesha Minerals Private Limited
1.	Latest Audited Balance Sheet Date	31-03-2017	31-03-2017	31-03-2017
2.	Date on which the Associate or Joint Venture was associated or acquired	#31st March, 2010	#31st March, 2010	26th September, 2011
3.	Shares of Associate held by the Company on the year end			
	No.	25,778,250	579,000	450,000
	Amount of Investment in Associates	₹ 65,610,549/-	₹ 1/-	₹ 55,187,500/-
	Extent of Holding %	31.36%	29.57%	22.50%
4.	Description of how there is significant influence	Note - A	Note - A	Note - A
5.	Reason why the associate is not consolidated	Consolidated	Consolidated	Consolidated
6.	*Networth attributable to Shareholding as per latest Audited Balance Sheet	₹ 1,664,906,771/-	(₹ 23,305,473/-)	₹ 24,873,308/-
7.	Profit / Loss for the year			
	Considered in Consolidation	₹ 200,348,554/-	—	—
	Not Considered in Consolidation	—	(₹ 1,700/-)	(₹ 764,773/-)

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

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

Notes :

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

On behalf of the Board of Directors

Place : Pune
Date : 25th May, 2017

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer & Chief Financial Officer

Amit B. Kalyani
Chairman

R.K. Goyal
Director

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Kalyani Investment Company Limited

Report on the Standalone Financial Statements

I have audited the accompanying standalone financial statements of Kalyani Investment Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these standalone financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, I give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   a) I have sought and obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit.

   b) In my opinion, proper books of account as required by law have been kept by the Company, so far as appears from my examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in Annexure "B."

   g) 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 my opinion and to the best of my information and according to the explanations given to me :

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Company. Refer Note No.3.37 to the financial statements.

P. V. Deo
Chartered Accountant
Membership No.41609

Place : Pune
Date : 25th May, 2017

Annexure "A" referred to in the Independent Auditor's Report on the standalone financial statements of KALYANI INVESTMENT COMPANY LIMITED for the year ended 31st March, 2017

In terms of the information and explanations sought by me and given by the Company and the books and records examined by me in the normal course of audit and to the best of my knowledge and belief, I state that :

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to me, the fixed assets have been physically verified by the Management at reasonable intervals, during the financial year. According to the information and explanations given to me, no discrepancies were noticed on physical verification of the fixed assets.

(c) The Company does not own any immovable properties.

(ii) As explained to me, the Company was not required to hold any physical inventories during the financial year covered by this report. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In my opinion and according to the information and explanations given to me, the Company has not granted any loans in contravention of Section 185 of the Companies Act, 2013. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans and guarantees given, securities provided or investments made.

(v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed, thereunder.

(vi) Requirement to maintain cost records under sub-section (1) of Section 148 of the Companies Act, 2013, does not apply to the Company.

(vii) (a) According to the records of the Company, the Company was found to be regular in depositing undisputed statutory dues applicable to it, including income tax, service tax, cess and any other statutory dues to the appropriate authorities. As explained to me by the Management, the provisions of the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, do not apply to the Company. According to the information and explanations given to me, no undisputed amounts payable in respect of income tax, service tax and any other statutory dues were outstanding as at 31st March, 2017, for a period of more than six months from the date those became payable.

(b) According to the records of the Company, there are no dues of income tax or service tax, which have not been deposited on account of any dispute.

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) Based upon the audit procedures performed and the information and explanations given by the Management, I report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has not paid any managerial remuneration during the financial year covered by this report. Accordingly, paragraph 3 (xi) of the Order is not applicable.

(xii) In my opinion and according to the information and explanations given to me, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the records of the Company and according to the information and explanations given to me, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

P. V. Deo
Chartered Accountant
Membership No.41609

Place : Pune
Date : 25th May, 2017

Annexure "B" referred to in the Independent Auditor's Report on the standalone financial statements of KALYANI INVESTMENT COMPANY LIMITED for the year ended 31st March, 2017

I have audited the internal financial controls over financial reporting of Kalyani Investment Company Limited ("the Company") as of 31st March, 2017, in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

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 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 financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls 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 my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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.

P. V. Deo
Chartered Accountant
Membership No.41609

Place : Pune
Date : 25th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	₹	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
I. EQUITY AND LIABILITIES :				
1. Shareholders' Funds :				
a) Share Capital	3.1	43,653,060		43,653,060
b) Reserves and Surplus	3.2	3,473,673,296		3,348,981,031
			3,517,326,356	3,392,634,091
2. Non Current Liabilities :				
a) Deferred Tax Liabilities (Net)	3.3	74,000		126,000
b) Other Long Term Liabilities	3.4	—		167,064,715
c) Long Term Provisions	3.5	27,625		9,969
			101,625	167,200,684
3. Current Liabilities :				
a) Trade Payables	3.6			
Total outstanding dues of micro enterprises and small enterprises		—		—
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,091,848		24,946,626
b) Other Current Liabilities	3.7	165,325,995		1,672,734
c) Short Term Provisions	3.8	1,692		695
			166,419,535	26,620,055
	TOTAL		3,683,847,516	3,586,454,830
II. ASSETS :				
1. Non Current Assets :				
a) Fixed Assets				
Tangible Assets	3.9	8,196,450		9,169,013
b) Non Current Investments	3.10	3,654,725,766		3,445,159,246
c) Long Term Loans and Advances	3.11	1,552,827		3,106,669
			3,664,475,043	3,457,434,928
2. Current Assets :				
a) Current Investments	3.12	18,220,743		127,531,754
b) Cash and Cash Equivalents	3.13	1,151,730		1,488,148
c) Short Term Loans and Advances	3.14	—		—
			19,372,473	129,019,902
	TOTAL		3,683,847,516	3,586,454,830
Significant Accounting Policies and Notes forming an integral part of the Standalone Financial Statements	1 to 3			

As per my attached Report of even date

On behalf of the Board of Directors

P. V. Deo
Chartered Accountant
Membership No.41609

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R. K. Goyal
Director

Place : Pune
Date : 25th May, 2017

Place : Pune
Date : 25th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	₹	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Revenue from Operations	3.15	—		5,352,398
Other Income	3.16	142,324,534		402,095,712
Total Revenue			142,324,534	407,448,110
Expenses				
a) Employee benefit expenses	3.17	9,423,547		8,034,848
b) Finance costs	3.18	—		30,033
c) Depreciation	3.19	972,563		972,563
d) Other expenses	3.20	10,643,260		11,801,959
Total Expenses			21,039,370	20,839,403
Profit before Exceptional Items and Tax			121,285,164	386,608,707
Exceptional Items	3.21		(1,485,530)	(122,516,070)
Profit before Tax			119,799,634	264,092,637
Tax Expense :				
a) Current tax expense		—		(80,000)
b) MAT credit utilised		(6,000)		(1,424,000)
c) Tax (Expense) / Savings for earlier years		29,358		1,406,931
d) Deferred Tax (Expense) / Savings		52,000		(16,000)
			75,358	(113,069)
Profit for the year			119,874,992	263,979,568
Earnings per Share (of ₹ 10/- each)				
a) Basic	3.35		27.46	60.47
b) Diluted	3.35		27.46	60.47
Significant Accounting Policies and Notes forming an integral part of the Standalone Financial Statements	1 to 3			

As per my attached Report of even date

On behalf of the Board of Directors

P. V. Deo
Chartered Accountant
Membership No.41609

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R. K. Goyal
Director

Place : Pune
Date : 25th May, 2017

Place : Pune
Date : 25th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

		Year ended 31st March, 2017	Year ended 31st March, 2016
	₹	₹	₹
A. Cash Flow from Operating Activities :			
Net Profit after tax and exceptional items		**119,874,992**	263,979,568
Adjusted for :			
Depreciation	**972,563**		972,563
Dividend received	**(142,302,474)**		(402,056,294)
Other Interest paid	**—**		29,943
Provision for diminution in value of long term investments	**—**		72,500,000
Provision for doubtful advances	**1,605,580**		50,016,070
Determined diminution in value of long term investments	**2,097,200**		—
Provision for diminution in value of long term investments written back	**(2,217,250)**		—
Share in profit of partnership firm	**—**		(669)
Tax expense	**(75,358)**		113,069
		(139,919,739)	(278,425,318)
Operating Loss before Working Capital Changes		**(20,044,747)**	(14,445,750)
Changes in :			
Loans and Advances	**(28,380)**		(50,763,383)
Liabilities and Provisions	**(22,430,305)**		192,809,000
		(22,458,685)	142,045,617
Cash generation from Operations		**(42,503,432)**	127,599,867
Direct Taxes paid		**—**	(300,169)
Net Cash from / (used in) Operating Activities		**(42,503,432)**	127,299,698
B. Cash Flow from Investing Activities :			
Purchase of Investments		**(1,000,835,458)**	(866,881,360)
Sale of Investments		**900,699,998**	337,679,477
Dividend received		**142,302,474**	402,056,294
Share in profit of partnership firm		**—**	669
Net Cash from / (used in) Investing Activities		**42,167,014**	(127,144,920)
C. Cash Flow from Financing Activities :		**—**	—
Net Cash from Financing Activities		**—**	—
Net changes in Cash and Cash Equivalents (A+B+C) :		**(336,418)**	154,778
Cash and Cash Equivalents, at the beginning :		**1,488,148**	1,333,370
Cash and Cash Equivalents, at the close :		**1,151,730**	1,488,148
Significant Accounting Policies and Notes forming an integral part of the Standalone Financial Statements	**1 to 3**		

As per my attached Report of even date

On behalf of the Board of Directors

P. V. Deo
Chartered Accountant
Membership No.41609

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R. K. Goyal
Director

Place : Pune
Date : 25th May, 2017

Place : Pune
Date : 25th May, 2017

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 :

1. Company Overview :

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

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

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

2. Statement of Significant Accounting Policies :

2.1 Basis of Accounting and Preparation of Financial Statements :

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

2.2 Use of Estimates :

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

2.3 Fixed Assets and Depreciation :

a) Fixed Assets :

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

b) Depreciation and Amortisation :

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

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

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

2.4 Investments :

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

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

2.5 Revenue Recognition :

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

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

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

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

2.6 Employee Benefits :

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

b) Privilege leave benefits :

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

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

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

2.7 Taxation :

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

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

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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

2.8 Foreign Currency Translation :

In accordance with the paragraph 46A of the Accounting Standard 11, "The effects of changes in foreign exchange rates", the Company has exercised the irrevocable option and accordingly, the exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, in so far as they relate to the acquisition

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

of a depreciable capital asset, is added to or deducted from the cost of the asset and is depreciated over the balance life of the asset and in other cases, is accumulated in "Foreign Currency Monetary Item Translation Difference Account" in the financial statements and amortised over the balance period of such long term asset or liability, by recognition as income or expense in the statement of profit and loss. Long-term foreign currency monetary item means any asset or liability that is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or liability.

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

2.9 Impairment

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

2.10 Earnings per share :

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

2.11 Provisions, Contingent Liabilities and Contingent Assets :

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

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

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

Contingent assets are neither recognised nor disclosed.

2.12 Cash flow statement :

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

2.13 Cash and cash equivalents :

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

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

3. Other Notes :

			As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
3.1	**SHARE CAPITAL :**			
	Authorised :			
12,000,000	(12,000,000) Equity Shares of ₹ 10/- each		**120,000,000**	120,000,000
60,000,000	(60,000,000) 14% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each		**600,000,000**	600,000,000
		TOTAL	**720,000,000**	720,000,000
	Issued, Subscribed and Paid up :			
4,365,306	(4,365,306) Equity Shares of ₹ 10/- each, fully paid up		**43,653,060**	43,653,060
		TOTAL	**43,653,060**	43,653,060

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

(b) 14% Non-Cumulative Redeemable Preference Shares of the Company, whenever issued shall have a par value of ₹ 10/-. These shares carry preferential right to be paid a fixed dividend of 14% on the paid up value of the shares, if and when declared by the Company.

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

(c) The reconciliation of the number of Equity Shares outstanding and the amount of Equity Share Capital as at 31st March, 2017 and 31st March, 2016 is set out below :

	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	**Amount in ₹**	No. of Shares	Amount in ₹
Balance at the beginning of the year	**4,365,306**	**43,653,060**	4,365,306	43,653,060
Add : Shares issued during the year	**—**	**—**	—	—
Less : Cancelled during the year	**—**	**—**	—	—
Balance at the close of the year	**4,365,306**	**43,653,060**	4,365,306	43,653,060

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

Name of the Shareholder(s)	**As at 31st March, 2017**		As at 31st March, 2016	
	No. of Shares	**%**	No. of Shares	%
Sundaram Trading and Investment Private Limited [$]	**2,448,821**	**56.10**	2,434,821	55.78
Ajinkya Investment and Trading Company	**536,182**	**12.28**	536,182	12.28

[$] The Holding Company

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

	₹	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
3.2 RESERVES AND SURPLUS :			
Reserve Fund :			
(Under Section 45IC(1) of the Reserve Bank of India Act, 1934) :			
As per last Account	**168,220,900**		115,424,900
Add : Set aside this financial year	**23,975,000**		52,796,000
		192,195,900	168,220,900
General Reserve :			
As per last Account		**2,146,646,048**	2,146,646,048
Capital Redemption Reserve :			
As per last Account		**576,000,000**	576,000,000
Foreign Currency Monetary Item Translation Difference Account[(a)(b)] :			
As per last account	**354,054**		—
Add : Arising during the year	**3,763,514**		361,587
	4,117,568		361,587
Add / (Less) : Amortised during the year	**1,053,759**		(7,533)
Closing balance		**5,171,327**	354,054
Surplus in the Statement of Profit and Loss :			
As per last Account	**457,760,029**		246,576,461
Add : Profit for the year transferred from the Statement of Profit and Loss	**119,874,992**		263,979,568
Amount available for appropriation	**577,635,021**		510,556,029
Less : Appropriations			
Amount transferred to Reserve Fund	**23,975,000**		52,796,000
		553,660,021	457,760,029
TOTAL		**3,473,673,296**	3,348,981,031

a) Please refer Note No.2.8

b) Upon exercising the irrevocable option as mentioned in Note No. 2.8 forming part of these financial statements, the Company has held unamortised foreign exchange difference (Gain) amounting to ₹ 3,763,514/- (Previous Year : ₹ 361,587/-) in Foreign Currency Monetary Item Translation Difference Account as at 31st March, 2017. The amount amortised in accordance with the said option during the year is (Loss) ₹ 1,053,759/- (Previous Year : Gain ₹ 7,533/-).

3.3 DEFERRED TAX LIABILITY (NET) :			
Deferred Tax Liability			
Timing difference in respect of depreciation		**82,000**	129,000
Deferred Tax Asset			
Timing difference in respect of disallowances		**8,000**	3,000
TOTAL		**74,000**	126,000

3.4 OTHER LONG TERM LIABILITIES :			
Consideration for purchase of investments[(a)(b)]		—	167,064,715
TOTAL		—	167,064,715

a) Payable on or before 22nd March, 2018.

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

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

		As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
3.5 LONG TERM PROVISIONS :			
Provision for employee benefits			
Leave encashment		**27,625**	9,969
	TOTAL	**27,625**	9,969
3.6 TRADE PAYABLES :			
Micro and Small Enterprises (Refer Note No.3.30)		—	—
Others		**1,091,848**	24,946,626
	TOTAL	**1,091,848**	24,946,626
3.7 OTHER CURRENT LIABILITIES :			
Payable to employees		**52,849**	40,424
Statutory liabilities		**456,239**	220,042
Accrued Expenses		**1,515,706**	1,412,268
Consideration for purchase of investments[(a)(b)]		**163,301,201**	—
	TOTAL	**165,325,995**	1,672,734

a) Payable on or before 22nd March, 2018.

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

3.8 SHORT TERM PROVISIONS :			
Provision for employee benefits			
Leave encashment		**1,692**	695
	TOTAL	**1,692**	695

3.9 FIXED ASSETS :

	Tangible Assets Furniture and Fittings ₹	Total ₹
GROSS BLOCK, AT COST :		
As at 31st March, 2015	10,237,500	10,237,500
Additions	—	—
Adjustment	—	—
Disposals	—	—
As at 31st March, 2016	10,237,500	10,237,500
Additions	—	—
Adjustment	—	—
Disposals	—	—
As at 31st March, 2017	**10,237,500**	**10,237,500**
DEPRECIATION AND AMORTISATION :		
As at 31st March, 2015	95,924	95,924
For the year	972,563	972,563
In respect of disposals	—	—
As at 31st March, 2016	1,068,487	1,068,487
For the year	972,563	972,563
In respect of disposals	—	—
As at 31st March, 2017	**2,041,050**	**2,041,050**
NET BLOCK :		
As at 31st March, 2016	9,169,013	9,169,013
As at 31st March, 2017	**8,196,450**	**8,196,450**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

			As at 31st March, 2017	As at 31st March, 2016
		₹	₹	₹
3.10 NON-CURRENT INVESTMENTS, AT COST :				
Other than Trade :				
(i) Equity Instruments, Quoted :				
Investments in Associates :				
25,778,250	(25,778,250) Equity Shares of ₹ 2/- each fully paid up of Hikal Limited	**65,610,549**		65,610,549
Investments in Other Companies :				
6,195,046	(6,195,046) Equity Shares of ₹ 5/- each fully paid up of BF Utilities Limited	**172,239,912**		172,239,912
31,656,095	(31,656,095) Equity Shares of ₹ 2/- each fully paid up of Bharat Forge Limited	**1,376,310,874**		1,376,310,874
			1,614,161,335	1,614,161,335
(ii) Equity Instruments, Unquoted :				
Investments in Associates :				
579,000	(579,000) Equity Shares of ₹ 10/- each fully paid up of Kalyani Agro Corporation Limited	**1**		1
450,000	(450,000) Equity Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited	**55,187,500**		55,187,500
Investments in Other Companies :				
22,005	(22,005) Equity Shares of ₹ 100/- each fully paid up of Dandakaranya Investment and Trading Private Limited*	**2,200,500**		2,200,500
22,005	(22,005) Equity Shares of ₹ 100/- each fully paid up of Hastinapur Investment and Trading Private Limited*	**2,200,500**		2,200,500
22,005	(22,005) Equity Shares of ₹ 100/- each fully paid up of Dronacharya Investment and Trading Private Limited*	**2,200,500**		2,200,500
220,000	(220,000) Equity Shares of ₹ 10/- each fully paid up of Campanula Investment and Finance Private Limited*	**2,200,000**		2,200,000
220,000	(220,000) Equity Shares of ₹ 10/- each fully paid up of Cornflower Investment and Finance Private Limited*	**2,200,000**		2,200,000
245,000	(245,000) Equity Shares of ₹ 10/- each fully paid up of Carpenter Kalyani Special Alloys Private Limited	**2,462,250**		2,462,250
	Less : Determined diminution written off / Provision for diminution in value	**(2,097,200)**		(2,217,250)
		365,050		245,000
5,001,000	(5,001,000) Equity Shares of ₹ 10/- each fully paid up of KSL Holdings Private Limited	**50,160,050**		50,160,050
2,930,218	(2,930,218) Equity Shares of ₹ 10/- each fully paid up of Kalyani Carpenter Special Steels Private Limited	**475,328,110**		475,328,110
15,111,147	(3,335,000) Equity Shares of ₹ 10/- each fully paid up Khed Economic Infrastructure Private Limited	**859,446,470**		200,100,000
			1,451,488,681	792,022,161
	Carried Over		**3,065,650,016**	2,406,183,496

* Refer Note No.3.33

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

			As at 31st March, 2017	As at 31st March, 2016
		₹	₹	₹
	Brought Over		**3,065,650,016**	2,406,183,496
(iii)	Preference Shares, Unquoted :			
	Investments in the Holding Company :			
35,000	(35,000) 12% Non-Cumulative Redeemable "C" Preference Shares of ₹ 100/- each fully paid up of Sundaram Trading and Investment Private Limited $ (\$ Sundaram Trading and Investment Private Limited became the Holding Company during financial year ended 31st March, 2014. These shares do not carry any voting rights.)	**3,500,000**		3,500,000
	Investments in Associates :			
9,000,000	(9,000,000) 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited	**90,225,000**		90,225,000
	Investments in Other Companies :			
47,500,000	(27,500,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Baramati Speciality Steels Limited	**475,000,000**		275,000,000
—	(64,990,000) 8% Non-Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each of Kenersys India Private Limited	—		649,900,000
2,030,000	(2,030,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Kalyani Mining Ventures Private Limited	**20,350,750**		20,350,750
			589,075,750	1,038,975,750
iv)	Debentures, Unquoted :			
	Investments in Other Companies :			
725,000	(725,000) 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited	**72,500,000**		72,500,000
	Less : Provision for diminution in value	**(72,500,000)**		(72,500,000)
			—	—
	TOTAL		**3,654,725,766**	3,445,159,246

Book Value of Quoted Investments :	**1,614,161,335**	1,614,161,335
Book Value of Unquoted Investments :	**2,040,564,431**	1,830,997,911
Market Value of Quoted Investments :	**41,238,057,127**	34,153,683,595
Aggregate provision for diminution of in value of investments :	**72,500,000**	74,717,250

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

		As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
3.11 LONG TERM LOANS AND ADVANCES (UNSECURED, GOOD) :			
Good			
Security Deposits		**500,000**	500,000
Advance tax paid net of provision for taxation		**1,052,827**	1,029,469
Tax Refund Claims		**—**	1,577,200
		1,552,827	3,106,669
Doubtful			
Tax Refund Claims		**1,577,200**	—
Less : Provision		**(1,577,200)**	—
		—	—
	TOTAL	**1,552,827**	3,106,669
3.12 CURRENT INVESTMENTS, AT LOWER OF COST AND FAIR VALUE :			
Other than trade :			
In Units of Mutual Funds, Unquoted :			
17,867 (125,053) Units of ₹ 1,000/- each of HDFC Liquid Fund - Dividend - Daily Reinvest Option - Reinvest		**18,220,743**	127,531,754
	TOTAL	**18,220,743**	127,531,754
3.13 CASH AND CASH EQUIVALENTS :			
Balances with banks			
In current accounts		**1,151,730**	1,473,006
Cash on hand (Refer Note No.3.37)		**—**	15,142
	TOTAL	**1,151,730**	1,488,148
3.14 SHORT TERM LOANS AND ADVANCES (UNSECURED) :			
Inter-Corporate Deposit			
Doubtful		**50,000,000**	50,000,000
Less : Provision		**(50,000,000)**	(50,000,000)
		—	—
Other advances recoverable in cash or in kind or for value to be received			
Good		**—**	—
Doubtful		**44,450**	16,070
Less : Provision		**(44,450)**	(16,070)
		—	—
	TOTAL	**—**	—

		Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
3.15 REVENUE FROM OPERATIONS :			
Interest received on loans		—	5,352,398
	TOTAL	—	5,352,398
3.16 OTHER INCOME :			
Dividend received on long term investments		**136,213,485**	389,823,343
Dividend received on short term investments		**6,088,989**	12,232,951
Share in profit of partnership firm (Refer Note No.3.29)		—	669
Foreign exchange gain (Net)		—	7,533
Provisions written back		**22,060**	31,216
	TOTAL	**142,324,534**	402,095,712

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

		Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
3.17 EMPLOYEE BENEFIT EXPENSES :			
(Including remuneration paid to Key Management Personnel on deputation)			
Salaries and wages		**9,423,547**	8,034,848
	TOTAL	**9,423,547**	8,034,848
3.18 FINANCE COSTS :			
Other interest		**—**	30,033
	TOTAL	**—**	30,033
3.19 DEPRECIATION AND AMORTISATION :			
Tangible assets		**972,563**	972,563
	TOTAL	**972,563**	972,563
3.20 OTHER EXPENSES :			
Professional fees		**5,693,218**	4,002,894
Fees and subscription		**622,068**	500,625
Printing and stationery		**458,901**	370,549
Communication		**288,032**	472,419
Advertisement		**131,614**	177,299
Audit Fees (Refer Note No.3.23)		**736,894**	400,750
Brand usage fees		**575,000**	572,500
Corporate Social Responsibility Expenditure (Refer Note No.3.36)		**1,028,000**	4,424,000
Foreign exchange loss (Net)		**1,053,759**	—
Sundry expenses		**55,774**	880,923
	TOTAL	**10,643,260**	11,801,959
3.21 EXCEPTIONAL ITEMS :			
Provision for diminution in value of long term investments		—	72,500,000
Provision for doubtful advances		**1,605,580**	50,016,070
Determined diminution in value of long term investments written off		**2,097,200**	—
Provision for diminution in value of long term investments written back		**(2,217,250)**	—
	TOTAL	**1,485,530**	122,516,070

3.22 Contingent Liabilities not provided for :

i) Corporate Guarantees given, in respect of loans borrowed by other companies[(a)] :		
Guarantee Amount	**300,000,000**	605,194,387
Balance outstanding	**40,000,000**	605,194,387

(a) Guarantee amount and balance outstanding include a Corporate Guarantee amount and loan balance expressed in foreign currency, being € Nil (Previous year € 4,064,084/-), equivalent to ₹ Nil (Previous year ₹ 305,194,387/-).

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

		Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
3.23 Payment to Auditor, inclusive of Service Tax :			
i) As Auditor			
Audit Fees		**316,250**	314,875
Certification Fees		**86,250**	85,875
Reimbursement of out of pocket expenses		**18,144**	—
		420,644	400,750
ii) For Management Services		**316,250**	—
	TOTAL	**736,894**	400,750

3.24 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS) :

Purchase of investment		**—**	473,190,276
	TOTAL	**—**	473,190,276

3.25 SUMMARY OF UNHEDGED FOREIGN CURRENCY EXPOSURES :

	Currency	**As at 31st March, 2017** Foreign Currency	**Amount** ₹	As at 31st March, 2016 Foreign Currency	Amount ₹
Consideration for purchase of investments	US Dollar	**2,518,580**	**163,301,201**	2,518,580	167,064,715
	TOTAL	**2,518,580**	**163,301,201**	2,518,580	167,064,715

3.26 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 15 (REVISED) ON "EMPLOYEE BENEFITS"

The following table sets out the funded status of the employees' leave encashment and the amounts recognised in the financial statements for the year ended 31st March, 2017 :

	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
a) Present Value of Obligation	**29,317**	10,664
b) Fair Value of Plan Assets	**—**	—
c) Net asset / (liability) recognised in the Balance Sheet	**(29,317)**	(10,664)
Net liability is bifurcated as :		
Current :	**1,692**	695
Non-Current :	**27,625**	9,969

3.27 SEGMENT REPORTING :

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

3.28 Related Party Disclosures :

a) Related Parties and their relationships :

i) Holding Company	Sundaram Trading and Investment Private Limited
ii) Associates	Hikal Limited
iii) Joint Ventures	M/s Sundaram Enterprises, a partnership firm, since dissolved
iv) Key Management Personnel	Mr.Sanjay Yewale, Chief Executive Officer appointed on 30th March, 2015 and Chief Financial Officer, appointed on 15th July, 2015. Mr.Adwait Joshi, Company Secretary, appointed on 3rd August, 2015. Mr.Rahul Agarwal, Chief Financial Officer and Company Secretary, appointed till 14th July, 2015.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

b) Transactions with Related Parties :

Particulars	Associates	Joint Venture	Key Management Personnel			Total
	Hikal Limited	M/s Sundaram Enterprises	Mr.Sanjay Yewale	Mr.Adwait Joshi	Mr.Rahul Agarwal	
	₹	₹	₹	₹	₹	₹
Share in profit of partnership firm	—	—	—	—	—	—
	—	(669)	—	—	—	(669)
Dividend Received	41,245,200	—	—	—	—	41,245,200
	(25,778,250)	—	—	—	—	(25,778,250)
Remuneration to Key Management Personnel@	—	—	8,934,723	470,171	—	9,404,894
	—	—	(7,702,983)	(262,674)	(69,191)	(8,034,848)

(Figures in bracket indicate previous year)

@ Including amounts paid to Key Management Personnel on deputation.

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

3.29 INVESTMENT IN CAPITAL OF PARTNERSHIP FIRM :

The Company was a partner in M/s Sundaram Enterprises. The names of partners, their capital contributions and their respective profit / loss sharing ratios are as under :

Name of the Partner	Capital Contribution		Profit / Loss Sharing Ratio	
	31st March, 2017	31st March, 2016	**31st March, 2017**	31st March, 2016
	₹	₹	**%**	%
Kalyani Investment Company Limited	**—**	—	**—**	20%
BF Investment Limited	**—**	—	**—**	60%
Sundaram Trading and Investment Private Limited	**—**	—	**—**	10%
Axiom Project Consultants Private Limited	**—**	—	**—**	10%
TOTAL	**—**	—	**—**	100%

The partnership firm has been dissolved pursuance of a deed of dissolution executed on 26th May, 2015.

The details of the aggregate amounts of the assets, liabilities, income and expenses of M/s Sundaram Enterprises, related to the Company's interest therein, based on its accounts were as under :

	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Total	**Share of the Company**	Total	Share of the Company
	₹	**₹**	₹	₹
Assets	**—**	**—**	—	—
Liabilities	**—**	**—**	—	—
Income	**—**	**—**	4,846	969
Expenses	**—**	**—**	1,500	300

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

3.31 35,000 - 12% Non-Cumulative Redeemable "C" Preference Shares of ₹ 100/- each fully paid up of Sundaram Trading and Investment Private Limited are redeemable on or before 26th July, 2027.

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

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

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

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

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

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

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

3.32 560,000 - 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited are compulsorily convertible into such number of fully paid up equity shares of ₹ 10/- each at such a price as shall be fixed by the said Company upon the expiry of the period of 5 years from the date of their original issue, i.e. on 29th March, 2014.

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

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

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

Sr. No.	Name of the Company	Parent's ultimate holding as on 31st March, 2017
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 :

i) The Company does not have any representation on the Board of Directors or corresponding governing body of the investee.

ii) The Company does not participate in policy making process.

iii) The Company does not have any material transaction with the investee.

iv) The Company does not interchange any managerial personnel.

v) The Company does not provide any essential technical information to the investee.

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

3.34 Legal title to some of the assets vested and transferred to the Company in pursuance of the Composite Scheme of Arrangement approved by the Honourable High Court of Judicature at Bombay, as per Order dated 12th March, 2010, could not be transferred in the name of the Company till 31st March, 2017. The Company is in the process of completing the required legal formalities.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2017 (continued) :

3.35 EARNINGS PER SHARE :

		Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Profit for the year, as per the Statement of Profit and Loss		**119,874,992**	263,979,568
(a)	Profit attributable to equity shareholders	**119,874,992**	263,979,568
(b)	Weighted Average Number of Equity Shares, outstanding during the period	**4,365,306**	4,365,306
(c)	Earnings per share (of ₹ 10/- each) :		
	Basic (₹ per share) (a / b) :	**27.46**	60.47
	Diluted (₹ per share) (a / b) :	**27.46**	60.47

3.36 CORPORATE SOCIAL RESPONSIBILITY :

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

	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Gross Amount required to be spent by the Company during the year	**1,028,000**	1,636,000
Amount spent during the year for financial year 2015-2016	**—**	1,636,000
Amount spent during the year for financial year 2016-2017	**1,028,000**	**—**

3.37 Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 :

Particulars	SBNs ₹	Other denomination notes ₹	Total ₹
Closing cash in hand as on 8th November, 2016	1,000	13,642	14,642
Permitted receipts	—	—	—
	1,000	13,642	14,642
Permitted payments	—	—	—
Amount deposited in Banks	1,000	13,642	14,642
Closing cash in hand as on 30th December, 2016	—	—	—

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

As per my attached Report of even date

On behalf of the Board of Directors

P. V. Deo
Chartered Accountant
Membership No.41609

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R. K. Goyal
Director

Place : Pune
Date : 25th May, 2017

Place : Pune
Date : 25th May, 2017

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Kalyani Investment Company Limited

Report on the Consolidated Financial Statements

I have audited the accompanying Consolidated Financial Statements of Kalyani Investment Company Limited (hereinafter referred to as "the Holding Company") and its associates (collectively referred to as "the Company" or "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and the consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

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

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

I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the consolidated financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the consolidated state of affairs of the Group and its associates as at 31st March, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

The consolidated financial statements also include the Group's share of net profit of ₹ 200,348,554/- for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of all associates, whose financial statements have not been audited by me. These financial statements are audited by other auditors and have been furnished to me by the Management and my opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates and my report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associates is based solely on such audited financial statements. My opinion is not qualified in respect of this matter.

My opinion on the consolidated financial statements and my report on Other Legal and Regulatory Requirements below, is not modified in respect of the below matters with respect to my reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, I report to the extent applicable that :

a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit of the aforesaid consolidated financial statements;

b) In my 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 my examination of those books;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In my opinion, aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associates, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017, from being appointed as a director of that company in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to my separate report in Annexure "A" and;

g) 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 my opinion and to the best of my information and according to the explanations given to me :

   i. There were no pending litigations which would impact the consolidated financial position of the Group;

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associates.

P. V. Deo
Chartered Accountant
Membership No.41609

Place : Pune
Date : 25th May, 2017

Annexure "A" to the Independent Auditor's Report of even date on the consolidated financial statements of KALYANI INVESTMENT COMPANY LIMITED

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

In conjunction with my audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, I have audited the internal financial controls over financial reporting of Kalyani Investment Company Limited (hereinafter referred to as "the Holding Company") and its associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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.

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

I believe that the audit evidence I have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

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 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 financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 my opinion, the Holding Company and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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

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

P. V. Deo
Chartered Accountant
Membership No.41609

Place : Pune
Date : 25th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	₹	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
I. EQUITY AND LIABILITIES :				
1. Shareholders' Funds :				
(a) Share Capital	3.1	43,653,060		43,653,060
(b) Reserves and Surplus	3.2	4,588,814,995		4,343,746,170
			4,632,468,055	4,387,399,230
2. Non Current Liabilities				
(a) Deferred Tax Liabilities (Net)	3.3	74,000		126,000
(b) Other Long Term Liabilities	3.4	—		167,064,715
(c) Long Term Provisions	3.5	27,625		9,969
			101,625	167,200,684
3. Current liabilities				
(a) Trade Payables	3.6			
Total outstanding dues of micro enterprises and small enterprises		—		—
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,091,848		24,946,626
(b) Other Current Liabilities	3.7	165,325,995		1,672,734
(c) Short Term Provisions	3.8	1,692		695
			166,419,535	26,620,055
	TOTAL		4,798,989,215	4,581,219,969
II. ASSETS :				
1. Non Current Assets :				
(a) Fixed Assets				
Tangible Assets	3.9	8,196,450		9,169,013
(b) Non Current Investments	3.10	4,769,867,465		4,439,924,385
(c) Long Term Loans and Advances	3.11	1,552,827		3,106,669
			4,779,616,742	4,452,200,067
2. Current Assets				
(a) Current Investments	3.12	18,220,743		127,531,754
(b) Cash and Cash Equivalents	3.13	1,151,730		1,488,148
(c) Short Term Loans and Advances	3.14	—		—
			19,372,473	129,019,902
	TOTAL		4,798,989,215	4,581,219,969
Significant Accounting Policies and Notes forming an integral part of the Consolidated Financial Statements	1 to 3			

As per my attached Report of even date

On behalf of the Board of Directors

P. V. Deo
Chartered Accountant
Membership No.41609

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R. K. Goyal
Director

Place : Pune
Date : 25th May, 2017

Place : Pune
Date : 25th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	₹	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Revenue from Operations	3.15	—		5,352,398
Other Income	3.16	101,079,334		376,317,462
Total Revenue			101,079,334	381,669,860
Expenses				
(a) Employee benefit expenses	3.17	9,423,547		8,034,848
(b) Finance costs	3.18	—		30,033
(c) Depreciation	3.19	972,563		972,563
(d) Other Expenses	3.20	10,643,260		11,801,959
Total Expenses			21,039,370	20,839,403
Profit before Exceptional Items and Tax			80,039,964	360,830,457
Exceptional Items	3.21		(1,485,530)	(122,516,070)
Profit before Tax			78,554,434	238,314,387
Tax Expense				
(a) Current tax expense		—		(80,000)
(b) MAT credit utilised		(6,000)		(1,424,000)
(c) Tax (Expense) / Savings for earlier years		29,358		1,406,931
(d) Deferred Tax (Expense) / Savings		52,000		(16,000)
			75,358	(113,069)
Profit for the year			78,629,792	238,201,318
Share of Profits / (Losses) of Associates (Net)			200,348,554	129,206,336
Total Profit for the year			278,978,346	367,407,654
Earnings per share (of ₹ 10/- each) :				
(a) Basic	3.34		63.91	84.17
(b) Diluted	3.34		63.91	84.17
Significant Accounting Policies and Notes forming an integral part of the Consolidated Financial Statements	1 to 3			

As per my attached Report of even date

On behalf of the Board of Directors

P. V. Deo
Chartered Accountant
Membership No.41609

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R. K. Goyal
Director

Place : Pune
Date : 25th May, 2017

Place : Pune
Date : 25th May, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

		Year ended 31st March, 2017	Year ended 31st March, 2016
	₹	₹	₹
A. Cash Flow from Operating Activities :			
Net Profit after tax and exceptional items		**278,978,346**	367,407,654
Adjusted for :			
Depreciation	**972,563**		972,563
Dividend received	**(101,057,274)**		(376,278,044)
Share of Profit / (Losses) of Associates (Net)	**(200,348,554)**		(129,206,336)
Other Interest paid	**—**		29,943
Provision for diminution in value of long term investments	**—**		72,500,000
Provision for doubtful advances	**1,605,580**		50,016,070
Determined diminution in value of long term investments	**2,097,200**		—
Provision for diminution in value of long term investments written back	**(2,217,250)**		—
Share in profit of partnership firm	**—**		(669)
Tax expense	**(75,358)**		113,069
		(299,023,093)	(381,853,404)
Operating Loss before Working Capital Changes		**(20,044,747)**	(14,445,750)
Changes in :			
Loans and Advances	**(28,380)**		(50,763,383)
Liabilities and Provisions	**(22,430,305)**		192,809,000
		(22,458,685)	142,045,617
Cash generation from Operations		**(42,503,432)**	127,599,867
Direct Taxes paid		**—**	(300,169)
Net Cash from / (used in) Operating Activities		**(42,503,432)**	127,299,698
B. Cash Flow from Investing Activities :			
Purchase of Investments		**(959,590,258)**	(841,103,110)
Sale of Investments		**900,699,998**	337,679,477
Dividend received		**101,057,274**	376,278,044
Share in profit of partnership firm		**—**	669
Net Cash from / (used in) Investing Activities		**42,167,014**	(127,144,920)
C. Cash Flow from Financing Activities :		**—**	—
Net Cash from Financing Activities		**—**	—
Net changes in Cash and Cash Equivalents (A+B+C) :		**(336,418)**	154,778
Cash and Cash Equivalents, at the beginning :		**1,488,148**	1,333,370
Cash and Cash Equivalents, at the close :		**1,151,730**	1,488,148
Significant Accounting Policies and Notes forming an integral part of the Consolidated Financial Statements	**1 to 3**		

As per my attached Report of even date

On behalf of the Board of Directors

P. V. Deo
Chartered Accountant
Membership No.41609

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R. K. Goyal
Director

Place : Pune
Date : 25th May, 2017

Place : Pune
Date : 25th May, 2017

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 :

1. Company Overview :

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

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

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

2. Statement of Significant Accounting Policies :

2.1 Basis of Accounting and Preparation of Consolidated Financial Statements :

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

Principles of consolidation :

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

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

The financial statements of the associates have been drawn for the year ended 31st March, 2017.

Associates

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

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

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

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

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

Sr. No.	Name of the Company	Country of incorporation	Parent's ultimate holding as on 31st March, 2017	Financial Year ends on
i)	Dandakaranya Investment and Trading Private Limited	India	23.92%	31st March, 2017
ii)	Hastinapur Investment and Trading Private Limited	India	23.92%	31st March, 2017
iii)	Dronacharya Investment and Trading Private Limited	India	23.92%	31st March, 2017
iv)	Campanula Investment and Finance Private Limited	India	23.91%	31st March, 2017
v)	Cornflower Investment and Finance Private Limited	India	23.91%	31st March, 2017

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

i) The Company does not have any representation on the Board of Directors or corresponding governing body of the investee.

ii) The Company does not participate in policy making process.

iii) The Company does not have any material transaction with the investee.

iv) The Company does not interchange any managerial personnel.

v) The Company does not provide any essential technical information to the investee.

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

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

Sr. No.	Name of the Company	Country of incorporation	Parent's ultimate holding as on 31st March, 2017	Financial Year ends on
i)	Hikal Limited	India	31.36%	31st March, 2017
ii)	Lord Ganesha Minerals Private Limited	India	22.50%	31st March, 2017
iii)	Kalyani Agro Corporation Limited	India	29.57%	31st March, 2017

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

2.2 Use of Estimates :

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

2.3 Fixed Assets and Depreciation :

a) Fixed Assets :

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

b) Depreciation and Amortisation :

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

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

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

2.4 Investments :

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

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

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

2.5 Revenue Recognition :

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

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

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

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

2.6 Employee Benefits :

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

b) Privilege leave benefits :

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

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

2.7 Taxation :

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

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

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

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

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

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

2.8 Foreign Currency Translation :

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

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

2.9 Impairment

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

2.10 Earnings per share :

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

2.11 Provisions, Contingent Liabilities and Contingent Assets :

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

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

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

Contingent assets are neither recognised nor disclosed.

2.12 Cash flow statement :

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

2.13 Cash and cash equivalents :

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

3. Other Notes :

			As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
3.1	**SHARE CAPITAL :**			
	Authorised :			
12,000,000	(12,000,000) Equity Shares of ₹ 10/- each		**120,000,000**	120,000,000
60,000,000	(60,000,000) 14% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each		**600,000,000**	600,000,000
		TOTAL	**720,000,000**	720,000,000
	Issued, Subscribed and Paid up :			
4,365,306	(4,365,306) Equity Shares of ₹ 10/- each, fully paid up		**43,653,060**	43,653,060
		TOTAL	**43,653,060**	43,653,060

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

(b) 14% Non-Cumulative Redeemable Preference Shares of the Company, whenever issued shall have a par value of ₹ 10/-. These shares carry preferential right to be paid a fixed dividend of 14% on the paid up value of the shares, if and when declared by the Company.

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

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

	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	**Amount ₹**	No. of Shares	Amount in ₹
Balance at the beginning of the year	**4,365,306**	**43,653,060**	4,365,306	43,653,060
Add : Shares issued during the year	**—**	**—**	—	—
Less : Cancelled during the year	**—**	**—**	—	—
Balance at the close of the year	**4,365,306**	**43,653,060**	4,365,306	43,653,060

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

Name of the Shareholder(s)	**As at 31st March, 2017**		As at 31st March, 2016	
	No. of Shares	**%**	No. of Shares	%
Sundaram Trading and Investment Private Limited $	**2,448,821**	**56.10**	2,434,821	55.78
Ajinkya Investment and Trading Company	**536,182**	**12.28**	536,182	12.28

$ The Holding Company

	₹	**As at 31st March, 2017 ₹**	As at 31st March, 2016 ₹
3.2 RESERVES AND SURPLUS :			
Capital Reserve :			
As per last account	**(3,468,416)**		—
Share in adjustments to Capital Reserve of associates for earlier years	**—**		(3,468,416)
		(3,468,416)	(3,468,416)
Capital Redemption Reserve :			
As per last account		**576,000,000**	576,000,000
Securities Premium Reserve :			
As per last account	**(62,048,896)**		—
Share in adjustments to Securities Premium Reserve of associates for earlier years	**—**		(62,048,896)
Share in adjustments to Securities Premium Reserve of associates for the year	**(209,660,416)**		—
		(271,709,312)	(62,048,896)
Revaluation Reserve on Land :			
As per last account	**(17,508,288)**		—
Share in adjustments to Revaluation Reserve on Land of associates for earlier years	**—**		(15,096,704)
Share in adjustments to Revaluation Reserve on Land of associates for the year	**(66,295,880)**		(2,411,584)
		(83,804,168)	(17,508,288)
Reserve Fund [Under Section 45IC(1) of the Reserve Bank of India Act, 1934] :			
As per last account	**168,220,900**		115,424,900
Add : Set aside this financial year	**23,975,000**		52,796,000
		192,195,900	168,220,900
General Reserve :			
As per last account	**2,325,517,216**		2,146,646,048
Share in adjustments to General Reserve of associates for earlier years	**—**		160,779,584
Share in adjustments to General Reserve of associates for the year	**82,019,784**		18,091,584
		2,407,537,000	2,325,517,216
Foreign Currency Translation Reserve :			
As per last account	**18,587,072**		—
Share in adjustments to Foreign Currency Translation Reserve of associates for earlier years	**—**		18,612,160
Share in adjustments to Foreign Currency Translation Reserve of associates for the year	**8,667,904**		(25,088)
		27,254,976	18,587,072
Carried Over		**2,844,005,980**	3,005,299,588

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

	₹	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
Brought Over		**2,844,005,980**	3,005,299,588
Foreign Currency Monetary Item Translation Difference Account[(a)(b)] :			
As per last account	**354,054**		—
Add : Arising during the year	**3,763,514**		361,587
	4,117,568		361,587
Add / (Less) : Amortised during the year	**1,053,759**		(7,533)
Closing balance		**5,171,327**	354,054
Surplus in the Consolidated Statement of Profit and Loss :			
As per last account	**1,338,092,528**		246,576,461
Add : Profit for the year transferred from the Consolidated Statement of Profit and Loss	**278,978,346**		367,407,654
Add : Share in adjustment on sale of subsidiary of associates for the year	**215,132,736**		—
Add : Share in profits / (losses) of associates (Net) for earlier years	**—**		823,608,861
Amount available for appropriation	**1,832,203,610**		1,437,592,976
Less : Appropriations			
Amount transferred to Reserve Fund	**23,975,000**		52,796,000
Share in appropriations of associates for the year	**68,590,922**		46,704,448
	92,565,922		99,500,448
		1,739,637,688	1,338,092,528
TOTAL		**4,588,814,995**	4,343,746,170

(a) Please refer Note No. 2.8

(b) Upon exercising the irrevocable option as mentioned in Note No. 2.8 forming part of these financial statements, the Company has held unamortised foreign exchange difference (Gain) amounting to ₹ 3,763,514/- (Previous Year : ₹ 361,587/-) in Foreign Currency Monetary Item Translation Difference Account as at 31st March, 2017. The amount amortised in accordance with the said option during the year is (Loss) ₹ 1,053,759/- (Previous Year : Gain ₹ 7,533/-).

		As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
3.3 DEFERRED TAX LIABILITY (NET) :			
Deferred Tax Liability			
Timing difference in respect of depreciation		**82,000**	129,000
Deferred Tax Asset			
Timing difference in respect of disallowances		**8,000**	3,000
	TOTAL	**74,000**	126,000
3.4 OTHER LONG TERM LIABILITIES :			
Consideration for purchase of investments[(a)(b)]		**—**	167,064,715
	TOTAL	**—**	167,064,715

(a) Payable on or before 22nd March, 2018.

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

3.5 LONG TERM PROVISIONS :			
Provision for employee benefits			
Leave encashment		**27,625**	9,969
	TOTAL	**27,625**	9,969
3.6 TRADE PAYABLES :			
Micro and Small Enterprises		**—**	—
Others		**1,091,848**	24,946,626
	TOTAL	**1,091,848**	24,946,626
3.7 OTHER CURRENT LIABILITIES :			
Payable to employees		**52,849**	40,424
Statutory liabilities		**456,239**	220,042
Accrued expenses		**1,515,706**	1,412,268
Consideration for purchase of investments[(a)(b)]		**163,301,201**	—
	TOTAL	**165,325,995**	1,672,734

(a) Payable on or before 22nd March, 2018.

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

		As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
3.8	**SHORT TERM PROVISIONS :**		
	Provision for employee benefits		
	Leave encashment	**1,692**	695
	TOTAL	**1,692**	695

3.9 FIXED ASSETS :

	Tangible Assets Furniture and Fittings ₹	Total ₹
GROSS BLOCK, AT COST :		
As at 31st March, 2015	10,237,500	10,237,500
Additions	—	—
Adjustment	—	—
Disposals	—	—
As at 31st March, 2016	10,237,500	10,237,500
Additions	—	—
Adjustment	—	—
Disposals	—	—
As at 31st March, 2017	**10,237,500**	**10,237,500**
DEPRECIATION AND AMORTISATION :		
As at 31st March, 2015	95,924	95,924
For the year	972,563	972,563
In respect of disposals	—	—
As at 31st March, 2016	1,068,487	1,068,487
For the year	972,563	972,563
In respect of disposals	—	—
As at 31st March, 2017	**2,041,050**	**2,041,050**
NET BLOCK :		
As at 31st March, 2016	9,169,013	9,169,013
As at 31st March, 2017	**8,196,450**	**8,196,450**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

		₹	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
3.10	**NON-CURRENT INVESTMENTS (Refer Note No. 2.4) :**			
	Other than Trade :			
(i)	Equity Instruments, Quoted :			
	Investments in Associates :			
25,778,250	(25,778,250) Equity Shares of ₹ 2/- each fully paid up of Hikal Limited	**1,235,939,749**		1,115,563,189
	Investments in Other Companies :			
6,195,046	(6,195,046) Equity Shares of ₹ 5/- each fully paid up of BF Utilities Limited	**172,239,912**		172,239,912
31,656,095	(31,656,095) Equity Shares of ₹ 2/- each fully paid up of Bharat Forge Limited	**1,376,310,874**		1,376,310,874
			2,784,490,535	2,664,113,975
(ii)	Equity Instruments, Unquoted :			
	Investments in Associates :			
579,000	(579,000) Equity Shares of ₹ 10/- each fully paid up of Kalyani Agro Corporation Limited	—		—
450,000	(450,000) Equity Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited	—		—
	Investments in Other Companies :			
22,005	(22,005) Equity Shares of ₹ 100/- each fully paid up of Dandakaranya Investment and Trading Private Limited	**2,200,500**		2,200,500
22,005	(22,005) Equity Shares of ₹ 100/- each fully paid up of Hastinapur Investment and Trading Private Limited	**2,200,500**		2,200,500
22,005	(22,005) Equity Shares of ₹ 100/- each fully paid up of Dronacharya Investment and Trading Private Limited	**2,200,500**		2,200,500
220,000	(220,000) Equity Shares of ₹ 10/- each fully paid up of Campanula Investment and Finance Private Limited	**2,200,000**		2,200,000
220,000	(220,000) Equity Shares of ₹ 10/- each fully paid up of Cornflower Investment and Finance Private Limited	**2,200,000**		2,200,000
245,000	(245,000) Equity Shares of ₹ 10/- each fully paid up of Carpenter Kalyani Special Alloys Private Limited	**2,462,250**		2,462,250
	Less : Determined Diminution written off/Provision for diminution in value	**(2,097,200)**		(2,217,250)
		365,050		245,000
5,001,000	(5,001,000) Equity Shares of ₹ 10/- each fully paid up of KSL Holdings Private Limited	**50,160,050**		50,160,050
2,930,218	(2,930,218) Equity Shares of ₹ 10/- each fully paid up of Kalyani Carpenter Special Steels Private Limited	**475,328,110**		475,328,110
15,111,147	(3,335,000) Equity Shares of ₹ 10/- each fully paid up Khed Economic Infrastructure Private Limited	**859,446,470**		200,100,000
			1,396,301,180	736,834,660
(iii)	Preference Shares, Unquoted :			
	Investments in the Holding Company :			
35,000	(35,000) 12% Non-Cumulative Redeemable "C" Preference Shares of ₹ 100/- each fully paid up of Sundaram Trading and Investment Private Limited $	**3,500,000**		3,500,000
	$ Sundaram Trading and Investment Private Limited became the Holding Company during financial year ended 31st March, 2014. These shares do not carry any voting rights.			
	Investments in Associates :			
9,000,000	(9,000,000) 1% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each fully paid up of Lord Ganesha Minerals Private Limited	**90,225,000**		90,225,000
	Investments in Other Companies :			
47,500,000	(27,500,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Baramati Speciality Steels Limited	**475,000,000**		275,000,000
—	(64,990,000) 8% Non-Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each of Kenersys India Private Limited	—		649,900,000
2,030,000	(2,030,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each of Kalyani Mining Ventures Private Limited	**20,350,750**		20,350,750
			589,075,750	1,038,975,750
	Carried Over		**4,769,867,465**	4,439,924,385

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

			As at 31st March, 2017	As at 31st March, 2016
		₹	₹	₹
	Brought Over		**4,769,867,465**	4,439,924,385
iv)	Debentures, Unquoted :			
	Investments in Other Companies :			
725,000	(725,000) 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited	**72,500,000**		72,500,000
	Less : Provision for diminution in value	**(72,500,000)**		(72,500,000)
			—	—
	TOTAL		**4,769,867,465**	4,439,924,385
	Book Value of Quoted Investments :		**2,784,490,535**	2,664,113,975
	Book Value of Unquoted Investments :		**1,985,376,930**	1,775,810,410
	Market Value of Quoted Investments :		**41,238,057,127**	34,153,683,595
	Aggregate provision for diminution of in value of investments :		**72,500,000**	74,717,250

The particulars of investments in Associate Companies are as follows :

Sr. No.	Name of the Associate	Country of incorporation	Original cost of investment	Goodwill / (Capital Reserve) included in original cost of investment	Share of post acquisition Reserves and Surplus	Provision for diminution	Carrying amount investment as at 31st March, 2017	Carrying amount investment as at 31st March, 2016
			₹	₹	₹	₹	₹	₹
i)	Hikal Limited	India	65,610,549	(1,078,013,387)	1,170,329,200	—	1,235,939,749	1,115,563,189
ii)	Lord Ganesha Minerals Private Limited	India	75,187,500	75,187,500	(55,187,500)	(20,000,000)	—	—
iii)	Kalyani Agro Corporation Limited	India	5,790,000	5,790,000	—	(5,790,000)	—	—

		As at 31st March, 2017	As at 31st March, 2016
		₹	₹
3.11	**LONG TERM LOANS AND ADVANCES (UNSECURED, GOOD):**		
	Good		
	Security Deposits	**500,000**	500,000
	Advance tax paid net of provision for taxation	**1,052,827**	1,029,469
	Tax Refund Claims	**—**	1,577,200
		1,552,827	3,106,669
	Doubtful		
	Tax Refund Claims	**1,577,200**	—
	Less : Provision	**(1,577,200)**	—
		—	—
	TOTAL	**1,552,827**	3,106,669
3.12	**CURRENT INVESTMENTS, AT LOWER OF COST AND FAIR VALUE:**		
	Other than trade :		
	In Units of Mutual Funds, Unquoted :		
	17,867 (125,053) Units of ₹ 1,000/- each of HDFC Liquid Fund - Dividend - Daily Reinvest Option - Reinvest	**18,220,743**	127,531,754
	TOTAL	**18,220,743**	127,531,754
3.13	**CASH AND CASH EQUIVALENTS:**		
	Balances with banks		
	In current accounts	**1,151,730**	1,473,006
	Cash on hand	**—**	15,142
	TOTAL	**1,151,730**	1,488,148
3.14	**SHORT TERM LOANS AND ADVANCES (UNSECURED):**		
	Unsecured		
	Inter-Corporate Deposit		
	Doubtful	**50,000,000**	50,000,000
	Less : Provision	**(50,000,000)**	(50,000,000)
		—	—
	Other advances recoverable in cash or in kind or for value to be received		
	Good	**—**	—
	Doubtful	**44,450**	16,070
	Less : Provision	**(44,450)**	(16,070)
		—	—
	TOTAL	**—**	—

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

		Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
3.15 REVENUE FROM OPERATIONS:			
Interest received on loans		—	5,352,398
	TOTAL	—	5,352,398
3.16 OTHER INCOME:			
Dividend received on long term investments		**94,968,285**	364,045,093
Dividend received on short term investments		**6,088,989**	12,232,951
Share in profit of partnership firm (Refer Note No.3.29)		—	669
Foreign exchange gain (Net)		—	7,533
Provisions written back		**22,060**	31,216
	TOTAL	**101,079,334**	376,317,462
3.17 EMPLOYEE BENEFIT EXPENSES:			
(Including amounts paid to Key Management Personnel on deputation)			
Salaries and wages		**9,423,547**	8,034,848
	TOTAL	**9,423,547**	8,034,848
3.18 FINANCE COSTS:			
Other interest		—	30,033
	TOTAL	—	30,033
3.19 DEPRECIATION AND AMORTISATION:			
Tangible assets		**972,563**	972,563
	TOTAL	**972,563**	972,563
3.20 OTHER EXPENSES:			
Professional fees		**5,693,218**	4,002,894
Fees and subscription		**622,068**	500,625
Printing and stationery		**458,901**	370,549
Communication		**288,032**	472,419
Advertisement		**131,614**	177,299
Audit Fees (Refer Note No. 3.23)		**736,894**	400,750
Brand usage fees		**575,000**	572,500
Corporate Social Responsibility Expenditure		**1,028,000**	4,424,000
Foreign exchange loss (Net)		**1,053,759**	—
Sundry expenses		**55,774**	880,923
	TOTAL	**10,643,260**	11,801,959
3.21 EXCEPTIONAL ITEMS:			
Provision for diminution in value of long term investments		—	72,500,000
Provision for doubtful advances		**1,605,580**	50,016,070
Determined diminution in value of long term investments written off		**2,097,200**	—
Provision for diminution in value of long term investments written back		**(2,217,250)**	—
	TOTAL	**1,485,530**	122,516,070

3.22 Contingent Liabilities not provided for:

i)	Corporate Guarantees given, in respect of loans borrowed by other companies[(a)]		
	Guarantee Amount[(a)]	**300,000,000**	605,194,387
	Balance outstanding[(a)]	**40,000,000**	605,194,387

(a) Guarantee amount and balance outstanding include a Corporate Guarantee amount and loan balance expressed in foreign currency, being € Nil (Previous year € 4,064,084/-), equivalent to ₹ Nil (Previous year ₹ 305,194,387/-).

3.23 Payment to Auditor, inclusive of Service Tax:

(a)	As Auditor		
	Audit Fees	**316,250**	314,875
	Certification Fees	**86,250**	85,875
	Reimbursement of out of pocket expenses	**18,144**	—
		420,644	400,750
b)	For Management Services	**316,250**	—
	TOTAL	**736,894**	400,750

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

		Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
3.24 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS) :			
Purchase of investment		—	473,190,276
	TOTAL	—	473,190,276

3.25 SUMMARY OF UNHEDGED FOREIGN CURRENCY EXPOSURES :

	Currency	As at 31st March, 2017 Foreign Currency	Amount ₹	As at 31st March, 2016 Foreign Currency	Amount ₹
Consideration for purchase of investments	US Dollar	**2,518,580**	**163,301,201**	2,518,580	167,064,715
	TOTAL	**2,518,580**	**163,301,201**	2,518,580	167,064,715

3.26 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 15 (REVISED) ON "EMPLOYEE BENEFITS"

The following table sets out the funded status of the employees' leave encashment and the amounts recognised in the financial statements :

		Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
a)	Present Value of Obligation	**29,317**	10,664
b)	Fair Value of Plan Assets	—	—
c)	Net asset / (liability) recognised in the Balance Sheet	**(29,317)**	(10,664)
	Net liability is bifurcated as :		
	Current :	**1,692**	695
	Non-Current :	**27,625**	9,969

3.27 SEGMENT REPORTING :

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

3.28 Related Party Disclosures :

a) Related Parties and their relationships :

i)	Holding Company	Sundaram Trading and Investment Private Limited
ii)	Associates	Hikal Limited
iii)	Joint Ventures	M/s Sundaram Enterprises, a partnership firm, since dissolved.
iv)	Key Management Personnel	Mr. Sanjay Yewale, Chief Executive Officer appointed on 30th March, 2015 and Chief Financial Officer, appointed on 15th July, 2015. Mr. Adwait Joshi, Company Secretary, appointed on 3rd August, 2015. Mr. Rahul Agarwal, Chief Financial Officer and Company Secretary, appointed till 14th July, 2015.

b) Transactions with Related Parties :

Particulars	Associates Hikal Limited	Joint Venture M/s Sundaram Enterprises	Key Management Personnel Mr.Sanjay Yewale	Mr.Adwait Joshi	Mr.Rahul Agarwal	Total
	₹	₹	₹	₹	₹	₹
Share in profit of partnership firm	—	—	—	—	—	—
	—	(669)	—	—	—	(669)
Dividend Received	41,245,200	—	—	—	—	41,245,200
	(25,778,250)	—	—	—	—	(25,778,250)
Remuneration to Key Management Personnel@	—	—	8,934,723	470,171	—	9,404,894
	—	—	(7,702,983)	(262,674)	(69,191)	(8,034,848)

(Figures in bracket indicate previous year)

@Including amounts paid to Key Management Personnel on deputation.

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

3.29 INVESTMENT IN CAPITAL OF PARTNERSHIP FIRM :

The Company was a partner in M/s Sundaram Enterprises. The names of partners, their capital contributions and their respective profit / loss sharing ratios were as under :

Name of the Partner	Capital Contribution		Profit / Loss Sharing Ratio	
	31st March 2017 ₹	31st March 2016 ₹	**31st March 2017** ₹	31st March 2016 ₹
Kalyani Investment Company Limited	—	—	—	20%
BF Investment Limited	—	—	—	60%
Sundaram Trading and Investment Private Limited	—	—	—	10%
Axiom Project Consultants Private Limited	—	—	—	10%
TOTAL	—	—	—	100%

The partnership firm was dissolved in pursuance of a deed of dissolution executed on 26th May, 2015.

The details of the aggregate amounts of the assets, liabilities, income and expenses of M/s Sundaram Enterprises, related to the Company's interest therein, based on its accounts were as under :

	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Total ₹	**Share of the Company** ₹	Total ₹	Share of the Company ₹
Assets	—	—	—	—
Liabilities	—	—	—	—
Income	—	—	4,846	969
Expenses	—	—	1,500	300

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

3.31 35,000 - 12% Non-Cumulative Redeemable "C" Preference Shares of ₹ 100/- each fully paid up of Sundaram Trading and Investment Private Limited are redeemable on or before 26th July, 2027.

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

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

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

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

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

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

3.32 560,000 - 0% Fully Convertible Unsecured Debentures of ₹ 100/- each fully paid up of Azalea Enterprises Private Limited are compulsorily convertible into such number of fully paid up equity shares of ₹ 10/- each at such a price as shall be fixed by the said company upon the expiry of the period of 5 years from the date of their original issue i.e. on 29th March, 2014.

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

3.33 Legal title to some of the assets vested and transferred to the Company in pursuance of the Composite Scheme of Arrangement approved by the Honourable High Court of Judicature at Bombay, as per Order dated 12th March, 2010, could not be transferred in the name of the Company till 31st March, 2017. The Company is in the process of completing the required legal formalities.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017 (continued) :

3.34 EARNINGS PER SHARE:

		Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Profit for the year, as per the Consolidated Statement of Profit and Loss		**278,978,346**	367,407,654
(a)	Profit attributable to equity shareholders	**278,978,346**	367,407,654
(b)	Weighted Average Number of Equity Shares, outstanding during the period	**4,365,306**	4,365,306
(c)	Earnings per share (of ₹ 10/- each) :		
	Basic (₹ per share) (a / b) :	**63.91**	84.17
	Diluted (₹ per share) (a / b) :	**63.91**	84.17

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

As per my attached Report of even date

On behalf of the Board of Directors

P. V. Deo
Chartered Accountant
Membership No.41609

Adwait Joshi
Company Secretary

Sanjay Yewale
Chief Executive Officer
& Chief Financial Officer

Amit B. Kalyani
Chairman

R. K. Goyal
Director

Place : Pune
Date : 25th May, 2017

Place : Pune
Date : 25th May, 2017

KALYANI

DRIVING INNOVATION

KALYANI INVESTMENT COMPANY LIMITED

MUNDHWA, PUNE - 411 036
MAHARASHTRA, INDIA.

PRABODH
24477503

KALYANI INVESTMENT COMPANY LIMITED

CIN : L65993PN2009PLC134196
Registered Office : Mundhwa, Pune 411 036
Phone No. : 020 - 26715000 / 66215000, Fax No. : 020 - 26821124
Website : www.kalyani-investment.com, E-mail : investor@kalyani-investment.com

KALYANI

NOTICE

NOTICE is hereby given that the EIGHTH Annual General Meeting of the Members of Kalyani Investment Company Limited will be held on Tuesday, the 1st day of August, 2017, at 2.00 p.m. (I.S.T), at the Registered Office of the Company at Mundhwa, Pune - 411 036, to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt :

a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.

b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 and the Report of the Auditors thereon.

2. To appoint a Director in place of Mrs.Deeksha A. Kalyani (DIN 00129026), who retires by rotation and being eligible, offers herself for re-appointment.

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s. P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No.101118W), be and are hereby appointed as Auditors of the Company (in place of Mr.P.V. Deo, Chartered Accountant, Pune, retiring Auditor) to hold office for the period of five years i.e. from the conclusion of this Annual General Meeting till the conclusion of Thirteenth Annual General Meeting of the Company to be held in 2022 (subject to ratification of their appointment at every Annual General Meeting), on such remuneration plus applicable taxes thereon and reimbursement of out of pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee."

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

Pune
25th May, 2017

Adwait Joshi
Company Secretary

NOTES :

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

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

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

3. Corporate members are requested to send Board Resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.

4. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depository Participants and those holding shares in physical form are to intimate the said changes to the Registrar and Transfer Agent of the Company, at their address given below.

5. The Share Transfer Books and the Register of Members of the Company will remain closed on Tuesday, 1st August, 2017 as an Annual Closure for Annual General Meeting.

6. Equity Shares of the Company are under compulsory demat trading by all investors. Those shareholders, who have not dematerialised their shareholding, are advised to dematerialise the same to avoid any inconvenience in future.

7. Brief Profile of Director(s) proposed to be appointed / re-appointed, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se, are provided in the Report on Corporate Governance forming part of the Annual Report.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialised form are therefore requested to submit their PAN to the Depository Participants with whom they are maintaining the demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent of the Company, at their address given below.

9. The Ministry of Corporate Affairs (MCA), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and had issued circulars stating that service of notice / documents including Annual Report can be done by E-mail to its members.

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

   The Notice of the Annual General Meeting along with the Annual Report 2016-17 is being sent by electronic mode to those members whose E-mail addresses are registered with the Company / Depositories, unless any member has requested for the physical copy of the same.

10. **Voting through Electronic Means :**

    i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, holding shares as on 25th July, 2017 being the Cut-off date, facility to exercise their right to vote at the Eighth Annual General Meeting (AGM) by electronic means and the business shall be transacted through e-voting Services. The facility of casting the votes by members using the electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

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

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

    iv) The e-voting commences on Saturday, 29th July, 2017 (9.00 a.m.) and ends on Monday, 31st July, 2017 (5.00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on Cut-off date of 25th July, 2017, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote is cast by the member, the member shall not be allowed to change it subsequently.

    The process and manner for remote e-voting are as under :

    A) Member receiving an E-mail from NSDL (for members whose E-mail IDs are registered with the Company / Depository Participant(s)) :

       a) Open E-mail and open PDF file viz. "kalyani_investment e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and Password / PIN for remote e-voting. Please note that the password is an initial password.

       b) Launch internet browser by typing the URL : https://www.evoting.nsdl.com

       c) Click on Shareholder Login

       d) Put User ID and Password as initial Password / PIN noted in Step (i) above. Click Login.

       e) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

       f) Home page of remote e-voting opens. Click on remote e-voting : Active Voting Cycles.

       g) Select "EVEN" (e-voting Event Number) of "Kalyani Investment Company Limited."

       h) Now you are ready for remote e-voting as Cast Vote page opens.

       i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

       j) Upon confirmation, the message "Vote cast successfully" will be displayed.

       k) Once you have voted on the resolution, you will not be allowed to modify your vote.

       l) 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. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through E-mail to evoting@kalyani-investment.com with a

copy marked to evoting@nsdl.co.in

B) Member receiving physical copy of the Notice of AGM (for members whose E-mail IDs are not registered with the Company / Depository Participant(s) or members requesting physical copy) :

i) Initial password is provided as below at the bottom of the Attendance Slip for the AGM

e-voting Event Number ("EVEN")	USER ID	PASSWORD

ii) Please follow all steps from Serial No.A(b) to Serial No.A(l) above, to cast vote.

C) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the Cut-off date i.e. 25th July, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact the Company / Registrar & Transfer Agent.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact NSDL at the toll free No.1800-222-990.

v) In case of any queries, you may refer the Frequently asked Questions (FAQs) for members and remote e-voting user manual for members available at the Downloads section of www.evoting.nsdl.com or call on toll free no. 1800-222-990.

vi) You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending future communication(s).

vii) The voting rights of members shall be in proportion to shares held by them as on the Cut-off of 25th July, 2017.

viii) A person whose name is recorded in the Register of members or in the Register of Beneficial Owners maintained by the depository as on the Cut-off Date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Ballot Paper.

ix) Mr.S.V. Deulkar, Partner of SVD &Associates, Company Secretaries (Membership No. FCS 1321 & CP No. 965) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

x) The Scrutiniser shall immediately after conclusion of voting at AGM, first count, the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than three days of conclusion of the meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or by the person authorised by him in writing, shall declare the result of the voting forthwith.

11. The results of voting along with the Scrutiniser's Report shall be placed on the Company's website www.kalyani-investment.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

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

ANNEXURE TO THE NOTICE

Explanatory Statement for Item No.3 of the accompanying Notice dated 25th May, 2017

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

As per the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the term of Mr.P.V. Deo, Chartered Accountant, Pune (Membership No.41609) as the Auditor of the Company expires on the conclusion of the ensuing Annual General Meeting of the Company.

In view of the mandatory rotation of Auditors, the Board of Directors of the Company on the recommendation of the Audit Committee, have proposed the appointment of M/s. P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No.101118W), as Auditors of the Company to hold office for the period of five years i.e. from the conclusion of ensuing Annual General Meeting till the conclusion of Thirteenth Annual General Meeting of the Company to be held in 2022 (subject to ratification of appointment at every Annual General Meeting).

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

The Board of Directors recommends the Resolution set out at Item No.3 of the Notice for approval by the Members.

None of the Directors / Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, in the Resolution.

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

Pune
25th May, 2017

Adwait Joshi
Company Secretary

KALYANI INVESTMENT COMPANY LIMITED

CIN : L65993PN2009PLC134196
Registered Office : Mundhwa, Pune 411 036
Phone No. : 020 - 26715000 / 66215000, Fax No. : 020 - 26821124
Website : www.kalyani-investment.com, E-mail : investor@kalyani-investment.com

KALYANI

PROXY FORM

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

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

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

(1) Name …….....Address…….....……..…....

E-mail ID…….. Signature…….....……or failing him / her

(2) Name ……..... Address…….....……....

E-mail ID…….. Signature…….....…or failing him / her

(3) Name ……..... Address…….....……...

E-mail ID…….. Signature…….....…….

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighth Annual General Meeting of the Company, to be held on Tuesday, the 1st day of August, 2017 at 2.00 p.m. at the Registered Office of the Company at Mundhwa, Pune - 411 036 and at any adjournment thereof in respect of such resolutions as are indicated below :

Item No.	Resolution (For details, refer Notice of Eighth Annual General Meeting dated 25th May, 2017)	Vote *(Optional See Note 4)		
		For	Against	Abstain
ORDINARY BUSINESS :				
1.	To consider and adopt : a) Audited Financial Statements for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon. b) Audited Consolidated Financial Statements for the financial year ended 31st March, 2017 and the Report of the Auditors thereon.			
2.	Re-appointment of Mrs.Deeksha A. Kalyani (DIN 00129026), as a Director, who retires by rotation and being eligible, offers herself for re-appointment.			
3.	Appointment of M/s. P.G. Bhagwat, Chartered Accountant, Pune as Auditor of the Company.			

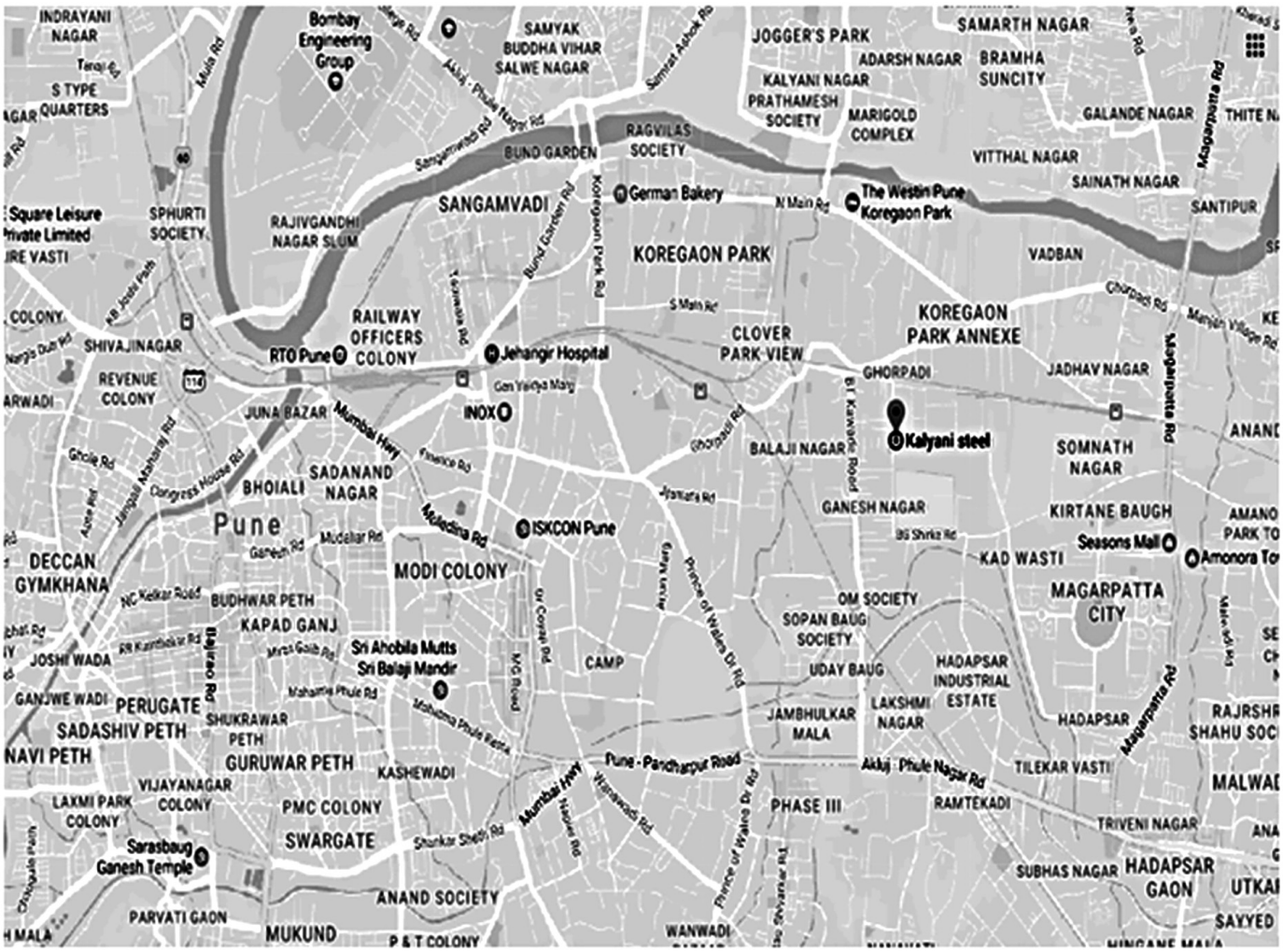
Signed this…….. day of……..… 2017

Signature of member :

Please affix Revenue Stamp

Signature of Proxy holder(s) :

Notes :

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

Roadmap for Eighth Annual General Meeting venue