



FY 2022-23

KALYANI INVESTMENT COMPANY LIMITED
14th ANNUAL REPORT

CORPORATE IDENTITY NUMBER (CIN)

L65993PN2009PLC134196

REGISTERED OFFICE

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**CHIEF EXECUTIVE OFFICER &
CHIEF FINANCIAL OFFICER**

Mr. Shekhar Bhivpathaki

COMPANY SECRETARY

Mr. Anirvinna A. Bhawe

AUDITORS

P G BHAGWAT LLP

Chartered Accountants

Suite No. 2, "Orchard",

Dr. Pai Marg, Baner,

Pune - 411 045

BANKERS

HDFC Bank Limited

Canara Bank

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited

Block No.202, Akshay Complex,

2nd Floor, Off Dhole Patil Road,

Near Ganesh Mandir, Pune - 411 001

14th ANNUAL GENERAL MEETING

Day : Tuesday

Date : September 12, 2023

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

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

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About the Report

Boundary and Scope of Reporting

The Report covers financial and non-financial information and activities of Kalyani Investment Company Limited, India for the period of April 1, 2022 to March 31, 2023.

Reporting Principle

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

Forward Looking Statements

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

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

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

Board of Directors



Mr. Amit B Kalyani

Chairman

4



Mrs. Deeksha A Kalyani

Non-Executive Director

2 3



Mr. B B Hattarki

Independent Director

1 2 3 4 5 6



Mr. R K Goyal

Non-Executive Director

1 2 3 5 6



Mr. S K Adivarekar

Independent Director

1 2 5



Mr. S G Joglekar

Independent Director

1 4



Mrs. Shruti A Shah

Independent Director

Board Committees

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

Member of the Committee
Chairperson of the Committee



REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

The Company's Corporate Governance philosophy is based on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving growth and value creation. The Company is committed to the highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders.

The Company is in compliance with the requirements of the Corporate Governance prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable for the Financial Year 2022-23.

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

The Board of Directors, which is at the helm of the governance structure, along with its Committees provides leadership and guidance to the Company along with supervising the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Company has a well-informed Board with qualifications and experience in diverse areas.

As on March 31, 2023, the Board of Directors of Kalyani Investment comprised of Seven Directors. The Board consists of Non-Executive Chairman, who is a relative of Promoter and Six Non-Executive Directors, of which four are Independent. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations. Details of the composition of the Board of Directors are given in Table 1.

NUMBER OF BOARD MEETINGS

During the year 2022-23, the Board of the Company met seven times on May 12, 2022, May 30, 2022, August 8, 2022, August 12, 2022, November 11, 2022, February 13, 2023 and March 13, 2023. All the meetings were held in such a manner that the intervening period between two consecutive meetings, was well within the maximum gap of one hundred and twenty days prescribed under the Listing Regulations.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

Table 1: The composition of the Board, the category of Directors, their attendance at the meetings of the Board of Directors held during the year 2022-23 and at the last Annual General Meeting held on September 27, 2022 :

Name of the Director	Category	Particulars of Attendance		
		Number of Board Meetings		Last AGM
		Held	Attended	
Mr.Amit B. Kalyani	Relative of Promoter, Non-Executive	7	5	Yes
Mrs.Deeksha A. Kalyani	Relative of Promoter, Non-Executive	7	4	Yes
Mr.B.B. Hattarki	Independent	7	6	Yes
Mr.R.K. Goyal	Non-Executive	7	7	Yes
Mr.S.K. Adivarekar	Independent	7	6	Yes
Mr.S.G. Joglekar	Independent	7	7	Yes
Mrs.Shruti A. Shah	Independent	7	7	Yes

Table 2 : The details of the number of Directorships held and Committee Memberships / Chairmanships held in Indian Public Limited Companies, whether listed or not, including the Company, as on March 31, 2023 and details of Directorships held in other Listed Companies :

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

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

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

INDEPENDENT DIRECTORS

Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. The Independent Directors are committed to act in what they believe is in the best interests of the Company and its stakeholders. The wide knowledge in their respective fields of expertise helps to cultivate varied, unbiased, independent and experienced perspectives.

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

BOARD PROCEDURE

Information Supplied to the Board

Among others, information supplied to the Board includes :

- Annual operating plans and budgets, capital budgets and any update thereof.
- Quarterly results for the Company.
- Minutes of meetings of Audit Committee and other committees of the Board.
- Appointment, remuneration and resignation of Directors.
- The information on recruitment and remuneration of senior officers just below the level of the Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company.

- Details of any Joint Venture / Collaboration Agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Sale of investments, assets which are material in nature and not in normal course of business.
- Making of loans and investments of surplus funds.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- General Notices of interest by Directors, declaration of Independent Directors at the time of appointment / annual declaration.
- Formation / Reconstitution of Committees of the Board.
- Dividend declaration.
- Appointment and fixing remuneration, of the Auditors as recommended by the Audit Committee.
- Annual Financial Results of the Company, Auditor's Report and the Report of the Board of Directors.
- Compliance certificates for all the laws as applicable to the Company.
- CSR activities carried out by the Company and expenditure made thereon.

The Board of Directors of the Company is presented with detailed notes, along with the agenda papers, well in advance of each Board and Committee Meeting. All material information is incorporated in the agenda for facilitating focused and meaningful discussions at the meeting. In addition to items required to be placed before the Board for its noting and / or approval, information is provided on various significant matters. In special and exceptional circumstances, additional items on the agenda are permitted with the consent of all the Independent Directors.

CEO AND CFO CERTIFICATION

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

CODE OF CONDUCT

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

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

COMMITTEES OF THE BOARD

As on March 31, 2023, the Company has Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Share Transfer Committee. The Board Committees are set up and reconstituted, as and when necessary, under the formal approval of the Board to carry out clearly defined roles 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 to all the Committees.

AUDIT COMMITTEE

As on March 31, 2023, the Audit Committee comprised of four members viz. Mr.B.B. Hattarki as Chairman and Mr.R.K. Goyal, Mr.S.K. Adivarekar and Mr.S.G. Joglekar as other members of the Committee. All the members have accounting and finance management expertise. The Annual General Meeting of the Company held on September 27, 2022 was attended by the Chairman of the Audit Committee, Mr.B.B. Hattarki, to answer the shareholders queries.

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

During the year 2022-23, Audit Committee met six times on May 12, 2022, May 30, 2022, August 8, 2022, August 12, 2022, November 11, 2022 and February 13, 2023 and there were no instances, where the Board had not accepted any of the recommendations of the Audit Committee. Particulars relating to the attendance at the Audit Committee meetings held during the year are given below :

Name of the Director	Category	Number of Meetings held	Number of Meetings attended
Mr.B.B. Hattarki, Chairman	Independent	6	5
Mr.R.K. Goyal	Non-Executive	6	6
Mr.S.K. Adivarekar	Independent	6	6
Mr.S.G. Joglekar	Independent	6	6

Role / Terms of reference of the Audit Committee

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

- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
- Reviewing the utilization of loans and / or advances from / investment by the Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information by the Audit Committee

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

Powers of Audit Committee

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

As on March 31, 2023, Stakeholders Relationship Committee comprised of three members viz. Mr.B.B. Hattarki, Chairman and Mrs.Deeksha A. Kalyani and Mr.R.K. Goyal as other members of the Committee.

The Annual General Meeting of the Company, held on September 27, 2022 was attended by the Chairman of the Stakeholders Relationship Committee, Mr.B.B. Hattarki, to answer the shareholders' queries.

During the year 2022-23, the Stakeholders Relationship Committee met four times on May 11, 2022, August 5, 2022, November 10, 2022 and February 13, 2023. Particulars relating to the attendance at the Stakeholders Relationship Committee meetings held during the year are given below :

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

Role of the Stakeholders Relationship Committee

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

The Committee also oversees the performance of the Registrar and Transfer Agent (RTA) and recommends measures for overall improvement in the quality of Investors' service.

COMPLIANCE OFFICER

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