

BF INVESTMENT LIMITED



KALYANI
DRIVING INNOVATION

CONTENTS

1. Board of Directors etc.	1
2. Notice	2
3. Report on Corporate Governance	11
4. Directors' Report	29
5. Independent Auditors' Report	50
6. Standalone Financials	57
7. Consolidated Auditors' Report	96
8. Consolidated Financials	102

BOARD OF DIRECTORS

Mr. A. B. Kalyani	Chairman
Mr. B. B. Hattarki	Non-Executive Independent Director
Mr. M. U. Takale	Non-Executive Independent Director
Ms. A. A. Sathe	Non-Executive Independent Director
Mr. S. G. Joglekar	Non-Executive Independent Director (Appointed w.e.f. 1 st April, 2019)
Mr. B. S. Mitkari	Non-Executive Director (Appointed w.e.f. 1 st April, 2019)

COMPANY SECRETARY

Mr. S. R. Kshirsagar

CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER

Mr. J. G. Patwardhan

STATUTORY AUDITORS

M/s. P. G. Bhagwat Chartered Accountants

SECRETARIAL AUDITORS

Mr. S.V. Deulkar Partner - SVD & Associates

BANKERS

HDFC Bank Limited
Punjab National Bank

REGISTRAR AND SHARE TRANSFER AGENT

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

REGISTERED OFFICE

BF Investment Limited
Mundhwa, Pune Cantonment,
Pune 411 036, Maharashtra, India.

ADMINISTRATIVE OFFICE

Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar, Pune- 411 013
Phone: +91-20-6629 2550
E-mail : secretarial@bfilpune.com
Website : <http://www.bfilpune.com>
CIN : L65993PN2009PLC134021

INFORMATION FOR SHAREHOLDERS

Annual General Meeting
Day & Date : Wednesday, 25th September, 2019
Time : 11.00 a.m.
Venue : Kalyani Steels Ltd. Mundhwa, Pune - 411 036
Date of Book Closure : Wednesday, 25th September, 2019



BF INVESTMENT LIMITED

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

CIN : L65993PN2009PLC134021

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of BF Investments Limited will be held at Kalyani Steels Ltd. at Mundhwa, Pune 411 036 on Wednesday, the 25th day of September, 2019 at 11.00 a.m. (IST), to transact the following business

ORDINARY BUSINESS :

ITEM NO.1:

To consider and adopt :

- a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 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, 2019 and the Report of the Auditors thereon.

ITEM NO.2:

To appoint a Director in place of Mr. A.B. Kalyani, (DIN : 00089430), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

ITEM NO.3:

Appointment of Mr. Sanjeev G. Joglekar (DIN: 00073826) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sanjeev G. Joglekar (DIN: 00073826), who has submitted a declaration that he meets the criteria for independence as prescribed in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years with effect from 1st April, 2019 to 31st March, 2024."

ITEM NO.4:

Re-Appointment of Mr. Madan U. Takale (DIN 01291287) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Madan U. Takale (DIN: 01291287), who has submitted a declaration that he meets the criteria for independence as prescribed in Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years with effect from 16th September, 2019 to 15th September, 2024."

ITEM NO.5:

Appointment of Mr. Bhalchandra S. Mitkari (DIN: 03632549) a Director liable to retirement by rotation.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Bhalchandra S. Mitkari (DIN: 03632549), and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retirement by rotation. "

ITEM NO.6:

Payment of commission to Non Executive Director

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

"RESOLVED THAT, pursuant to Section 197 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Company be and is hereby accorded to pay a commission of upto Rs. 10,500,000/- to Mr. A. B. Kalyani, Non Executive Director of the Company for the financial year ended 31st March, 2019"

By Order of the Board of Directors
For BF Investment Limited

S. R. Kshirsagar
Company Secretary
Membership No. A23653

Place : Pune 411 036
Date : 31st July, 2019

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 10% 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 pursuant to Section 102 of the Companies Act, 2013, relating to Special Business under Item Nos.3 to 6 of the Notice to be transacted at the Annual General Meeting is annexed hereto.
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 who hold shares in dematerialised form are requested to write their DP ID AND CLIENT ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting to facilitate easy identification of membership at the meeting.
5. 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.
6. The Share Transfer Books and the Register of Members of the Company will remain closed on Wednesday, 25th September, 2019, as an Annual Closure for Annual General Meeting.
7. 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. Please note that transfer of shares in certificate form is discontinued w.e.f. 1st April, 2019.
8. Brief Profile of Directors 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 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, herein after called "Regulations, 2015", are provided in the Report on Corporate Governance forming part of the Annual Report as well as elsewhere in the Notice.
9. 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.

10. 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 submit the same to the Registrar and Transfer Agent of the Company i.e. Link Intime India Private Limited, Block No. 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Pune - 411 001, (Maharashtra), Telephone No. 020 2616 1629 / 2616 0084.

The Notice of the Annual General Meeting along with the Annual Report 2018-19 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.

11. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.
12. All documents referred to in the Notice or in the accompanying Statement are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10.00 a.m. to 12.00 noon, prior to the date of the Annual General Meeting and also available for inspection at the meeting.
13. Pursuant to Section 72 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. SH - 13 in duplicate (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.

14. Voting through electronic means :

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Tenth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Poling Paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Sunday, 22nd September, 2019 (9:00 am) and ends on Tuesday, 24th September, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 18th September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant **BF INVESTMENT LIMITED** on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, 18th September, 2019.
- VII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, 18th September, 2019, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or pune@linkintime.co.in.
- VIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through polling paper.
- X. Mr. S. V. Deulkar (Membership No. FCS 1321 & CP No. 965) or failing him Mr. Sridhar G. Mudaliar (Membership No. FCS 6156 & CP No. 2664), Partners of SVD & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XI. The Chairman shall, at the Tenth AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XII. The Scrutinizer shall after the conclusion of voting at the general meeting, will 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 the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.bfilpune.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, Mumbai.
15. A member shall opt for only one mode of voting i.e either through remote e-voting or by Poling Paper. If the member casts vote through all the modes, the votes in the electronic system would be considered and / or Poling Paper would be ignored.

By Order of the Board of Directors
For BF Investment Limited

S. R. Kshirsagar
Company Secretary
Membership No. A23653

Place : Pune 411 036
Date : 31st July, 2019

Registrar and Transfer Agent

LINK INTIME INDIA PRIVATE LIMITED
Block No.202, 2nd Floor, Akshay Complex, Off Dhole Patil Road,
Near Ganesh Mandir, Pune - 411 001
Tel-020 2616 1629 / 26160084, E-mail: pune@linkintime.co.in

ANNEXURE TO THE NOTICE

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND DETAILS PURSUANT TO REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015.

As required by Section 102 of the Companies Act, 2013 ("Act"), the following Explanatory Statement sets out the material facts relating to the Special Business mentioned under item Nos. 2 to 6 in the accompanying Notice:

Item No. 2

In terms of Section 152 of the Companies Act, 2013, Mr. A. B. Kalyani (DIN: 00089430) Director retires by rotation at the Meeting and being eligible offers himself for reappointment.

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

Mr. Amit B. Kalyani, born of 26th July, 1975. After having his initial education in Pune, he graduated in Mechanical Engineering from Bucknell University, Pennsylvania, U.S.A. He initially worked with Kalyani Steels Limited, followed by other companies within the group. He then joined Bharat Forge Limited in 1999 as Vice President and Chief Technology Officer.

He was also instrumental in strategising and execution of the several acquisitions that the group had in Germany.

Mr. Amit B. Kalyani is currently an Executive Director of Bharat Forge Limited. He also takes care of the overall group strategy and is responsible for the expansion of steel business and driving the infrastructure foray of the group.

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

Name of the Company	Board position held	Name of the Committees	Chairman/Member
Bharat Forge Limited	Deputy Managing Director	Corporate Social Responsibility Committee	Member
Kalyani Steels Limited	Director & Member	Nomination and Remuneration Committee	Member
BF Utilities Limited	Director	Nomination and Remuneration Committee & Corporate Social Responsibility Committee	Member Member
Kalyani Investment Company Limited	Director & Member	Nomination and Remuneration Committee	Member
Hikal Limited	Director	-	-
BF-NTPC Energy Systems Limited	Director	-	-

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

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

Mr. Kalyani holds 28270 shares in the Company.

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

ITEM NO.3

Pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on 27th March, 2019, had appointed Mr. Sanjeev G. Joglekar as an Additional Independent Director of the Company for the period of five years with effect from 1st April, 2019 to 31st March, 2024, subject to the approval of the members.

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

In the opinion of the Board, Mr. Joglekar fulfils the conditions specified in the Companies Act, 2013 and rules made there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company. The Board also considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director on the Board of the Company.

Mr. Joglekar holds 200 shares in the Company.

Mr. Joglekar is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The Company has received notice in writing from member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Joglekar as an Independent Director of the Company.

Accordingly, the Board recommends the resolution set out at Item No.3 of the Notice, for the approval of the members of the Company.

Brief Profile of Mr. Joglekar is provided hereunder as well as in the report on Corporate Governance forming part of the Annual Report.

Mr. S. G. Joglekar is a qualified Chartered Accountant (Associate member of the ICAI) with vast experience in accounts and Finance for last 39 years. He graduated in Commerce from Pune University in 1977 and qualified as a Chartered Accountant in 1981.

During his professional career, Mr. Joglekar worked in the areas of capital raising, working capital / long term finance raising and management. He has dealt with and handled various corporate and legal matters under Direct / Indirect Tax laws, Company Law, FEMA, etc. for various corporate / industrial groups. He also has specialist experience in the field of mergers and acquisitions, investor relations, etc.

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

Name of the Company	Board position held	Name of the Committees	Chairman/ Member
Kalyani Investment Company Limited	Additional Independent Director	-	-
Kalyani Technoforge Limited	Director	Audit Committee	Chairman
BF-NTPC Energy Systems Limited	Director	-	-

Except Mr. Sanjeev G. Joglekar, being appointee, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the resolutions set out at Item No.3 of the Notice.

Item No. 4

The Company had appointed Mr. M. U. Takale as an Independent Director in its Fifth Annual General Meeting held on Tuesday, 16th Day of September, 2014 for a period of five years.

His term as an independent Director expires on 15th September, 2019.

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to re-appoint Mr. M. U. Takale as Independent Director of the Company for a further term of 5 (five) consecutive years from 16th September, 2019 to 15th September, 2024.

The Company has received a declaration in writing from Mr. M. U. Takale that he meets the criteria of independence as provided in sub-Section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. M. U. Takale fulfill the criteria specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company. The Board also considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director on the Board of the Company.

The Company has received notice in writing from members under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Takale for the Directorship of the Company.

Mr. Takale does not hold any shares in the Company as on 31st March, 2019.

Mr. Takale is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution set out at Item No. 4 of the Notice, for the approval of the members of the Company.

Brief Profile of Mr. Takale is provided hereunder as well as in the report on Corporate Governance forming part of the Annual Report.

Mr. Takale, born on August 18, 1960, is a Mechanical Engineer having more than 30 years experience in forging and automotive related industries. Mr. Takale, after having his initial graduation in Pune, completed his MS in Industrial and Systems Engineering from Columbia University, New York, U.S.A. and MBA from Western Carolina University, NC, U.S.A. He was in U.S.A. for six years and besides obtaining degree in Engineering and Management, has had considerable exposure to technological advancements in automotive field. He also has work experience in Automotive Industry in U.S.A.

Directorships / Committee memberships / Chairmanships of Mr. Takale in other companies are as under:

Name of the Company	Board position held	Name of the Committees	Chairman/Member
Kalyani Steels Limited	Independent Director	Audit Committee	Member
Avichal Resources Private Limited	Director	-	-
Kalyani Technologies Limited	Director	-	-
Kalyani Infotech Solutions Limited	Director	-	-

Except Mr. M. U. Takale, being appointee, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the resolutions set out at Item No.4 of the Notice.

ITEM NO.5

Pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on 27th March, 2019, had appointed Mr. Bhalchandra S. Mitkari as an Additional Non Independent Director of the Company with effect from 1st April, 2019, liable to retirement by rotation.

In the opinion of the Board, Mr. Mitkari fulfils the conditions specified in the Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as a Director of the Company. The Board also considers that his association would be of immense benefit to the Company and it is desirable to avail his services as a Director on the Board of the Company.

The Company has received notice in writing from member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Mitkari as a Director of the Company, liable to retirement by rotation.

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

Mr. Mitkari is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

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

Brief Profile of Mr. Mitkari is provided hereunder, as well as in the report on Corporate Governance forming part of the Annual Report.

Mr. Bhalchandra Shankar Mitkari is a qualified Company Secretary (Fellow member of the ICSI) and Cost & Management Accountant (Associate Member of ICAI) with vast experience in Accounts, Corporate Laws and business operations for last 29 years. He graduated in Commerce from Pune University in 1987 and qualified as a Company Secretary and Cost & Management Accountant in 1990.

During his professional career, Mr. Mitkari worked in the areas of corporate laws, accounts, finance and business operations & management. He has handled various corporate and legal matters of the group. He has been working with BF Utilities Ltd. in various capacities since last 18 years and currently is the CEO and Company Secretary of BF Utilities Ltd.

Other directorships held:

Name of the Company	Board position held	Name of the Committees	Chairman/Member
BF Utilities Ltd.	Whole Time Director	NA	NA
Nandi Infrastructure Corridor Enterprises Ltd.	Non-Executive Director	NA	NA
Nandi Economic Corridor Enterprises Ltd.	Non-Executive Director	NA	NA
Nandi Highway Developers Ltd.	Non-Executive Director	NA	NA
Lord Ganesha Minerals Ltd.	Non-Executive Director	NA	NA
Pune Power Developers Ltd.	Non-Executive Director	NA	NA
Khed Developers Ltd.	Non-Executive Director	NA	NA
Saarloha Advanced Materials Private Ltd	Non-Executive Director	NA	NA

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

Item No. 6

Mr. A. B. Kalyani is a Non Executive Director of the Company since past nine years. He has played a very active role, as a member of the Board, in formulating and advising on various investment and growth strategies of the Company. The Company has immensely benefited because of his special efforts and the same is reflected in the revenues and profits over the past several years. Apart from the payment of sitting fees for attending the Board meetings, the Company does not pay any remuneration to Mr. Kalyani. It is, therefore, proposed to pay him a commission of upto Rs. 10,500,000/- for the Financial Year 2018-19.

The Board recommends the resolution set out at Item No.6 of the Notice, for the approval of the members of the Company.

Except for Mr. A. B. Kalyani, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the resolutions set out at Item No.6 of the Notice.

By Order of the Board of Directors
For BF Investment Limited

Place : Pune 411 036
Date : 31st July, 2019

S. R. Kshirsagar
Company Secretary
Membership No. A23653

REPORT ON CORPORATE GOVERNANCE

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

1. The Company's philosophy on Code of Corporate Governance

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

The Company has included a compliance report on Corporate Governance in its Annual Report in the spirit of transparency in management and best board practices. This Chapter of the report, plus the information given under 'Management Discussion and Analysis' and 'Shareholder Information' constitute such a compliance report on corporate governance during 2018-2019.

2. Board of Directors

a. Composition of the Board

As at 31st March, 2019, the Board comprised of 4 (four) Directors. The Composition of the Board is as under:

Category of Directors	No. of Directors
Executive	Nil
Non-Executive and Independent	3
Non-Executive and Non-Independent	1
Total	4

b. Number of Board Meetings

During the Financial Year under review, twelve Board Meetings were held on 7th April, 2018, 26th May, 2018, 15th June, 2018, 2nd July, 2018, 20th July, 2018, 1st September, 2018, 14th September, 2018, 29th November, 2018, 22nd December, 2018, 30th January, 2019, 11th March, 2019 and 27th March, 2019.

c. Directors' attendance record and directorships held

The information on composition and category of the Board of Directors as at 31st March, 2019, attendance of each Director at Board Meetings held during the Financial Year 2018-19 and the Annual General Meeting (AGM) held on 1st September, 2018, Directorships and Committee positions in other public companies of which the Director is a Member / Chairman and the shareholding of Non-Executive Directors is as follows:

Sr. No.	Name of Director	No. of shares held by Non-Executive Directors	No. of Directorships in other public companies #	No. of Committee positions held in other public companies*		No. of Board Meetings held	Attendance at the meetings	
				Chairman	Member		Board	AGM
	Executive Director	NA	NA	NA	NA	NA	NA	NA
	Non-Executive Directors							
1	Mr. A. B. Kalyani [®]	28,270	6	0	1	12	9	1
	Independent and Non-Executive Directors							
2	Mr. B. B. Hattarki	0	4	3	4	12	12	1
3	Mr. M. U. Takale	0	2	2	1	12	11	1
4	Ms. A. A. Sathe	0	1	0	2	12	5	1

Note:

[®] Promoters within the meaning of Securities Exchange Board of India (SEBI) (Substantial Acquisition of Shares & Takeover) Regulations, 2011.

Other Directorships exclude directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

* For this purpose only Audit and Stakeholders' Relationship Committees of the Public Limited Companies have been considered

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

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

Notes :

1. Directorships held in foreign companies, private limited companies, one person companies and companies under Section 25 of the Companies Act, 1956 / under Section 8 of the Companies Act, 2013 have not been considered.
2. For the purpose of reckoning the limit on committee positions, chairmanship / membership of the Audit Committee and the Stakeholders Relationship Committee are considered.
3. None of the Directors on the Board is a Director of more than eight listed companies.

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

Statement showing number of equity shares of the Company held by the Directors as on 31st March, 2019:

Sr. No.	Name of Director	Equity Shares of Rs.5 each
1	Mr. A. B. Kalyani	28270
2	Mr. B. B. Hattarki	NIL
3	Mr. M. U. Takale	NIL
4	Ms. A. A. Sathe	NIL

d. Criteria for performance evaluation

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of all Directors. The annual evaluation of Directors is made on the following criteria:

- i. Attendance for the meetings and participation during the meetings;
- ii. Interaction with the Company's management team;
- iii. Area of expertise; and
- iv. Knowledge and proficiency in various subjects.

e. Meeting of Independent Directors

The meeting of Independent Directors was held on Wednesday, 30th January, 2019 to

- (a) review the performance of non-independent Directors and the Board of Directors as a whole;
- (b) review the performance of the Chairperson of the listed entity;
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Mr. B. B. Hattarki, Chairman of the Committee, Mr. M. U. Takale and Ms. A. A. Sathe, Members attended the Meeting.

f. Statement of Declaration by the Independent Directors / Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors, after due assessment of veracity of the declarations received from the Independent Directors to the extent possible, confirms that, Independent Directors fulfil the conditions specified in the Regulation 25(8) of the aforesaid Regulations and they are independent of the management.

g. Familiarization program for Independent Directors

The Independent Directors are given the MIS presentation on the operation of the Company. The quarterly and annual accounts are discussed and explained in details.

Information is given on regular basis concerning the areas of operation of the Company.

For details refer to our website at www.bfilpune.com .

h. Code of Conduct

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. The Code of Conduct is available on the Company's website viz., www.bfilpune.com . All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the CEO forms part to this Report.

i. Information supplied to the Board

1. Annual operating plans and budgets, capital budgets, updates.
2. Quarterly results of the company.
3. Minutes of meetings of committees.
4. Compliance of any regulatory, statutory nature or listing requirements and shareholder services

The Board is presented with detailed notes along with the agenda papers.

j. Directors with materially pecuniary or business relationship with the Company

There has been no materially relevant pecuniary transaction or relationship between the Company and its non executive and / or independent Directors for the period under report.

k. Skills matrix for the Directors

The Board of Directors of the Company comprises members who bring in the required skills and expertise for effective functioning of the Company, the Board and its Committees. The table below summarizes key skills and expertise the Board possesses:

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

3. Audit Committee

a. Composition

As at 31st March, 2019, the Audit Committee comprised of three Non-Executive Directors, all of whom are Independent. The Company Secretary acts as the Secretary to the Committee. The representatives of Statutory Auditors are also invited to the meetings.

During the Financial Year under review, seven meetings of the Committee were held on 26th May, 2018, 15th June, 2018, 20th July, 2018, 14th September, 2018, 29th November, 2018, 30th January, 2019 and 27th March, 2019.

The composition of the Committee and attendance at its meetings is given below:

	Name of the Director	Category	Meetings attended
1.	Mr. B. B. Hattarki (Chairman)	Independent Director	7
2.	Mr. M. U. Takale	Independent Director	7
3.	Ms. A. A. Sathe	Independent Director	3

b. Terms of Reference

The terms of reference of the Audit Committee include the matters specified under Regulations 2015. Some of these are listed as under :

- i. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Examination of the financial statements and the auditors' report thereon;
- iv. Approval or any subsequent modification of transactions of the Company with related parties;
- v. Scrutiny of inter-corporate loans and investments;
- vi. Valuation of undertakings or assets of the Company, wherever it is necessary;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. Monitoring the end use of funds raised through public offers and related matters
- ix. Reviewing of the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- x. Reviewing with management the quarterly / annual financial statements before submission to the Board;
- xi. Reviewing with the management, external auditors and internal auditor, the adequacy of internal control systems;
- xii. Discussing with internal auditor any significant finding and follow up on such issues;
- xiii. Discussing with the external auditors before the audit commences on the nature and scope of audit, as well as having post audit discussion to ascertain any areas of concern;
- xiv. Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards;
- xv. Reviewing details of related party transactions exceeding 1% of last year's turnover;
- xvi. Reviewing the Company's financial and risk management policies;
- xvii. Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors;
- xviii. Internal audit function is assigned to an independent Chartered Accountant who acts as an internal auditor.
- xix. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularities or failure of internal control systems of a material nature and reporting the matter to the Board;
- xx. To look into the reason for substantial default in the payment to the depositors, debenture holders, shareholders (incase of non payment of declared Dividends) and creditors;
- xxi. To review the functioning of the whistle blower mechanism;
- xxii. Approval of appointment of CFO (i.e. the whole time finance Director or any other person heading the finance function or discharging that function) after accessing the qualifications, experience and background, etc. of the candidate;
- xxiii. Carrying out any other function as is mentioned in the terms of reference of audit committee.

c. Powers of Audit Committee

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;

- c. To obtain outside legal or other professional advice;
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. Nomination and Remuneration Committee

a. Composition

The Nomination and Remuneration Committee comprises of three Non - Executive Directors, majority of whom are Independent. The composition is in conformity with the Companies Act, 2013 and Regulations 2015.

During the Financial Year under review, four meetings of the Committee were held on 25th May, 2018, 20th July, 2018, 18th October, 2018 and 27th March, 2019.

The composition of the Committee and attendance at its meetings is given below:

Sr. No.	Name of the Member	Category	Number of meetings attended
1.	Mr. B. B. Hattarki - Chairman	Independent Director	4
2.	Mr. A. B. Kalyani	Non Executive Director	0
3.	Mr. M. U. Takale	Independent Director	4

b. Terms of Reference

The terms of reference of the Nomination and Remuneration Committee include the matters specified under Regulations 2015 as well as those in Section 178 of the Companies Act, 2013 and *inter-alia* include the following:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of the Director and recommend to the Board a policy, relating to the remunerations to the Directors, Key Managerial Personnel and other employees.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management position in accordance with the criteria laid down in this Policy.
- iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- iv. Formulation of criteria for evaluation of Independent Directors and the Board.
- v. Devising a policy on Board diversity.
- vi. 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.

c. Remuneration to Directors / Key Managerial Personnel

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

Details of the remuneration paid to the Directors, Key Managerial Personnel during Financial Year 2018-19:

Information on remuneration of Directors for the year 1st April, 2018 to 31st March, 2019.

Information on remuneration of Directors for the year ended 31st March, 2019.

Name of the Director	Relationship with other Directors	Sitting Fees Rs.	Salary and Perquisites	Commission proposed & payable *	Total Rs.
Mr. A. B. Kalyani	None	45,000	N.A.	10,500,000	10,545,000
Mr. B. B. Hattarki	None	60,000	N.A.	5,00,000	5,60,000
Mr. M. U. Takale	None	55,000	N.A.	5,00,000	5,55,000
Ms. A. A. Sathe	None	25,000	N.A.	5,00,000	5,25,000

* After approval of accounts in the ensuing Annual General Meeting

d. BOARD DIVERSITY AND REMUNERATION POLICY

The Board Diversity and Remuneration Policy is available on the Company's website www.bfilpune.com. 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 Regulations, 2015 concerning independence of directors.

Remuneration to Non-Executive Directors

The Non-Executive Directors are entitled to remuneration in the form of commission, upto an aggregate amount of a percentage of the net profits of the Company for the year, as prescribed by the Companies Act, 2013 as may be decided by the Board of Directors from time to time.

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

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.

5. Investors' Grievance and Stake Holders' Relationship Committee

The Investors' Grievance and Stake Holders' Relationship Committee has been constituted to look into investors' complaints like transfer of shares, non-receipt of Balance Sheet, etc. and redressal thereof. The Committee consists of Mr. B.B. Hattarki and Mr. M.U. Takale both being Independent Directors.

During the Financial Year under review, 29 (Twenty Nine) Stake Holders' Relationship Committee Meetings were held. The present Committee members attended the said Meeting.

Mr. S.R. Kshirsagar, Company Secretary is the Compliance Officer.

The Compliance Officer can be contacted at:

BF Investment Limited

Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar,
Pune 411 013
Tel.: (020) 66292550
E-mail: Secretarial@bfilpune.com

The Company has designated exclusive e-mail id for the investors as Secretarial@bfilpune.com to register their grievances, if any. This has been initiated by the Company to resolve such Investors' Grievances immediately. The Company has displayed the said e-mail id on its website for the use of investors.

Number and nature of complaints received and redressed during the year 2018-19.

Sr. No.	Nature of Complaints	Opening Balance	Received	Resolved	Closing Balance
1	SEBI	0	1	1	0
2	BSE/NSE	0			0
3	NSDL/CDSL	0	0	0	0
4	Non-receipt of annual report	0	0	0	0
5	Non-receipt of shares lodged for transfer/transmission	0	1	1	0

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Considering the requirement of the Companies Act, 2013, the Board constituted 'Corporate Social Responsibility (CSR) Committee'. The Committee comprises of Mr. B. B. Hattarki, Chairman - Independent Director, Mr. A. B. Kalyani - Non-Executive Director and Mr. M. U. Takale - Independent Director. During the year 2018-19, the Corporate Social Responsibility Committee met on 30th January, 2019.

Role of CSR Committee :

Formulation and recommendation to the Board, Corporate Social Responsibility 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 specified in policy.

Monitor Corporate Social Responsibility 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. CSR Policy for the Company and the same is available on the Company's website www.bfilpune.com .

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

Name of the Director	Category	No. of meetings held	No. of meetings attended
Mr. B. B. Hattarki	Independent	1	1
Mr. A. B. Kalyani	Non Executive	1	0
Mr. M. U. Takale	Independent	1	1

CSR Spending

Although the Company has not spent any funds on CSR activities during the year, the Committee is examining the areas in the field of education for CSR spend.

RISK MANAGEMENT COMMITTEE

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 has formulated Risk Management Policy to identify and then manage threats / risks that could have impact on the goals and objectives of the Company.

Considering the requirement of the Companies Act, 2013, 'Risk Management Committee' was formed to identify, monitor and minimise risks as also to identify business opportunities. Within the framework of the Risk Management Policy, the Committee reviews risks trends, exposure, potential impact analysis and mitigation plan. The Committee comprises of Mr. B. B. Hattarki, Chairman - Independent Director, Mr. A. B. Kalyani - Non-Executive Director and Mr. M. U. Takale - Independent Director. During the year one meeting of Risk Management Committee was held on 27th March, 2019.

6. General Body Meeting

Previous General Meetings of the shareholders of the Company were held as under:

Financial Year	Date	Type of Meeting	Venue	Time
2015-16	30 th September, 2016	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	2.00 P.M.
2016-17	5 th August, 2017	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	11.00 A.M.
2017-18	1 st September, 2018	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	11.00 A.M.

In the Annual General Meeting held on 1st September, 2018 a Special Resolution was passed for Re-appointment of Mr. B. B. Hattarki as an Independent Director.

No Resolutions passed at the above General Meetings were required to be passed through postal ballot.

During the year, the Company has not conducted any Postal Ballot process.

At present, no resolution is proposed to be passed by postal ballot at the ensuing Annual General Meeting.

7. DISCLOSURES

i. Mandatory Requirements

The Company has complied with the mandatory requirements of Regulations 2015.

a. Related Party Transactions

During the Financial Year under review, there was no materially significant related party transaction made by the Company, as defined in Regulations 2015 that may have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Note No. 31 to the Standalone Financial Statements in the Annual Report.

b. Details of capital market non-compliance, if any

There have been no instances of non-compliances by the Company on any matters related to capital markets, during the last three years. Neither penalties have been imposed nor any strictures imposed on the Company by the Stock Exchanges, the Securities Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets, save as discussed elsewhere in the Annual Report.

c. Whistle Blower Policy

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

d. Policy for determining 'material' subsidiaries

As required under Regulations 2015, the Company has formulated a policy for determining 'material' subsidiaries, which has been put up on the website of the Company at www.bfilpune.com.

e. Related Party Transactions Policy

As required under Regulations 2015, the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at www.bfilpune.com.

f. Disclosure 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.

ii. Non-Mandatory Requirements

The extent of adoption of non-mandatory requirements is as follows:

a. Shareholders' Rights

Since the Company publishes its quarterly results in newspapers (English and Marathi) having wide circulation, and since the results are also displayed on the website of the Company and the Stock Exchanges, the Company does not send any communication of half yearly performance to the shareholders. Further the Company publishes the extracts of results in Newspapers having wide circulations.

b. Statutory Auditors' qualifications

There are no qualifications on the Financial Statements of the Company for the year ended 31st March, 2019, made by the Statutory Auditors in their Audit Report.

iii. Other Requirements

Disclosure in respect of unclaimed shares

The Company sends communications to shareholders to update their communication address with the Company so as to dispatch the unclaimed share certificates.

As on 31st March, 2019, the total unclaimed equity shares are 156,152 the share certificates of which have been returned undelivered.

8. PARTICULARS OF APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

The brief resumes and other details relating to the Directors who are proposed to be re-appointed, as required to be disclosed under Regulations 2015, are as under :

Mr. A.B. Kalyani -

In terms of Section 152 of the Companies Act, 2013, Mr. A. B. Kalyani (DIN: 00089430) Director retires by rotation at the Meeting and being eligible offers himself for reappointment.

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

Mr. Amit B. Kalyani, born of 26th July, 1975. After having his initial education in Pune, he graduated in Mechanical Engineering from Bucknell University, Pennsylvania, U.S.A. He initially worked with Kalyani Steels Limited, followed by other companies within the group. He then joined Bharat Forge Limited in 1999 as Vice President and Chief Technology Officer.

He was also instrumental in strategising and execution of the several acquisitions that the group had in Germany.

Mr. Amit B. Kalyani is currently an Executive Director of Bharat Forge Limited. He also takes care of the overall group strategy and is responsible for the expansion of steel business and driving the infrastructure foray of the group.

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

Name of the Company	Board position held	Name of the Committees	Chairman/ Member
Bharat Forge Limited	Deputy Managing Director	Corporate Social Responsibility Committee	Member
Kalyani Steels Limited	Director & Member	Nomination and Remuneration Committee	Member
BF Utilities Limited	Director	Nomination and Remuneration Committee & Corporate Social Responsibility Committee	Member Member
Kalyani Investment Company Limited	Chairman & Member	Nomination and Remuneration Committee	Member
Hikal Limited	Director	-	-
BF-NTPC Energy Systems Limited	Director	-	-

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

Mr. Kalyani holds 28270 shares in the Company.

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

Mr. Sanjeev G Joglekar -

Pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on 27th March, 2019, had appointed Mr. Sanjeev G. Joglekar (DIN : 00073826) as an Additional Independent Director of the Company for the period of five years with effect from 1st April, 2019 to 31st March, 2024, subject to the approval of the members.

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

In the opinion of the Board, Mr. Joglekar fulfils the conditions specified in the Companies Act, 2013 and rules made there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company. The Board also considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director on the Board of the Company.

Mr. Joglekar holds 200 shares in the Company.

Mr. Joglekar is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The Company has received notice in writing from member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Joglekar as an Independent Director of the Company.

Brief Profile of Mr. Joglekar is provided hereunder as well as in the report on Corporate Governance forming part of the Annual Report.

Mr. S. G. Joglekar is a qualified Chartered Accountant (Associate member of the ICAI) with vast experience in accounts and Finance for last 39 years. He graduated in Commerce from Pune University in 1977 and qualified as a Chartered Accountant in 1981.

During his professional career, Mr. Joglekar worked in the areas of capital raising, working capital / long term finance raising and management. He has dealt with and handled various corporate and legal matters under Direct / Indirect Tax laws, Company Law, FEMA, etc. for various corporate / industrial groups. He also has specialist experience in the field of mergers and acquisitions, investor relations, etc.

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

Name of the Company	Board position held	Name of the Committees	Chairman/Member
Kalyani Investment Company Limited	Additional Independent Director	-	-
Kalyani Technoforge Limited	Director	Audit Committee	Chairman
BF-NTPC Energy Systems Limited	Director	-	-

Except Mr. Sanjeev G. Joglekar, being appointee, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the resolutions set out at Item No.3 of the Notice.

Mr. Bhalchandra S. Mitkari -

Pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on 27th March, 2019, had appointed Mr. Bhalchandra S. Mitkari (DIN : 03632549) as an Additional Non Independent Director of the Company with effect from 1st April, 2019, liable to retirement by rotation. .

In the opinion of the Board, Mr. Mitkari fulfills the conditions specified in the Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as a Director of the Company. The Board also considers that his association would be of immense benefit to the Company and it is desirable to avail his services as a Director on the Board of the Company.

The Company has received notice in writing from member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Mitkari as a Director of the Company, liable to retirement by rotation.

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

Mr. Mitkari is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Brief Profile of Mr. Mitkari is provided hereunder, as well as in the report on Corporate Governance forming part of the Annual Report.

Mr. Bhalchandra Shankar Mitkari is a qualified Company Secretary (Fellow member of the ICSI) and Cost & Management Accountant (Associate Member of ICAI) with vast experience in Accounts, Corporate Laws and business operations for last 29 years. He graduated in Commerce from Pune University in 1987 and qualified as a Company Secretary and Cost & Management Accountant in 1990.

During his professional career, Mr. Mitkari worked in the areas of corporate laws, accounts, finance and business operations & management. He has handled various corporate and legal matters of the group. He has been working with BF Utilities Ltd. in various capacities since last 18 years and currently is the CEO and Company Secretary of BF Utilities Ltd.

Other directorships held:

Name of the Company	Board position held	Name of the Committees	Chairman/Member
BF Utilities Ltd.	Whole Time Director	NA	NA
Nandi Infrastructure Corridor Enterprises Ltd.	Non-Executive Director	NA	NA
Nandi Economic Corridor Enterprises Ltd.	Non-Executive Director	NA	NA
Nandi Highway Developers Ltd. Director	Non-Executive	NA	NA

Name of the Company	Board position held	Name of the Committees	Chairman/Member
Lord Ganesha Minerals Ltd.	Non-Executive Director	NA	NA
Pune Power Developers Ltd.	Non-Executive Director	NA	NA
Khed Developers Ltd.	Non-Executive Director	NA	NA
Sarloha Advanced Materials Private Ltd	Non-Executive Director	NA	NA

Mr. Mitkari is not related to any other Director who is presently on the Board of the Company.

Mr. M. U. Takale -

The Company had appointed Mr. M. U. Takale (DIN : 01291287) as an Independent Director in its Fifth Annual General Meeting held on Tuesday, 16th Day of September, 2014 for a period of five years.

His term as an independent Director expires on 15th September, 2019.

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to re-appoint Mr. M. U. Takale as Independent Directors of the Company for a further term of 5 (five) consecutive years from 16th September, 2019 to 15th September, 2024.

The Company has received a declaration in writing from Mr. M. U. Takale that he meets the criteria of independence as provided in sub-Section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. M. U. Takale fulfills the criteria specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company. The Board also considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director on the Board of the Company.

The Company has received notice in writing from members under Section 160 of the Companies Act, 2013 proposing the candidatures of Mr. Takale for the Directorship of the Company.

Mr. Takale does not hold any shares in the Company as on 31st March, 2019.

Mr. Takale is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Brief Profile of Mr. Takale is provided hereunder as well as in the report on Corporate Governance forming part of the Annual Report.

Mr. Takale, born on August 18, 1960, is a Mechanical Engineer having more than 30 years experience in forging and automotive related industries. Mr. Takale, after having his initial graduation in Pune, completed his MS in Industrial and Systems Engineering from Columbia University, New York, U.S.A. and MBA from Western Carolina University, NC, U.S.A. He was in U.S.A. for six years and besides obtaining degree in Engineering and Management, has had considerable exposure to technological advancements in automotive field. He also has work experience in Automotive Industry in U.S.A.

Directorships / Committee memberships / Chairmanships of Mr. Takale in other companies are as under:

Name of the Company	Board position held	Name of the Committees	Chairman/Member
Kalyani Steels Limited	Independent Director	Audit Committee	Member
Avichal Resources Private Limited	Director	-	-
Kalyani Technologies Limited	Director	-	-
Kalyani Infotech Solutions Limited	Director	-	-

Mr. Takale is not related to any other Director who is presently on the Board of the Company.

9. MEANS OF COMMUNICATION

a. Quarterly results

The Extracts of Quarterly, Half Yearly and Annual Results are published in national and local newspapers, namely The Financial Express (English) and Loksatta (Marathi), having wide circulation.

The Company's Results and official news releases are displayed on the Company's website namely www.bfilpune.com. Since the Results of the Company are displayed on Company's Website and Stock Exchanges, half yearly reports are not sent individually to the shareholders.

b. The NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Corporate Compliance and Listing Centre (the 'Listing Centre') of the BSE Ltd. (BSE)

The NEAPS and the Listing Centre of BSE are web based application designed by NSE and BSE respectively for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Quarterly Results, etc. are filed electronically on NEAPS and the Listing Centre of BSE.

c. MANAGEMENT DISCUSSION AND ANALYSIS

The para on Management Discussion and Analysis in the Directors' Report forms part of this Report on Corporate Governance.

10. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Annual General Meeting

Corporate Identification Number (CIN)	L65993PN2009PLC134021
Annual General Meeting	Date : Wednesday , 25 th September, 2019 Time : 11.00 a.m. Venue : Kalyani Steels Ltd., Mundhwa, Pune - 411 036, Maharashtra, India
Book Closure	Wednesday, 25 th September, 2019 as annual closure for the AGM.
Last date of receipt of proxy forms	23rd September, 2019
Financial Year 2018-19	During the year the financial results were announced as under: First quarter : 14 th September, 2018 Second quarter : 29 th November, 2018 Third quarter : 30 th January, 2019 Annual - Standalone : 30 th May, 2019 Consolidated : 31 st July, 2019
International Security Identification Number (ISIN)	INE878K01010
Bombay Stock Exchange Limited (BSE)	533303
National Stock Exchange of India Limited, (NSE)	BFINVEST
Designated E-mail address for investor services	Secretarial@bfilpune.com
Administrative Office	Cyber City, Tower 15, Level 6, Office 602, Magarpatta City, Hadapsar Pune 411 013

b. Listing Fees

The annual listing fees for the year under review have been paid to the Stock Exchanges, where your Company's shares are listed.

Save and except as disclosed elsewhere in the Annual Report, your Company has complied with all requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets and there were no penalties imposed or strictures passed against your Company by the statutory authorities in this regard.

c. Shareholding Pattern as on 31st March, 2019.

	Category	No. of Shares	% of Shareholding
1.	Promoter and Promoter Group	27,640,976	73.38
2.	Mutual Funds / UTI	1,709	0.00
3.	Financial Institutions / Banks	166,968	0.44
4.	Bodies Corporate	2,717,318	7.21
5.	Foreign Portfolio Investors	641,801	1.70
6.	Clearing Members	94,279	0.25
7.	Non Resident Indians	129,947	0.34
8.	General Public	6,274,630	16.66
	Total	37,667,628	100.00

d. Distribution of Shareholding as on 31st March, 2019.

Pattern of shareholding by share class as on 31 st March, 2019			
Shareholding class	No. of shareholders	No. of shares Held	Shareholding %
Up to 5,000	23268	3978220	10.56
5,001 to 10,000	71	488802	1.30
10,001 to 20,000	31	402058	1.07
20,001 to 30,000	9	232317	0.62
30,001 to 40,000	3	94078	0.25
40,001 to 50,000	7	309126	0.82
50,001 to 100,000	18	1256687	3.33
100,001 and above	18	30906340	82.05
TOTAL	23425	37,667,628	100.00

Dematerialisation of shares and liquidity (as on 31 st March, 2019)	35,426,835 (representing 94.05% of the total issued share capital)
Outstanding GDR's / ADR's / Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDR's / ADR's / Warrants or any Convertible instruments.

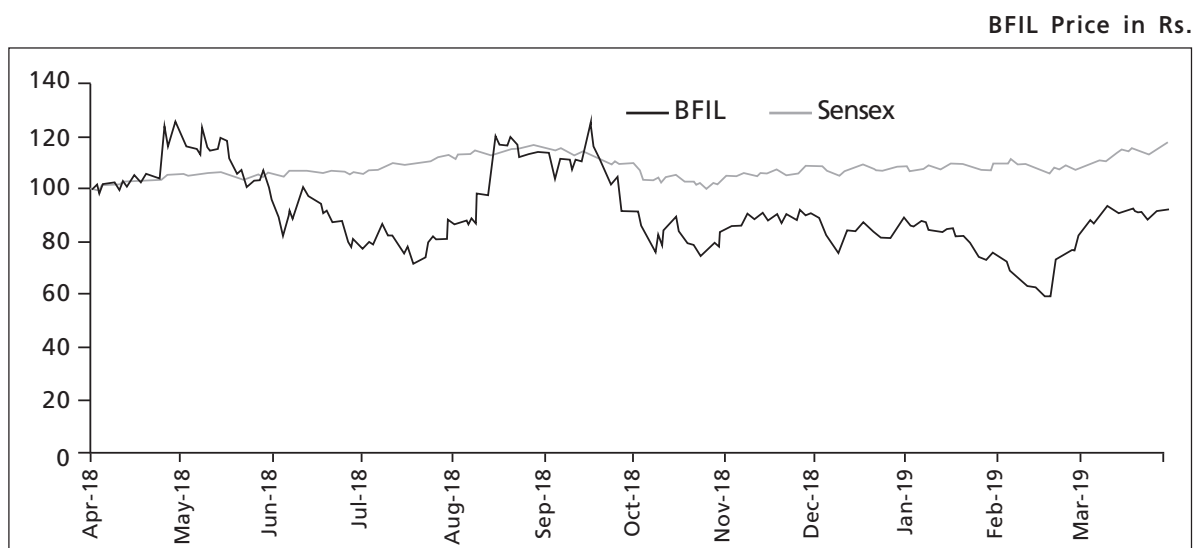
e. Market Price Data

Monthly high / low during the year 2018-19 on the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) are as under:

Stock Exchange	BSE			NSE		
	High Rs.	Low Rs.	Traded Volume	High Rs.	Low Rs.	Traded Volume
Month						
Apr-18	376.95	280.70	1360753	374.25	281.20	5799882
May-18	376.20	288.15	2165238	377.00	287.10	8434797
Jun-18	297.40	226.00	1381852	296.80	225.90	4450388
Jul-18	274.80	202.35	972206	274.40	205.65	4617288
Aug-18	354.00	243.75	2105584	353.90	243.55	9495878
Sep-18	367.40	258.90	938181	368.80	258.30	3778057
Oct-18	277.20	208.50	746720	277.00	208.85	2643013
Nov-18	277.70	239.20	544792	277.80	238.85	2588358
Dec-18	268.55	216.20	431890	266.90	211.10	2151667
Jan-19	265.90	206.80	565422	265.80	206.65	2493864
Feb-19	236.00	168.00	718298	237.05	168.05	4000100
Mar-19	282.75	231.30	504783	284.00	231.00	3035121

f. Performance in comparison to broad-based indices - BSE Sensex

Quotes on BSE Sensex Index



Note : Share price of BF Investment Limited and BSE Sensex have been indexed to 100 as on first working day of financial year 2018-19 i.e. 1st April, 2018.

g. Share Transfer System

- I. The applications for transfer of shares lodged at the Company's Registrar and Share Transfer Agents in physical form are processed within 15 days of receipt of valid and complete documents in all respects. After such processing, the Registrar and Share Transfer Agent will issue share certificate to the concerned shareholder within 15 days of receipt of certificate for transfer. Shares under objection are returned within a stipulated period of time. The transfer applications are approved periodically by the senior management of the Company.
- II. A certificate on half yearly basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.
- III. Registrar and Share Transfer Agent (R&T Agent)

The entire work of the Company, relating to processing of transfer of shares has been given to an outside agency i.e., Link Intime India Private Limited being a SEBI Registered R & T Agent. The contact details are as follows -

Link Intime India Private Limited
 Registrar & Transfer Agent
 Block No.202, 2nd Floor, Akshay Complex,
 Off Dhole Patil Road,
 Pune 411 001.
 Phone No.: 020-26161629
 Email : pune@linkintime.co.in

h. Compliance Officer

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

Number and nature of complaints received and redressed during the year 2018-19

Sr. No.	Nature of Complaints	Opening Balance	Received	Resolved	Closing Balance
1	SEBI/MCA	0	1	1	0
2	BSE/NSE	0	0	0	0
3	NSDL/CDSL	0	0	0	0
4	Non-receipt of annual report	0	0	0	0
5	Non-receipt of shares lodged for transfer/transmission	0	1	1	0

i. SEBI Complaints Redressal System (SCORES)

The investor complaints are processed in a centralized web-based complaints redressal system. The salient features of this system include centralized database of all complaints, online upload of Action Taken Report (ATRs) by the concerned companies and online viewing by investors of action taken on the complaints and its current status.

11. Shareholder References

(a) Permanent Account Number (PAN)

Shareholders holding shares in the physical form are informed that as per SEBI's Guidelines, it is mandatory to furnish copy of PAN Card in the following cases:

- i. Transferees' PAN Cards for transfer of shares,
- ii. Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,
- iii. Legal heirs' PAN Cards for transmission of shares,
- iv. Joint holders' PAN Cards for transposition of shares.

(b) Email Address

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

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

(c) Dematerialization of shares

Shareholders are requested to dematerialise their physical shareholdings through any of the nearest Depository Participants (DPs) in order to avoid hassles involved with physical shares such as possibility of loss / mutilation of share certificate(s), and to ensure safe and speedy transaction in securities.

(d) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity.

There are no convertible instruments outstanding as on 31st March, 2019 for conversion into equity shares.

(e) Commodity price risk or foreign exchange risk and hedging activities

Commodity Price Risk

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

(f) Foreign exchange risk and hedging activities

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

(g) Total fees for all services paid to the statutory auditor

During the financial year 2018-2019, the Company has paid the statutory fees, certification fees and other services to the statutory auditors. The details of fees paid are disclosed in Note No.29 forming part of the Financial Statements.

(h) Recommendations given by the Committees of the Board

During the year under review, the Board has accepted all the recommendations given by the Committees of the Board, which are mandatorily required.

(i) List of Credit Ratings obtained

The Company has not obtained any credit ratings.

(j) Disclosures of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company has not raised funds through preferential allotment or qualified institutions under Regulation 32(7A) during the year under review.

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

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

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

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

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

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

(m) Procedure for dealing with unclaimed shares

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

(n) Nominations in respect of shares held in physical form / electronic form

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

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

(o) Register Your National Electronic Clearing Services (NECS) Mandate

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

(p) Address for correspondence

Shareholders' correspondence should be addressed to Link Intime India Private Limited, Registrar and Share Transfer Agent, at the address mentioned above. Shareholders can also email their queries / grievances to the following email address: bfinvestment@vsnl.net.

(q) CEO & CFO and Company Secretary's Certification

The CEO & CFO and Company Secretary's Certificate signed by Mr. J.G. Patwardhan and Mr. S. R. Kshirsagar respectively, was placed before the meeting of the Board of Directors held on 31st July, 2019.

(r) KYC details :

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Place : Pune
Date : 31st July, 2019

B.B. Hattarki
Director
DIN:00145710

M.U. Takale
Director
DIN:01291287

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of BF Investment Limited

Pursuant to Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board as made effective from 13th February, 2016.

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

For BF Investment Limited

Place : Pune
Date : 31st July, 2019

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

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
BF Investment Limited

We have examined the compliance of conditions of Corporate Governance by BF Investment Limited, for the year ended 31st March, 2019, as stipulated in Schedule V of SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015, pursuant to the Listing Agreement with the Stock Exchange..

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

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

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

For M/s P.G.Bhagwat
Chartered Accountants,
[FRN : 101118W]

Place : Pune
Date : 31.07.2019
UDIN : 19083374AAAAEJ5326

(S.S.Athavale)
Partner
Membership No. 83374

TO THE BOARD OF DIRECTORS OF BF INVESTMENT LIMITED

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

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

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

- a) we have reviewed the standalone financial statements and the cash flow statements of BF Investment Ltd. for the year 2018-19 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by BF Investment Ltd. during the year 2018-19 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting of BF Investment Ltd. and that we have evaluated the effectiveness of the internal control systems of BF Investment Ltd. pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee, with respect to BF Investment Ltd.:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
 - iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Pune
Date : 31st July, 2019

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

S. R. Kshirsagar
Company Secretary

DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2019

To,
The Members,

Your Directors have pleasure in presenting their Tenth Annual Report on the business and operations of the Company together with Audited Statement of Accounts for the year ended March 31, 2019.

FINANCIAL PERFORMANCE :

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Total Income	5054.64	3876.73
Total Expenditure	454.57	374.08
Exceptional items	(41.96)	1388.28
Profit before taxation	4642.03	2114.37
Tax Expenses	315.28	68.80
Profit after Tax	4326.75	2045.57
Balance of Profit/(Loss) from previous year	29713.59	28064.08
Balance available for appropriation	34040.34	30109.65
Appropriations :		
Transfer to Reserve Fund in terms of Section 45-IC of the Reserve Bank of India Act, 1934	(865.35)	(396.06)
Balance carried to Balance Sheet	33174.99	29713.59

SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2019 stood at Rs.1883.38 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

DIVIDEND :

Your Directors do not recommend any dividend on the equity shares for the year ended March 31, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

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

COMPANY PERFORMANCE

During the Financial Year under review, your Company earned total income of Rs. 50.54 Crores (previous years Rs. 38.77 Crores). The net profit after tax is Rs. 43.27 Crores (previous years Rs. 20.46 Crores).

OPERATIONS OF THE COMPANY

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

HUMAN RESOURCES

As on March 31, 2019, the Company had 2 Key Managerial Personnel on deputation, including the CEO / CFO & Company Secretary.

CONCERNS AND THREATS

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

PROSPECTS FOR THE CURRENT YEAR

The current economic slowdown in India and global uncertainty due to differences in world's two large economies, have posed new challenges to the Company. The Company is taking all efforts to mitigate these challenges.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

SAFETY, HEALTH AND ENVIRONMENT

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

CAUTIONARY STATEMENT

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

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company as on March 31, 2019.

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

The details are given in 'Annexure I'

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT - 9 is annexed herewith as 'Annexure II' to this Report.

NUMBER OF MEETINGS OF THE BOARD

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the Annual Financial Statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b) accounting policies as mentioned in Note - 1(a) to the Financial Statements have been selected and applied consistently. Further judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Financial Statements have been prepared on a going concern basis;
- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulations 2015 and also confirmed that they have complied with the Code of Independent Directors prescribed in Schedule IV of The Companies Act, 2013.

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

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

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

Director's appointment and remuneration is done as per the policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The policy is appended as 'Annexure III' to this Report

ACCOUNTS AND AUDIT

a. Statutory Auditors

M/s. P. G. Bhagwat, Chartered Accountants, Pune (FRN.101118W), are the auditors of the Company and will continue the audit for Financial year 2019-20.

b. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SVD & Associates, Company Secretaries, (Membership No. FCS 1321 CP No. 965), to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as 'Annexure IV' to this Report.

c. Consolidated Accounts

The Consolidated Accounts for the year ended 31st March, 2019 are enclosed.

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

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

Auditors Qualifications	Boards' explanation
Secretarial Audit -	
<i>1. The Audited Consolidated Financial statements and Financial Results for the year ended on 31st March, 2018 were submitted to the Stock Exchanges beyond the time period prescribed under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</i>	Some of the Associate Companies were in the process of finalising their accounts for the financial year ended 31 st March, 2018 and hence, they had not submitted the said audited financials to the Company, within the stipulated time. However subsequently the Company has prepared consolidated financials, after the audited accounts of all the above mentioned associates were made available to the Company and filed with the Stock Exchanges.
<i>2. The Company has not expended any amount for Corporate Social Responsibility activities required under Section 135 of the Act for the year 2018-19.</i>	The Company has identified the areas and the projects for spending the amounts allocated for CSR activities for Financial 2017-18.
<i>3. For the purpose of implementation of system-driven disclosures under Regulation 7(2) of PIT Regulations specifically, the listed entity has provided information of identified directors and employees to the depository(ies) beyond the time prescribed by SEBI vide circular dated 28th May, 2018.</i>	The delay was due to system errors noticed during uploading the data on Depository Portal.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

During the year, the Company has invested Rs.9.86 Crores (net) in preference shares of two companies. The closing balances of investments which would be covered under Section 186 of the Companies Act, 2013, are disclosed in the Schedule of Non-Current Investments in the Financial Statements. The details of loans and guarantees, if any, are in the financial statement of 2018-19.

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

Pursuant to the provisions of Section 134 of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Hence, no particulars are being provided in Form AOC - 2. Related Party Disclosures as per IND - AS -18 have been provided in Note No. 31 to the Financial Statements.

STATE OF COMPANY'S AFFAIRS

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

AMOUNTS PROPOSED TO BE CARRIED TO RESERVES

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

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

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

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

A. Conservation of Energy and Technology Absorption

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

B. Foreign exchange earnings and outgo

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

RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The details of the CSR Policy and initiatives taken by the Company towards CSR during the year are annexed as 'Annexure V' to this Report.

BOARD EVALUATION

Pursuant to provisions of the Companies Act, 2013, Rules thereunder and 'Regulations, 2015', the Board has carried out evaluation of its own performance and that of its Committees and individual Directors. Interested Directors did not participate for their evaluation.

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

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

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

Directors appointed during the year

Name of Director	Designation	Term of appointment
Mr. A. B. Kalyani	Director	Re-appointed with effect from September 1, 2018, subject to retirement by rotation.
Mr. S. G. Joglekar	Additional Independent Director	Appointed in Board Meeting held on March 27, 2019, w.e.f. April 1, 2019.
Mr. B. S. Mitkari	Non Independent Director	Appointed in Board Meeting held on March 27, 2019, w.e.f. April 1, 2019.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub section (6) of Section 149 of the Companies Act, 2013 and 'Regulations 2015'. The Company has received declarations from all Directors confirming that they are not disqualified / debarred from being appointed / reappointed as Director.

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

NIL

Directors and KMP's resigned during the year

None of the Directors and KMPs resigned during the year ended March 31, 2019.

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

- 1) Mr. A. B. Kalyani (DIN : 00089430) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 2) Mr. B. S. Mitkari (DIN : 03632549) was appointed as Additional Director by the Board on 27th March, 2019 w.e.f. April 1, 2019. A resolution to consider and approve his appointment is included in the Notice of 10th Annual General Meeting
- 3) Mr. S. G. Joglekar (DIN: 00073826) was appointed as Additional Independent Director by the Board on 27th March, 2019 w.e.f. April 1, 2019, subject to the approval of members in the ensuing Annual General Meeting. A resolution to consider and approve his appointment is included in the Notice of 10th Annual General Meeting.

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

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

During the year the Company sold its entire shareholding in Epicenter Technologies Pvt. Ltd. and hence it ceased to be an associate of the Company.

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

None.

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

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

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

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

The Audit Committee along with Management review the internal audit and internal controls on a regular basis.

COMPOSITION OF AUDIT COMMITTEE

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

VIGIL MECHANISM

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

CASH FLOW

A Cash Flow Statement for the year ended March 31, 2019 is attached to the Balance Sheet.

CORPORATE GOVERNANCE

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

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

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

AUDITORS

1. Statutory Auditors

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

The Company has received a certificate from Auditors to the effect that they are fulfilling requirements prescribed under provisions of Section 141 of the Companies Act, 2013.

2. Secretarial Audit

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

M/s. SVD & Associates, Practicing Company Secretaries has also submitted Secretarial Compliance Report as laid down in SEBI Circular CIR/CFD/CMD1/27/2019 dated 8th February 2019 and has also confirmed that the Company has complied with of all applicable SEBI Regulations and circulars / guidelines issued thereunder, for the Financial Year 2018-2019, subject to the observations given therein.

3. SECRETARIAL STANDARDS

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board of Directors

Place : Pune
Date : 31st July, 2019

B.B. Hattarki
Director
DIN:00145710

M.U. Takale
Director
DIN:01291287

ANNEXURE I TO THE DIRECTORS' REPORT

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

Sr. No.	Particulars	Name of Director	Ratio
I.	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	27%	
II.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name of Director / KMP	Percentage +/- in the remuneration
		Mr. J. G. Patwardhan * - C.E.O. & C.F.O. Mr. S.R. Kshirsagar * - Company Secretary	8% 8%
III.	The percentage increase in the median remuneration of employees in the financial year	NIL	
IV.	The number of permanent employees on the rolls of Company	NIL	
V.	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	NIL	
		NIL	
VI.	Affirmation	The Board affirms that the remuneration is as per the Nomination and Remuneration policy of the Company.	
VII.	Statement showing the names of the top ten employees in terms of remuneration drawn and the names of every employee who - (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore Two Lakhs Rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakhs Fifty Thousand Rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.	No employee falls in this category.	

* on deputation

For and on behalf of the Board of Directors

Place : Pune
Date : 31st July, 2019

B.B. Hattarki
Director
DIN:00145710

M.U. Takale
Director
DIN:01291287

ANNEXURE II TO THE DIRECTORS' REPORT

Form No. MGT - 9

(as at Financial Year ended 31st March, 2019)

EXTRACT OF ANNUAL RETURN

[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	L65993PN2009PLC134021
ii	Registration Date	26 th May, 2009
iii	Name of the Company	BF Investment Limited
iv	Category / Sub-Category of the Company	Company limited by shares
v	Address of the Registered Office and contact details	Mundhwa, Pune Cantonment, Pune 411 036, Maharashtra, India. Correspondence address: Cyber City, Tower 15, Level 6, Office 602, Magarpatta City, Hadapsar, Pune- 411 013 Phone : (020) 66292550 E-mail : secretarial@bfilpune.com Website : http://www.bfilpune.com
vi	Whether listed company	Yes
vii	Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, 'Akshay' Complex, Block No. 202, 2 nd Floor, Near Ganesh Temple, Off. Dhole Patil Road, Pune 411 001 Tel: +91(20) 2616 1629 / 2616 0084 Email: pune@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Loans and investments	-	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Kalyani Steels Ltd. Pune Cantonment, Mundhwa, Pune - 411 036	L27104MH1973PLC016350	Associate	39.06	2(6)
2.	Kalyani Financial Services Ltd. Industry House, S.No.49, Opp. Kalyani Steels Ltd , Pune - 411 036	U65910PN1986PLC039645	Associate	49.00	2(6)
3.	Nandi Engineering Ltd. No. 1, Midford House, Midford Garden, Off M.G Road, Bangalore - 560 001	U85110KA1996PLC019618	Associate	40.00	2(6)
4.	KSL Holdings Pvt. Ltd. C/O Kalyani Steels Limited, Mundhwa, Pune - 411036	U65993PN2001PTC015938	Associate	42.52	2(6)
5.	Triumphant Special Alloys Pvt. Ltd (Formerly Carpenter Kalyani Special Alloys Pvt. Ltd.) 72-76 Mundhwa, Pune - 411036	U27106PN1998PTC012742	Associate	45.51	2(6)
6.	Synise Technologies Limited Omkar, Plot No. A - 8, Shivirth Nagar, Kothrud Pune - 411038	U72200PN1997PLC112581	Associate	46.77	2(6)
7.	Meritor HVS (India) Ltd. Hootagalli Indl. Area off. Hansur Road, Mysore - 570018	U29221KA1998PLC023383	Joint Venture	48.99	2(6)
8.	Automotive Axles Ltd. Hootagalli Indl. Area off. Hansur Road, Mysore - 570018	L51909KA1981PLC004198	Joint Venture	35.52	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 31 st March, 2018				No. of shares held at the end of the year i.e. 31 st March, 2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a. Individual									
a) Individuals / Hindu Undivided Family	106934	8	106942	0.28	106934	8	106942	0.28	0.00
b) Central Government / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	27534034	0	27534034	73.10	27534034	0	27534034	73.10	0.00
d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(1)	27640968	8	27640976	73.38	27640968	8	27640976	73.38	0.00
(2) Foreign									
a) Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	27640968	8	27640976	73.38	27640968	8	27640976	73.38	0.00
(B) Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	264386	190	264576	0.70	1519	190	1709	0.00	-0.70
b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
c) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
e) Foreign Portfolio Investor	818818	50	818868	2.17	641751	50	641801	1.70	-0.47
f) Financial Institutions / Banks	71442	1704	73146	0.19	165264	1704	166968	0.44	0.25
g) Insurance Companies	160127	0	160127	0.42	160127	0	160127	0.42	0.00
h) Provident Fund / Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any other (Specify)	0	0	0	0.00	98	0	98	0.00	0.00
Sub-Total (B)(1)	1314773	1944	1316717	3.49	968759	1944	970703	2.58	-0.90
(2) Central Government/ state Government / President of India	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2)	0	0	0	0	0	0	0	0	0
(3) Non-Institutions									
a) Individuals									
I) Individuals -i. Individual shareholders holding nominal share capital up to Rs.2 lakh	3868610	725540	4594150	12.20	3739707	596870	4336577	11.51	-0.69
II) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	375629	0	375629	1.00	1029511	0	1029511	2.73	1.73
b) NBFCs registered with RBI	0	0	0	0.00	75668	0	75668	0.20	0.20
c) Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others (Specify)									
- Trusts	346487	0	346487	0.92	344187	58074	402261	1.07	0.15
- Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
- Hindu Undivided Family	328035	0	328035	0.87	270038	0	270038	0.72	-0.15
- Non Resident Indian (Non Repat)	69783	3154	72937	0.19	80368	3154	83522	0.22	0.03
- Non Resident Indian (Repat)	43628	1841	45469	0.12	44584	1841	46425	0.12	0.00
- Overseas Bodies Corporates	350	0	350	0.00	350	0	350	0.00	0.00
- Clearing Members	244228	0	244228	0.65	94279	0	94279	0.25	-0.40
- Bodies Corporate	1122913	1579737	2702650	7.17	1138416	1578902	2717318	7.21	0.04
Sub-Total (B)(3)	6399663	2310272	8709935	23.12	6817108	2238841	9055949	24.04	0.92
(B) Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	7714436	2312216	10026652	26.62	7785867	2240785	10026652	26.62	0.02
Total (A)+(B)	35355404	2312224	37667628	100.00	35426835	2240793	37667628	100.00	0.00
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
(1) Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
(2) Public	0	0	0	0	0	0	0	0	0
Sub-Total (C)	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	35355404	2312224	37667628	100.00	35426835	2240793	37667628	100.00	0.00

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1/4/2018)			Shareholding at the end of the year (31/3/2019)			% change in shareholding 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	Babasaheb Neelkanth Kalyani Promoter	7204	0.02	0.00	7212	0.02	0.00	0.00
2	Ajinkya Investment & Trading Company	10292103	27.32	0.00	10292103	27.32	0.00	0.00
3	Sundaram Trading & Investment Pvt Ltd	9793068	26.00	0.00	9793068	26.00	0.00	0.00
4	KSL Holdings Pvt Ltd	5054091	13.42	0.00	5054091	13.42	0.00	0.00
5	PIH Finvest Co Ltd	1424885	3.78	0.00	1424885	3.78	0.00	0.00
6	Jannhavi Investment Pvt Ltd	458514	1.22	0.00	458514	1.22	0.00	0.00
7	Rajgad Trading Co Pvt Ltd	151674	0.40	0.00	151674	0.40	0.00	0.00
8	Kalyani Consultants Pvt Ltd	149500	0.40	0.00	149500	0.40	0.00	0.00
9	Dandakaranya Investment & Trading Pvt Ltd	95000	0.25	0.00	95000	0.25	0.00	0.00
10	Campanula Investment & Finance Pvt Ltd	61389	0.16	0.00	61389	0.16	0.00	0.00
11	Cornflower Investment & Finance Pvt Ltd	41900	0.11	0.00	41900	0.11	0.00	0.00
12	Hastinapur Investment & Trading Pvt Ltd	6267	0.02	0.00	6267	0.02	0.00	0.00
13	Dronacharya Investment & Trading Pvt Ltd	5643	0.01	0.00	5643	0.01	0.00	0.00
14	Gaurishankar Neelkanth Kalyani	63779	0.17	0.00	63779	0.17	0.00	0.00
15	Amit Babasaheb Kalyani	28270	0.08	0.00	28270	0.08	0.00	0.00
16	Sunita Babasaheb Kalyani	4000	0.01	0.00	4000	0.01	0.00	0.00
17	Rohini Gaurishankar Kalyani	2000	0.01	0.00	2000	0.01	0.00	0.00
18	Dr Meera Kheny	700	0.00	0.00	700	0.00	0.00	0.00
19	Ashok Kumar Kheny	581	0.00	0.00	581	0.00	0.00	0.00
20	Sugandha Jai Hiremath	400	0.00	0.00	400	0.00	0.00	0.00
21	Sulochana Neelkanth Kalyani Jointly Mr.B. N. Kalyani	8	0.00	0.00	0	0.00	0.00	0.00
		27640976	73.38	0.00	27640976	73.38	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year i.e. 01/04/2018		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	8 Shares held by Smt. Sulochana N. Kalyani jointly with Mr. B. N. Kalyani changed to single holding of Mr. B. N. Kalyani on 30/03/2019	27640976	73.38	27640976	73.38

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

Sr. No.	For each of the Top 10 Shareholders Name, date & reason of Change	Shareholding at the beginning of the year (01/04/2018)		Cumulative Shareholding at the end of the year (30/03/2019)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	KRUTADNYA MANAGEMENT AND TRADING SERVICES LLP As on 01-04-2018 As on 31-03-2019	1568600	4.16%	1568600	4.16%
2	VIJAY BALKRISHNA PUSALKAR As on 01-04-2018 22-02-2019 01-03-2019 08-03-2019 15-03-2019 22-03-2019 29-03-2019 As on 31-03-2019	0 8908 199876 253397 134262 54199 89683	0.00% 0.02% 0.53% 0.67% 0.36% 0.14% 0.24%	8908 208784 462181 596443 650642 740325 740325	0.02% 0.55% 1.23% 1.58% 1.73% 1.97% 1.97%
3	ACACIA INSTITUTIONAL PARTNERS, LP As on 01-04-2018 As on 31-03-2019	230545	0.61%	230545	0.61%
4	FINOLEX CABLES LTD. As on 01-04-2018 As on 31-03-2019	168750	0.45%	168750	0.45%
5	THE ORIENTAL INSURANCE COMPANY LIMITED As on 01-04-2018 As on 31-03-2019	160127	0.43%	160127	0.43%
6	KALYANI EXPORTS & INVESTMENTS PVT.LTD. As on 01-04-2018 As on 31-03-2019	145250	0.39%	145250	0.39%
7	ABOLI INVESTMENT PVT LTD As on 01-04-2018 As on 31-03-2019	136900	0.36%	136900	0.36%
8	SASI STAR FINANCE PRIVATE LIMITED As on 01-04-2018 21-09-2018 29-09-2018	131700 -500 500	0.35% 0.00% 0.00%	131200 131700	0.35% 0.35%

Sr. No.	For each of the Top 10 Shareholders Name, date & reason of Change	Shareholding at the beginning of the year (01/04/2018)		Cumulative Shareholding at the end of the year (30/03/2019)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	04-01-2019	-1500	0.00%	130200	0.35%
	11-01-2019	500	0.00%	130700	0.35%
	01-02-2019	-7000	-0.02%	123700	0.33%
	01-03-2019	-3000	-0.01%	120700	0.32%
	As on 31-03-2019			120700	0.32%
	MAVEN INDIA FUND				
	As on 01-04-2018	0	0.00%		
	24-08-2018	50000	0.13%	50000	0.13%
	11-09-2018	43870	0.12%	93870	0.25%
	21-09-2018	24079	0.06%	117949	0.31%
10	12-10-2018	100000	0.27%	217949	0.58%
	26-10-2018	50000	0.13%	267949	0.71%
	08-03-2019	-100000	-0.27%	167949	0.45%
	15-03-2019	-50000	-0.13%	117949	0.31%
	As on 31-03-2019			117949	0.31%
	SPDR S AND P EMERGING MARKETS ETF				
	As on 01-04-2018	64921	0.17%		
	06-04-2018	1057	0.00	65978	0.18%
	13-04-2018	1963	0.01	67941	0.18%
	20-04-2018	1510	0.00	69451	0.18%
	11-05-2018	-453	0.00	68998	0.18%
	25-05-2018	-1064	0.00	67934	0.18%
	22-06-2018	-1764	0.00	66170	0.18%
	06-07-2018	-588	0.00	65582	0.17%
	13-07-2018	-444	0.00	65138	0.17%
	20-07-2018	-2664	-0.01	62474	0.17%
	19-10-2018	3278	0.01	65752	0.17%
	02-11-2018	1043	0.00	66795	0.18%
	09-11-2018	7897	0.02	74692	0.20%
	16-11-2018	1192	0.00	75884	0.20%
	30-11-2018	745	0.00	76629	0.20%
	14-12-2018	8052	0.02	84681	0.22%
	21-12-2018	2086	0.01	86767	0.23%
	28-12-2018	900	0.00	87667	0.23%
	11-01-2019	1480	0.00	89147	0.24%
	18-01-2019	2664	0.01	91811	0.24%
25-01-2019	2955	0.01	94766	0.25%	
08-02-2019	11840	0.03	106606	0.28%	
15-02-2019	740	0.00	107346	0.28%	
22-02-2019	592	0.00	107938	0.29%	
08-03-2019	3700	0.01	111638	0.30%	
As on 31-3-2019			111638	0.30%	

Note:

- In case of joint holding, the names of first holder is considered.
- The shareholding details given above are based on the legal ownership and not beneficial ownership and is derived on the folio number listing provided by the Registrar and share Transfer agent of the Company.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year i.e. 01/04/2018		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the Beginning of the year	28283	0.08		
1	Mr. A. B. Kalyani	28270	0.08	-	-
2	Mr. B. B. Hattarki	0	0.00	-	-
3	Mr. M. U. Takale	0	0.00	-	-
4	Ms. A. A. Sathe	0	0.00	-	-
5	Mr. J. G. Patwardhan	0	0.00	-	-
6	Mr. S. R. Kshirsagar	13	0.00	-	-
	At the end of the year				
1	Mr. A. B. Kalyani	-	-	28270	0.08
2	Mr. B. B. Hattarki	-	-	0	0.00
3	Mr. M. U. Takale	-	-	0	0.00
4	Ms. A. A. Sathe	-	-	0	0.00
5	Mr. J. G. Patwardhan	-	-	0	0.00
6	Mr. S. R. Kshirsagar	-	-	13	0.00
	At the end of the year	-	-	28283	0.08

V. INDEBTEDNESS

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

None.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Directors and / or Manager:

Nil

B. Remuneration to other Directors:

Information on remuneration paid to Directors for the year ended 31st March, 2019.

Name of the Director	Relationship with other Directors	Sitting Fees ₹	Salary and Perquisites	Commission*	Total ₹
Mr. A. B. Kalyani	None	45,000	N.A.	10,500,000	10,545,000
Mr. B. B. Hattarki	None	60,000	N.A.	5,00,000	5,60,000
Mr. M. U. Takale	None	55,000	N.A.	5,00,000	5,55,000
Ms. A. A. Sathe	None	25,000	N.A.	5,00,000	5,25,000

* After approval of accounts in the ensuing Annual General Meeting

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR / MANAGER / WHOLE TIME DIRECTOR

Amount in ₹

Particulars of Remuneration	Mr. S.R. Kshirsagar* Company Secretary	Mr. J.G. Patwardhan* C.E.O. & C.F.O.	Total Amount
1. Gross Salary	}	}	}
a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961			
c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961			
2. Stock Option			
3. Sweat Equity	1,057,264	3,448,131	4,505,395
4. Commission - As % profit - Others, specify			
5. Others, please specify (Company's contribution towards Provident Fund and Superannuation)			
Total**	1,057,264	3,448,131	4,505,395

* on deputation

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

1. Company - None
2. Directors - None
3. Other officers in Default - None

For and on behalf of the Board of Directors

Place : Pune
Date : 31st July, 2019

B.B. Hattarki
Director
DIN:00145710

M.U. Takale
Director
DIN:01291287

ANNEXURE III TO THE DIRECTORS' REPORT

THE NOMINATION AND REMUNERATION POLICY

(As recommended by Nomination and Remuneration Committee and approved by Board)

(Revised w.e.f. April 1, 2019)

Document Title	Nomination And Remuneration Policy of BF Investment Limited
Originally Framed	October 29, 2015
Last Revision Date	February 13, 2016
Current Revision Date	April 1, 2019
Authority approving the Policy	Board of Directors

The Board of Directors of BF Investment Limited ("the Company") constituted the "Nomination and Remuneration Committee" ("Committee") at the Meeting held on November 28, 2014 with immediate effect, consisting of four (4) Non-Executive Directors of which majority are Independent Directors.

1. OBJECTIVE

This Policy has been formulated in terms of provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"). The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (hereinafter referred to as "KMP") and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- 1.4. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity.
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. Board means Board of Directors of the Company.
- 2.3. Directors mean Directors of the Company.
- 2.4. Key Managerial Personnel (KMP) means
 - a. Chairman
 - b. Whole time Directors;
 - c. CEO
 - d. Chief Financial Officer; and
 - e. Company Secretary;
- 2.5. Senior Management means officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the "chief executive officer/Chairman /whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer."

The terms used in this Policy but not defined shall have the meaning assigned to such terms in the Act and the Regulations.

3. ROLE OF COMMITTEE

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- 3.1.1. Determine size and composition of the Board to ensure that it is structured to make appropriate decision, with a variety of prospective and skills, in the best interest of the Company as a whole;

- 3.1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.3. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.4. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- 3.1.5. Formulate the criteria for evaluation of performance of independent directors and Board of Directors.
- 3.1.6. Determine whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors.
- 3.1.7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure

- a) Chairman /Whole-time Director:
The Company shall appoint or re-appoint any person as its Executive Chairman, or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director:
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

3.2.3. Evaluation

The Committee shall carry out yearly evaluation of performance of every Director, KMP and Senior Management Personnel.

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and

Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

- b) The remuneration, performance incentive and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the resolutions passed by the Board of Directors and / or shareholders in the general body meeting and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- e) In case any difficulty or doubt arises in the interpretation or implementation of this Policy, the decision of the Chairman of the Company shall be final. In exceptional circumstances, the Chairman shall be authorized to exercise functions vested in the committee in so far as these relate to Key Managerial Personnel covered under Clauses 2.4.3, 2.4.4 and the Senior Management; provided however that such actions taken by the Chairman shall be placed before the Committee for ratification in the succeeding meeting.

3.3.2. Remuneration to Whole-time / Executive / Chairman, KMP and Senior Management Personnel:

a) **Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and /or as approved by the shareholders by a Special Resolution. ..

c) **Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by shareholders as provided in the Act.

3.3.3. Remuneration to Non- Executive / Independent Director:

a) **Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Act.

b) **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1,00,000/- (Rupees One Lac Only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

4. MEMBERSHIP

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Either two (2) members or one third (1/3) of the members of the committee, whichever is greater, with at least one Independent Director shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at least once in a year.

7. COMMITTEE MEMBERS' INTERESTS

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.10 Recommend any necessary changes to the Board; and
- 10.11 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 to consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

For BF Investment Limited

Place : Pune
Date : 1st April, 2019

J. G. Patwardhan
CEO & CFO

ANNEXURE IV TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2019** 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, 2019** according to the provisions of:

- i. The Companies Act, 2013, the Companies Amendment Act, 2017 (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 of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client to the extent of the securities issued;
 - (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 (Buyback of Securities) Regulations, 1998; (not applicable to the company during the Audit Period).
- vi. The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector / industry are:
 - (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 of the following:

- i. The Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and
- ii. The Listing Agreement entered into by the Company with Stock Exchanges 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 subject to the following observations:

1. *The Audited Consolidated Financial statements and Financial Results for the year ended on 31st March, 2018 were submitted to the Stock Exchanges beyond the time period prescribed under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
2. *The Company has not expended any amount for Corporate Social Responsibility activities required under Section 135 of the Act for the year 2018-19.*
3. *For the purpose of implementation of system-driven disclosures under Regulation 7(2) of PIT Regulations specifically, the listed entity has provided information of identified directors and employees to the depository(ies) beyond the time prescribed by SEBI vide circular dated 28th May, 2018.*

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:-

- a) In the Annual General Meeting of the Company held on 1st September, 2018, Special Resolution was passed for below event:
 1. Re-appointment of Mr. B. B. Hattarki as an Independent Director.

For SVD & Associates
Company Secretaries

Sridhar G. Mudaliar
Partner

Place: Pune
Date: July 31, 2019

FCS No: 6156
C P No: 2664

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

To,
Members,

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

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

Management's Responsibility

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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. 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: July 31, 2019

ANNEXURE V TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013 and Rule 8(1) of the Companies (CSR Policy) Rules, 2014)

1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Corporate Social Responsibility (CSR) activities are based on the CSR Policy. The Company's main focus is on provision of educational facilities.

CSR policy is available on the website of the Company www.bfilpune.com.

2. The Composition of the CSR Committee:

Mr. B. B. Hattarki - Chairman

Mr. A. B. Kalyani - Committee Member

Mr. M. U. Takale - Committee Member

3. Average net profit of the company for last three financial years : Rs.17,77,39,385/-
4. Prescribed CSR Expenditure (two percentage of the amount as in item 3 above) : Rs.35,54,800/-
5. Details of CSR spent during the Financial Year:
- (a) Total amount to be spent for the financial year : Rs.35,54,800/-
- (b) Amount unspent , if any; : Rs.1,05,98,500/- (FY 2018-19)
- (c) Manner in which the amount spent during the Financial Year is detailed below:

(Amount in Rs.)

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity Identified	Sector in which the Project is covered	Projects or Programme (1) Local area of other (2) Specify the State and district where project or programme was undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programme sub heads L (1) Direct expenditure on projects or programmes (2) overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
				₹	₹	₹	₹
	-	-	-	-	-	-	-

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: *The Company has identified the areas and the projects for spending the amounts allocated for CSR activities for FY 2018-19. The Company has spent on CSR activities amounts due for FY 2014-15.*
7. CSR Committee has hereby confirmed that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Place : Pune
Date : 31st July, 2019

B.B. Hattarki
Chairman CSR Committee
DIN:00145710

M.U. Takale
Director
DIN:01291287

INDEPENDENT AUDITORS' REPORT

To the Members of BF Investment Limited

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

Opinion

We have audited the standalone Ind AS financial statements of BF Investment Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, hereinafter referred to as 'the standalone Ind AS financial statements'.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the standalone state of affairs of the Company as at 31st March 2019, and its standalone profit (including Other Comprehensive Income), standalone changes in equity and its standalone cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter. The company has unsecured loans given Rs. 17.94 crores, net of Rs. 8.69 crores impairment provision as at 31st March 2019 (Refer Note No. 4 in the Financial Statements). Since this is a NBFC, & giving of loans is a usual activity, we have suggested that a written Policy should be made regarding criteria & methodology of giving loans & determining the impairment, if any, of these loans. We draw the attention to Note 1A(h) regarding the company's Accounting Policy on Financial Instruments.

Response to Key Audit Matter : Audit procedures carried out by auditors : We have obtained the balance confirmations as at 31st March 2019 from the borrowers, other than those which have been fully provided as impaired. We have also confirmed from the audited financial statements for the financial year 2017-18 of the borrower companies, that these loans appear as loans payable to the company.

The above mentioned factors have been appropriately considered by us and based on the work performed and the evidence obtained we consider the accounting treatment is appropriate.

Other Matters

The financial statements of the Company for the year ended 31st March 2018 were audited by other independent auditor whose report dated 26th May 2018, expressed an unqualified opinion on those statements. The audited balances as on 31st March 2018 have been considered as opening balances for the purpose of these financial statements.

Our opinion is not qualified in respect of this matter.

Other Information

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the standalone Ind AS financial position, standalone Ind AS financial performance, standalone Ind AS changes in equity and standalone Ind AS cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid standalone Ind AS 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 as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 45 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/S P.G. BHAGWAT
Chartered Accountants
Firm's registration No. 101118W

Sanjay Athavale
Partner
Membership No. 83374

Pune : 30 May 2019

"ANNEXURE A" TO AUDITORS' REPORT

ANNEXURE A TO THE AUDITORS' REPORT

(Referred to in our above report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the Management at reasonable intervals, during the financial year. According to the information and explanations given to us, no discrepancies were noticed on physical verification of the fixed assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties as disclosed in Note No. 9 to the standalone Ind AS financial statements, are held in the name of the company, except for the buildings, regarding which, as informed to us, the title is as yet being obtained in the name of the company as the process of completing the required legal formalities is in progress.
- (ii) As explained to us, the Company did not hold any physical inventories during the financial year covered by this report. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) 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 our opinion and according to the information and explanations given to us, 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, GST, service tax, cess and any other statutory dues to the appropriate authorities. As explained to us by the Management, the provisions of the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, do not apply to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, GST and any other statutory dues were outstanding as at 31st March, 2019, for a period of more than six months from the date those became payable.
 - (b) According to the records of the Company, there are no dues of income tax or service tax or GST, which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed and the information and explanations given by the Management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration for the year has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the records of the Company and according to the information and explanations given to us, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

-
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) 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.

For M/S P.G. BHAGWAT
Chartered Accountants
Firm's registration No. 101118W

Sanjay Athavale
Partner
Membership No. 83374

Pune : 30 May 2019

"ANNEXURE B" TO AUDITORS' REPORT

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

We have audited the internal financial controls with reference to financial statements of BF Investment Limited ("the Company") as of 31st March, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/S P.G. BHAGWAT
Chartered Accountants
Firm's registration No. 101118W

Sanjay Athavale
Partner
Membership No. 83374

Pune : 30 May 2019

Financial Statements

Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
1 Financial Assets				
(a) Cash and cash equivalents	3	851.27	337.31	25.80
(b) Loans	4	1,793.68	2,004.97	2,605.81
(c) Investments	5	124,489.76	153,953.25	123,772.96
(e) Other financial assets	6	4,408.87	2,183.45	1,784.48
		<u>131,543.58</u>	<u>158,478.98</u>	<u>128,189.05</u>
2 Non-financial Assets				
(a) Current Tax Assets (net)	7	27.14	29.22	29.30
(b) Deferred Tax Asset (net)	8	1,169.06	1,392.43	1,834.95
(c) Investment Property	9	1,304.48	1,305.82	1,307.16
(a) Property, Plant and Equipment	10	66.52	138.38	178.27
(d) Other non-financial assets	11	1,650.04	1.37	1.55
		<u>4,217.24</u>	<u>2,867.22</u>	<u>3,351.23</u>
Total Assets		<u><u>135,760.82</u></u>	<u><u>161,346.20</u></u>	<u><u>131,540.28</u></u>
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
(a) Trade payables	12			
- total outstanding dues of micro enterprises and small enterprises		-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		13.20	21.31	70.51
(b) Other financial liabilities	13	120.00	25.00	-
		<u>133.20</u>	<u>46.31</u>	<u>70.51</u>
2 Non-Financial Liabilities				
(a) Current tax liabilities	14	44.98	27.37	-
(b) Other non-financial liabilities	15	2.51	4.30	0.02
		<u>47.49</u>	<u>31.67</u>	<u>0.02</u>
3 EQUITY				
(a) Share capital	16	1,883.38	1,883.38	1,883.38
(b) Other equity				
(i) Reserves & Surplus	17	133,696.75	159,384.84	129,586.37
		<u>135,580.13</u>	<u>161,268.22</u>	<u>131,469.75</u>
Total Liabilities and Equity		<u><u>135,760.82</u></u>	<u><u>161,346.20</u></u>	<u><u>131,540.28</u></u>
Significant accounting policies	1			
Significant accounting judgements, estimates and assumptions	2			
The notes 1 to 45 form an integral part of these Standalone financial statements				

As per my attached report of even date,

On behalf of the Board of Directors,

For M/s. P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W

M.U. Takale
Director
DIN : 01291287

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

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

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 30th May, 2019

Place : Pune
Date : 30th May, 2019

Statement of Profit and Loss for the Year Ended 31st March, 2019

		(₹ in Lakhs)	
	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
1	Revenue from Operations		
	(i) Interest Income	311.09	216.55
	(ii) Dividend Income	3,982.10	3,511.35
	(iii) Net gain on fair value changes	597.29	90.41
2	Other Income	164.16	58.42
	Total Income (1+2)	<u>5,054.64</u>	<u>3,876.73</u>
3	Expenses		
	(a) Employee benefits expense	45.05	41.20
	(b) Finance costs	2.00	1.32
	(c) Depreciation	11.71	41.23
	(d) Other expenses	395.81	290.33
	Total expenses	<u>454.57</u>	<u>374.08</u>
4	Profit / (Loss) before exceptional items and tax	<u>4,600.07</u>	<u>3,502.65</u>
5	Exceptional items	(41.96)	1,388.28
6	Profit / (Loss) before tax	<u>4,642.03</u>	<u>2,114.37</u>
7	Tax expense		
	Current tax	80.53	47.85
	Deferred tax expense	234.75	20.95
	Total Tax expense	<u>315.28</u>	<u>68.80</u>
8	Profit/(Loss) for the period	<u>4,326.75</u>	<u>2,045.57</u>
9	Other comprehensive income, net of income tax		
	A. Items that will not be reclassified to profit or loss		
	(a) Changes in fair value of FVOCI equity investment	(30,014.84)	27,752.90
	Total other comprehensive income for the year	<u>(30,014.84)</u>	<u>27,752.90</u>
10	Total comprehensive income for the period	<u>(25,688.09)</u>	<u>29,798.47</u>
11	Earnings per share (of ₹ 5 /- each) :	<u>11.49</u>	<u>5.43</u>
	Basic & Diluted		
	Significant accounting policies	1	
	Significant accounting judgements, estimates and assumptions	2	
	The notes 1 to 45 form an integral part of these Standalone financial statements		

As per my attached report of even date,

On behalf of the Board of Directors,

For M/s. P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W

M.U. Takale
Director
DIN : 01291287

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

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

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 30th May, 2019

Place : Pune
Date : 30th May, 2019

Cash Flow Statement for the Year Ended 31st March, 2019

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
A) Cash flows from operating activities		
Profit before income tax but after exceptional items	4,642.03	2,114.37
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	11.71	41.23
Profit on sale of investments	(47.89)	(19.03)
Interest - Other	2.00	1.32
Profit on sale of asset	(7.28)	-
Net gain on fair value changes	(597.29)	(90.41)
Adjustments for changes in working capital		
(Increase) / Decrease in loans	375.79	750.00
Increase / (Decrease) in trade payables	(8.11)	(49.21)
Increase / (Decrease) in other financial liabilities	95.00	25.00
(Increase) / Decrease in other financial assets	(2,225.42)	(398.98)
(Increase) / Decrease in other non financial assets	(1,648.68)	0.18
Increase / (Decrease) in other non financial liabilities	(1.79)	4.28
Cash generated from operations	590.07	2,378.75
Income taxes paid (net of refunds)	(62.83)	(21.72)
Net Cash from Operating activities	527.24	2,357.03
B) Cash flows from investing activities		
(Purchase) / Sale of shares	(382.75)	(2,395.96)
(Purchase) / Sale of mutual funds	300.71	350.44
Sale of asset	68.76	-
Net cash flows from investing activities	(13.28)	(2,045.52)
C) Cash flows from financing activities		
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	513.96	311.51
Cash and cash equivalents at the beginning of the year (refer note 13)	337.31	25.80
Cash and cash equivalents at the end of the year (refer note 13)	851.27	337.31
The cashflow is prepared by indirect method		
Significant accounting policies	1	
Significant accounting judgements, estimates and assumptions	2	
The notes 1 to 45 form an integral part of these Standalone financial statements		

As per my attached report of even date,

On behalf of the Board of Directors,

For M/s. P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W

M.U. Takale
Director
DIN : 01291287

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

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

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 30th May, 2019

Place : Pune
Date : 30th May, 2019

Statement of Changes in Equity (SOCIE) for the period ended 31st March, 2019

A. Equity Share Capital

(₹ in Lakhs)

	Notes	No. of shares	Amount
As at April 1, 2017		37,667,628	1,883.38
Changes in equity share capital		-	-
As at March 31, 2018		37,667,628	1,883.38
Changes in equity share capital		-	-
As at March 31, 2019		37,667,628	1,883.38
Changes in equity share capital		-	-

B. Other Equity

(₹ in Lakhs)

	Notes	Reserves and Surplus					Other reserve	Total
		Retained Earnings	General reserve	Reserve Fund	Capital Redemption reserve	Capital Reserve	FVOCI equity investment reserve	
As at April 1, 2017		28,064.08	8.70	9,448.43	0.01	23,675.23	68,389.92	129,586.37
Profit for the year		2,045.57	-	-	-	-	-	2,045.57
Other Comprehensive Income :								
Changes in fair value of equity instruments (compulsorily convertible debentures)		-	-	-	-	-	27,752.90	27,752.90
Total Comprehensive Income for the year		2,045.57	-	-	-	-	27,752.90	29,798.47
Add : Arising during the year		-	-	-	-	-	-	-
Add/Less: Amortised during the year		-	-	-	-	-	-	-
Transferred to Statutory reserve fund during the year		(396.06)	-	396.06	-	-	-	-
As at March 31, 2018		29,713.59	8.70	9,844.49	0.01	23,675.23	96,142.82	159,384.84
Profit for the year		4,326.75	-	-	-	-	-	4,326.75
Other Comprehensive Income :								
Changes in fair value of equity instruments (compulsorily convertible debentures)		-	-	-	-	-	(30,014.84)	(30,014.84)
Total Comprehensive Income for the year		4,326.75	-	-	-	-	(30,014.84)	(25,688.09)
Add : Arising during the year		-	-	-	-	-	-	-
Add/Less: Amortised during the year		-	-	-	-	-	-	-
Transferred to Statutory reserve fund during the year		(865.35)	-	865.35	-	-	-	-
As at March 31, 2019		33,174.99	8.70	10,709.84	0.01	23,675.23	66,127.98	133,696.75
Significant accounting policies	1							
Significant accounting judgements, estimates and assumptions	2							
The notes 1 to 45 form an integral part of these Standalone financial statements								

As per my attached report of even date,

On behalf of the Board of Directors,

For M/s. P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W

M.U. Takale
Director
DIN : 01291287

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

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

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 30th May, 2019

Place : Pune
Date : 30th May, 2019

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

Background:

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

These separate financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on May 30, 2019.

1A. Significant Accounting Policies:

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

(a) Basis of preparation

(i) Compliance with Ind AS

These separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first separate financial statements that the Company has prepared in accordance with Ind-AS. Refer note 37-an explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position and financial performance.

(ii) Historical cost convention

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

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

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions for the company. Refer note 36 for segment information presented.

(c) Foreign currency translation

Functional and presentation currency

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

Initial Recognition

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

Conversion

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

Exchange Differences

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

Interest Income

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

Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is

probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

(d) Taxes

Current tax

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

Deferred Tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

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

(e) Cash and cash equivalents

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

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

(f) Investment in associates and jointly controlled companies :

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

(g) Fair value measurement :

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

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

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

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

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

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

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

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

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

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

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

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

(h) Financial instruments

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

(i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial assets at amortized cost:

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the

effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Financial assets at fair value through other comprehensive income

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

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

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

Financial assets at fair value through profit or loss

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

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

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

De-recognition of financial assets

A financial asset is de-recognized when:

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

- Financial assets measured as at amortized cost.

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

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

(j) De-recognition of financial liabilities

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

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

(k) Offsetting of financial instruments

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

(l) Investment Property

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

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

Transition to Ind AS

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

(m) Property, plant and equipment

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

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

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

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

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

The useful lives has been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

Depreciation is charged on the basis of useful life of assets on straight line method.

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

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

Transition to Ind AS

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

(n) Impairment of non-financial assets

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

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

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

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

(o) Trade and other payables

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

(p) Provisions and contingent liabilities

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the

Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(q) Contributed equity

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

(r) Dividends

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

(s) Earnings per share

(i) Basic Earnings per Share

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

(ii) Diluted Earnings per Share

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

(t) Rounding of amounts:

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

1. B Standards issued but not effective

1. Ind AS 116 - Leases

Ind AS 116 was notified by the Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.

Ind AS 116 will affect primarily the accounting by leases and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use of the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in the later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. Appendix C, Uncertainty over Income Tax Treatments, to Ind AS 12, 'Income Taxes'

The appendix explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- How to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

- That the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;
- That the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- That the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The application of this guidance is not expected to have an impact on the separate financial statements.

3. Prepayment Features with Negative Compensation - Amendments to Ind AS 109, 'Financial Instruments'

The narrow-scope amendments made to Ind AS 109 enable entities to measure certain prepayable financial assets with negative compensation at amortized cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortized cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

These amendments are not expected to have any impact on the separate financial statements.

4. Plan Amendment, Curtailment or Settlement - Amendments to Ind AS 19, 'Employee Benefits'

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

- Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;
- Any reduction in a surplus should be recognized immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognized in profit or loss even if that surplus was not previously recognized because of the impact of the asset ceiling; and
- Separately recognize any changes in the asset ceiling through other comprehensive income.

These amendments will apply to any future plan amendments, curtailments or settlements of the Company on or after April 1, 2019.

5. Ind AS 12, 'Income Taxes'

The amendments clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits were recognized. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognized in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

These amendments are not expected to have any material impact on the separate financial statements.

6. Ind AS 23, 'Borrowing Costs'

The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

As the Company does not have any borrowings, there is no impact on account of this amendment.

2. Significant accounting judgements, estimates and assumptions

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

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

Judgements

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

1. Segment Reporting

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

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

2. Legal Contingencies

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

Estimates and assumptions

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

1. Fair value measurement of unquoted financial instruments

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

2. Deferred Tax

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

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Note 3: Cash and Cash Equivalents			
Balances with Banks			
In current accounts	6.11	22.26	25.66
Term deposits with original maturity of less than three months	845.00	315.00	-
Cash in Hand	0.16	0.05	0.14
Total	851.27	337.31	25.80

Note 4: Loans

	As on March 31, 2019			As on March 31, 2018			As on April 1, 2017		
	Amortised cost	Fair value through profit or loss	Total	Amortised cost	Fair value through profit or loss	Total	Amortised cost	Fair value through profit or loss	Total
(A) Loans									
(i) Intercorporate deposit	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.77	2,767.07
Total (A) - Gross	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.77	2,767.07
Less: impairment loss allowance	(869.30)	-	(869.30)	(911.26)	-	(911.26)	(161.26)	-	(161.26)
Total (A) - Net	-	1,793.68	1,793.68	360.04	1,644.93	2,004.97	1,110.04	1,495.77	2,605.81
(B)									
(i) Unsecured	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.77	2,767.07
Total (B) - Gross	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.77	2,767.07
Less: impairment loss allowance	(869.30)	-	(869.30)	(911.26)	-	(911.26)	(161.26)	-	(161.26)
Total (B) - Net	-	1,793.68	1,793.68	360.04	1,644.93	2,004.97	1,110.04	1,495.77	2,605.81
(C) Loans in India									
(i) Unsecured	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.77	2,767.07
Total (C) - Gross	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.77	2,767.07
Less: impairment loss allowance	(869.30)	-	(869.30)	(911.26)	-	(911.26)	(161.26)	-	(161.26)
Total (C) - Net	-	1,793.68	1,793.68	360.04	1,644.93	2,004.97	1,110.04	1,495.77	2,605.81

Note 5: Investments

Investments	As on March 31, 2019			As on March 31, 2018			As on April 1, 2017			
	At Cost	At fair value		At Cost	At fair value		At Cost	At fair value		
		Through other comprehensive income	Through profit or loss		Total	Through other comprehensive income		Through profit or loss	Total	
Mutual Funds:										
5,509(-)Baroda Pioneer Treasury Advantage Fund - Plan A Growth	-	-	-	-	0.00	-	-	-	104.43	104.43
32,653(-) Birla Sunlife Savings Fund - Growth - Regular Plan	-	-	-	-	0.00	-	-	-	104.04	104.04
621,690(-) ICICI Prudential Ultra Short Term - Growth	-	-	-	-	0.00	-	-	-	101.88	101.88
666,463 (-) Reliance Banking & PSU Debt Fund - Growth Plan	-	-	-	-	83.56	-	-	-	78.56	78.56
870,197 (-) Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth	-	-	-	-	209.31	-	-	-	193.74	193.74
1,525 (7,283) UTI Treasury Advantage Fund Institutional Plan - Growth	-	-	-	-	0.00	-	-	-	34.18	34.18
Total Mutual Funds:	-	-	-	-	292.87	-	-	-	616.83	616.83
Equity shares:										
15,614,676(15,614,676) Equity Shares of ₹ 2/- each fully paid in Bharat Forge Ltd.	-	80,009.60	-	-	109,248.08	-	-	81,360.27	-	81,360.27
1,187,903 (1,187,903) Equity Shares of ₹ 5/- each fully paid in BF Utilities Ltd.	-	2,328.88	-	-	4,541.95	-	-	5,252.31	-	5,252.31
3,273,375 (2,182,250) Equity Shares of ₹ 2/- each fully paid in Hikal Ltd. (Includes 1,091,125 Bonus shares allotted during the year)	-	5,684.21	-	-	4,489.97	-	-	4,664.56	-	4,664.56
569,600 (569,600) Equity Shares of ₹ 10/- each fully paid in Kalyani Forge Ltd.	-	1,588.90	-	-	1,640.45	-	-	2,130.02	-	2,130.02
500 (500) Equity Shares of ₹ 10/- each fully paid in Saarloha Advanced Materials Pvt. Ltd. (previously known as Kalyani Carpenter Special Steels Pvt. Ltd.)	-	0.12	-	-	0.12	-	-	0.12	-	0.12
71,362,260 (71,362,260) Equity Shares of ₹ 10/- each fully paid in KheD Economic Infrastructure Pvt. Ltd.	-	10,839.93	-	-	10,547.34	-	-	9,013.05	-	9,013.05
2,399,998 (2,399,998) Equity Shares of ₹ 10/- each fully paid in Kalyani Maxion Wheels Ltd.	-	4,489.92	-	-	4,563.36	-	-	4,582.32	-	4,582.32
Total Equity Shares	-	104,941.56	-	-	135,031.27	-	-	107,002.65	-	107,002.65
Equity Shares in Associates										
17,052,421 (17,052,421) Equity Shares of ₹ 5/- each, fully paid in Kalyani Steels Ltd.	3,095.73	-	-	-	3,095.73	-	-	3,095.73	-	3,095.73
32,999,000 (32,999,000) Equity Shares of ₹ 10/- each fully paid in KSL Holdings Pvt. Ltd.	3,299.90	-	-	-	3,299.90	-	-	3,299.90	-	3,299.90
(16,183,636) Equity Shares of ₹ 10/- each fully paid in Epicenter Technologies Pvt. Ltd.	-	-	-	-	1,832.36	-	-	1,832.36	-	1,832.36
3,195,397 (3,195,397) Equity Shares of ₹ 10/- each fully paid in Triumph Special Alloys Pvt. Ltd. (previously known as Carpenter Kalyani Special Alloys Pvt. Ltd.)	47.61	-	-	-	47.61	-	-	47.61	-	47.61
2,940,000 (2,940,000) Equity Shares of ₹ 10/- each fully paid in Kalyani Financial Services Ltd.	478.84	-	-	-	478.84	-	-	478.84	-	478.84
25,000 (25,000) Equity Shares of ₹ 10/- each fully paid in Nandl Engineering Ltd.	2.50	-	-	-	2.50	-	-	2.50	-	2.50
6924.58	104,941.56	-	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	107,619.48
	-	-	-	-	47.61	-	-	47.61	-	47.61
	-	-	-	-	478.84	-	-	478.84	-	478.84
	2.50	-	-	-	2.50	-	-	2.50	-	2.50
	6924.58	104,941.56	-	-	8,756.94	-	-	8,756.94	-	8,756.94
	-	-	-	-	135,031.27	-	-	107,002.65	-	107,002.65
	-	-	-	-	292.87	-	-	616.83	-	616.83
	-	-	-	-	135,324.14	-	-	107,619.48	-	

Note 5: Investments (Contd.)

Investments	As on March 31, 2019			As on March 31, 2018			As on April 1, 2017		
	At Cost	At fair value Through other comprehensive income	Total	At Cost	At fair value Through other comprehensive income	Total	At Cost	At fair value Through other comprehensive income	Total
Equity Shares in Associates (Contd.)									
Brought over	-	-	104,941.56	-	135,031.27	292.87	-	107,002.65	616.83
1,131,793(1,131,793) Equity Shares of ₹ 10/- each fully paid in Synise Technologies Ltd.	6924.58	-	6,924.58	8,756.94	-	8,756.94	8,756.94	-	-
Total Equity shares and associates	558.53	-	558.53	558.53	-	558.53	558.53	-	-
Equity Shares in Joint Venture	7,483.11	-	7,483.11	9,315.47	-	9,315.47	9,315.47	-	-
5,367,806 (5,367,806) Equity Shares of ₹ 10/- each fully paid in Automotive Axles Ltd.	2,606.87	-	2,606.87	2,606.87	-	2,606.87	2,606.87	-	-
1,190,694 (1,190,694) Equity Shares of ₹ 10/- each fully paid in Mieritor HVS India Ltd.	119.07	-	119.07	119.07	-	119.07	119.07	-	-
Total Equity shares associates and joint ventures	2,725.94	-	2,725.94	2,725.94	-	2,725.94	2,725.94	-	-
Preference shares:									
24,042,440 (21,042,440) 7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.	-	2,294.48	2,294.48	-	-	1,801.84	-	-	-
9,300,000 (9,300,000) 8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.	-	851.85	851.85	-	-	774.41	-	-	-
Preference shares in Associate	-	-	-	-	-	-	-	-	-
(3,000,000) 6% Non-cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Ltd.	-	-	-	-	-	281.84	-	256.22	256.22
4,000,000 (4,000,000) 9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 100/- each, fully paid in KSL Holdings Pvt. Ltd.	-	4,548.88	4,548.88	-	-	4,182.06	-	3,815.86	3,815.86
6,860,000 (-) 1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial services Ltd.	-	431.44	431.44	-	-	-	-	-	-
Total Preference Shares:	-	8,126.65	8,126.65	-	-	7,040.15	-	4,072.08	4,072.08
Debentures in Associate:									
6,636,000(6,847,000) 0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.	-	1,773.53	1,773.53	-	1,848.69	-	-	1,702.85	-
Total Debentures:	-	1,773.53	1,773.53	-	1,848.69	-	-	1,702.85	-
Total - Gross (A)	10,209.05	106,715.09	125,050.79	12,041.41	136,879.96	7,333.02	12,041.41	108,705.50	4,688.91
(i) investments outside india									
(ii) investments in India	10,209.05	106,715.09	125,050.79	12,041.41	136,879.96	7,333.02	12,041.41	108,705.50	4,688.91
Total (B)	10,209.05	106,715.09	125,050.79	12,041.41	136,879.96	7,333.02	12,041.41	108,705.50	4,688.91
Less: Allowance for impairment loss	(561.03)	-	(561.03)	(2,301.14)	-	(2,301.14)	(1,662.86)	-	-
Total Investments	9,648.02	106,715.09	124,489.76	9,740.27	136,879.96	7,333.02	10,378.55	108,705.50	4,688.91

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

Particulars	(₹ in Lakhs)		
	March 31, 2019	March 31, 2018	April 1, 2017
Note 6: Other financial assets			
Interest receivable	53.78	142.86	206.63
Provision for Doubtful Interest Receivable	(14.54)	(14.54)	(14.54)
Net Interest receivable	39.24	128.32	192.09
Term Deposits with Banks with original maturity of more than 3 months but less than 12 months	4,334.00	2,019.50	1,579.00
Security deposits	35.63	35.63	13.39
Total	4,408.87	2,183.45	1,784.48
Note 7 : Current Tax Assets (net)			
Tax paid in advance, (net of provisions)	27.14	29.22	29.30
Total	27.14	29.22	29.30
Note 8 : Deferred Tax Asset (net)			
Deferred tax asset (net)	1,169.06	1,392.43	1,834.95
Total	1,169.06	1,392.43	1,834.95
Changes in Deferred Tax Assets/ (Liabilities) in Profit and Loss [charged / (credited)] during the year.			
Deferred tax liabilities			
On account of temporary difference			
Deferred tax on equity shares	2,212.70	2,151.73	1,730.17
Deferred tax on mutual fund	-	11.14	9.08
	2,212.70	2,162.87	1,739.25
Deferred tax assets			
On account of temporary difference			
Depreciation and amortisation	15.71	32.08	27.88
Disallowances	-	-	-
Deferred tax asset on fair valuation of preference shares	(29.60)	81.82	63.41
Deferred tax on fair valuation of loans	3,395.65	3,441.40	3,482.91
	3,381.76	3,555.30	3,574.20
Total	1,169.06	1,392.43	1,834.95
Changes in Deferred Tax Assets/(Liabilities) in Other Comprehensive income [charged/(credited) during the year]			
		March 31, 2019	March 31, 2018
Deferred tax charged		(223.37)	442.52
Total		(223.37)	442.52

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Total
Note 9: Investment property			
Gross block as at 1 April 2017	1,258.48	76.64	1,335.12
Additions	-	-	-
Adjustments	-	-	-
Gross block as at March 31, 2018	1,258.48	76.64	1,335.12
Additions	-	-	-
Adjustments	-	-	-
Gross block as at March 31, 2019	1,258.48	76.64	1,335.12
Accumulated depreciation as at 1 April 2017	-	27.96	27.96
Depreciation charge	-	1.34	1.34
Closing accumulated depreciation as at March 31, 2018	-	29.30	29.30
Depreciation charge	-	1.34	1.34
Closing accumulated depreciation as at March 31, 2019	-	30.64	30.64
Net carrying amount as at March 31, 2019	1,258.48	46.00	1,304.48
Net carrying amount as at March 31, 2018	1,258.48	47.34	1,305.82

Amount recognised in profit and loss for investment properties

	March 31, 2019	March 31, 2018
Depreciation	1.34	1.34
Total	1.34	1.34

Fair Value

Particulars	Freehold land	Buildings
As on March 31, 2019	7,150.00	151.29
As on March 31, 2018	7,150.00	151.29
As on April 1, 2017	7,150.00	151.29

Note 10: Property, plant and equipment

Particulars	(₹ in Lakhs)		
	Vehicles	Furniture and Fixtures	Total
Gross Block as at April 1, 2017	265.64	109.13	374.77
Additions	-	-	-
Disposals/Adjustments	-	-	-
Gross block as at March 31, 2018	265.64	109.13	374.77
Additions	-	-	-
Transfers	-	-	-
Disposals / Adjustments	(265.64)	-	-
Gross Block as at March 31, 2019	-	109.13	109.13

Accumulated Depreciation :

As at April 1, 2017	174.63	21.87	196.50
For the year	29.52	10.37	39.89
Disposals/Adjustments	-	-	-
Transfers	-	-	-
As at March 31, 2018	204.15	32.24	236.39
For the year	-	10.37	10.37
Disposals/Adjustments	(204.15)	-	(204.15)
As at March 31, 2019	-	42.61	42.61

Net Block	Vehicles	Furniture and Fixtures	Total
	As at April 1, 2017	91.01	87.26
As at March 31, 2018	61.49	76.89	138.38
As at March 31, 2019	-	66.52	66.52

i) The information relating to Gross block, accumulated Depreciation and Impairment if any, has been disclosed as an additional information since the Group has adopted deemed cost exemption under Ind AS 101. Refer Note no. 37 on first time adoption.

Note 11 : Other non-financial assets

Particulars	(₹ in Lakhs)		
	March 31, 2019	March 31, 2018	April 1, 2017
Prepaid expenses	0.04	0.88	0.90
Other Assets	1,650.00	0.49	0.65
Total	1,650.04	1.37	1.55

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
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Note 12: Current Financial Liabilities - Trade payables

Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	13.20	21.31	70.51
Total	13.20	21.31	70.51

(i) The Company has compiled this information based on the current information in its possession as at March 31, 2019, no supplier has intimated the Company about its status as Micro and Small Enterprises or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 13: Other Current Financial Liabilities

Directors commission payable	120.00	25.00	-
Total	120.00	25.00	-

Note 14: Current Tax Liabilities

Current Tax Liabilities (net of advance tax)	44.98	27.37	-
Total	44.98	27.37	-

Note 15: Other non financial liabilities

Statutory dues payable	2.51	4.30	0.02
Total	2.51	4.30	0.02

Note 16: Share capital

Particulars	Equity shares
(a) Authorised share capital	
As at March 31, 2019 :	
Number of shares	40,000,000
Face value per share	5
Amount (₹ in Lakhs)	2,000.00
As at March 31, 2018 :	
Number of shares	40,000,000
Face value per share	5
Amount (₹ in Lakhs)	2,000.00
As at April 1, 2017 :	
Number of shares	40,000,000
Face value per share	5
Amount (₹ in Lakhs)	2,000.00

(b) Terms/ rights attached to equity shares

The Company has only one class of issued equity shares having a par value of Rs. 5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts.

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

(c) Issued and subscribed equity share capital

Particulars	Number of shares	Amount
As at April 1, 2017	37,667,628	1,883.38
Changes in equity share capital	-	-
As at March 31, 2018	37,667,628	1,883.38
Changes in equity share capital	-	-
As at March 31, 2019	37,667,628	1,883.38

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

Particulars	Ajinkya Investment & Trading Company	Sundaram Trading & Investment Private Limited	KSL Holdings Pvt. Ltd.
As at March 31, 2019			
% of holding	27.32%	25.99%	13.42%
Number of shares	10,292,103	9,793,068	5,054,091
As at March 31, 2018			
% of holding	27.32%	25.99%	13.42%
Number of shares	10,292,103	9,793,068	5,054,091
As at April 1, 2017			
% of holding	27.32%	25.33%	13.42%
Number of shares	10,292,103	9,543,068	5,054,091

Note 17: Reserves and Surplus

Particulars	March 31, 2019	March 31, 2018
Retained earnings	29,713.59	28,064.08
Add: Profit for the year	4,326.75	2,045.57
Less: Transfer to statutory reserve fund	(865.35)	(396.06)
	<u>33,174.99</u>	<u>29,713.59</u>
General Reserve as at the beginning and end of the year	8.70	8.70
Capital reserve as at the beginning and end of the year	23,675.23	23,675.23
Capital Redemption reserve as at the beginning and end of the year	0.01	0.01
Reserve Fund as at the beginning of the year	9,844.49	9,448.43
Add:	865.35	396.06
Reserve Fund as at the end of the year	<u>10,709.84</u>	<u>9,844.49</u>
FVOCI Equity investments		
As at the beginning of the year net of deferred taxes	96,142.82	68,389.92
Add: Fair value gains/losses for the year net of deferred taxes	(30,014.84)	27,752.90
As at the end of the year	<u>66,127.98</u>	<u>96,142.82</u>
Total	<u><u>133,696.75</u></u>	<u><u>159,384.84</u></u>

Nature and purpose of reserves:

i General reserve :

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

ii Capital reserve

It is the Reserve pertaining to the investment undertaking transferred to the resultant company, i.e. BF Investment Ltd., consequent to the scheme of arrangement approved by High Court of Judicature, Mumbai during financial year 2009-2010.

iii Capital Redemption Reserve

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

iv Reserve Fund

Under sec 45 IC (1) of RBI Act, every NBFC has to transfer 20 % of its post tax profit to a corpus termed as Reserve Fund.

v FVTOCI Equity investment reserve

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

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Note 18: Interest Income		
Interest Received on Bank Deposits	307.97	176.35
Interest Received on Inter Corporate Deposits	3.12	40.20
Total	<u>311.09</u>	<u>216.55</u>
Note 19: Dividend Income		
Dividend received on equity shares investments	3,982.10	3,511.35
Total	<u>3,982.10</u>	<u>3,511.35</u>
Note 20: Net Gain/(loss) on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit or loss		
- preference shares	597.29	82.99
- mutual funds	-	7.42
Total Net gain/(loss) on fair value changes		
Fair Value Changes:		
- Realised		
- Unrealised	597.29	90.41
Total Net gain/(loss) on fair value changes	<u>597.29</u>	<u>90.41</u>
Note 21: Other Income		
Miscellaneous Income	116.27	39.39
Surplus on Redemption of Mutual Funds	47.89	19.03
Total	<u>164.16</u>	<u>58.42</u>
Note 22: Employee Benefit Expenses		
Salaries and wages	42.34	38.37
Contribution to provident and other funds	1.87	1.94
Staff welfare expenses	0.30	0.31
Medical Reimbursement	0.06	0.06
Leave Travel Allowance	0.48	0.52
Total	<u>45.05</u>	<u>41.20</u>
Note 23: Finance Cost		
Other interest	2.00	1.32
Total	<u>2.00</u>	<u>1.32</u>

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Note 24: Depreciation		
Depreciation	11.71	41.23
Total	<u>11.71</u>	<u>41.23</u>
Note 25: Other Expenses		
Rent, taxes	102.09	98.83
Repairs and maintenance	-	3.61
Communication expenses	0.15	0.15
Printing and stationery	3.90	4.21
Advertisement and publicity	1.56	1.46
Director's fees, allowances and expenses	2.73	2.38
Auditor's fees and expenses (refer note no. 29)	5.35	3.91
Insurance	0.52	3.65
Brand Fees	5.00	5.00
Professional Fees	139.70	126.31
Commission to Directors	120.00	25.00
Other expenditure	14.81	15.82
Total	<u>395.81</u>	<u>290.33</u>
Note: 26 Exceptional item		
Provision for doubtful advances	(41.96)	750.00
Diminution in Investment (Provision)	-	638.28
Total	<u>(41.96)</u>	<u>1,388.28</u>
Note 27: Tax Expense		
Current tax	80.53	47.85
Deferred tax expense	234.75	20.95
Total	<u>315.28</u>	<u>68.80</u>
Reconciliation of tax expense and accounting profit multiplied by statutory tax rate		
Profit before tax	4,642.03	2,114.37
Applicable tax rate	0.2782	0.2782
Computed tax expense	1,291.41	588.22
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Non-deductible expenses	102.51	85.56
Income exempt from tax	(1,107.82)	(976.86)
Exceptional items	11.67	386.22
Others	17.51	(14.34)
Income tax expense	<u>315.28</u>	<u>68.80</u>

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Note 28: Earnings per share		
Net profit / (loss) after tax	4,326.74	2,045.56
Weighted average number of equity shares	37,667,628	37,667,628
Basic and diluted earning per share of nominal value of Rs. 5/- each	11.49	5.43
Note 29: Payment to auditors		
As auditor:		
Audit fees	5.10	3.10
Certification fees	0.25	0.75
Reimbursement of out of pocket expenses	-	0.06
Total	5.35	3.91

Note 30: Employee benefits

Employee benefits comprise amounts paid for the services of the Key Management Personnel on deputation. No separate provisions of retirement benefits or privilege leave benefits of such employees are recognized in the books of the Company.

Note 31: Related party transactions

A) Name of the related parties and nature of relationship

(i) Where control exists :

Associate Company	Ownership interest held by the Company		
	March 31, 2019	March 31, 2018	April 1, 2017
i Kalyani Steels Limited	39.06 %	39.06%	39.06%
ii KSL Holdings Private Limited	42.52 %	42.52%	42.52%
iii Epicentre Technologies Private Limited	0.00 %	27.72%	27.72%
iv Triumphant Special Alloys Pvt. Ltd. (previously known as Carpenter Kalyani Special Alloys Pvt. Ltd)	45.51 %	45.51%	45.51%
v Kalyani Financial Services Limited	49.00 %	49.00%	49.00%
vi Nandi Engineering Limited	40.00 %	40.00%	40.00%
vii Synise Technologies Limited	46.77 %	46.77%	46.77%

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

(i) Where control exists :

Joint Venture	Ownership interest held by the Company		
	March 31, 2019	March 31, 2018	April 1, 2017
i Automotive Axles Limited	35.52 %	35.52%	35.52%
ii Meritor (HVS) India Limited	48.99 %	48.99%	48.99%

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

Key Management Personnel

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

Trnsactions with related parties

Particulars	₹ in Lakhs	
	March 31, 2019	March 31, 2018
a Interest received from associates		
i Epicentre Technologies Private Limited	-	27.70
ii Kalyani Financial Services Limited	2.49	10.00
Total	<u>2.49</u>	<u>37.70</u>
b Dividend Received from Associates		
i Kalyani Steels Limited	852.62	852.62
Total	<u>852.62</u>	<u>852.62</u>

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
c Dividend Received from Joint venture		
i Automotive Axles Limited	724.65	429.42
ii Meritor HVS India Limited	1,497.90	1,432.40
Total	<u>2,222.55</u>	<u>1,861.82</u>
d Remuneration to Key Managerial Person		
i Mr. J. G. Patwardhan, the Chief Financial Officer and Chief Executive Officer	34.48	32.76
ii Mr. S. R. Kshirsagar, the Company Secretary	10.57	8.44
Total	<u>45.05</u>	<u>41.20</u>
e Director's sitting fees		
i Mr. Amit B. Kalyani, Director	0.45	0.20
ii Mr. B. B Hattarki, Director	0.60	0.40
iii Mr.M. U Takale	0.55	0.40
iv Ms. A. A Sathe	0.25	0.30
Total	<u>1.85</u>	<u>1.30</u>
f Director's commission		
i Mr. Amit B. Kalyani, Director	105.00	14.50
ii Mr. B. B Hattarki, Director	5.00	3.50
iii Mr.M. U Takale, Director	5.00	3.50
iv Ms. A. A Sathe, Director	5.00	3.50
Total	<u>120.00</u>	<u>25.00</u>
Balances with related parties		
a Director's commission payable		
i Mr. Amit B. Kalyani, Director	105.00	14.50
ii Mr. B. B Hattarki, Director	5.00	3.50
iii Mr.M. U Takale, Director	5.00	3.50
iv Ms. A. A Sathe, Director	5.00	3.50
Total	<u>120.00</u>	<u>25.00</u>
b Unsecured loan given to associates		
i Epicentre Technologies Pvt Ltd	-	277.00
ii Kalyani Financial Services Limited	-	100.00
Total	<u>-</u>	<u>377.00</u>
c Interest on Loan receivable from Associates		
i Epicentre Technologies Pvt Ltd	-	6.15
ii Kalyani Financial Services Limited	-	37.27
Total	<u>-</u>	<u>43.42</u>

Note 32 : Fair value measurements

Financial assets and liabilities at amortised cost

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Financial assets			
Term deposits	4,334.00	2,019.50	1,579.00
Security deposits	35.63	35.63	13.39
Inter-corporate deposit	1,793.68	360.04	1,110.04
Interest receivable	39.24	128.32	192.09
Cash and cash equivalents	851.27	337.31	25.80
Total financial assets	7,053.82	2,880.80	2,920.32
Financial liabilities			
Trade payables	13.20	21.31	70.51
Directors Commission payable	120.00	25.00	-
Total financial liabilities	133.20	46.31	70.51

Financial assets and liabilities classified as FVPL

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Investment in Preference shares	8,126.65	7,040.15	4,072.08
Loans	1,793.68	1,644.93	1,495.77
Investments in Mutual Funds	-	292.87	616.83

Financial assets and liabilities classified as FVOCI

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Investment in Equity Shares	104,941.56	135,031.27	107,002.65
Investment in Debentures	1,773.53	1,848.69	1,702.85

i) Fair value hierarchy

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

	(₹ in Lakhs)		
Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3
Investment in Preference shares			
March 31, 2019	-	-	8,126.65
March 31, 2018	-	-	7,040.15
April 1, 2017	-	-	4,072.08
Investments in Mutual Funds			
March 31, 2019	-	-	-
March 31, 2018	292.87	-	-
April 1, 2017	616.83	-	-
Investment in Equity Shares			
March 31, 2019	104,941.56	-	-
March 31, 2018	135,031.27	-	-
April 1, 2017	107,002.65	-	-
Investment in Debentures			
March 31, 2019	-	-	1,773.53
March 31, 2018	-	-	1,848.69
April 1, 2017	-	-	1,702.85

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

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

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

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

iii) Valuation process

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

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

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

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

The following table presents the changes in level 3 items:

(₹ in Lakhs)

Particulars	Preference shares	Debentures	Total
As at April 1, 2017	4,072.08	1,702.85	5,774.93
Purchased during the year	2,576.25	-	2,576.25
Gains/ (losses) recognised in profit or loss	391.82	-	391.82
Gains/ (losses) recognised in other comprehensive income	-	145.84	145.84
As at March 31, 2018	7,040.15	1,848.69	8,888.84
Purchased during the year	431.44	-	431.44
Gain / (loss) recognised in profit or loss	655.06	-	655.06
Gains/ (losses) recognised in other comprehensive income	-	(75.16)	(75.16)
As at March 31, 2019	8,126.65	1,773.53	9,900.18

v) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value

Name of the entity	Method of valuation- significant unobservable inputs	Fair value as at				Inputs use for fair value	
		March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
		Equity Shares of ₹ 10/- each fully paid in Khed Economic Infrastructure Private Limited.	Cost approach - method Inputs considered for cost approach : Inventory valuation 1) Rate per acre for developed land 2) Rate per acre for land under development 3) Rate per acre for undeveloped land	10,839.93	10,547.34	9,013.05	Inventory valuation 1) Rate per acre for developed land: Rs. 0.99 to Rs. 1.26 crore (weighted average Rs. 1.06 crore) per acre 2) Rate per acre for land under development: Rs. 0.99 to Rs. 1.26 crore (weighted average Rs. 1.06 crore) per acre 3) Rate per acre for undeveloped land : Rs. 0.28 crore
Equity Shares of ₹ 10/- each fully paid in Kalyani Maxion Wheels Limited	Cost approach - method Inputs considered for cost approach : Fair valuation of Tangible assets	4,489.92	4,563.36	4,582.32	Fair value tangible assets viz. land, buildings and plant and equipment viz. plant and machinery, factory equipment, research and development.	Fair value tangible assets viz. land, buildings and plant and equipment viz. plant and machinery, factory equipment, research and development.	
0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.	Cost approach - method Inputs considered for cost approach : Fair valuation of Investments	1,773.53	1,848.69	1,702.85	Fair value of current and non current investments viz. equity shares and debentures.		
7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.	Discounted cash flow method	2,294.48	1,801.84	-	10%	10%	10%
9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Private Limited.	Discounted cash flow method	4,548.88	4,182.06	3,815.86	10%	10%	10%
1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial services Limited	Discounted cash flow method	431.44	-	-	10%	10%	10%
6 % Non-cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Ltd.	Discounted cash flow method	-	281.84	256.22	10%	10%	10%
8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.	Discounted cash flow method	851.85	774.41	-	10%	10%	10%

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
The sensitivity analysis on account of inputs used for fair valuation are as follows:			
1. Equity shares of Khed Economic Infrastructure Private Limited:			
Rate per acre			
Increase by 5%	542.00	527.37	450.65
Decrease by 5%	(542.00)	(527.37)	(450.65)
2. Equity shares of Kalyani Maxion Wheels Limited:			
Fair value of tangible assets			
Increase by 5%	224.50	228.17	229.12
Decrease by 5%	(224.50)	(228.17)	(229.12)
3. 0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.:			
Fair value of investments			
Increase by 5%	88.68	92.43	85.14
Decrease by 5%	(88.68)	(92.43)	(85.14)
4. 7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.			
Discount rate			
Increase by 1%	(114.22)	(91.72)	-
Decrease by 1%	122.18	98.11	-
5. 9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Private Limited.			
Discount rate			
Increase by 1%	(374.13)	(340.12)	(309.20)
Decrease by 1%	429.67	390.61	355.10
6. 1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial services Limited			
Discount rate			
Increase by 1%	(19.09)	-	-
Decrease by 1%	20.16	-	-
7. 6 % Non-cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Ltd.			
Discount rate			
Increase by 1%	-	(12.47)	(11.34)
Decrease by 1%	-	13.17	11.97
8. 8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.:			
Discount rate			
Increase by 1%	(63.13)	(69.45)	-
Decrease by 1%	72.35	79.59	-

Note 33 : Financial risk management

Presented below is a description of the risks (market risk, and liquidity risk) together with a sensitivity analysis, performed annually, of each of these risks based on selected changes in market rates and prices. These analyses reflect management's view of changes which are reasonably possible to occur over a one-year period.

I Market Risk

A Price risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet wither at fair value through Other Comprehensive Income or at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the group diversifies the portfolio. The majority of group's equity investments are publicaly traded and are included in the BSE and NSE indices.

II Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these debt financing plans.

i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

	(₹ in Lakhs)	
	Less than 1 year	More than 1 year
March 31, 2019		
Non- derivative		
Trade payables	13.20	-
Directors Commission payable	120.00	-
March 31, 2018		
Non- derivative		
Trade payables	21.31	-
Director's commission payable	25.00	-
April 1, 2017		
Non- derivative		
Trade payables	70.51	-
Director's commission payable	-	-

III Credit Risk:

The Company is exposed to credit risk from its activity of giving loans and from its financing activities, including deposits with banks and other financial instruments. The balances with banks, loans given to corporate bodies, security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

Note 34 : Capital management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The capital structure of the Company is as follows:

Particulars	(₹ in Lakhs)		
	March 31, 2019	March 31, 2018	April 1, 2017
Share Capital	1,883.38	1,883.38	1,883.38
Other Equity	133,696.75	159,384.84	129,586.37
Total	135,580.13	161,268.22	131,469.75

Note 35 : Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors has been identified as the chief operating decision maker.

The Company is in the business of making investments in group companies, focusing on earning income through dividends, interest and gains on investment held, which is a single segment in accordance with Ind AS 108 - "Operating segment" notified pursuant to Companies (Indian Accounting Standards) Rules, 2015 as amended.

All non-current assets are in India.

Note 36 : Corporate social responsibility (CSR)

(₹ in Lakhs)

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 recognizes CSR spends as and when incurred. Relevant details for the financial year covered by these statements are as under.

	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Gross Amount required to be spent by the Company during the year	35.55	34.61
Amount spent during the year	-	-
Cumulative shortfall	105.99	70.44

Note 37 : First-time adoption

Transition to Ind AS

These separate financial statements, for the year ended March 31, 2019, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP"). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2017.

I Exemptions availed

a) Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

b) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair Value Through Other Comprehensive Income on the basis of facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in debentures.

c) Investment in Associates and Jointly controlled entities

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investments in Associates and jointly controlled entities as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its investments in Associates and jointly controlled entities at their previous GAAP carrying value.

II Exceptions applied

a) Estimates

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation :

- Impairment of financial assets based on expected credit loss model
- Investment in preference shares carried at FVTPL.
- Investment in mutual funds carried at FVTPL.
- Investment in debentures carried at FVTOCI.
- Investment in equity shares carried at FVTOCI.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2017, the date of transition to Ind AS and as of March 31, 2018.

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

III Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliation include -

- equity reconciliation as at April 1, 2017
- equity reconciliation as at March 31, 2018
- profit reconciliation for the year ended March 31, 2018 , and

In the reconciliations mentioned above, certain reclassifications have been made from Indian GAAP financial information to align with Ind AS presentation.

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

A Reconciliation of total equity as at March 31, 2018 and April 1, 2017				(₹ in Lakhs)
Particulars	Notes	March 31, 2018	April 1, 2017	
Total Equity as per Indian GAAP		74,237.63	72,257.33	
Adjustments:				
Fair valuation of preference shares	1.A	(212.27)	(164.51)	
Fair valuation of equity shares	1.B	101,141.13	73,534.07	
Fair Valuation of Mutual fund	1.C	28.91	23.55	
Fair valuation of Debentures	1.D	(4,998.31)	(5,144.15)	
Fair valuation of Loans	1.E	(8,928.86)	(9,036.53)	
Total Adjustments		87,030.60	59,212.43	
Total Equity as per Ind AS		161,268.23	131,469.76	

Reconciliation of total comprehensive income for the year ended March 31, 2018

			(₹ in Lakhs)
Particulars	Notes	Year ended March 31, 2018	
Net profit after tax under Indian GAAP		1,980.30	
Adjustments:			
Fair valuation of preference shares	1.A	47.76	
Fair valuation of Mutual funds	1.C	(5.36)	
Fair valuation of loans	1.E	(107.67)	
Total Adjustments		(65.27)	
Net Profit after tax as per Ind-AS		2,045.57	
Other comprehensive income			
Fair valuation of equity shares	1.B	(27,607.06)	
Fair valuation of Debentures	1.D	(145.84)	
Total Other comprehensive income		(27,752.90)	
Total Comprehensive Income as per Ind AS		29,798.47	

V The transition did not have any material impact on the previously reported cash flows.

VI Notes to first-time adoption

1 Fair valuation of investments

Under the previous GAAP, investments in equity shares, mutual funds, debentures and preference shares were classified as long-term investments based on the intended holding period and reliability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value.

- A. Fair value changes with respect to investments in preference shares carried at FVTPL are taken through retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. This decreased retained earnings by Rs.212.27 lakhs as at March 31, 2018 (April 1, 2017 - Rs.164.57 lakhs).
- B. Fair value changes with respect to investment in equity shares designated as at FVTOCI - equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2018. The impact to FVOCI- equity investments reserve as on April 1, 2017 is Rs. 73,534.01

lakhs and Rs 101,141.13 lakhs as on March 31, 2018. The impact to OCI for the year ended March 31, 2018 is Rs 27,607.06 lakhs.

- C. Under Ind-AS, investments in mutual funds are recorded at fair value as at the balance-sheet date. This increased retained earnings by Rs.23.55 lakhs as at March 31, 2018 (April 1, 2017 - Rs.28.91 lakhs).
- D. Fair value changes with respect to investment in compulsory convertible debentures designated as at FVTOCI - equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2017. This decreased other reserves by Rs. 4,998.31 lakhs as at March 31, 2018 (April 1, 2017 - Rs. 5,144.15 million).
- E. Fair value changes with respect to loans carried at FVPTL are taken through retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. This decreased retained earnings by Rs.8,928.86 lakhs as at March 31, 2018 (April 1, 2017 - Rs.9,036.53 lakhs).

2 Other Comprehensive Income

Under Indian GAAP, there were no requirements to separately disclose "Other Comprehensive Income" (OCI) and hence, the Company had not presented other comprehensive income (OCI) separately. As such, items falling under OCI, net of taxes is disclosed. Hence, the Company has reconciled the profit under Indian GAAP to the profit as per Ind AS. Further, profit under Ind AS is reconciled to total comprehensive income as per Ind AS.

Note 38 :

Legal title to some of the assets vested and transferred to the Company in pursuance of the Composite Scheme of Arrangement approved by the Honourable High Court of judicature at Bombay, as per Order dated 5th February, 2010 referred to herein before, could not be transferred in the name of the Company as at 31st March, 2019. The Company is in the process of completing the required legal formalities.

Note 39 :

3,000,000 6% Non-cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Limited have been converted into 1 % Non-Cumulative Compulsorily convertible preference shares of ₹ 10/- each, convertible after 5 years from date of allotment i.e. 15th February, 2019.

Note 40 :

40,000,000 9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Pvt. Ltd. are redeemable at par on or before 25th October, 2036.

Note 41 :

21,042,440 7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited are redeemable at par on or before 18th January, 2023.

Note 42 :

9,300,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each of Baramati Speciality Steels Ltd. are redeemable at par on or before 27th March, 2038.

Note 43 :

Of the 6,636,000 0% Fully Convertible Debentures (FCDs) of ₹ 100/- each, fully paid of Kalyani Financial Services Limited, 1,366,000 FCDs are compulsorily convertible into Equity Shares of ₹ 10/- each, fully paid up at a premium of ₹ 20/- per share on or before 31st March, 2021. 5,270,000 FCDs are compulsorily convertible into such number of fully paid up Equity Shares of ₹ 10/- each, at such a price as shall be fixed by the said Company on or before 27th September, 2022.

Notes forming part of the Separate Financial Statements for the year ended 31st March, 2019.

Note 44 :

Long term loans given :

The Company has given letter of subordination to Nandi Economic Corridor Enterprises Ltd. (NECE) and Airro (Mauritius) Holdings V, whereby the Company has agreed to subordinate the loan of ₹ 1,160,520,067 (Previous Year : ₹ 1,160,520,067) granted by it to NECE, until the entire stakeholding of Airro (Mauritius) Holdings V in NECE Ltd. is completely sold off or all the amounts payable by NECE Ltd. to Airro (Mauritius) Holdings V in terms of the Shareholders Agreement dated 24th December, 2010, between Airro (Mauritius) Holdings V and NECE Ltd. are fully paid off.

Note 45 :

Contingent Liabilities not provided for :

	As at 31 st March, 2019	As at 31 st March, 2018
Conveyance deed of the ownership premises of the Company at Antariksha Bhawan, New Delhi has not been executed as yet.		
Liability, if any on that account has not been ascertained.	Unascertainable	Unascertainable

As per my attached report of even date,

For M/s. P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W

Sanjay Athavale
Partner
Membership No.83374

Place : Pune
Date : 30th May, 2019

On behalf of the Board of Directors,

M.U. Takale
Director
DIN : 01291287

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

Place : Pune
Date : 30th May, 2019

B. B. Hattarki
Director
DIN : 00145710

S. R. Kshirsagar
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of BF Investment Limited

Report on the Audit of Indian Accounting Standards (IndAS) Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of BF Investment Limited (herein referred to as "the Holding Company") and its Associates & Joint Venture companies, collectively referred to as the Group, comprising of the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated statement of changes in equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, and their consolidated profit (including Other Comprehensive Income), consolidated statement of changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter. The Holding company has unsecured loans given Rs. 17.94 crores, net of Rs. 8.69 crores impairment provision as at 31st March 2019 (Refer Note No. 4 in the Financial Statements). Since this is a NBFC, & giving of loans is a usual activity, we have suggested that a written Policy should be made regarding criteria & methodology of giving loans & determining the impairment, if any, of these loans. We draw the attention to Note 1A(h) regarding the company's Accounting Policy on impairment of Financial Assets.

Response to Key Audit Matter : Audit procedures carried out by auditors : We have obtained the balance confirmations as at 31st March 2019 from the borrowers, other than those which have been fully provided as impaired. We have also confirmed from the audited financial statements for the financial year 2017-18 of the borrower companies, that these loans appear as loans payable to the company.

The above mentioned factors have been appropriately considered by us and based on the work performed and the evidence obtained we consider the accounting treatment is appropriate.

Other Matters

1. The Consolidated financial statements of the Group for the year ended 31st March 2018 were audited by other independent auditor whose report dated 15th June 2018, expressed an unqualified opinion on those statements. The audited balances as on 31st March 2018 have been considered for opening balances for the purpose of these financial statements.

Our opinion is not qualified in respect of this matter.

2. These consolidated Ind AS financial statements include the Holding Company's share of net profit of Rs. 7,985.85 lakhs & share of OCI Rs. -21,359.12 lakhs for the year ended 31st March, 2019, in respect of the three Associates & two Joint Venture companies audited by other auditors.

The audited Ind AS financial statements & audit reports of the Associates & Joint Venture companies and of the Holding company are available. We have considered the Audit Reports of the Associates & Joint Venture companies whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the Associate & Joint Ventures, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid Associate & Joint Ventures, is based solely on those reports.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report to the members & Annexures thereto and Report on Corporate Governance, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon. Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility and Those Charged with Governance for the Consolidated IND AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act 2013 (hereinafter referred to as the "the Act") that give a true and fair view of the consolidated Ind AS financial position, consolidated Ind AS financial performance, consolidated Ind AS changes in equity and consolidated Ind AS cash flows of the Group including its Associate & Joint Ventures in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) specified under section 133 of the Act, read with the Rules of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies referred to above, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associate & Joint Ventures to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies, if any, in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the 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, 2019, taken on record by the Board of Directors of the Holding Company and the reports of the

statutory auditors of its Associates & Joint Venture companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019, from being appointed as a director of those companies in terms of Section 164(2) of the Act;

- (f) In our opinion there are no financial transactions or matters which have any adverse effect on the functioning of the Holding Company & Associates & Joint Venture companies.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company & Associate & Joint Venture companies, and the operating effectiveness of such controls, refer to our separate report in Annexure
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed in the consolidated financial statements in Note 41(a) its share of the pending litigations which would impact its consolidated financial position.
 - 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 Group.

For M/S P.G. BHAGWAT
Chartered Accountants
Firm's registration No. 101118W

Sanjay Athavale
Partner
Membership No. 83374
UDIN : 19083374AAAADV3723

Pune : 31st July, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, We have audited the internal financial controls with reference to financial statements of BF Investment Limited (hereinafter referred to as "the Holding Company") and its Associates & Joint Venture companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to

financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company & its Associates & Joint Venture companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the four Associates & two Joint Venture companies, which are companies incorporated in India, is based on corresponding reports of the auditors of such companies incorporated in India.

For M/S P.G. BHAGWAT
Chartered Accountants
Firm's registration No. 101118W

Sanjay Athavale
Partner
Membership No. 83374
UDIN : 19083374AAAADV3723

Pune : 31st July, 2019

Consolidated Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
1 Financial Assets				
(a) Cash and cash equivalents	3	851.27	337.31	25.80
(b) Loans	4	1,793.68	2,004.97	2,605.80
(c) Investments	5	208,625.25	249,941.42	179,868.25
(d) Other financial assets	6	4,408.87	2,183.45	1,784.48
		215,679.07	254,467.15	184,284.33
2 Non-financial Assets				
(a) Current Tax Assets (net)	7	27.14	29.22	29.30
(b) Deferred Tax Asset (net)	8	1,169.06	1,392.43	1,834.95
(c) Investment Property	9	1,304.47	1,305.81	1,307.16
(d) Property, Plant and Equipment	10	66.52	138.37	178.26
(e) Other non-financial assets	11	1,650.04	1.37	1.55
		4,217.23	2,867.20	3,351.22
Total Assets		219,896.30	257,334.35	187,635.55
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
(a) Trade payables	12			
- total outstanding dues of micro enterprises and small enterprises		-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		13.20	21.31	70.50
(b) Other financial liabilities	13	120.00	25.00	-
		133.20	46.31	70.50
2 Non-Financial Liabilities				
(a) Current tax liabilities	14	44.99	27.37	-
(b) Deferred Tax Liability (net)	15	14,483.71	13,298.80	10,729.93
(c) Other non-financial liabilities	16	2.51	4.30	0.02
		14,531.21	13,330.47	10,729.95
3 EQUITY				
(a) Share capital	17	1,883.38	1,883.38	1,883.38
(b) Other equity				
(i) Reserves & Surplus	18	203,348.51	242,074.19	174,951.72
		205,231.89	243,957.57	176,835.10
Total Liabilities and Equity		219,896.30	257,334.35	187,635.55
Significant accounting policies	1			
Significant accounting judgements, estimates and assumptions	2			
The notes 1 to 42 referred to above form an integral part of these Consolidated financial statements				

As per my attached report of even date,

On behalf of the Board of Directors,

For M/s. P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W

M.U. Takale
Director
DIN : 01291287

B. B. Hattarki
Director
DIN : 00145710

Sanjay Athavale
Partner
Membership No.83374

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

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 31st July, 2019

Place : Pune
Date : 31st July, 2019

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2019

(₹ in Lakhs)

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
1 Revenue from Operations			
(i) Interest Income	19	311.08	216.55
(ii) Dividend Income	20	906.93	796.90
(iii) Net gain on fair value changes	21	597.29	90.41
Other Income	22	164.17	58.42
Total Income (1+2)		1,979.47	1,162.28
2 Expenses			
(a) Employee benefits expense	23	45.05	41.20
(b) Finance costs	24	2.00	1.32
(c) Depreciation	25	11.71	41.23
(d) Other expenses	26	395.82	290.34
Total expenses		454.58	374.09
3 Profit / (Loss) before exceptional items and tax		1,524.89	788.19
4 Exceptional items	27	(134.21)	1,244.76
Share in profit of associates accounted for using equity method		13,117.52	19,631.06
5 Profit / (Loss) before tax		14,776.62	19,174.49
6 Tax expense	28		
Current tax		80.53	47.85
Deferred tax expense		2,051.90	3,147.93
Total Tax expense		2,132.43	3,195.78
7 Profit/(Loss) for the period		12,644.19	15,978.71
8 Other comprehensive income, net of income tax			
A. Items that will not be reclassified to profit or loss			
(a) Changes in fair value of FVOCI equity investment		(30,014.84)	27,752.90
(b) Share of other comprehensive income of associates accounted for using equity method		(21,355.01)	23,390.86
Total other comprehensive income for the year		(51,369.85)	51,143.76
9 Total comprehensive income for the period		(38,725.66)	67,122.47
10 Earnings per share (of ₹ 5 /- each) :	29	33.57	42.42
Basic & Diluted			
Significant accounting policies	1		
Significant accounting judgements, estimates and assumptions	2		
The notes 1 to 42 referred to above form an integral part of these Consolidated financial statements			

As per my attached report of even date,

On behalf of the Board of Directors,

For M/s. P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W

M.U. Takale
Director
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Membership No.83374

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Chief Executive Officer &
Chief Financial Officer

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 31st July, 2019

Place : Pune
Date : 31st July, 2019

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
A) Cash flows from operating activities		
Profit/ (loss) before income tax but after exceptional items	14,776.62	19,174.49
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	11.71	41.23
Profit on sale of investments	(47.89)	(19.03)
Share in profit of associates accounted for using equity method	(13,117.52)	(19,631.06)
Interest - Other	2.00	1.32
Profit on sale of asset	(7.28)	-
Net gain on fair value changes	(597.29)	(90.41)
Adjustments for changes in working capital		
(Increase) / Decrease in loans	375.79	750.00
Increase / (Decrease) in trade payables	(8.11)	(49.21)
Increase / (Decrease) in other financial liabilities	95.00	25.00
(Increase) / Decrease in other financial assets	(2,225.42)	(398.96)
(Increase) / Decrease in other non financial assets	(1,648.68)	0.18
Increase / (Decrease) in other non financial liabilities	(1.79)	4.28
Cash generated from operations	(2,392.86)	(192.17)
Income taxes paid (net of refunds)	(62.83)	(21.72)
Net Cash from Operating activities	(2,455.69)	(213.89)
B) Cash flows from investing activities		
(Purchase) / Sale of shares	(475.00)	(2,539.48)
Dividends from associates and joint ventures	3,075.18	2,714.45
(Purchase) / Sale of mutual funds	300.71	350.44
Sale of asset	68.76	-
Net cash flows from investing activities	2,969.65	525.41
C) Cash flows from financing activities		
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	513.96	311.52
Cash and cash equivalents at the beginning of the year (refer note 3)	337.31	25.79
Cash and cash equivalents at the end of the year (refer note 3)	851.27	337.31
The cashflow is prepared by indirect method		
Significant accounting policies	1	
Significant accounting judgements, estimates and assumptions	2	
The notes 1 to 42 form an integral part of these Standalone financial statements		

As per my attached report of even date,

On behalf of the Board of Directors,

For M/s. P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W

M.U. Takale
Director
DIN : 01291287

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Chief Executive Officer &
Chief Financial Officer

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 31st July, 2019

Place : Pune
Date : 31st July, 2019

Consolidated Statement of Changes in Equity (SOCIE) for the period ended 31st March, 2019

A. Equity Share Capital

(₹ in Lakhs)

	Notes	No. of shares	Amount
As at April 1, 2017		37,667,628	1,883.38
Changes in equity share capital		-	-
As at March 31, 2018		37,667,628	1,883.38
Changes in equity share capital		-	-
As at March 31, 2019		37,667,628	1,883.38
Changes in equity share capital		-	-

B. Other Equity

(₹ in Lakhs)

	Notes	Reserves and Surplus					Other reserve	Total
		Retained Earnings	General reserve	Reserve Fund	Capital Redemption reserve	Capital Reserve	FVOCI equity investment reserve	
As at April 1, 2017		73,429.43	8.70	9,448.44	0.01	23,675.23	68,389.92	174,951.73
Profit for the year		15,978.71	-	-	-	-	-	15,978.71
Other Comprehensive Income :								
Changes in fair value of equity instruments (compulsorily convertible debentures)		-	-	-	-	-	51,143.75	51,143.75
Total Comprehensive Income for the year		15,978.71	-	-	-	-	51,143.75	67,122.46
Add : Arising during the year		-	-	-	-	-	-	-
Add/Less: Amortised during the year		-	-	-	-	-	-	-
Transferred to Statutory reserve fund during the year		(396.06)	-	396.06	-	-	-	-
As at March 31, 2018		89,012.08	8.70	9,844.50	0.01	23,675.23	119,533.67	242,074.19
Profit for the year		12,644.19	-	-	-	-	-	12,644.19
Other Comprehensive Income :								
Changes in fair value of equity instruments (compulsorily convertible debentures)		-	-	-	-	-	(51,369.87)	(51,369.87)
Total Comprehensive Income for the year		12,644.19	-	-	-	-	(51,369.87)	(38,725.68)
Add : Arising during the year		-	-	-	-	-	-	-
Add/Less: Amortised during the year		-	-	-	-	-	-	-
Transferred to Statutory reserve fund during the year		(865.34)	-	865.34	-	-	-	-
As at March 31, 2019		100,790.93	8.70	10,709.84	0.01	23,675.23	68,163.80	203,348.51
Significant accounting policies	1							
Significant accounting judgements, estimates and assumptions	2							
The notes 1 to 42 referred to above form an integral part of these Consolidated financial statements								

As per my attached report of even date,

On behalf of the Board of Directors,

For M/s. P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W

M.U. Takale
Director
DIN : 01291287

B. B. Hattarki
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Partner
Membership No.83374

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

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 31st July, 2019

Place : Pune
Date : 31st July, 2019

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

Background:

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

These consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on 31st July 2019.

1A. Significant Accounting Policies:

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

(a) Basis of preparation

(i) Compliance with Ind AS

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. For all periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2019 are the first consolidated financial statements that the Group has prepared in accordance with Ind-AS. Refer note 39 -an explanation of how the transition from Indian GAAP to Ind AS has affected the Group's financial position and financial performance.

(ii) Historical cost convention

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

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

(iii) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when,

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

The Group classifies all other liabilities as non-current.

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

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

(iv) Principles of consolidation and equity accounting

- **Associates**

Associates are all entities over which the Group has significant influence but not control or joint

control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

- **Joint Arrangements**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Group only has joint ventures.

Joint Ventures

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

- **Equity method**

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group has adopted not to recognize the effects of the transactions recorded in equity of associates and joint ventures outside the statement of profit or loss and other comprehensive income of the associates and joint ventures.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions for the Group. Refer note 37 for segment information presented.

(c) Foreign currency translation

Functional and presentation currency

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

Initial Recognition

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

Conversion

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

Exchange Differences

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

Interest Income

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

Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is

probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(d) Taxes

Current tax

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

Deferred Tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in associates deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

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

(e) Cash and cash equivalents

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

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

(f) Fair value measurement :

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

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

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

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

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

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

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

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

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

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

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

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

(g) Financial instruments

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

(h) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial assets at amortized cost:

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

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

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

Financial assets at fair value through other comprehensive income

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

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

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

Financial assets at fair value through profit or loss

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

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

De-recognition of financial assets

A financial asset is de-recognized when:

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

- Financial assets measured as at amortized cost.

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

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

(i) De-recognition of financial liabilities

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

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

(j) Offsetting of financial instruments

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

(k) Investment Property

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

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(l) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All directly attributable costs relating to the acquisition and installation of property, plant and equipment are capitalized. All repair and maintenance costs are recognized in statement of profit and loss during the reporting period in which they are incurred.

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

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

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

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

The useful lives has been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

Depreciation is charged on the basis of useful life of assets on straight line method.

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

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

Transition to Ind AS

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

(m) Impairment of non-financial assets

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

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

Impairment losses are recognized in the statement of profit and loss.

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

(n) Trade and other payables

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

(o) Provisions and contingent liabilities

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(p) Contributed equity

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

(q) Dividends

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

(r) Earnings per share

(i) Basic Earnings per Share

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

(ii) Diluted Earnings per Share

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

(s) Rounding of amounts:

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

1.B Standards issued but not effective

1. Ind AS 116 - Leases

Ind AS 116 was notified by the Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.

Ind AS 116 will affect primarily the accounting by leases and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use of the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in the later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. Appendix C, Uncertainty over Income Tax Treatments, to Ind AS 12, 'Income Taxes'

The appendix explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- How to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a Group, depending on which approach better predicts the resolution of the uncertainty;
- That the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;
- That the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- That the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The application of this guidance is not expected to have an impact on the consolidated financial statements.

3. Prepayment Features with Negative Compensation - Amendments to Ind AS 109, 'Financial Instruments'

The narrow-scope amendments made to Ind AS 109 enable entities to measure certain prepayable financial assets with negative compensation at amortized cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortized cost measurement, the negative compensation must be 'reasonable compensation for early termination

of the contract' and the asset must be held within a 'held to collect' business model.

These amendments are not expected to have any impact on the consolidated financial statements.

4. Plan Amendment, Curtailment or Settlement - Amendments to Ind AS 19, 'Employee Benefits'

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

- Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;
- Any reduction in a surplus should be recognized immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognized in profit or loss even if that surplus was not previously recognized because of the impact of the asset ceiling; and
- Separately recognize any changes in the asset ceiling through other comprehensive income.

These amendments will apply to any future plan amendments, curtailments or settlements of the Group on or after April 1, 2019.

5. Ind AS 12, 'Income Taxes'

The amendments clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits were recognized. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognized in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

These amendments are not expected to have any material impact on the consolidated financial statements.

6. Ind AS 23, 'Borrowing Costs'

The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

As the Group does not have any borrowings, there is no impact on account of this amendment.

7. Long-term Interests in Associates and Joint Ventures - Amendments to Ind AS 28, 'Investment in Associates and Joint Ventures'

The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under Ind AS 109 'Financial Instruments' before applying the loss allocation and impairment requirements in Ind AS 28. Since the Group does not have such long-term interests in its associates or joint ventures, the amendments will not have any impact on its consolidated financial statements.

8. Ind AS 103, 'Business Combinations'

The amendments clarify that obtaining control of a business that is a joint operation, is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

These amendments will apply to future business combinations of the Group for which acquisition date is on or after April 1, 2019.

9. Ind AS 111, 'Joint Arrangements'

The amendments clarify that the party obtaining joint control of a business that is a joint operation should not re-measure its previously held interest in the joint operation.

These amendments will apply to future transactions of the Group in which it obtains joint control of a business on or after April 1, 2019.

2. Significant accounting judgements, estimates and assumptions

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

Judgments, estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Judgements

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

1. Segment Reporting

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

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

2. Legal Contingencies

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

Estimates and assumptions

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

1. Fair value measurement of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 34 for further disclosures.

2. Deferred Tax

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Note 3: Cash and Cash Equivalents			
Balances with Banks			
In current accounts	6.11	22.26	25.66
Term deposits with original maturity of less than three months	845.00	315.00	-
Cash in Hand	0.16	0.05	0.14
Total	851.27	337.31	25.80

Note 4: Loans

	As on March 31, 2019			As on March 31, 2018			As on April 1, 2017		
	Amortised cost	Fair value through profit or loss	Total	Amortised cost	Fair value through profit or loss	Total	Amortised cost	Fair value through profit or loss	Total
(A) Loans									
(i) Intercorporate deposit	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.76	2,767.06
Total (A) - Gross	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.76	2,767.06
Less: impairment loss allowance	(869.30)	-	(869.30)	(911.26)	-	(911.26)	(161.26)	-	(161.26)
Total (A) - Net	-	1,793.68	1,793.68	360.04	1,644.93	2,004.97	1,110.04	1,495.76	2,605.80
(B)									
(i) Unsecured	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.76	2,767.06
Total (B) - Gross	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.76	2,767.06
Less: impairment loss allowance	(869.30)	-	(869.30)	(911.26)	-	(911.26)	(161.26)	-	(161.26)
Total (B) - Net	-	1,793.68	1,793.68	360.04	1,644.93	2,004.97	1,110.04	1,495.76	2,605.80
(C) Loans in India									
	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.76	2,767.06
Total (C) - Gross	869.30	1,793.68	2,662.98	1,271.30	1,644.93	2,916.23	1,271.30	1,495.76	2,767.06
Less: impairment loss allowance	(869.30)	-	(869.30)	(911.26)	-	(911.26)	(161.26)	-	(161.26)
Total (C) - Net	-	1,793.68	1,793.68	360.04	1,644.93	2,004.97	1,110.04	1,495.76	2,605.80

Note 5: Investments (Contd.)

Investments	As on March 31, 2019			As on March 31, 2018			As on April 1, 2017		
	At Cost	At fair value Through other comprehensive income	Total	At Cost	At fair value Through other comprehensive income	Total	At Cost	At fair value Through other comprehensive income	Total
Equity Shares in Associates (Contd.)									
Brought over	-	-	104,941.56	-	-	135,031.27	-	-	107,619.49
1,131,793(1,131,793) Equity Shares of ₹ 10/- each fully paid in Synise Technologies Ltd.	66,820.05	-	66,820.05	85,112.85	-	85,112.85	48,574.96	107,002.66	48,574.96
Total Equity shares and associates	558.52	-	558.52	558.53	-	558.53	558.52	-	558.52
Equity Shares in Joint Venture	67,378.57	-	67,378.57	85,671.38	-	85,671.38	49,133.48	-	49,133.48
5,367,806 (5,367,806) Equity Shares of ₹ 10/- each fully paid in Automotive Axles Ltd.	18,115.35	-	18,115.35	14,772.80	-	14,772.80	13,376.49	-	13,376.49
1,190,694 (1,190,694) Equity Shares of ₹ 10/- each fully paid in Meritor HVS India Ltd.	8,850.61	-	8,850.61	7,441.88	-	7,441.88	5,626.72	-	5,626.72
Total Equity shares associates and joint ventures	26,965.96	-	26,965.96	22,214.68	-	22,214.68	19,003.21	-	19,003.21
Preference shares:									
24,042,440 (21,042,440) 7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.	-	2,294.48	2,294.48	-	-	1,801.84	-	-	-
9,300,000 (9,300,000) 8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.	-	851.86	851.86	-	-	774.41	-	-	-
Preference shares in Associate									
-(3,000,000) 6% Non-cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Ltd.	-	-	0.00	-	-	281.84	-	256.22	256.22
4,000,000 (4,000,000) 9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 100/- each, fully paid in KSL Holdings Pvt. Ltd.	-	4,548.88	4,548.88	-	-	4,182.06	-	-	-
6,860,000 (-) 1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Ltd.	-	431.44	431.44	-	-	-	-	3,815.86	3,815.86
Total Preference Shares:	-	8,126.66	8,126.66	-	-	7,040.15	-	4,072.08	4,072.08
Debentures in Associate:									
6,636,000 (6,847,000) 0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.	-	1,773.53	1,773.53	-	1,848.69	1,848.69	-	1,702.85	1,702.85
Total Debentures:	-	1,773.53	1,773.53	-	1,848.69	1,848.69	-	1,702.85	1,702.85
Total - Gross (A)	94,344.53	106,715.09	209,186.28	107,886.06	136,879.96	252,099.04	68,136.69	108,705.51	181,531.11
(i) investments outside india									
(ii) investments in India	94,344.53	106,715.09	209,186.28	107,886.06	136,879.96	252,099.04	68,136.69	108,705.51	181,531.11
Total (B)	94,344.53	106,715.09	209,186.28	107,886.06	136,879.96	252,099.04	68,136.69	108,705.51	181,531.11
Less: Allowance for impairment loss	(561.03)	-	(561.03)	(2,157.62)	-	(2,157.62)	(1,662.86)	-	(1,662.86)
Total Investments	93,783.50	106,715.09	208,625.25	105,728.44	136,879.96	249,941.42	66,473.83	108,705.51	179,868.25

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Note 6: Other financial assets			
Interest receivable	53.78	142.86	206.63
Provision for Doubtful Interest Receivable	(14.54)	(14.54)	(14.54)
Net Interest receivable	39.24	128.32	192.09
Term Deposits with Banks with original maturity of more than 3 months but less than 12 months	4,334.00	2,019.50	1,579.00
Security deposits	35.63	35.63	13.39
Total	4,408.87	2,183.45	1,784.48
Note 7 : Current Tax Assets (net)			
Tax paid in advance,(net of provisions)	27.14	29.22	29.30
Total	27.14	29.22	29.30
Note 8 : Deferred Tax Asset (net)			
Deferred tax asset (net)	1,169.06	1,392.43	1,834.95
Total	1,169.06	1,392.43	1,834.95
Changes in Deferred Tax Assets/ (Liabilities) in Profit and Loss [charged / (credited) during the year]			
Deferred tax liabilities			
On account of temporary difference			
Deferred tax on equity shares	2,212.70	2,151.73	1,730.17
Deferred tax on mutual fund	-	11.14	9.08
	2,212.70	2,162.87	1,739.25
Deferred tax assets			
On account of temporary difference			
Depreciation and amortisation	15.71	32.08	27.88
Disallowances	-	-	-
Deferred tax asset on fair valuation of preference shares	(29.60)	81.81	63.41
Deferred tax on fair valuation of loans	3,395.65	3,441.41	3,482.91
	3,381.76	3,555.30	3,574.20
Total	1,169.06	1,392.43	1,834.95
Changes in Deferred Tax Assets/ (Liabilities) in Other Comprehensive income [charged / (credited) during the year]			
Particulars		March 31, 2019	March 31, 2018
Deferred tax charged		(223.37)	442.52
Total		(223.37)	442.52

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Total
Note 9: Investment property			
Gross block as at 1 April 2017	1,258.48	76.64	1,335.12
Additions	-	-	-
Adjustments	-	-	-
Gross block as at March 31, 2018	1,258.48	76.64	1,335.12
Additions	-	-	-
Adjustments	-	-	-
Gross block as at March 31, 2019	1,258.48	76.64	1,335.12
Accumulated depreciation as at 1 April 2017	-	27.97	27.97
Depreciation charge	-	1.34	1.34
Closing accumulated depreciation as at March 31, 2018	-	29.31	29.31
Depreciation charge	-	1.34	1.34
Closing accumulated depreciation as at March 31, 2019	-	30.65	30.65
Net carrying amount as at March 31, 2019	1,258.48	45.99	1,304.47
Net carrying amount as at March 31, 2018	1,258.48	47.33	1,305.81

Amount recognised in profit and loss for investment properties

Particulars	March 31, 2019	March 31, 2018
Depreciation	1.34	1.34
Total	1.34	1.34

Fair Value

Particulars	Freehold land	Buildings
As on March 31, 2019	7,150.00	151.29
As on March 31, 2018	7,150.00	151.29
As on March 31, 2017	7,150.00	151.29

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	Vehicles	Furniture and Fixtures	Total
Note 10: Property, plant and equipment			
Gross Block as at April 1, 2017	265.64	109.13	374.77
Additions	-	-	-
Disposals/Adjustments	-	-	-
Gross block as at March 31, 2018	265.64	109.13	374.77
Additions	-	-	-
Transfers	-	-	-
Disposals / Adjustments	(265.64)	-	-
Gross Block as at March 31, 2019	-	109.13	374.77

Accumulated Depreciation :

As at April 1, 2017	174.63	21.88	196.51
For the year	29.52	10.37	39.89
Disposals/Adjustments	-	-	-
Transfers	-	-	-
As at March 31, 2018	204.15	32.25	236.40
For the year	-	10.37	10.37
Disposals/Adjustments	(204.15)	-	204.15
As at March 31, 2019	-	42.61	42.61

Particulars	Vehicles	Furniture and Fixtures	Total
Net Block			
As at April 1, 2017	91.01	87.25	178.26
As at March 31, 2018	61.49	76.88	138.37
As at March 31, 2019	-	66.52	66.52

- i) The information relating to Gross block, accumulated Depreciation and Impairment if any, has been disclosed as an additional information since the Group has adopted deemed cost exemption under Ind AS 101. Refer Note 37 on first time adoption.

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Note 11 : Other non-financial assets			
Prepaid expenses	0.04	0.88	0.90
Other Assets	1,650.00	0.49	0.65
Total	1,650.04	1.37	1.55

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
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Note 12: Current Financial Liabilities - Trade payables

Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	13.20	21.31	70.50
Total	<u>13.20</u>	<u>21.31</u>	<u>70.50</u>

The group has compiled this information based on the current information in its possession as at March 31, 2019, no supplier has intimated the Company about its status as Micro and Small Enterprises or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 13: Other Current Financial Liabilities

Director's commission payable	120.00	25.00	-
Total	<u>120.00</u>	<u>25.00</u>	<u>-</u>

Note 14: Current Tax Liabilities

Current Tax Liabilities (net of advance tax)	44.99	27.37	-
Total	<u>44.99</u>	<u>27.37</u>	<u>-</u>

Note 15: Deferred Tax Liabilities (Net)

Deferred tax liability (net)	14,483.71	13,298.80	10,729.93
Total	<u>14,483.71</u>	<u>13,298.80</u>	<u>10,729.93</u>

Note 16: Other non financial liabilities

Statutory dues payable	2.51	4.30	0.02
Total	<u>2.51</u>	<u>4.30</u>	<u>0.02</u>

Particulars

Equity shares

Note 17: Share capital

(a) Authorised share capital

As at March 31, 2019 :

Number of shares	40,000,000
Face value per share	5
Amount (₹ in lakhs)	2,000.00

As at March 31, 2018 :

Number of shares	40,000,000
Face value per share	5
Amount (₹ in lakhs)	2,000.00

As at April 1, 2017 :

Number of shares	40,000,000
Face value per share	5
Amount (₹ in lakhs)	2,000.00

(b) Terms/ rights attached to equity shares

The Company has only one class of issued equity shares having a par value of Rs.5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive surplus assets of the Company, remaining after distribution of all preferential amounts.

(c) Issued and subscribed equity share capital

Particulars	(₹ in Lakhs)	
	Number of shares	Amount
As at April 1, 2017	37,667,628	1,883.38
Changes in equity share capital	-	-
As at March 31, 2018	37,667,628	1,883.38
Changes in equity share capital	-	-
As at March 31, 2019	37,667,628	1,883.38
Changes in equity share capital	-	-

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

Particulars	Ajinkya Investment & Trading Company	Sundaram Trading & Investment Private Limited	KSL Holdings Pvt. Ltd.
As at March 31, 2019			
% of holding	27.32%	25.99%	13.42%
Number of shares	10,292,103	9,793,068	5,054,091
As at March 31, 2018			
% of holding	27.32%	25.99%	13.42%
Number of shares	10,292,103	9,793,068	5,054,091
As at April 1, 2017			
% of holding	27.32%	25.33%	13.42%
Number of shares	10,292,103	9,543,068	5,054,091

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Note 18: Reserves and Surplus		
Retained earnings	89,012.08	73,429.43
Add: Profit for the year	12,644.19	15,978.71
Less: Transfer to statutory reserve fund	<u>(865.34)</u>	<u>(396.06)</u>
	100,790.93	89,012.08
General Reserve as at the beginning and end of the year	8.70	8.70
Capital reserve as at the beginning and end of the year	23,675.23	23,675.23
Capital Redemption reserve as at the beginning and end of the year	0.01	0.01
Reserve Fund as at the beginning of the year	9,844.50	9,448.44
Add: Set aside this financial year	865.34	396.06
Reserve Fund as at the end of the year	10,709.84	9,844.50
FVOCI Equity investments		
As at the beginning of the year net of deferred taxes	119,533.67	68,389.92
Add: Fair value gains/losses for the year net of deferred taxes	<u>(51,369.87)</u>	<u>51,143.75</u>
As at the end of the year	<u>68,163.80</u>	<u>119,533.67</u>
Total	<u><u>203,348.51</u></u>	<u><u>242,074.19</u></u>

Nature and purpose of reserves:

i General reserve :

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

ii Capital reserve :

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

iii Capital Redemption Reserve :

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

iv Reserve Fund :

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

v FVTOCI Equity investment reserve

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Note 19: Interest Income		
Interest Received on Bank Deposits	307.96	176.35
Interest Received on Inter Corporate Deposits	3.12	40.20
Total	<u>311.08</u>	<u>216.55</u>
Note 20: Dividend Income		
Dividend received on equity shares investments	906.93	796.90
Total	<u>906.93</u>	<u>796.90</u>
Note 21: Net Gain/(loss) on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit or loss		
- preference shares	597.29	82.99
- mutual funds	-	7.42
Total Net gain/(loss) on fair value changes		
Fair Value Changes:		
- Realised		
- Unrealised	597.29	90.41
Total Net gain/(loss) on fair value changes	<u>597.29</u>	<u>90.41</u>
Note 22: Other Income		
Miscellaneous Income	116.28	39.39
Surplus on Redemption of Mutual Funds	47.89	19.03
Total	<u>164.17</u>	<u>58.42</u>
Note 23: Employee Benefit Expenses		
Salaries and wages	42.34	38.37
Contribution to provident and other funds	1.87	1.94
Staff welfare expenses	0.30	0.31
Medical Reimbursement	0.06	0.06
Leave Travel Allowance	0.48	0.52
Total	<u>45.05</u>	<u>41.20</u>
Note 24: Finance Cost		
Other interest	2.00	1.32
Total	<u>2.00</u>	<u>1.32</u>

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Note 25: Depreciation		
Depreciation	11.71	41.23
Total	<u>11.71</u>	<u>41.23</u>
Note 26: Other Expenses		
Rent, taxes	102.09	98.83
Repairs and maintenance	0.00	3.61
Communication expenses	0.15	0.15
Printing and stationery	3.90	4.21
Advertisement and publicity	1.56	1.46
Director's fees, allowances and expenses	2.38	2.38
Auditor's fees and expenses (refer note no. 30)	5.35	3.91
Insurance	0.52	3.65
Brand Fees	5.00	5.00
Professional Fees	139.70	126.31
Commission to Directors	120.00	25.00
Other expenditure	15.17	15.82
Total	<u>395.82</u>	<u>290.34</u>
Note: 27 Exceptional item		
Provision for doubtful advances	(41.96)	750.00
Diminution in Investment (Provision)	(92.25)	494.76
Total	<u>(134.21)</u>	<u>1244.76</u>
Note 28: Tax Expense		
Current tax	80.53	47.85
Deferred tax expense	2,051.90	3,147.93
Total	<u>2132.43</u>	<u>3195.78</u>
Reconciliation of tax expense and accounting profit multiplied by statutory tax rate		
Profit/(loss) before tax	14,776.62	19,174.49
Applicable tax rate	27.82%	27.82%
Computed tax expense	4,110.86	5,334.34
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Non-deductible expenses	102.51	85.56
Income exempt from tax	(252.31)	(221.70)
Deferred tax liability on undistributed profits of associates and joint venture	1,817.15	3,126.98
Exceptional items	(11.67)	346.29
Others	15.20	(141.35)
Income tax expense	<u>2,132.43</u>	<u>3,195.78</u>

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Note 29: Earnings per share		
Net profit / (loss) after tax	12,644.19	15,978.71
Weighted average number of equity shares	37,667,628	37,667,628
Basic and diluted earning per share of nominal value of ₹ 5/- each	33.57	42.42
Note 30: Payment to auditors		
As auditor:		
Audit fees	5.1	3.10
Certification fees	0.25	0.75
Reimbursement of out of pocket expenses	-	0.06
Total	5.35	3.91

Note 31: Employee benefits

Employee benefits comprise amounts paid for the services of the Key Management Personnel on deputation. No separate provisions of retirement benefits or privilege leave benefits of such employees are recognized in the books of the group.

Note 32: Related party transactions**A) Name of the related parties and nature of relationship****(i) Entities having significant influence on the group**

	Ownership interest held by the Company		
	March 31, 2019	March 31, 2018	April 1, 2017
i Ajinkya Investment & Trading Company	27.32%	27.32%	27.32%
ii Sundaram Trading & Investment Private Limited	25.99%	25.99%	25.99%
iii KSL Holdings Private Limited	13.42%	13.42%	13.42%

The principal place of business of the group is in India

Key Management Personnel

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

	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
Transactions with related parties		
a Remuneration to Key Managerial Person		
i Mr. J. G. Patwardhan, the Chief Financial Officer and Chief Executive Officer	34.48	32.76
ii Mr. S. R. Kshirsagar, the Company Secretary	10.57	8.44
Total	<u>45.05</u>	<u>41.20</u>
b Director's sitting fees		
i Mr. Amit B. Kalyani, Director	0.45	0.20
ii Mr. B. B Hattarki, Director	0.60	0.40
iii Mr. M. U Takale, Director	0.55	0.40
iv Ms. A. A Sathe, Director	0.25	0.30
Total	<u>1.85</u>	<u>1.30</u>
c Director's commission		
i Mr. Amit B. Kalyani, Director	105.00	14.50
ii Mr. B. B Hattarki, Director	5.00	3.50
iii Mr. M. U Takale, Director	5.00	3.50
iv Ms. A. A Sathe, Director	5.00	3.50
Total	<u>120.00</u>	<u>25.00</u>
Balances with related parties		
a Director's commission payable		
i Mr. Amit B. Kalyani, Director	105.00	14.50
ii Mr. B. B Hattarki, Director	5.00	3.50
iii Mr. M. U Takale, Director	5.00	3.50
iv Ms. A. A Sathe, Director	5.00	3.50
Total	<u>120.00</u>	<u>25.00</u>

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

Note 33: Interests in associates and jointly controlled entities

Name of entity	Kalyani Steels Limited	KSL Holdings Private Limited	Truimphant Special Alloys Private Limited	Kalyani Financial Services Limited	Meritor (HVS) India Limited	Automotive Axles Limited
Place of business	Pune, India	Pune, India	Pune, India	Pune, India	Mysuru, India	Mysuru, India
% of ownership interest	39.06%	42.52%	45.51%	49.00%	49.00%	35.52%
Relationship	Associate	Associate	Associate	Associate	Joint Venture	Joint Venture
Accounting method	Equity method	Equity method	Equity method	Equity method	Equity method	Equity method
Quoted fair value						
March 31, 2019	36,611.55	-	-	-	-	66,748.67
March 31, 2018	50,730.95	-	-	-	-	77,741.93
April 1, 2017	61,618.92	-	-	-	-	37,953.07
Carrying amount						
March 31, 2019	18,355.21	47,842.37	64.52	555.46	8,850.61	18,115.35
March 31, 2018	14,247.36	68,641.20	62.59	562.61	7,441.88	14,772.80
April 1, 2017	10,994.62	36,092.46	60.71	97.00	5,626.72	13,376.48

Commitments and contingent liabilities in respect of associates and jointly controlled entities

	March 31, 2019	March 31, 2018	April 1, 2017
Commitments :			
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	2,629.79	2,386.10	3,877.29
Total Commitments:	<u>2,629.79</u>	<u>2,386.10</u>	<u>3,877.29</u>
Contingent liabilities :			
Associates	2,856.42	5,654.52	1,334.21
Joint Ventures	68.01	68.01	76.34
Total Contingent liabilities	<u>2,924.43</u>	<u>5,722.53</u>	<u>1,410.55</u>

- i) The Supreme Court of India in a judgement on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of basic salary for individuals below a prescribed salary threshold. The Company determined that they had not previously included such components in basic salary. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.
- ii) Pursuant to the agreement entered between the Company and the Government of Madhya Pradesh, on September 2012, the Company had taken a land on lease at Pithampur for the purpose of setting up a manufacturing unit and paid an upfront premium of Rs. 97 million which has been classified as prepaid expenses and being amortised over the lease term of 99 years. As at March 31, 2019, the balance of prepaid expenses is INR 94 Million. As per the agreement, if the land remained unutilised for a period of five year, the Government has the right to terminate the lease deed. Further if the leasehold land is surrendered within four years from possession, 20% of upfront premium will be deducted. Management has proposed to surrender the above land in exchange of new land at other location in Pithampur. INR 12.72 million is already paid as advance towards procuring this land. The Company believes no surrender fees will be required to be paid in case of proposed surrender as the Company is in discussion and negotiation for acquiring new land. However, the outcome may vary depending upon the future developments in this matter.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

Summarised financial information for associates and jointly controlled entities.

Summarised balance sheet (Associates)

	Kalyani Steels Limited			KSL Holdings Private Limited		
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
Total non-current assets	60,277.86	61,834.28	63,793.95	154,675.13	222,129.81	131,935.89
Total current assets	77,613.06	66,153.92	72,433.75	49,502.00	44,436.54	39,823.05
Total non-current liabilities	5,857.49	7,744.21	12,549.78	46,109.58	56,284.37	35,118.88
Total current liabilities	43,563.93	42,291.38	54,057.41	35,055.02	38,354.04	41,261.36
Net Assets	88,469.50	77,952.62	69,620.51	123,012.53	171,927.94	95,378.70

Summarised balance sheet (Associates)

	Triumphant Special Alloys Private Limited			Kalyani Financial Services Limited		
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
Total non-current assets	5.40	5.55	5.24	12,357.08	10,184.64	9,271.41
Total current assets	111.93	107.52	103.69	1.22	2,316.36	2,268.17
Total non-current liabilities	-	-	-	300.00	300.00	300.00
Total current liabilities	0.36	0.32	0.32	12.16	140.25	129.06
Net Assets	116.97	112.74	108.61	12,046.14	12,060.75	11,110.53

Summarised balance sheet (Joint ventures)

	Meritor (HVS) India Limited			Automotive Axles Limited		
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
Total non-current assets	1,029.40	863.30	893.00	28,959.20	16,112.50	16,825.20
Total current assets	52,043.00	45,080.90	32,404.60	64,368.00	57,307.90	39,537.30
Cash and cash equivalents	5,439.70	5,986.20	4,305.30			
Other assets	46,603.30	39,094.70	28,099.30			
Total non-current liabilities	51.30	37.00	18.00	7,358.20	524.60	519.60
Financial liabilities (excluding trade payables)	-	-	4.70	6,590.30	-	-
Other liabilities	51.30	37.00	13.30	767.90	524.60	519.60
Total current liabilities	37,012.10	32,773.30	21,796.50	32,125.00	28,462.30	18,183.90
Financial liabilities (excluding trade payables)	23.80	7.00	50.00	1,820.10	119.90	111.50
Other liabilities	683.70	698.20	581.80	4,509.60	2,722.40	1,193.60
Net Assets	16,009.00	13,133.90	11,483.10	53,844.00	44,433.50	37,659.00

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

Summarised statement of profit and loss

Summarised statement of profit and loss (Associates)

	Kalyani Steels Limited		KSL Holdings Private Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue	140,657.87	138,791.88	151,482.01	143,998.75
Profit for the year	13,137.90	11,525.27	1,075.19	21,941.61
Other comprehensive income	10.51	(566.10)	(49,990.60)	54,607.62
Total comprehensive income	13,148.41	10,959.17	(48,915.41)	76,549.23
Dividends received	852.62	852.62	-	-

Summarised statement of profit and loss (Associates)

	Truimphant Special Alloys Private Limited		Kalyani Financial Services Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue	-	-	-	-
Profit/(Loss) for the year	4.23	4.13	(20.11)	35.44
Other comprehensive income	-	-	5.51	914.78
Total comprehensive income	4.23	4.13	(14.60)	950.22
Dividends received				

Summarised statement of profit and loss (Joint Ventures)

	Meritor (HVS) India Limited		Automotive Axles Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue	179,536.40	143,450.70	193,904.20	155,354.20
Interest Income	26.30	124.90	77.30	213.30
Depreciation and amortisation	133.30	129.30	4,618.60	4,321.30
Interest expense	8.90	4.70	40.30	47.40
Income tax expense	3,552.50	2,803.00	7,114.00	5,002.00
Profit for the year	6,569.70	5,163.80	12,155.00	8,393.20
Other comprehensive income	(9.30)	5.40	(285.08)	(163.48)
Total comprehensive income	6,560.40	5,169.20	11,869.92	8,229.72
Dividends received	1,497.90	595.35	724.65	1,266.48

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

Reconciliation to carrying amounts (Associates)

	Kalyani Steels Limited		KSL Holdings Private Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening net assets	77,952.62	69,620.51	171,927.93	95,378.70
Profit for the year	13,137.90	11,525.27	1,075.19	21,941.61
Other comprehensive income	10.51	(566.10)	(49,990.60)	54,607.62
Dividends paid	(2,182.70)	(2,182.70)	0.00	0.00
Dividend distribution tax	(448.84)	(444.35)	0.00	0.00
Closing net assets	88,469.49	77,952.62	123,012.52	171,927.93
Group's share in %	39.06%	39.06%	42.52%	42.52%
Group's share in INR	34,556.18	30,448.29	52,304.92	73,103.76
Goodwill/(Capital Reserve)	(16,200.97)	(16,200.93)	(4,462.55)	(4,462.56)
Carrying amount	18,355.21	14,247.36	47,842.37	68,641.20

Reconciliation to carrying amounts (Associates)

	Truimphant Special Alloys Private Limited		Kalyani Financial Services Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening net assets	112.74	108.61	12,060.75	11,110.53
Profit for the year	4.23	4.13	(20.11)	35.44
Other comprehensive income	-	-	5.51	914.78
Dividends paid	-	-	-	-
Dividend distribution tax	-	-	-	-
Closing net assets	116.97	112.74	12,046.14	12,060.75
Group's share in %	45.51%	45.51%	49.00%	49.00%
Group's share in INR	53.23	51.31	5,902.61	5,909.77
Goodwill/(Capital Reserve)	11.28	11.28	(5,347.15)	(5,347.15)
Carrying amount	64.51	62.59	555.46	562.62

Reconciliation to carrying amounts (Joint Ventures)

	Meritor (HVS) India Limited		Automotive Axles Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening net assets	13,133.90	11,483.10	44,433.52	37,659.00
Profit for the year	6,569.70	5,163.80	12,155.00	8,393.20
Other comprehensive income	(9.30)	5.40	(285.08)	(163.48)
Dividends paid	(3,056.90)	(2,923.30)	(2,040.00)	(1,209.00)
Dividend distribution tax	(628.40)	(595.10)	(419.40)	(246.20)
Closing net assets	16,009.00	13,133.90	53,844.04	44,433.52
Group's share in %	49.00%	49.00%	35.52%	35.52%
Group's share in INR	7,844.41	6,435.61	19,125.40	15,782.79
Goodwill/(Capital Reserve)	1,006.20	1,006.27	(1,010.05)	(1,009.99)
Carrying amount	8,850.61	7,441.88	18,115.35	14,772.80

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

Individually immaterial associates

	Epicenter Technologies Private Limited		Nandi Engineering Limited.		Synise Technologies Limited.	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Aggregate carrying amount of individually immaterial associates	-	-	-	-	-	-
Aggregate amounts of the group's share of:	-	-	-	-	-	-
Profit/(loss) from operations	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
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Note 34 : Fair value measurements

Financial assets and liabilities at amortised cost

Financial assets

Term deposits	4,334.00	2,019.50	1,579.00
Security deposits	35.63	35.63	13.39
Inter-corporate deposit	-	360.04	1,110.04
Interest receivable	39.24	128.32	192.09
Cash and cash equivalents	851.27	337.31	25.80
Total financial assets	5,260.14	2,880.80	2,920.32

Financial liabilities

Trade payables	13.20	21.31	70.50
Directors Commission payable	120.00	25.00	-
Total financial liabilities	133.20	46.31	70.50

Financial assets and liabilities classified as FVPL

Investment in Preference shares	8,126.66	7,040.15	4,072.08
Loans	1,793.68	1,644.93	1,495.76
Investments in Mutual Funds	-	292.87	616.83

Financial assets and liabilities classified as FVOCI

Investment in Equity Shares	104,941.56	135,031.27	107,002.66
Investment in Debentures	1,773.53	1,848.69	1,702.85

i) Fair value hierarchy

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

	(₹ in Lakhs)		
Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3
Investment in Preference shares			
March 31, 2019	-	-	8,126.66
March 31, 2018	-	-	7,040.15
April 1, 2017	-	-	4,072.08
Investments in Mutual Funds			
March 31, 2019	-	-	-
March 31, 2018	292.87	-	-
April 1, 2017	616.83	-	-
Investment in Equity Shares			
March 31, 2019	104,941.56	-	-
March 31, 2018	135,031.27	-	-
April 1, 2017	107,002.66	-	-
Investment in Debentures			
March 31, 2019	-	-	1,773.53
March 31, 2018	-	-	1,848.69
April 1, 2017	-	-	1,702.85

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

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

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

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

iii) Valuation process

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

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

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

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

The following table presents the changes in level 3 items:

Particulars	Preference shares	Debentures	Total
As at April 1, 2017	4,072.08	1,702.85	5,774.93
Purchased during the year	2,576.25	-	2,576.25
Gains/ (losses) recognised in profit or loss	391.82	-	391.82
Gains/ (losses) recognised in other comprehensive income	-	145.84	145.84
As at March 31, 2018	7,040.15	1,848.69	8,888.84
Purchased during the year	431.45	-	431.45
Gain / (loss) recognised in profit or loss	655.06	-	655.06
Gains/ (losses) recognised in other comprehensive income	-	(75.16)	(75.16)
As at March 31, 2019	8,126.66	1,773.53	9,900.19

v) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value

Name of the entity	Method of valuation- significant unobservable inputs	Fair value as at				Inputs use for fair value	
		March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
		Equity Shares of ₹ 10/- each fully paid in Khed Economic Infrastructure Private Limited.	Cost approach - method Inputs considered for cost approach : Inventory valuation 1) Rate per acre for developed land 2) Rate per acre for land under development 3) Rate per acre for undeveloped land	10,839.93	10,547.34	9,013.05	Inventory valuation 1) Rate per acre for developed land : Rs. 0.99 to Rs. 1.26 crore (weighted average Rs. 1.06 crore) per acre 2) Rate per acre for land under development : Rs. 0.99 to Rs. 1.26 crore (weighted average Rs. 1.06 crore) per acre 3) Rate per acre for undeveloped land : Rs. 0.28 crore
Equity Shares of ₹ 10/- each fully paid in Kalyani Maxion Wheels Limited	Cost approach - method Inputs considered for cost approach : Fair valuation of Tangible assets	4,489.92	4,563.36	4,582.32	Fair value tangible assets viz. land, buildings and plant and equipment viz. plant and machinery, factory equipment, research and development.	Fair value tangible assets viz. land, buildings and plant and equipment viz. plant and machinery, factory equipment, research and development.	
0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.	Cost approach - method Inputs considered for cost approach : Fair valuation of Investments	1,773.53	1,848.69	1,702.85	Fair value of current and non current investments viz. equity shares and debentures.		
7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.	Discounted cash flow method	2,294.48	1,801.84	-	10%	10%	10%
9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Private Limited.	Discounted cash flow method	4,548.88	4,182.06	3,815.86	10%	10%	10%
1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial services Limited	Discounted cash flow method	431.44	-	-	10%	10%	10%
6 % Non-cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Ltd.	Discounted cash flow method	-	281.84	256.22	10%	10%	10%
8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.	Discounted cash flow method	851.85	774.41	-	10%	10%	10%

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
The sensitivity analysis on account of inputs used for fair valuation are as follows:			
1. Equity shares of Khed Economic Infrastructure Private Limited:			
Rate per acre			
Increase by 5%	542.00	527.37	450.65
Decrease by 5%	(542.00)	(527.37)	(450.65)
2. Equity shares of Kalyani Maxion Wheels Limited:			
Fair value of tangible assets			
Increase by 5%	224.50	228.17	229.12
Decrease by 5%	(224.50)	(228.17)	(229.12)
3. 0% Fully Convertible Debentures of ₹ 100/- each fully paid of Kalyani Financial Services Ltd.:			
Fair value of investments			
Increase by 5%	88.68	92.43	85.14
Decrease by 5%	(88.68)	(92.43)	(85.14)
4. 7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited.			
Discount rate			
Increase by 1%	(114.22)	(91.72)	-
Decrease by 1%	122.18	98.11	-
5. 9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Private Limited.			
Discount rate			
Increase by 1%	(374.13)	(340.12)	(309.20)
Decrease by 1%	429.67	390.61	355.10
6. 1% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial services Limited			
Discount rate			
Increase by 1%	(19.09)	-	-
Decrease by 1%	20.16	-	-
7. 6 % Non-cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Ltd.			
Discount rate			
Increase by 1%	-	(12.47)	(11.34)
Decrease by 1%	-	13.17	11.97
8. 8% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Baramati Speciality Steels Ltd.:			
Discount rate			
Increase by 1%	(63.13)	(69.45)	-
Decrease by 1%	72.35	79.59	-

Note 35 : Financial risk management

Presented below is a description of the risks (market risk, and liquidity risk) together with a sensitivity analysis, performed annually, of each of these risks based on selected changes in market rates and prices. These analyses reflect management's view of changes which are reasonably possible to occur over a one-year period.

I Market Risk

A Price risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet wither at fair value through Other Comprehensive Income or at fair value through profit and loss. To manage its price risk arising from investments from investments in equity securities, the group diversifies the portfolio. The majority of group's equity investments are publically traded and are included in the BSE and NSE indices.

II Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these debt financing plans.

i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities:

	(₹ in Lakhs)	
	Less than 1 year	More than 1 year
March 31, 2019		
Non- derivative		
Trade payables	13.20	-
Director's commission payable	120.00	-
March 31, 2018		
Non- derivative		
Trade payables	21.31	-
Director's commission payable	25.00	-
April 1, 2017		
Non- derivative		
Trade payables	70.50	-
Director's commission payable	-	-

III Credit Risk:

The group is exposed to credit risk from its activity of giving loans and from its financing activities, including deposits with banks and other financial instruments. The balances with banks, loans given to corporate bodies, security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

Note 36 : Capital management

The group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The capital structure of the group is as follows:

Particulars	(₹ in Lakhs)		
	March 31, 2019	March 31, 2018	April 1, 2017
Share Capital	1,883.38	1,883.38	1,883.38
Other Equity	203,348.51	242,074.19	174,951.72
Total	<u>205,231.89</u>	<u>243,957.57</u>	<u>176,835.10</u>

Note 37 : Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors has been identified as the chief operating decision maker.

The group is in the business of making investments in financial instruments companies, focusing on earning income through dividends, interest and gains on investment held, which is a single segment in accordance with Ind AS 108 - "Operating segment" notified pursuant to Companies (Indian Accounting Standards) Rules, 2015 as amended.

All non-current assets are in India.

Note 38 : Corporate social responsibility (CSR)

The group 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 group recognizes CSR spends as and when incurred. Relevant details for the financial year covered by these statements are as under.

	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Gross Amount required to be spent by the Company during the year	35.55	34.61
Amount spent during the year	-	-
Cumulative shortfall	105.99	70.44

Note 39 : First-time adoption**Transition to Ind AS**

These consolidated financial statements, for the year ended March 31, 2019, are the first the group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP"). Accordingly, the group has prepared financial statements which comply with Ind AS applicable for periods ended on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the group's opening balance sheet was prepared as at April 1, 2017, the group's date of transition to Ind AS. This note explains the principal adjustments made by the group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2017.

I Exemptions availed

a) Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the group has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

b) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair Value Through Other Comprehensive Income on the basis of facts and circumstances at the date of transition to Ind AS. The group has elected to apply this exemption for its investment in debentures.

II Exceptions applied

a) Estimates

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation :

- Impairment of financial assets based on expected credit loss model
- Investment in preference shares carried at FVTPL.
- Investment in mutual funds carried at FVTPL.
- Investment in debentures carried at FVTOCI.
- Investment in equity shares carried at FVTOCI.

The estimates used by the group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2017, the date of transition to Ind AS and as of March 31, 2018.

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

III Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the group's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliation include -

- equity reconciliation as at April 1, 2017
- equity reconciliation as at March 31, 2018
- profit reconciliation for the year ended March 31, 2018 , and

In the reconciliations mentioned above, certain reclassifications have been made from Indian GAAP financial information to align with Ind AS presentation.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

A Reconciliation of total equity as at March 31, 2018 and April 1, 2017			
(₹ in Lakhs)			
Particulars	Notes	March 31, 2018	April 1, 2017
Total Equity as per Indian GAAP		125,176.69	114,391.18
Adjustments:			
Fair valuation of preference shares	1.A	(212.27)	(164.51)
Fair valuation of equity shares	1.B	101,141.12	73,534.08
Fair Valuation of Mutual fund	1.C	28.91	23.55
Fair valuation of Debentures	1.D	(4,998.31)	(5,144.15)
Fair valuation of Loans	1.E	(8,928.86)	(9,036.53)
Deferred tax liability on undistributed profits of associates and jointly controlled entities	1.F	(13,298.81)	(10,729.93)
Impact of equity method accounting of interest in associates and jointly controlled entities		45,068.29	13,966.78
Other adjustments		(19.19)	(5.36)
Total Adjustments		118,780.88	62,443.93
Total Equity as per Ind AS		243,957.57	176,835.11

Reconciliation of total comprehensive income for the year ended March 31, 2018

(₹ in Lakhs)		
Particulars	Notes	Year ended March 31, 2018
Net profit after tax under Indian GAAP		11,164.56
Adjustments:		
Fair valuation of preference shares	1.A	47.76
Fair valuation of Mutual funds	1.C	(5.36)
Fair valuation of loans	1.E	(107.66)
Deferred tax liability on undistributed profits of associates and jointly controlled entities	1.F	3,126.98
Impact of equity method accounting of interest in associates and jointly controlled entities		(7,863.55)
Other adjustments		(12.29)
Total Adjustments		(4,814.12)
Net Profit after tax as per Ind-AS		15,978.68
Other comprehensive income		
Fair valuation of equity shares	1.B	(27,607.06)
Fair valuation of Debentures	1.D	(145.84)
Impact of equity method accounting of interest in associates and jointly controlled entities		(23,390.86)
Total Other comprehensive income		(51,143.76)
Total Comprehensive Income as per Ind AS		67,122.44

V The transition did not have any material impact on the previously reported cash flows.

VI Notes to first-time adoption

1 Fair valuation of investments

Under the previous GAAP, investments in equity shares, mutual funds, debentures and preference shares were classified as long-term investments based on the intended holding period and reliability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value.

- A. Fair value changes with respect to investments in preference shares carried at FVTPL are taken through retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. This decreased retained earnings by Rs.212.27 lakhs as at March 31, 2018 (April 1, 2017 - Rs.164.57 lakhs).
- B. Fair value changes with respect to investment in equity shares designated as at FVTOCI - equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2018. The impact to FVOCI- equity investments reserve as on April 1, 2017 is Rs. 73,534.01 lakhs and Rs 101,141.13 lakhs as on March 31, 2018. The impact to OCI for the year ended March 31, 2018 is Rs 27,607.06 lakhs.
- C. Under Ind-AS, investments in mutual funds are recorded at fair value as at the balance-sheet date. This increased retained earnings by Rs.23.55 lakhs as at March 31, 2018 (April 1, 2017 - Rs.28.91 lakhs).
- D. Fair value changes with respect to investment in compulsory convertible debentures designated as at FVTOCI - equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2017. This decreased other reserves by Rs. 4,998.31 lakhs as at March 31, 2018 (April 1, 2017 - Rs. 5,144.15 million).
- E. Fair value changes with respect to loans carried at FVPTL are taken through retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. This decreased retained earnings by Rs.8,928.86 lakhs as at March 31, 2018 (April 1, 2017 - Rs.9,036.53 lakhs).
- F. As per Ind AS 12, deferred tax liability is recognised on undistributed profits of associates and jointly controlled entities. Accordingly, deferred tax liability has been recognised on undistributed profits of associates and joint ventures to the extent of shareholding.

2 Other Comprehensive Income

Under Indian GAAP, there were no requirements to separately disclose "Other Comprehensive Income" (OCI) and hence, the group had not presented other comprehensive income (OCI) separately. As such, items falling under OCI, net of taxes is disclosed. Hence, the group has reconciled the profit under Indian GAAP to the profit as per Ind AS. Further, profit under Ind AS is reconciled to total comprehensive income as per Ind AS.

Note 40: Others

- a) Legal title to some of the assets vested and transferred to the Company in pursuance of the Composite Scheme of Arrangement approved by the Honourable High Court of judicature at Bombay, as per Order dated 5th February, 2010 referred to herein before, could not be transferred in the name of the Company as at 31st March, 2019. The Company is in the process of completing the required legal formalities.
- b) 3,000,000 6% Non-cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid in Kalyani Financial Services Limited have been converted into 1 % Non-Cumulative Compulsorily convertible preference shares of ₹ 10/- each, convertible after 5 years from date of allotment i.e. 15th February, 2019.
- c) 40,000,000 9% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each, fully paid in KSL Holdings Pvt. Ltd. are redeemable at par on or before 25th October, 2036.
- d) 21,042,440 7% Cumulative Optionally Convertible Non-Participating Preference Shares of ₹ 10/- each, fully paid in Kalyani Technoforge Limited are redeemable at par on or before 18th January, 2023.
- e) 9,300,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each of Baramati Speciality Steels Ltd. are redeemable at par on or before 27th March, 2038.
- f) Of the 6,636,000 0% Fully Convertible Debentures (FCDs) of ₹ 100/- each, fully paid of Kalyani Financial Services Limited, 1,366,000 FCDs are compulsorily convertible into Equity Shares of ₹ 10/- each, fully paid up at a premium of ₹ 20/- per share on or before 31st March, 2021. 5,270,000 FCDs are compulsorily convertible into such number of fully paid up Equity Shares of ₹ 10/- each, at such a price as shall be fixed by the said Company on or before 27th September, 2022.

g) Long term loans given :

The Company has given letter of subordination to Nandi Economic Corridor Enterprises Ltd. (NECE) and Airro (Mauritius) Holdings V, whereby the Company has agreed to subordinate the loan of ₹ 1,160,520,067 (Previous Year : ₹ 1,160,520,067) granted by it to NECE, until the entire stakeholding of Airro (Mauritius) Holdings V in NECE Ltd. is completely sold off or all the amounts payable by NECE Ltd. to Airro (Mauritius) Holdings V in terms of the Shareholders Agreement dated 24th December, 2010, between Airro (Mauritius) Holdings V and NECE Ltd. are fully paid off.

Note 41: Contingent liabilities and commitments

(a) Contingent liabilities :

Particulars	₹ in lakhs	
	March 31, 2019	March 31, 2018
Conveyance deed of the ownership premises of the Company at Antariksha Bhawan, New Delhi has not been executed as yet. Liability, if any on that account has not been ascertained.	Unascertainable	Unascertainable
Customs duty, excise duty and service tax - matter under appeal	482.46	369.18
Sales Tax - matters under appeal	158.73	157.45
Income tax	112.68	122.33
Guarantee given on behalf of SBK Properties Pvt. Ltd.		3,543.33
Dividend payable on 9% Cumulative Redeemable Non-Convertible Preference Shares	389.60	236.53
Claims against the Company not acknowledged as debts	7.72	7.72
Iron ore supplier- rate difference claim - disputed	996.81	996.81
Reimbursement for Forest Development Tax on Iron Ore claimed by supplier	130.80	130.80
Forest Development Fees	639.63	152.39
Others	5.96	5.96

- i) The Supreme Court of India in a judgement on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of basic salary for individuals below a prescribed salary threshold. One of the joint ventures (JV) determined that they had not previously included such components in basic salary. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the management of the JV has made a provision on a prospective basis from the date of the SC order. The JV will update its provision, on receiving further clarity on the subject.
- ii) Pursuant to the agreement entered between the one of the joint ventures (JV) of the group and the Government of Madhya Pradesh, on September 2012, the Company had taken a land on lease at Pithampur for the purpose of setting up a manufacturing unit and paid an upfront premium of Rs. 970 lakhs which has been classified as prepaid expenses and being amortised over the lease term of 99 years. As at March 31, 2019, the balance of prepaid expenses is Rs. 940 lakhs. As per the agreement, if the land remained unutilised for a period of five year, the Government has the right to terminate the lease deed. Further if the leasehold land is surrendered within four years from possession, 20% of upfront premium will be deducted. The management of the JV has proposed to surrender the above land in exchange of new land at other location in Pithampur. Rs. 127.2 lakhs is already paid as advance towards procuring this land. The JV believes no surrender fees will be required to be paid in case of proposed surrender as the management of the JV is in discussion and negotiation for acquiring new land. However, the outcome may vary depending upon the future developments in this matter.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019.

(b) Capital and other commitments :

Particulars	(₹ in lakhs)	
	March 31, 2019	March 31, 2018
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances)	596.64	44.52
Other Commitments on account of :-		
a) Purchase of Raw Material through E-Auction	104.98	186.53
b) Supply of Gases - Minimum Take over Price	1,928.17	2,155.01

Note 42 : Previous year figures have been regrouped/reclassified wherever necessary to conform with current year's classification / disclosure.

As per my attached report of even date,

For M/s. P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W

Sanjay Athavale
Partner
Membership No.83374

Place : Pune
Date : 31st July, 2019

On behalf of the Board of Directors,

M.U. Takale
Director
DIN : 01291287

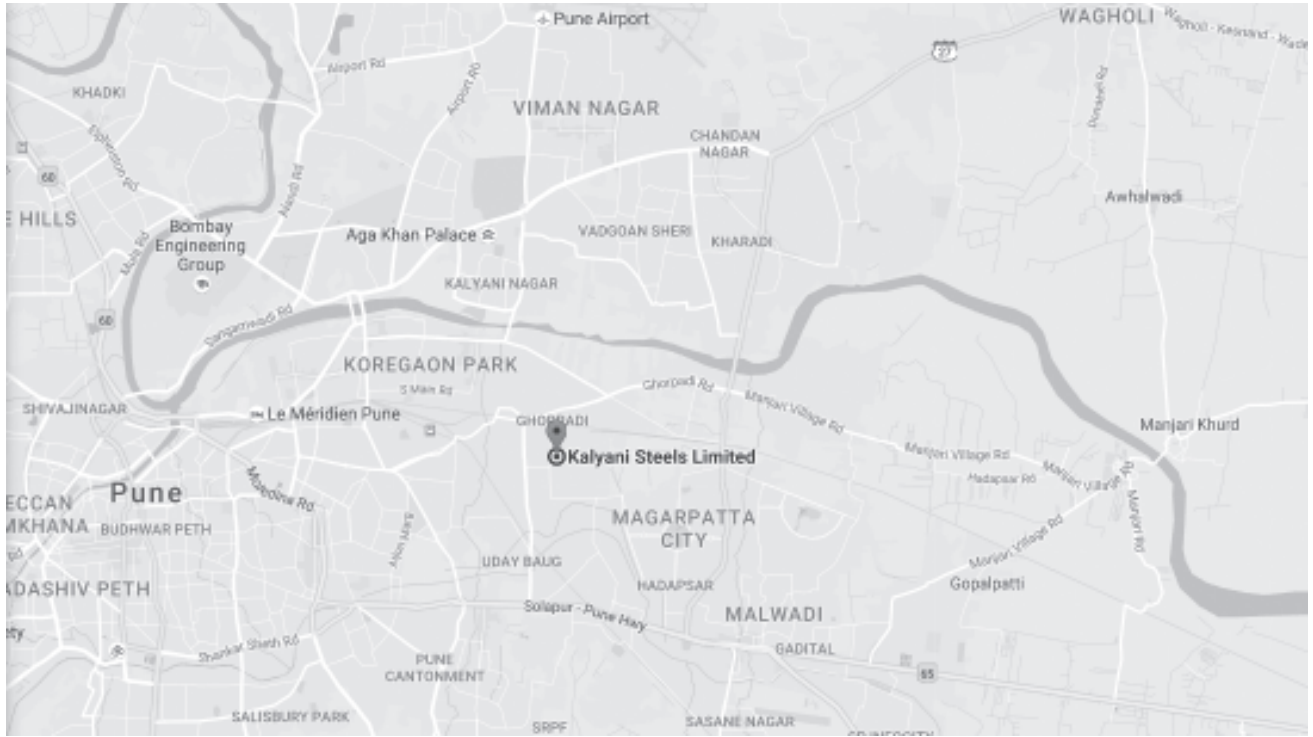
J. G. Patwardhan
Chief Executive Officer &
Chief Financial Officer

Place : Pune
Date : 31st July, 2019

B. B. Hattarki
Director
DIN : 00145710

S. R. Kshirsagar
Company Secretary

Route Map for Venue of Annual General Meeting



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BF INVESTMENT LIMITED

CIN : L65993PN2009PLC134021

Registered Office : Mundhwa, Pune Cantonment, Pune 411 036
Administrative Address : Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar, Pune 411013
Phone : +91 20 66292550

Email : secretarial@bfilpune.com Website : http://www.bfilpune.com

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 Tenth Annual General Meeting of the Company, to be held on Wednesday, the 25th day of September, 2019 at 11.00 a.m. (I.S.T.) at Kalyani Steels Limited 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 Tenth Annual General Meeting dated 31 st July, 2019)	Vote *(For Options See Note 4)		
		For	Against	Abstain
1.	To consider and adopt a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 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, 2019 and the Report of the Auditors thereon.			
2.	To appoint a Director in place of Mr. A.B. Kalyani, (DIN : 00089430), who retires by rotation and being eligible offers himself for re-appointment			
3.	Appointment of Mr. Sanjeev G. Joglekar (DIN: 00073826) as an Independent Director.			
4.	Re-Appointment of Mr. Madan U. Takale (DIN 01291287) as an Independent Director			
5.	Appointment of Mr. Bhalchandra S. Mitkari (DIN: 03632549) a Director liable to retirement by rotation			
6.	Payment of commission to Non Executive Director			

Signed this _____ day of _____ 2019

Signature of member : _____

Signature of Proxy holder(s) : _____

Please affix
Revenue
Stamp

(Please refer notes overleaf)

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 (50) 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 the tick (✓) mark 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.



KALYANI
DRIVING INNOVATION

BF INVESTMENT LIMITED

MUNDHWA, PUNE CANTONMENT, PUNE 411 036
MAHARASHTRA, INDIA.
website : www.bfilpune.com