

BF INVESTMENT LIMITED



KALYANI
DRIVING INNOVATION

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**BOARD OF
DIRECTORS**

B. N. KALYANI
Chairman

A. B. KALYANI

B. B. HATTARKI

M. U. TAKALE

BANKERS

HDFC Bank Limited

AUDITORS

Prashant V. Deo, Chartered Accountants

REGISTERED OFFICE

BF Investment Limited
Mundhwa, Pune Cantonment,
Pune 411 036, Maharashtra, India.
Phone : (020) 26822552 / 67042300 / 67042800
Fax : (020) 26823061
E-mail : bfinvestment@vsnl.net

Members who wish to obtain all the Notices, Annual Reports and other communications from the Company on email, are requested to update their email ID's in their Depository Account. Shareholders holding shares in Physical form, and wish to avail the above information on email, can send their request to the Company, with the details of their email ID's.



BF INVESTMENT LIMITED

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

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of BF Investment Limited will be held at Kalyani Steels Ltd compound, at Mundhwa, Pune 411 036 on Wednesday, 24th Day of July, 2013 at 3.30 p.m. (IST) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended 31st March, 2013 and the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. B. N. KALYANI, who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. B. KALYANI, who retires by rotation but being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT THE COMPANY'S AUDITOR, PRASHANT V. DEO, CHARTERED ACCOUNTANT, (REGISTRATION NO.041609) BE AND IS HEREBY RE-APPOINTED AS AUDITOR OF THE COMPANY TO HOLD OFFICE FROM THE CONCLUSION OF THIS MEETING UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY AND THAT THE BOARD OF DIRECTORS BE AND IS HEREBY AUTHORISED TO FIX AUDITORS' REMUNERATION FOR THE PERIOD."

Mundhwa,
Pune Cantonment,
Pune 411 036.
24th May, 2013

By Order of the Board of Directors
For BF Investment Limited

S. R. Kshirsagar
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Members who hold shares in dematerialised form are requested to bring their CLIENT ID AND DP ID numbers for easy identification of attendance at the meeting.
3. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details etc. to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Registrar & Share Transfer Agent of the Company.
4. The Share Transfer Books and the Register of Members of the Company will remain closed on Wednesday, 24th July, 2013.
5. Members who wish to obtain all the Notices, Annual Reports and other communications from the Company on email, are requested to update their email id's in their Depository Account. Shareholders holding shares in Physical form, and wish to avail the above information on email, can send their request to the Company, with the details of their email id's.

Management Discussion And Analysis

The Board takes pleasure in presenting your Company's fourth Annual Report for the year 2012-2013 along with the compliance report on corporate governance. This chapter on Management Discussion and Analysis forms a part of the compliance report on Corporate Governance.

Economic Performance

Economic growth in current financial year decelerated to 5%, it's lowest in a decade. While, tepid industrial growth and a downdraft in Investment continued from earlier year, the downturn was further aggravated by a weakening consumption, contracting exports and a slump in services activity.

High interest rates, slackening economic activity and slowing business and consumer demand combined to decelerate credit growth. At the same time, there was deterioration in credit quality.

Despite the economic slowdown, the central government budget deficit was contained at 5.2% of GDP. However, the quality of fiscal consolidation is a concern.

Spurred by announcements of various reform initiatives, portfolio flows picked up substantially. This helped the Indian Rupee to strengthen. The increase in Portfolio investments helped lift the stock prices on the bourses. With robust folio flows, moderate increase in FDI and commercial borrowing covering the current account deficit, the central bank refrained from intervening much in the forex markets.

Foreign exchange reserves remained broadly stable.

Economic prospects

The slowdown in domestic investment will need to be reversed for growth to pick up in a sustained manner. Recent reforms such as creation of the Cabinet Committee on Investment to expedite Government clearances for large projects and cabinet clearance of a Land Acquisition Bill have been steps in the right direction. However, a lot of measures would be additionally needed to be taken for the investment cycle to turn around. These would include, tough economic and political decisions such as policy decisions related to delayed environmental clearances, Parliamentary approval for land acquisition bill, improving availability of fuel resources, Infrastructure linking fuel resources to power plants and lastly, attaining fiscal consolidation without sacrificing capital expenditure.

Progress on reforms in current year is expected to improve business and consumer confidence, resulting into a moderate improvement in investment and consumer spending. An upturn in global trade volume and greater budgeted spending by government would further add to total demand. A normal monsoon is expected to substantially boost agriculture growth. This will strengthen rural consumer demand and ease price pressures. Services are expected to see a stronger pickup in activity. In this scenario, GDP growth can nudge up to 6%.

Business Overview

The Company continues to hold various investments in Kalyani Group Companies and expects to earn reasonable returns on the same. The performance of your Company largely depends on the performance of the entities in which it holds investments. Your Company, therefore, closely monitors the working of all these entities.

Internal Control and Internal Audit System

The Company has adequate Internal audit and control system commensurate with it's size and nature of business. The audit and Control are as per prevailing Laws and Company Policies. The Audit Committee appointed by the Board selectively reviews it's adequacy, addresses the significant findings and follow up needs on such issues, are given top priority and implemented suitably.

Cautionary Statement

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

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 2012-2013.

1. BOARD LEVEL ISSUES :

- **Composition of the Board**

The Board of Directors of the Company comprises the Chairman, who is promoter non-executive director and three non-executive directors of whom two are independent. Details are given in Table 1.

- **Number of Board Meetings**

During the period, four Board Meetings were held on 19thMay, 2012, 13thAugust, 2012, 30th October, 2012 and 2ndFebruary, 2013.

- **Directors' Attendance Record and Directorships**

Table 1 gives the composition of the Board, the category of the Directors, their attendance record and the number of directorships.

Table 1 - Details about Board of Directors of the Company

Name of Director	Category	Number of meetings held	Number of meetings attended	Last AGM attended	Number of Directorships of Public Limited Companies	Committee Membership (s)	Committee Chairmanship (s)	Materially significant pecuniary or business relationship with Company
B. N. KALYANI (Chairman)	Promoter, Non- executive	4	3	No	15	3	2	None
A.B. KALYANI	Non- executive	4	2	Yes	13	5	Nil	None
B. B. HATTARKI	Non- executive Independent *	4	4	Yes	9	4	5	None
M. U. TAKALE	Non- executive Independent *	4	3	Yes	5	2	Nil	None

* *Independent Director means a director who apart from receiving director's remuneration does not have any other pecuniary relationship or transactions with the company, its promoters, its management or its subsidiaries, which in the judgement of the board may affect independence of judgement of director.*

Note :

None of Directors is a member of more than ten Board-level committees of public companies in which they are Directors, or a chairman of more than five such committees, as included for the purposes of corporate governance laid down by SEBI and Listing Agreement.

- **Information placed before 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.

- **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.

- **Remuneration of Directors**

None of the Directors of the Company is in receipt of any kind of remuneration. The Company does not have a Remuneration Committee. None of the Directors are related to each other except Mr. A.B. Kalyani, son of Mr. B.N. Kalyani, Chairman of the Company and none of the employees are related to any of the Directors of the Company.

- **Code of Conduct**

The Company has adopted a code of conduct for directors and senior management of the Company. The code has been circulated to all the members of the Board. The Board members have affirmed their compliance with the Code.

- **Audit Committee**

The Audit Committee performs the following functions :

1. Reviewing of the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
2. Reviewing with management the annual financial statement before submission to the Board;
3. Reviewing with the management, external auditors and internal audit department, the adequacy of internal control systems;
4. Discussing with internal audit department any significant finding and follow up on such issues;
5. 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 area of concern;
6. Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards;
7. Reviewing details of related party transactions exceeding 1% of last year's turnover;
8. Reviewing the Company's financial and risk management policies;

The Audit Committee consists of qualified non-executive directors. It comprises of Mr. B. B. Hattarki, Mr. A. B. Kalyani and Mr. M. U. Takale. The Company has constituted internal audit department. The committee met four times during the course of the year on 19th May, 2012, 13th August, 2012, 30th October, 2012 and 2nd February, 2013. Table 2 gives attendance record. The Chairman of the Board is invited to attend the meetings of the Audit Committee as a permanent invitee. The committee has access to all records of the Company.

Table 2 - Attendance record of Audit Committee members for 2012-13

Name of the Director	No. of meetings	Meetings attended
Mr. B. B. Hattarki	4	4
Mr. A. B. Kalyani	4	3
Mr. M. U. Takale	4	3

2. MANAGEMENT :

- **Management Discussion and Analysis**

This annual report has a detailed chapter on management discussion and analysis.

- **Disclosures by Management to the Board**

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

3. SHAREHOLDERS :

- **Disclosures regarding Appointment or Re-Appointment of Directors**

Two Directors - Mr. B. N. Kalyani and Mr. A.B. Kalyani - are retiring by rotation and being eligible offer themselves for re-appointment. Their details are given below :

- Mr. B. N. Kalyani is Chairman and Managing Director of Bharat Forge Limited. Born on 7th January, 1949, Mr. Kalyani is a Mechanical Engineer from the Birla Institute of Technology, Pilani. He also has an M. S. from the Massachusetts Institute of Technology, USA. Mr. Kalyani also serves on the Boards of BF Investment, Hikal, Nandi Infrastructure Corridor Enterprises, Kalyani Hayes Lemmerz, Kalyani Carpenter Special Steels, Kalyani Steels, Automotive Axles, Merritor HVS (India), Khed Economic Infrastructure Private Ltd., etc.
- Mr. Amit B. Kalyani, B.E.(Mech.) born on 26th July, 1975. Mr. Amit Kalyani joined Bharat Forge Limited w.e.f. 24th October, 1999 as Chief Technology Officer and has since been instrumental in induction of Technology in the Company and providing system support services to the Company's process. He also designed and

implemented e-Commerce strategies and is contributing significantly in manufacturing, marketing, exports and technology upgradation areas in the Company. He has over twelve years of working experience

- **Communication to shareholders**

The quarterly results of the Company's performance are published in leading newspapers such as Financial Express, all India editions (English) and Loksatta, Pune edition (Marathi).

- **Investor Grievances**

The Company has constituted the 'Shareholders'/Investors' Grievance Committee' for redressing shareholders'/investors' complaints. The Committee comprises of Mr. B. B. Hattarki, Mr. A. B. Kalyani and Mr. M.U. Takale, all non-executive Directors. The status on complaints is also reported to the Board of Directors, as an agenda item. Mr. S. R. Kshirsagar, Company Secretary, is the compliance officer.

- **Share Transfer**

The Company has constituted the 'Directors Executive Committee'. The Committee comprises of Mr. B. B. Hattarki, Mr. A. B. Kalyani and Mr. M. U. Takale, all non-executive Directors. The committee meets at a regular interval to consider and approve the transfer, transmission, consolidation, sub-division, issue of duplicate certificates and requests of dematerialisation of Company's shares. There are no legal proceedings against the Company on any share transfer matter.

- **Details of Non-Compliance**

There have been no instances of non-compliance on any matter relating to the capital market during the period under report.

- **General Body Meetings**

Financial Year	Date	Time	Venue
2009-10	22 nd November, 2010	10.30 A.M.	Kalyani Steels Ltd., Pune 411036
2010-11	12 th August, 2011	3.30 P.M.	Kalyani Steels Ltd., Pune 411036
2011-12	28 th July, 2012	3.30 P.M.	Kalyani Steels Ltd., Pune 411036

SHAREHOLDER INFORMATION

- **Annual General Meeting**

Date :- Wednesday, 24th July, 2013, 3.30 p.m.

Venue :- Kalyani Steels Ltd. compound, Mundhwa, Pune - 411 036, Maharashtra, India

- **Financial Calendar**

1stApril to 31st March

- **Book Closure**

The books will be closed on 24th July, 2013 as annual closure for the AGM.

- **Dividend Date**

The Board has not recommended any dividend on Equity Shares

- **Listing**

National Stock Exchange of India Ltd., Bombay Stock Exchange Ltd and Pune Stock Exchange Ltd.

- **Stock Codes**

NSE : BFINVEST

BSE : 533303

➤ **Stock Data**

Table 1 below gives the monthly high and low prices and volumes of the Company's Equity Shares at Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd., for the year 2012-13.

Table 1: High and Low Prices & Trading Volumes at BSE and NSE

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
Apr-12	49.90	43.70	154959	50.40	42.65	144322
May-12	47.10	39.95	92043	48.95	39.10	94486
Jun-12	45.80	39.20	156239	46.00	39.00	105403
Jul-12	49.80	39.60	153891	51.00	39.25	167988
Aug-12	45.90	39.55	63402	45.20	39.55	124370
Sep-12	45.00	39.60	91281	44.90	40.00	74512
Oct-12	46.90	39.00	103736	46.00	38.95	231417
Nov-12	40.80	37.50	113435	41.00	36.65	184170
Dec-12	46.90	37.50	372184	47.00	37.00	563151
Jan-13	49.45	41.25	135104	49.00	41.10	205903
Feb-13	46.00	39.00	66317	46.70	39.00	196619
Mar-13	50.70	40.30	114405	51.00	40.15	256824

➤ **Share Transfer Agents and Share Transfer System**

M/s. Link Intime India Private Limited 202, Akshay Complex, Near Ganesh Mandir, Dhole Patil Road, Pune 411 001 are the Registrar and Transfer Agents of the Company. They carry out the transfer, transmission, consolidation, sub-division, issue of duplicate certificates and requests of dematerialisation of Company's shares on behalf of the Company. The complaints received from shareholders, investors etc., are redressed promptly. During the year under report, no complaints were received from the shareholders.

➤ **Shareholding pattern**

The following tables 2&3 give the Pattern of Shareholding as on 31st March, 2013.

Table 2 : Pattern of shareholding by ownership as on 31 March, 2013

Category	No. of shares held	Shareholding %
Promoters	27113584	71.98
Financial Institutions / Bank	3427	0.01
Mutual Funds	1909	0.01
Insurance Companies	160127	0.42
Foreign Institutional Investors	858211	2.28
Bodies Corporate	3002769	7.97
Indian Public / Foreign Nationals	6335624	16.82
Non Resident Indians	191977	0.51
TOTAL	37667628	100.00

Table 3 : Pattern of shareholding by share class as on 31 March, 2013

Shareholding class	No. of shareholders	No. of shares held	Shareholding %
Up to 5000	27409	4382396	11.63
5001 to 10000	101	707822	1.88
10001 to 20000	48	653339	1.74
20001 to 30000	9	227198	0.60
30001 to 40000	4	129387	0.34
40001 to 50000	3	133489	0.36
50001 to 100000	14	1058938	2.81
100001 and above	20	30375059	80.64
TOTAL	27608	37667628	100.00

➤ **Dematerialisation**

As on 31st March, 2013, dematerialised shares accounted for 93.41% of the total equity.

➤ **Investors Correspondence Address**

1. Secretarial Department
BF Investment Ltd.,
Mundhwa, Pune Cantonment, Pune - 411 036 Maharashtra, India.
Phone No. 020 - 67042618, 26822552, Fax No.26823061,
E-mail : bfinvestment@vsnl.net
Website : www.kalyanigroup.com/BFI.asp
2. 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 Fax No.020-26163503
Email : pune@linkintime.co.in

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
BF Investment Limited

I have examined the compliance of conditions of corporate governance by **BF INVESTMENT LIMITED** ('the Company') for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the management I certify that, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

I 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.

Place : Pune
Date : 24th May, 2013.

P. V. Deo
Chartered Accountant
Membership No. 41609

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2013

To,

The Members,

Your Directors have pleasure in presenting their 4th Annual Report on the business and operations of the Company together with Audited Statement of Accounts for the year ended 31st March, 2013.

1. FINANCIAL HIGHLIGHTS :

	(Rs. in Million)	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Income from Operations	385.33	505.90
Profit before Interest and Depreciation	291.22	518.79
Less : Interest	0.60	6.00
Depreciation	2.50	1.90
Profit before tax	288.12	510.89
Provision for Taxation	24.38	75.92
Net Profit/(Loss) for the year / period	263.74	434.97
Less : Transfer to Reserve Fund	52.74	87.00
Profit for the year after taxation and appropriation	211.00	347.97
As per last account	2888.67	2540.70
Balance carried to Balance Sheet	3099.67	2888.67

2. DIVIDEND :

Your Directors do not recommend any dividend on the equity shares for the year ended 31st March, 2013.

3. OPERATIONS :

During the year ended 31st March, 2013, your Company earned a total income of Rs. 385.33 Million (previous period Rs. 505.90 Million) and earned a profit of Rs. 263.74 Million (previous period Rs. 434.97 Million).

4. SUBSIDIARIES :

The Company does not have any subsidiary Company.

5. PARTICULARS OF EMPLOYEES :

During the year under report, no employee, throughout the year or part of the year was in receipt of remuneration upto or in excess of the sums prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The additional information required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, and forming part of the Report is reproduced hereunder :

I. CONSERVATION OF ENERGY : Not Applicable.

II. TECHNOLOGY ABSORPTION :

1. Research and Development (R & D) :
Not Applicable.

2. Technology Absorption, Adaptation and Innovation :

The Company has not imported any technology.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Total Foreign Exchange Used and Earned :

Used : Nil

Earned : Nil

7. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. B. N. Kalyani and Mr. A. B. Kalyani, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, they offer themselves for re-appointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

(i) That in the preparation of the accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review;

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Directors have prepared the annual accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.

9. AUDITORS :

You are requested to re-appoint Auditors for the current year to hold the office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

Your directors wish to place on record their appreciation for the positive co-operation received from the Central Government, Government of Maharashtra, and the Bankers. The directors also wish to place on record their appreciation of the unstinted efforts and contributions made by the Management Team and the employees of the Company at all levels.

The Directors express their special thanks to Mr. B. N. Kalyani, Chairman for his untiring efforts for the progress of the Company.

For and on behalf of the
Board of Directors

PUNE
Dated : 24th May, 2013

B.N. KALYANI
Chairman

INDEPENDENT AUDITORS' REPORT

To The Members of BF Investment Limited

Report on the Financial Statements

I have audited the accompanying financial statements of BF Investment Limited ("the Company") which comprise the Balance Sheet as at 31stMarch, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31stMarch, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003, read with the Companies (Auditor's Report) (Amendment) Order, 2004, both issued by the Central Government in terms of subsection (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, I report that:
 - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. in my opinion, proper books of account as required by law have been kept by the Company, so far as appears from my examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in my opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31stMarch 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : Pune
Date : 24th May, 2013.

P. V. Deo
Chartered Accountant
Membership No. 41609

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in the Independent Auditor's Report on the financial statements of BF Investment Limited for the year ended 31st March, 2013.

On the basis of such checks as were considered appropriate and in accordance with the information and explanations given to me, I report as under :

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to me, the fixed assets have been physically verified by the Management at reasonable intervals, during the financial year. According to the information and explanations given to me, no discrepancies were noticed on physical verification of the fixed assets.
- (c) The Company has not disposed off any fixed assets during the year.
- (ii) Since the Company does not carry any inventory, the provisions of Clause No. 4(ii) of the Order do not apply to the Company.
- (iii) The Company has not granted or taken any loans to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause No. 4(iii) of the Order do not apply to the Company.
- (iv) In my opinion and according to the information and explanations given to me, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchases of fixed assets. The Company is a Core Investment Company and does not sell any goods or services. During the course of my audit I have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) The Company has not carried out any transactions in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted deposits from the public within the meaning of Sections 58A or 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed, thereunder.
- (vii) In my opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the business in which the Company is engaged.
- (ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities, undisputed statutory dues including Income Tax, Wealth Tax, other taxes, cess and statutory dues applicable to it. As explained to me by the Management, the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948 do not apply to the Company. According to the information and explanations given to me, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, cess were outstanding as at 31st March, 2013 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, Sales Tax, Wealth Tax, Service Tax, Custom Duty, cess which have not been deposited on account of any dispute.
- (x) Since the Company has been registered for a period of less than five years, the provisions of Clause No. 4(x) of the Order do not apply to the Company.
- (xi) The Company has neither borrowed any moneys from any financial institution or bank; nor issued any debentures. Hence, the provisions of Clause No. 4(xi) of the Order do not apply to the Company.
- (xii) According to the information and explanations given to me, the Company has not given any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore, the provisions of Clause No. 4(xiii) of the Order do not apply to the Company.
- (xiv) According to the information and explanations given to me, the Company is a Core Investment Company and does not deal or trade in shares, debentures, securities and other investments. Therefore, the provisions of Clause No. 4(xiv) of the Order do not apply to the Company.
- (xv) The terms and conditions of the guarantees given by the Company in respect of the loans borrowed by others

from banks or financial institutions are not found prima facie prejudicial to the interest of the Company.

- (xvi) Since the Company has not raised any term loans, the provisions of Clause No. 4 (xvi) of the Order do not apply to the Company.
- (xvii) According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that no long term funds have been used to finance short term assets. Similarly, no funds raised on short term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares, within the meaning of Section 81(1A) of the Companies Act, 1956, to parties and companies covered in the register maintained under Section 301 of the said Act.
- (xix) Since the Company has not issued any secured debentures, during the year covered by this report, the clause (xix) of the Order does not apply to the Company.
- (xx) Since the Company has not raised any money by public issues during the year, clause (xx) of the Order, does not apply to the Company.
- (xxi) Based upon the audit procedures performed and the information and explanations given by the Management, I report that no fraud on or by the Company has been noticed or reported during the course of my audit.

Place : Pune
Date : 24th May, 2013.

P. V. Deo
Chartered Accountant
Membership No. 41609

Balance Sheet as at 31st March, 2013

	Note No.	Amount ₹	As at 31 st March, 2012 Amount ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	3.1	188,338,140	188,338,140
(b) Reserves and Surplus	3.2	6,256,786,432	5,993,048,806
		<u>6,445,124,572</u>	<u>6,181,386,946</u>
2. Current liabilities			
(a) Trade payables	3.3	5,073,255	16,299
(b) Other current liabilities	3.4	2,196,160	2,083,425
(c) Short-term provisions	3.5	13,706,347	57,675,565
		<u>20,975,762</u>	<u>59,775,289</u>
TOTAL		<u><u>6,466,100,334</u></u>	<u><u>6,241,162,235</u></u>
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
Tangible assets	3.6	113,942,844	110,951,896
Capital Work in Progress		13,623,650	-
(b) Non-current investments	3.7	4,522,635,387	3,875,308,397
(c) Long-term loans and advances	3.8	1,160,534,252	1,160,534,252
(d) Other non-current assets	3.9	249,675,936	305,281,760
		<u>6,060,412,069</u>	<u>5,452,076,305</u>
2. Current assets			
(a) Current investments	3.10	245,520,895	194,930,063
(b) Trade receivables	3.11	-	1,494,214
(c) Cash and cash equivalents	3.12	7,217,467	8,757,046
(d) Short-term loans and advances	3.13	152,641,794	583,149,905
(e) Other current assets	3.14	308,109	754,702
		<u>405,688,265</u>	<u>789,085,930</u>
TOTAL		<u><u>6,466,100,334</u></u>	<u><u>6,241,162,235</u></u>
Significant Accounting Policies and Notes forming part of the Financial Statements	1,2,3		
The notes above referred form an integral part of the Financial Statements			

As per my attached report of even date,

On behalf of the Board of Directors,

P. V. Deo
Chartered Accountant

A. B. Kalyani
Director

B. B. Hattarki
Director

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 24th May, 2013.

Place : Pune
Date : 24th May, 2013.

Statement of Profit And Loss for the Year Ended 31st March, 2013

		Note No.	Amount ₹	Year ended 31 st March, 2012. Amount ₹
I	Revenue from operations	3.15	145,966,877	235,084,368
II	Other income	3.16	239,365,020	270,814,408
III	Total revenue (I+II)		<u><u>385,331,897</u></u>	<u><u>505,898,776</u></u>
IV	Expenses			
	(a) Changes in inventories	3.17	-	2,561,690
	(b) Employee benefit expenses	3.18	-	1,810,295
	(c) Finance costs	3.19	589,000	5,995,000
	(d) Depreciation	3.6	2,504,334	1,895,991
	(e) Other expenses	3.20	24,481,558	17,113,014
	Total expenses		<u><u>27,574,892</u></u>	<u><u>29,375,990</u></u>
V	Profit before exceptional items and tax (III - IV)		357,757,005	476,522,786
VI	Exceptional items	3.21	(69,631,204)	34,371,841
VII	Profit before tax (V + VI)		288,125,801	510,894,627
VIII	Tax expense :			
	(a) Current tax expense		(26,254,000)	(75,920,000)
	(b) Tax saving for earlier years		1,865,825	1,821
	(c) Deferred tax		-	-
			<u><u>(24,388,175)</u></u>	<u><u>(75,918,179)</u></u>
IX	Profit for the year (VII + VIII)		<u><u>263,737,626</u></u>	<u><u>434,976,448</u></u>
XII	Earnings per share (of ₹ 5/- each):			
	(a) Basic	3.24	7.00	11.55
	(b) Diluted	3.24	7.00	11.55
	Significant Accounting Policies and Notes forming part of the Financial Statements	1,2,3		
	The notes above referred form an integral part of the Financial Statements			

As per my attached report of even date,

On behalf of the Board of Directors,

P. V. Deo
Chartered Accountant

A. B. Kalyani
Director

B. B. Hattarki
Director

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 24th May, 2013.

Place : Pune
Date : 24th May, 2013.

Cash Flow Statement for the Year Ended 31st March, 2013

	Note No.	Amount ₹	Year ended 31 st March, 2012. Amount ₹
A. Cash flow from operating activities :			
Net Profit after tax and exceptional items		263,737,626	434,976,448
Adjusted for :			
Tax expense		24,388,175	75,918,179
Depreciation		2,504,334	1,895,991
Impairment Loss		4,718	-
Interest - Other		589,000	5,995,000
Profit on sale of investments		(19,108,927)	(19,145,733)
Dividend received on investments		(220,203,723)	(251,662,233)
Provision for diminution in the value of investments written back		-	(33,329,984)
Share in profit of partnership firm		(2,090)	(511)
Exceptional items		69,631,204	(1,041,857)
		<u>(142,197,309)</u>	<u>(221,371,148)</u>
Operating Profit before working capital changes :		121,540,317	213,605,300
Changes in :			
Trade and other receivables		488,054,742	(86,568,508)
Inventories		-	2,561,690
Liabilities and Provisions		7,488,493	7,617,443
		<u>495,543,235</u>	<u>(76,389,375)</u>
Cash generation from operations :		617,083,552	137,215,925
Direct Taxes paid		(70,676,195)	(86,053,380)
Cash flow before exceptional items :		<u>546,407,357</u>	<u>51,162,545</u>
Exceptional items		(69,631,204)	1,041,857
Net Cash from operating activities :		<u>476,776,153</u>	<u>52,204,402</u>
B. Cash flow from investing activities :			
Purchase of Fixed Assets		(19,123,650)	-
Purchase of Investments		(902,847,886)	(348,368,564)
Sale of Investments		224,038,991	51,870,775
Share in profit of partnership firm		2,090	511
Net cash used in investing activities :		<u>(697,930,455)</u>	<u>(296,497,278)</u>
C. Cash flow from financing activities :			
Interest - Other		(589,000)	(5,995,000)
Dividend received on investments		220,203,723	251,662,233
Net cash used in financing activities :		<u>219,614,723</u>	<u>245,667,233</u>
Net changes in cash and cash equivalents (A+B+C) :		(1,539,579)	1,374,357
Cash and Cash Equivalents, at the beginning :		8,757,046	7,382,689
Cash and Cash Equivalents, at the close :		7,217,467	8,757,046
Significant Accounting Policies and Notes forming part of the Financial Statements	1,2,3		
The notes above referred form an integral part of the Financial Statements			

As per my attached report of even date,

On behalf of the Board of Directors,

P. V. Deo
Chartered Accountant

A. B. Kalyani
Director

B. B. Hattarki
Director

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 24th May, 2013.

Place : Pune
Date : 24th May, 2013.

Notes forming part of the Financial Statements for the year ended 31st March, 2013.

1. Company Overview :

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

2. Statement of Significant Accounting Policies :

2.1 Method of Accounting :

- a) The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- b) Financial statements are prepared on historical cost convention. These costs are not adjusted to reflect the impact of the changes in the purchasing power of money.

2.2 Use of Estimates :

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

2.3 Fixed Assets and Depreciation :

a) Fixed Assets :

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

b) Depreciation and Amortisation :

- i) Depreciation on fixed assets other than buildings is being provided for under the Written Down Value Method, on pro-rata basis, in consonance with the provisions of Section 205(2)(a) of the Companies Act, 1956, by adopting the rates specified in Schedule XIV, thereto.
- ii) Depreciation on buildings is being provided for under the "Straight Line Method" on pro-rata basis, in consonance with the provisions of Section 205(2)(a) of the Companies Act, 1956, by adopting the rates specified in Schedule XIV, thereto.

2.4 Investments :

- a) Long Term Investments are carried at cost. Provision for diminution is made to recognize a decline other than temporary, in value of investments.
- b) Short Term Investments are carried at lower of cost and fair value.

2.5 Revenue Recognition :

- a) The Company recognises income on accrual basis. However, revenue recognition is postponed in respect of specific items of income, where the ultimate collection, thereof is uncertain.
- b) Interest income is accrued over the period of the loan / investment.
- c) Dividend is accrued in the year in which it is declared whereby a right to receive is established.
- d) Profit / loss on sale of investments is recognised on the contract date.

2.6 Taxation :

- a) Provision for income tax is made on the basis of taxable income for the current accounting year, in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred Tax resulting from timing differences between Book Profits and Tax Profits is accounted for at the applicable rate of Tax to the extent the timing differences are expected to crystallize, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realized.

2.7 Impairment :

The management has a policy to review at each balance sheet date, the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.

Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset. Reversal of impairment loss is recognized immediately as income in the profit and loss account.

2.8 Earnings per share :

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

2.9 Provisions, Contingent Liabilities and Contingent Assets :

Provisions are made for present obligations arising out of past events, which are likely to result in an outflow of resources embodying economic benefits at an amount, which can be reliably estimated.

Items not classified as provisions as envisaged above are treated as contingent liabilities, which are disclosed by way of a note and are not provided for in the books of accounts.

Contingent assets are neither recognized nor disclosed.

2.10 Cash flow statement :

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

	As at 31 st March, 2013 Amount ₹	As at 31 st March, 2012 Amount ₹
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3. Other Notes :

3.1 SHARE CAPITAL :

Authorised :

40,000,000 (40,000,000) Equity Shares of ₹ 5/-, each	200,000,000	200,000,000
TOTAL :	200,000,000	200,000,000

Issued, Subscribed and Paid up :

37,667,628 (37,667,628) Equity Shares of ₹ 5/-, each, fully paid up	188,338,140	188,338,140
TOTAL :	188,338,140	188,338,140

- (a) These shares have been allotted to the shareholders of BF Utilities Limited, on 15th March, 2010, in terms of the Composite Scheme of Arrangement sanctioned by the Honourable High Court of judicature at Bombay on 5th February, 2010.
- (b) The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share.
- (c) 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. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (d) The reconciliation of the number of shares outstanding and the amount of share capital as at 31st March, 2013 and 31st March, 2012 is set out below.

	As at 31 st March, 2013.		As at 31 st March, 2012.	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Balance at the beginning of the year	37,667,628	188,338,140	37,667,628	188,338,140
Add: Shares issued during the year	-	-	-	-
Balance at the close of the year	37,667,628	188,338,140	37,667,628	188,338,140

(e) Details of shareholders holding more than 5% of the aggregate issued and subscribed shares

Name of the shareholders	As at 31 st March, 2013.		As at 31 st March, 2012.	
	No. of Shares	%	No. of Shares	%
Ajinkya Investment and Trading Company	10,292,103	27.32	10,292,103	27.32
KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472	11.56
Kalyani Investment Company Ltd.	6,062,342	16.09	6,062,342	16.09
Sundaram Trading and Investment Pvt. Ltd.	3,907,953	10.37	3,494,122	9.28

	As at 31 st March, 2013 Amount ₹	As at 31 st March, 2012 Amount ₹
3.2 RESERVES AND SURPLUS :		
Capital Reserve :		
As per last account	2,367,523,376	2,367,523,376
Capital Redemption Reserve :		
As per last account	1,340	1,340
Reserve Fund [Under Sec. 45IC(1) of the Reserve Bank of India Act, 1934] :		
As per last account	735,971,338	648,975,338
Add : Set aside this financial year	52,748,000	86,996,000
	<u>788,719,338</u>	<u>735,971,338</u>
General Reserve :		
As per last account	870,000	870,000
Surplus in the Statement of Profit and Loss :		
As per last account	2,888,682,752	2,540,702,304
Add : Profit for the year transferred from the Statement of Profit and Loss	263,737,626	434,976,448
Amount available for appropriation	3,152,420,378	2,975,678,752
Less : Appropriations		
Amount transferred to Reserve Fund	52,748,000	86,996,000
	<u>3,099,672,378</u>	<u>2,888,682,752</u>
TOTAL :	<u><u>6,256,786,432</u></u>	<u><u>5,993,048,806</u></u>
3.3 Trade Payables :		
Other than dues to Micro and Small Enterprises		
For expenses	5,073,255	16,299
TOTAL :	<u><u>5,073,255</u></u>	<u><u>16,299</u></u>
3.4 Other Current Liabilities :		
Statutory liabilities	693,035	271,418
Accrued expenses	1,503,125	1,812,007
TOTAL :	<u><u>2,196,160</u></u>	<u><u>2,083,425</u></u>
3.5 Short Term Provisions :		
Provision for Taxation, net of advance tax paid	13,706,347	57,262,890
Provision for Employees' Gratuity	-	254,620
Provision for Employees' Leave Encashment	-	158,055
TOTAL :	<u><u>13,706,347</u></u>	<u><u>57,675,565</u></u>

3.6 FIXED ASSETS

	Tangible Assets				As at 31 st March, 2013 ₹	As at 31 st March, 2012 ₹
	Freehold Land	Buildings	Plant and Equipments	Vehicles		
	₹	₹	₹	₹		
GROSS BLOCK, AT COST :						
As at 31 st March, 2012.	100,370,203	7,664,341	47,810	9,197,527	117,279,881	16,909,678
Additions	-	-	-	5,500,000	5,500,000	100,370,203
Adjustments	-	-	(32,528)	-	(32,528)	-
As at 31st March, 2013	100,370,203	7,664,341	15,282	14,697,527	122,747,353	117,279,881
DEPRECIATION AND AMORTIZATION :						
As at 31 st March, 2012.	-	2,144,431	37,577	4,145,977	6,327,985	4,431,994
For the year	-	124,432	4,093	2,375,809	2,504,334	1,895,991
Adjustments	-	-	(27,810)	-	(27,810)	-
As at 31st March, 2013	-	2,268,863	13,860	6,521,786	8,804,509	6,327,985
NET BLOCK :						
As at 31 st March, 2012.	100,370,203	5,519,910	10,233	5,051,550	110,951,896	
As at 31st March, 2013	100,370,203	5,395,478	1,422	8,175,741	113,942,844	

3.7 NON-CURRENT INVESTMENTS, AT COST :

			As at 31 st March, 2013 Amount ₹	As at 31 st March, 2012 Amount ₹
Other than trade :				
(i) Equity Instruments, Quoted :				
Investments in Associates :				
17,052,421	(17,052,421)	Equity Shares of ₹ 5/- each, fully paid in Kalyani Steels Ltd.	309,573,731	309,573,731
1,705,242	(1,705,242)	Equity Shares of ₹10/- each fully paid in Kalyani Investment Company Limited	338,884,022	338,884,022
Investments in Joint Ventures :				
5,367,806	(5,367,806)	Equity Shares of ₹10/- each fully paid in Automotive Axles Ltd.	260,686,926	260,686,926
Investments in Other Companies :				
5,807,338	(5,807,338)	Equity Shares of ₹ 2/- each fully paid in Bharat Forge Ltd.	1,255,705,873	1,255,705,873
436,450	(436,450)	Equity Shares of ₹10/- each fully paid in Hikal Ltd.	15,868,800	15,868,800
569,600	(569,600)	Equity Shares of ₹ 10/- each fully paid in Kalyani Forge Ltd.	11,268,279	11,268,279
Subtotal (i) :			2,191,987,631	2,191,987,631
(ii) Equity Instruments, Unquoted :				
Investments in Associates :				
32,999,000	(32,999,000)	Equity Shares of ₹10/- each fully paid in KSL Holdings Pvt. Ltd.	329,990,000	329,990,000
16,183,636	(16,183,636)	Equity Shares of ₹10/- each fully paid in Epicenter Technologies Pvt. Ltd.	183,236,491	183,236,491
			(110,183,558)	(110,183,558)
			73,052,933	73,052,933
579,000	(579,000)	Equity Shares of ₹10/- each fully paid in Kalyani Agro Corporation Ltd.	2	2
3,195,398	(3,195,398)	Equity Shares of ₹10/- each fully paid in Carpenter Kalyani Special Alloys Pvt. Ltd.	31,953,980	31,953,980
			(28,758,980)	(28,758,980)
			3,195,000	3,195,000
2,940,000	(2,940,000)	Equity Shares of ₹10/- each fully paid in Kalyani Financial Services Ltd.	47,883,609	47,883,609
25,000	(25,000)	Equity Shares of ₹10/- each fully paid in Nandi Engineering Ltd. ^(a)	250,000	250,000
Carried Over }			454,371,544	454,371,544
			2,191,987,631	2,191,987,631

		As at 31 st March, 2013 Amount ₹	As at 31 st March, 2012 Amount ₹
	Brought Over	2,191,987,631	2,191,987,631
		454,371,544	454,371,544
Investments in Associates : Contd.			
1,131,793	(1,131,793)	Equity Shares of ₹10/- each fully paid in Synise Technologies Ltd.	55,852,620
		Less : Provision for diminution in value	(55,852,619)
			1
Investments in Joint Ventures :			
1,190,694	(1,190,694)	Equity Shares of ₹10/- each fully paid in Meritor HVS India Ltd.	11,906,930
-	(1,000,000)	Equity Shares of ₹10/- each fully paid in Seinumero Machine Tools Ltd.	10,000,000
			-
			21,906,930
Investments in Other Companies :			
61,532,490	(52,000,000)	Equity Shares of ₹10/- each fully paid in Khed Economic Infrastructure Pvt. Ltd.	615,324,900
500	(500)	Equity Shares of ₹ 10/- each fully paid in Kalyani Carpenter Special Steels Ltd.	11,800
2,399,998	(2,399,998)	Equity Shares of ₹10/- each fully paid in Kalyani Hayes Lemmerz Ltd.	23,999,980
			639,336,680
			544,011,780
		Subtotal (ii) :	1,105,615,155
(iii) Preference Shares, Unquoted :			
Investments in Associates :			
3,000,000	(3,000,000)	6 % Non-cumulative Redeemable Preference Shares of ₹10/- each, fully paid in Kalyani Financial Services Ltd.	30,000,000
3,500,000	-	11 % Non-cumulative Redeemable Preference Shares of ₹10/- each, fully paid in KSL Holdings Pvt. Ltd.	35,000,000
			-
		Subtotal (iii) :	65,000,000
(iv) Debentures, Unquoted :			
Investments in Associates :			
6,330,000	(6,330,000)	0% (8%) Fully Convertible Debentures of ₹100/- each fully paid of Kalyani Financial Services Ltd. ^(b)	633,000,000
5,270,000	-	0% Fully Convertible Debentures of ₹100/- each fully paid of Kalyani Financial Services Ltd.	527,000,000
			-
		Subtotal (iv) :	1,160,000,000
(v) In a Partnership Firm :			
		M/s Sundaram Enterprises (Refer Note No. 3.28)	32,601
		Subtotal (v) :	30,511
		Subtotal (v) :	30,511
		TOTAL :	4,522,635,387
			3,875,308,397
		Book Value of Quoted Investments :	2,191,987,631
		Book Value of Unquoted Investments :	2,330,647,756
		Market Value of Quoted Investments :	4,130,943,015
		Aggregate provision for diminution of in value of investments :	194,795,157
		(a) Pledged for loan taken by another company	
		(b) Coupon rate reduced to 0% with effect from 1st April, 2012.	

3.8 Long Term Loans and Advances : (Unsecured, Good)

Intercorporate loans	1,160,520,067	1,160,520,067
Security deposits	14,185	14,185
TOTAL :	<u>1,160,534,252</u>	<u>1,160,534,252</u>

3.9 Other Non-Current Assets :

Interest receivable, Good	249,675,936	305,281,760
TOTAL :	<u>249,675,936</u>	<u>305,281,760</u>

		As at 31 st March, 2013 Amount ₹	As at 31 st March, 2012 Amount ₹
3.10 Current Investments, at lower of Cost and Fair Value :			
Other than trade :			
In Units of Mutual Funds, Unquoted :			
18,802	- Units of ₹ 1000/- each of Baroda Pioneer Liquid Fund Plan A - Growth	25,000,000	-
7,537	- Units of ₹ 1000/- each of Baroda Pioneer Treasury Advantage Fund Plan A-Growth	10,000,000	-
113,053	- Units of ₹ 100 /- each of Birla Sunlife Saving Fund Growth Regular Plan	25,000,000	-
-	(91,795) Units of ₹ 100 /- each of Birla Sunlife Saving Fund Institutional - Growth	-	18,500,000
129,755	- Units of ₹ 100 /- each of Birla Sunlife Floating Rate Fund Short Term Plan - Growth Regular Plan	20,000,000	-
14,174	- Units of ₹ 1000/- each of Canara Robeco Liquid Fund Regular Growth	20,000,000	-
6,308	- Units of ₹ 1000/- each of DSP BlackRock Money Manager Fund Regular Plan Growth	10,000,000	-
-	(8,471) Units of ₹ 1,000/- each of Daiwa Liquid Fund - Institutional Plan - Growth Option	-	10,000,000
-	(1,642,887) Units of ₹10/- each of DWS Ultra Short Term Fund - Institutional Plan - Growth Option	-	20,000,000
45,788	- Units of ₹ 100 /- each of ICICI Prudential Flexible Income Regular Plan Growth	10,000,000	-
461,186	- Units of ₹ 10/- each of IDFC Ultra Short Term Fund Growth Regular Plan	7,500,000	-
-	(1,834,467) Units of ₹10/- each of JM Money Manager Fund Super Plus Plan - Growth Option	-	27,500,000
790,304	- Units of ₹10/- each of JM High Liquidity Fund Growth Option	25,000,000	-
1,661,936	(1,459,964) Units of ₹10/- each of JP Morgan India Liquid Fund - Super Institutional Growth	25,000,000	20,000,000
750,447	- Units of ₹10/- each of Kotak Flexi Debt Scheme Plan A - Growth	10,520,895	-
10,621	- Units of ₹1000/- each of Kotak Liquid Scheme Plan A - Growth	25,000,000	-
539,197	- Units of ₹10/- each of Kotak Floater Long Term Growth	10,000,000	-
-	(323,688) Units of ₹10/- each of L&T Ultra Short Term Fund - Institutional - Cumulative Plan	-	5,300,457
-	(2,827) Units of ₹1,000/- each of L&T Liquid Institutional Plus - Cumulative	-	6,000,000
-	(2,071) Units of ₹ 1000/- each of Reliance Money Manager Fund Institutional Plan - Growth Option	-	2,756,315
413,690	- Units of ₹ 10/- each of Reliance Medium Term Fund-Growth Plan-Growth Option	10,000,000	-
-	(777,209) Units of ₹ 10/- each of Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Option - Growth Plan	-	20,000,000
7,735	(6,830) Units of ₹ 1,000/- each of Religare Ultra Short Term Fund - Growth	12,500,000	10,000,000
-	(670) Units of ₹ 1,000/- each of Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment	-	752,182
-	(1,479,816) Units of ₹10/- each of Templeton India Ultra Short Bond Fund Institutional Plan - Growth	-	20,066,235
-	(18,097) Units of ₹ 1,000/- each of Taurus Ultra Short Term Bond Fund - Institutional Plan - Growth Option	-	22,500,000
-	(8,445) Units of ₹1,000/- each of UTI Treasury Advantage Fund - Institutional Plan Growth Option	-	11,554,874
TOTAL :		<u>245,520,895</u>	<u>194,930,063</u>

	As at 31 st March, 2013 Amount ₹	As at 31 st March, 2012 Amount ₹
3.11 Trade Receivables :		
(Unsecured, Good)		
Outstanding for a period exceeding six months	-	-
Others	-	1,494,214
TOTAL :	<u>-</u>	<u>1,494,214</u>
3.12 Cash and Cash Equivalents :		
Balances with banks		
In current accounts	2,123,329	3,575,160
In term deposit accounts [#]	5,087,732	5,175,183
Cash on hand	6,406	6,703
TOTAL :	<u>7,217,467</u>	<u>8,757,046</u>
[#] Deposit accounts with less than 12 months maturity	-	-
The deposits maintained by the Company with banks comprise of time deposits which can be withdrawn by the Company at any point without prior notice or penalty on principal		
3.13 Short Term Loans and Advances :		
(Unsecured)		
Intercorporate loans		
Good	136,353,780	548,494,300
Doubtful	16,126,220	16,126,220
Less : Provision	(16,126,220)	(16,126,220)
	<u>-</u>	<u>-</u>
Other loans and advances		
Good	16,288,014	34,655,605
Doubtful	1,453,967	1,453,967
Less : Provision	(1,453,967)	(1,453,967)
	<u>-</u>	<u>-</u>
TOTAL :	<u>152,641,794</u>	<u>583,149,905</u>
3.14 Other Current Assets :		
Interest receivable, Good	308,109	754,702
TOTAL :	<u>308,109</u>	<u>754,702</u>

	Year ended 31 st March, 2013 ₹	Year ended 31 st March, 2012 ₹
3.15 Revenue from Operations :		
Sale of shares	-	1,494,214
Interest received on loans	145,576,326	182,417,272
Interest received on debentures	-	50,778,740
Interest received on bank deposits	390,551	394,142
TOTAL :	<u>145,966,877</u>	<u>235,084,368</u>
3.16 Other Income :		
Dividend received on long term investments	220,183,884	251,627,746
Dividend received on short term investments	19,839	34,487
Profit on sale of long term investments (Net)	5,000,000	16,416,026
Profit on sale of short term investments (Net)	14,108,927	2,729,707
Share in profit of partnership firm	2,090	511
Miscellaneous income	50,280	5,931
TOTAL :	<u>239,365,020</u>	<u>270,814,408</u>
3.17 Changes in Inventories :		
(Increase)/Decrease in Inventories		
Stock at commencement		
Shares of companies	-	2,561,690
Land	-	100,370,203
Less : Capitalised and transferred to fixed assets	-	(100,370,203)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>2,561,690</u>
Stock at close		
Shares of companies	-	-
Land	-	-
	<u>-</u>	<u>-</u>
TOTAL :	<u>-</u>	<u>2,561,690</u>
3.18 Employee Benefit Expenses :		
Salaries, allowances, bonus	-	1,702,547
Contributions to provident and other funds	-	95,148
Welfare expenses	-	12,600
TOTAL :	<u>-</u>	<u>1,810,295</u>
3.19 Finance Costs :		
Interest - Other	589,000	5,995,000
TOTAL :	<u>589,000</u>	<u>5,995,000</u>

	Year ended 31 st March, 2013 ₹	Year ended 31 st March, 2012 ₹
3.20 Other Expenses :		
Rates and taxes	1,635,057	2,624,126
Professional fees	19,965,759	11,877,789
Audit fees (Refer Note No. 3.23)	245,534	254,383
Sundry expenses	2,635,208	2,356,716
TOTAL :	<u>24,481,558</u>	<u>17,113,014</u>
3.21 Exceptional Items :		
Provision for doubtful advances (made)/written back (Net)	-	2,581,580
Provision for diminution in the value of investments (made)/written back (Net)	-	34,701,484
Accrued interest written off (Refer Note No. 3.30)	(69,631,204)	-
Expenses on conveyance of property	-	(2,911,223)
TOTAL :	<u>(69,631,204)</u>	<u>34,371,841</u>
	As at 31st March, 2013. ₹	As at 31st March, 2012. ₹
3.22 Contingent Liabilities not provided for :		
i) Corporate Guarantees given, in respect of loans borrowed by other companies ^a		
Guarantee Amount	950,000,000	90,000,000
Balance outstanding	388,935,167	17,630,340
a Commitments of the Company under the Corporate Guarantee/s, inter alia, include undertaking not to dispose or encumber its present and future assets without the prior written consent of the lenders		
ii) 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
3.23 Payment to Auditor, inclusive of Service Tax :		
As auditor	185,394	185,394
For tax audit	28,090	28,090
For certification	28,090	28,090
For rembursement of expenses	3,960	12,809
TOTAL :	<u>245,534</u>	<u>254,383</u>
3.24 Earning per Share (Face Value of ₹ 5 each) :		
Profit for the year after taxation	263,737,626	434,976,448
Weighted Average Number of Equity Shares, outstanding during the period	37,667,628	37,667,628
Basic Earning per Share in rupees	7.00	11.55
Diluted Earning per Share in rupees	7.00	11.55

3.25 Disclosure pursuant to Accounting Standard - 15 (Revised) on 'Employee Benefits'

a) Defined contribution plans :

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to the funds. The Company did not have any employees during the financial year covered by these statements. The Company recognized ₹ NIL (Previous Year : ₹ 95,148/-) for the provident and superannuation fund contributions in the statement of profit and loss. The contributions payable to this plan by the Company are at the rates specified in respective legislations.

b) Defined benefits plans :

The Company makes annual contributions to the Employees' Group Gratuity cum Life Insurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for the qualified employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service or part thereof, in excess of six months, for continuous service upto 15 years and equivalent to one month's salary payable for each completed year of service or part thereof, in excess of six months, for continuous service of more than 15 years. Vesting occurs upon completion of five years of service.

The present value of defined benefit obligation and the related current service costs were measured using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the financial statements for the year ended 31st March, 2013.

Sr. No.	Particulars	Year ended 31 st March, 2013 ₹	Year ended 31 st March, 2012 ₹
I	Change in benefit obligations :		
	Projected benefit obligation, at the beginning of the year	1,176,127	1,087,499
	Effect of Demerger	-	-
	Interest cost	-	83,737
	Past service cost	-	-
	Current service cost	-	58,409
	Benefits paid	(1,176,127)	-
	Actuarial (gain) / loss	-	(53,518)
	Present benefit obligation, at the end of the year	-	1,176,127
II	Fair value of plan assets :		
	Fair value of plan assets, at the beginning of the year	921,507	802,383
	Effect of Demerger	-	-
	Expected return on plan assets	-	63,007
	Employer's contributions	-	75,421
	Benefits paid	(921,507)	-
	Actuarial gain / (loss)	-	(19,304)
	Fair value of plan assets, at the end of the year	-	921,507
III	Amount recognized in the balance sheet :		
	Present benefit obligation, at the end of the year	-	1,176,127
	Fair value of plan assets, at the end of the year	-	921,507
	Funded status	-	(254,620)
	Unrecognized actuarial gain / loss	-	-
	Net asset / (liability) recognized in the balance sheet	-	(254,620)

Sr. No.	Particulars	Year ended 31 st March, 2013 ₹	Year ended 31 st March, 2012 ₹
IV	Amounts recognized in the profit and loss account :		
	Current service cost	-	58,409
	Past service cost	-	-
	Interest cost	-	83,737
	Expected return on plan assets	-	(63,007)
	Net actuarial (gain) / loss recognized	-	(34,214)
	Expenses recognized in the profit and loss account	-	44,925
V	Actuarial assumptions :		
	Discount rate	-	8.50%
	Salary escalation rate	-	7.50%
	Expected rate of return on plan assets	-	7.50%
	Expected average remaining working lives of employees (years)	-	4.48

Other Long Term Employee Benefits :

The table below gives summary of the Company's obligations for other long term employee benefits in the form of compensated absences.

Sr. No.	Particulars	As at 31 st March, 2013 ₹	As at 31 st March, 2012 ₹
1	Present Value of Obligation	-	1,176,127
2	Fair Value of Plan Assets	-	921,507
3	Net asset/(liability) recognized in the Balance Sheet	-	(254,620)

3.26 Segment Reporting :

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

3.27 Related Party Disclosures :

a) Related Parties and their relationships :

i) Associates	Kalyani Steels Limited Kalyani Investment Company Limited KSL Holdings Private Limited Epicenter Technologies Private Limited Kalyani Agro Corporation Limited Carpenter Kalyani Special Alloys Private Limited Kalyani Financial Services Limited Nandi Engineering Limited Synise Technologies Limited
ii) Joint Ventures	Automotive Axles Limited Meritor HVS India Limited Seinumero Machine Tools Limited M/s Sundaram Enterprises

b) Transactions with Related Parties :

Particulars	Associates ₹	Joint Venture ₹	Total ₹
Dividend Received	17,052,421 (34,104,842)	178,700,930 (128,096,435)	195,753,351 (162,201,277)
Unsecured Loan given	- (28,400,000)	- -	- (28,400,000)
Unsecured Loan refund received	- (700,000)	- -	- (700,000)
Interest Received	1,108,000 (51,526,466)	- -	1,108,000 (51,526,466)
Investment in Fully Convertible Debentures	527,000,000 (133,000,000)	- -	527,000,000 (133,000,000)
Share in profit of partnership firm	- -	2,090 (511)	2,090 (511)
Capital Contribution	35,000,000 (23,777,000)	- -	35,000,000 (23,777,000)

(Figures in bracket indicate previous year)

c) Balances with Related Parties :

Particulars	Associates ₹	Joint Venture ₹	Total ₹
Unsecured Loan given	27,700,000 (27,700,000)	- -	27,700,000 (27,700,000)
Balance on Capital with partnership firm	- -	32,601 (30,511)	32,601 (30,511)
Interest on Loan receivable#	245,885 (46,762,279)	- -	245,885 (46,762,279)
# Current	245,885 (672,954)	- -	245,885 (672,954)
# Non Current	- (46,089,325)	- -	- (46,089,325)

(Figures in bracket indicate previous year)

3.28 Investment in Capital of Partnership Firm :

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

Name of the Partner	Capital Contribution		Profit/Loss sharing ratio	
	31 st March, 2013 ₹	31 st March, 2012 ₹	31 st March, 2013 %	31 st March, 2012 %
BF Investment Ltd.	32,601	30,511	60 %	60%
Kalyani Investment Company Ltd.	10,866	10,170	20 %	20%
Sundaram Trading and Investment Pvt. Ltd.	5,433	5,085	10 %	10%
Gulbakshi Realty Pvt. Ltd.	5,433	5,085	10 %	10%
TOTAL :	54,333	50,851	100 %	100%

3.29 Disclosure of Joint Ventures :

Name of the Joint Venture	Organizational Structure	Country of Incorporation	Proportion of Ownership Interest	
			Year ended 31 st March, 2013	Year ended 31 st March, 2012
Automotive Axles Ltd.	Company	India	35.52%	35.52%
Meritor HVS (India) Ltd.	Company	India	49.00%	49.00%
Seinumero Machine Tools Ltd.	Company	India	0.00%	50.00%
M/s Sundaram Enterprises	Partnership Firm	India	60.00%	60.00%

The details of the aggregate amounts of the assets, liabilities, income and expenses of Joint Ventures, related to the Company's interest therein, based on the latest available annual accounts of the Joint Ventures are as under. Annual Accounts of Seinumero Machine Tools Ltd. are not available.

(a) M/s Sundaram Enterprises	Financial Year of JV ended 31 st March, 2013		Financial Year of JV ended 31 st March, 2012	
	Total ₹	Share of the Company ₹	Total ₹	Share of the Company ₹
Assets	157,523	94,514	152,491	91,495
Liabilities	103,190	61,914	101,640	60,984
Income	5,032	3,019	2,391	1,435
Expenses	1,550	930	740	444

(b) Meritor HVS (India) Ltd.	Financial Year of JV ended 30 th September, 2012		Financial Year of JV ended 30 th September, 2011	
	Total ₹	Share of the Company ₹	Total ₹	Share of the Company ₹
Assets	2,382,396,878	1,167,374,470	2,557,005,893	1,252,932,888
Liabilities	1,812,802,689	888,273,318	2,076,457,553	1,017,464,201
Income	10,894,363,919	5,338,238,320	11,499,987,391	5,634,993,822
Expenses	10,508,776,348	5,149,300,411	11,098,284,663	5,438,159,485

(c) Automotive Axles Ltd.	Financial Year of JV ended 30 th September, 2012		Financial Year of JV ended 30 th September, 2011	
	Total ₹	Share of the Company ₹	Total ₹	Share of the Company ₹
Assets	4,942,692,688	1,755,644,443	4,913,611,772	1,745,314,901
Liabilities	2,229,473,405	791,908,953	2,474,941,336	879,099,163
Income	9,426,702,139	3,348,364,600	10,130,034,270	3,598,188,173
Expenses	8,976,518,141	3,188,459,244	9,554,467,286	3,393,746,780

3.30 At the request of Nandi Economic Corridor Enterprises Ltd. (NECE), the Company has renegotiated the interest terms in respect of long term loan of ₹1,160,520,067 granted to NECE and reduced the rate of interest chargeable on the said loan from 12% p.a. to 6% p.a. with retrospective effect from 1st April, 2012. The excess interest of ₹ 69,631,204 charged to NECE has accordingly been written off.

-
- 3.31 The Company does not owe any moneys to the suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006.
- 3.32 Legal title to all 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 as already reported could not necessarily be transferred in the name of the Company as at 31st March, 2013. The Company is in the process of completing the required legal processes.
- 3.33 3,000,000 6 % Non-cumulative Redeemable Preference Shares of ₹10/- each, fully paid in Kalyani Financial Services Limited are redeemable on or before 31st December, 2013.
- 3.34 3,500,000 11 % Non-cumulative Redeemable Preference Shares of ₹10/- each, fully paid in KSL Holdings Pvt. Ltd. are redeemable on the expiry of 10 years from the date of allotment, i.e. on 28th September, 2022, with an option to the said Company to redeem the said preference shares, in one or more tranches, at any time on or after 28th December, 2012.
- 3.35 Of the 11,600,000 0% Fully Convertible Debentures (FCD) of ₹ 100/- each fully paid of Kalyani Financial Services Limited, 6,330,000 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, while 5,270,000 FCDs are compulsorily convertible into such number of fully paid Equity Shares of ₹ 10/- each at such a price as shall be fixed by the said Company on or before 27th September, 2022.
- 3.36 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
-

As per my attached report of even date,

On behalf of the Board of Directors,

P. V. Deo
Chartered Accountant

A. B. Kalyani
Director

B. B. Hattarki
Director

S. R. Kshirsagar
Company Secretary

Place : Pune
Date : 24th May, 2013.

Place : Pune
Date : 24th May, 2013.

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BF INVESTMENT LIMITED

Registered Office : Mundhwa, Pune Cantonment, Pune 411 036

NAME OF MEMBER/PROXY *

DP. ID.**

Folio No.

Client Id.**

No. of Shares held

I hereby record my presence at the Fourth Annual General Meeting held at Kalyani Steels Limited Compound, at Mundhwa, Pune 411 036 on Wednesday, 24th Day of July, 2013 at 3.30 P.M.

SIGNATURE OF THE SHAREHOLDER/PROXY *

* Strike out whichever is not applicable

** Applicable for Members holding shares in Dematerialised form

Note : Please handover this slip at the entrance of the Meeting venue.

PROXY

BF INVESTMENT LIMITED

Registered Office : Mundhwa, Pune Cantonment, Pune 411 036

I/We of

being a Member(s) of BF INVESTMENT LIMITED, Pune, hereby appoint

of

or failing him/her of

.....as my/our proxy to attend and vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company to be held on Wednesday, 24th Day of July, 2013 at 3.30 P.M.

Signed atthis day of 2013.

Please affix Revenue Stamp of proper value

DP. ID.**

Folio No.

Client Id.**

No. of Shares held

** Applicable for Members holding shares in Dematerialised form.

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

Note : The Proxy must be deposited with the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.

BOOK-POST



KALYANI
DRIVING INNOVATION

BF INVESTMENT LIMITED

MUNDHWA, PUNE CANTONMENT, PUNE 411 036
MAHARASHTRA, INDIA.

website : www.kalyanigroup.com/BFI.asp

BF INVESTMENT

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1. Name of the Company : BF INVESTMENT LIMITED
2. Annual financial statements for the year ended : 31st March, 2013
3. Type of Audit observation : Un-qualified / ~~Matter of Emphasis~~
4. Frequency of observation : Whether appeared first time / repetitive / since how long period - Not Applicable
5. To be signed by –

a) CEO/Managing Director :

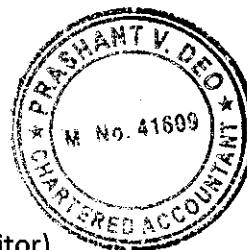

A. B. Kalyani (Director)

b) CFO :

Not Applicable

c) Auditor of the company :


P. V. Deo (Statutory Auditor)



d) Audit Committee Chairman :


Mr. B. B. Hattarki (Audit Committee Chairman)



KALYANI
GROUP COMPANY

BF INVESTMENT LIMITED, MUNDHWA, PUNE CANTONMENT, PUNE 411 036, MAHARASHTRA, INDIA

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Email : bfinvestment@vsnl.net