

KALYANI INVESTMENT COMPANY LIMITED

Registered Office : Mundhwa, Pune 411 036



KALYANI

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of Kalyani Investment Company Limited will be held at the Registered Office of the Company at Mundhwa, Pune - 411 036, on Wednesday, the 24th day of July, 2013, at 2.00 P.M.(I.S.T) to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Amit B. Kalyani, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.B.B. Hattarki, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT the Company's Auditor, Mr.P.V. Deo, Chartered Accountant, Pune (Membership No.41609) be and is hereby re-appointed as Auditor of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix his remuneration for the said period."

By Order of the Board of Directors
for KALYANI INVESTMENT COMPANY LIMITED

Pune
24th May, 2013

TUSHAR MEHER
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 instead of himself and the proxy need not be a member of the Company.

The Instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. 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.

2. Members who hold shares in dematerialised form are requested to write their DP ID AND CLIENT ID Number(s) and those who hold shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the meeting, to facilitate easy identification of membership at the meeting.
3. 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 abovesaid changes to the Registrar and Transfer Agent of the Company, at their address given below.
4. The Share Transfer Books and the Register of Members of the Company will remain closed on Wednesday, 24th July, 2013, as an Annual Closure for the Annual General Meeting.
5. Equity Shares of the Company are under compulsory demat trading by all investors. Those members who have not dematerialised their shareholding, are advised to dematerialise the same to avoid inconvenience in future.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in 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.
7. The Ministry of Corporate Affairs (MCA), Government of India, had taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and had issued circulars stating that service of notice / documents including Annual Report can be done by e-mail to its members.

To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill-up the 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.

8. Disclosure of Shareholding of Directors, recommended by the Board of Directors for appointment / re-appointment at the Annual General Meeting pursuant to Clause 49 of the Listing Agreement :

Sr. No.	Name of Director	No. of Shares held
1	Mr.Amit B. Kalyani	3,169
2	Mr.B.B. Hattarki	—

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 - 26051629 / 26050084, Telefax : 26053503
E-mail: pune@linkintime.co.in



KALYANI INVESTMENT COMPANY LIMITED

Registered Office : Mundhwa, Pune 411 036

KALYANI

ATTENDANCE SLIP

NAME OF MEMBER/PROXY	
DP ID & CLIENT ID*	
FOLIO NO.	
NO. OF SHARES HELD	

* Applicable if shares are held in dematerialised form.

I hereby record my presence at the Fourth Annual General Meeting of the Company held at the Registered Office of the Company at Mundhwa, Pune 411 036, on Wednesday, the 24th day of July, 2013 at 2.00 P.M. (I.S.T.)

SIGNATURE OF THE ATTENDING MEMBER / PROXY

- Notes :
1. Member / Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
 2. Member / Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

KALYANI INVESTMENT COMPANY LIMITED

Registered Office : Mundhwa, Pune 411 036

PROXY FORM

I / We _____

of _____

being a Member(s) of KALYANI INVESTMENT COMPANY LIMITED, Pune, hereby appoint _____

of _____ or

failing him/her _____

of _____ as my/our proxy to attend and vote

for me / us on my / our behalf at the Fourth Annual General Meeting of the Company to be held on Wednesday, the 24th day of July, 2013 at 2.00 P.M. (I.S.T.) and at any adjournment thereof.

Signed this _____ day of _____ 2013

DP ID & CLIENT ID*	
FOLIO NO.	
NO. OF SHARES HELD	

Please
Affix 15 Paise
Revenue
Stamp
here

Signature(s) of Member(s) across the stamp

* Applicable if shares are held in dematerialised form.

Note :. The Proxy Form must be deposited with the Registered Office of the Company at Mundhwa, Pune 411 036, not less than 48 hours before the time fixed for holding the Meeting.

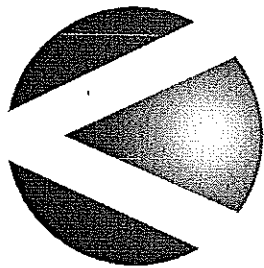
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4TH ANNUAL GENERAL MEETING

Day : Wednesday
Date : 24th July, 2013
Time : 2.00 p.m. (I.S.T.)
Place : Registered Office,
Kalyani Investment Company Limited,
Mundhwa, Pune - 411 036

KALYANI INVESTMENT COMPANY LIMITED



KALYANI
DRIVING INNOVATION

4TH ANNUAL REPORT
2012-2013

BOARD OF DIRECTORS

Mr. Amlt B. Kalyani
Chairman

Mr. S.S. Vaidya

Mr. B.B. Hattarki

Mr. C.G. Patankar

Mr. R.K. Goyal

COMPANY SECRETARY

Mr. Tushar Meher

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

AUDITORS

Mr. Prashant V. Deo

Chartered Accountant

Flat No.11, Building No.8-B,

Laxminarayannagar No.4

Co-op Hsg. Society,

Erandawana, 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

**REPORT ON CORPORATE GOVERNANCE**

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 is committed to good Corporate Governance and is in full compliance with the requirements under Clause 49 of the Listing Agreement with the Stock Exchanges.

This chapter of the report, plus the information given under 'Management Discussion and Analysis' and 'Shareholder Information' constitutes the compliance report of the Company on Corporate Governance during the year 2012-13.

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

As on 31st March, 2013, the Board of Directors of Kalyani Investment comprised five directors. The Board consists of Non-Executive Chairman, who is a Relative of Promoter and four Non-Executive Independent Directors. Details are given in Table 1.

NUMBER OF BOARD MEETINGS :

During the year 2012-13, the Board of the Company met seven times on 26th May, 2012, 28th July, 2012, 8th August, 2012, 24th September, 2012, 30th October, 2012, 2nd February 2013 and 23rd March, 2013. All the meetings were held in such manner that the gap between two consecutive meetings was not more than four months.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS :

Table 1: The composition of the Board, the category of Directors, their attendance record and the number of directorships :

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 in Public Limited Companies		
		Number of Board Meetings		Last AGM	Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr.Amit B. Kalyani Chairman	Relative of Promoter Non-Executive	7	6	Yes	13	5	—
Mr.S.S. Vaidya	Non-Executive	7	7	Yes	11	10	5
Mr.B.B. Hattarki	Non-Executive	7	6	Yes	9	4	5
Mr.C.G. Patankar	Non-Executive	7	6	Yes	7	3	—
Mr.R.K. Goyal	Non-Executive	7	7	Yes	3	2	—

As detailed in the table above, none of the Directors is a member of more than ten Board level Committees of 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 and any updates thereof
- Quarterly results for the Company
- Minutes of meetings of committees
- Sale of investments, assets if any
- Non-Compliance of any regulatory, statutory nature or listing requirements etc. if any
- Materially important show cause, demand notices if any

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.

DIRECTORS WITH MATERIALLY PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY :

There have been no materially relevant pecuniary transactions or relationship between the Company and its non-executive and / or independent Directors for the year 2012-13.

AUDIT COMMITTEE :

As on 31st March, 2013, the Audit Committee of Kalyani Investment comprised three members, of which all are Independent Directors. All the members have accounting and finance management expertise. The Chairman of the Audit Committee is Mr.B.B. Hattarki. Mr.S.S. Vaidya and Mr.C.G. Patankar are the other members of the Committee.

The representatives of the Statutory Auditors and remaining Board Members are permanent invitees to the Audit Committee Meetings. The Secretary of the Company also acts as the Secretary of the Audit Committee.

During the year 2012-13 Audit Committee met on 26th May, 2012, 8th August, 2012, 30th October, 2012 and 2nd February, 2013. 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

The functions of the Audit Committee includes 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.
- Recommending to the board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual / quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, performance of statutory / internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any.
- 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, if any, in the payment to the shareholders (in case of non payment of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews :

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

REMUNERATION OF DIRECTORS :

No remuneration was paid to any Directors during the year 2012-13. The Company does not have any stock option scheme.

SHAREHOLDING OF DIRECTORS :

Name of the Director	Relationship with other Directors	No. of Shares held
Mr.Amit B. Kalyani, Chairman	None	3,169
Mr.S.S. Vaidya	None	—
Mr.B.B. Hattarki	None	—
Mr.C.G. Patankar	None	477
Mr.R.K. Goyal	None	—

**CODE OF CONDUCT :**

The Board of Kalyani Investment has laid down a Code of Conduct for all the Board Members. All the Board Members have affirmed compliance with the Code of Conduct.

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 investments in shares of or debts in Group Companies. The thrust of business is to hold and continue to hold securities in Kalyani Group Companies.

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 strongly believes that Internal Control Systems are necessary for Good Corporate Governance and has in place an effective system of internal controls to ensure that all assets are properly safeguarded and protected and used optimally and financial transactions are reported accurately.

Cautionary Statement

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

DISCLOSURES 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.

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

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

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

Mr.Amit B. Kalyani, born on 26th July, 1975, is an Executive Director of Bharat Forge Limited. Mr.Amit B. Kalyani, after having his initial education in Pune, graduated in Mechanical Engineering from Bucknell University, U.S.A. He was in U.S.A. for a number of years and besides obtaining degree in engineering, has had considerable exposure to technological advancements in various fields and especially in Information Technology. He also has work experience in Speciality Steel Manufacturing Industry in U.S.A. Mr.Amit B. Kalyani serves on the Board of Bharat Forge Limited, Kalyani Steels Limited, BF Utilities Limited, Nandi Economic Corridor Enterprises Limited, Nandi Infrastructure Corridor Enterprises Limited, KPIT Cummins Infosystems Limited, BF-NTPC Energy Systems Limited, BF Infrastructure Limited, BF Investment Limited, Kalyani Alstom Power Limited, Hikal Limited and Impact Automotive Solutions Limited.

Mr.B.B. Hattarki born on 10th October, 1941, is a Metallurgy and Mechanical Engineer. He also serves on the Board of BF Utilities Limited, Automotive Axles Limited, Kalyani International Limited, Kalyani Mukand Limited, Kalyani Steels Limited, Hospet Steels Limited, BF Investment Limited and Khed Developers Limited.

COMMUNICATION TO SHAREHOLDERS :

Kalyani Investment puts all vital information relating to the Company and its performance, including 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.