

BF UTILITIES LIMITED



KALYANI

CONTENTS

1. Board of Directors etc.	1
2. Notice	2
3. Report on Corporate Governance	11
4. Directors' Report	30
5. Business Responsibility Report	60
6. Standalone Financials	66
7. Consolidated Financials	117

Annual Report for the year ended on 31st March, 2020

BOARD OF DIRECTORS

Mr. B. N. Kalyani	Chairman
Mr. A. B. Kalyani	Non-Executive Director
Mr. B. B. Hattarki	Non-Executive Independent Director
Ms. A. A. Sathe	Non-Executive Independent Director
Mr. S. K. Adivarekar	Non-Executive Independent Director
Mr. B. S. Mitkari	Whole-time Director

CEO / CFO / COMPANY SECRETARY

Mr. B. S. Mitkari

CHIEF FINANCIAL OFFICER (upto 30/11/2019)

Mr. S. S. Joshi

STATUTORY AUDITORS

M/s. Joshi Apte & Co., Chartered Accountants

SECRETARIAL AUDITORS

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

BANKERS

HDFC Bank Limited

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 Utilities Limited
Mundhwa, Pune Cantonment,
Pune 411 036, Maharashtra, India.
Tel.: +91 (20) 26725257
E-mail : secretarial@bfutilities.com
Website : www.bfutilities.com
CIN : L40108PN2000PLC015323

INFORMATION FOR SHAREHOLDERS

Annual General Meeting
Day & Date : Wednesday, 30th December, 2020
Time : 11.30 a.m.
Venue : AGM will be held through VC/OAVM
Date of Book Closure : 30th December, 2020



BF UTILITIES LIMITED

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

CIN : L40108PN2000PLC015323

NOTICE

To
The Members of BF Utilities Limited,

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of BF Utilities Limited will be held on Wednesday, the 30th day of December, 2020, at 11:30 a.m. Indian Standard Time (IST) through Video Conference ("VC") / Other Audio Visual Means ("OAVM") facility, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt :
 - a) the audited standalone financial statements of the Company for the Financial Year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon.
 - b) the audited consolidated financial statements of the Company for the Financial Year ended March 31, 2020 and the report of the Auditors thereon.
2. To appoint a Director in place of Mr. B. N. Kalyani (DIN: 00089380), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. To appoint Ms. Aarti A. Sathe (DIN: 06925030) as a Non-Executive Independent Director

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

"RESOLVED THAT pursuant to the provisions of Section 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, Ms. Aarti A. Sathe (DIN 06925030), who has submitted a declaration that she 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 her 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 2nd March, 2021 to 1st March, 2026 and is not liable to retire by rotation."

By Order of the Board of Directors
For BF Utilities Limited

B. S. Mitkari
Company Secretary
Membership No.FCS/3237

Pune 411 036
12th November, 2020

NOTES :

1. The Statement of additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") in respect of Item Nos. 2 and the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") in respect of Special Business under Item Nos. 3 of the Notice, is annexed hereto.
2. Additional information in respect of Directors seeking appointment/ re-appointment at the 20th AGM is annexed to the Notice.
3. General instructions to the Members participating in the 20th AGM through VC/OAVM facility:
 - In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the 20th AGM of the Company is being held through VC / OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the 20th AGM shall be the Registered Office of the Company.
 - In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 20th AGM. Hence, the Proxy Form and Attendance Slip are not annexed to the Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 20th AGM through VC/OAVM facility and e-Voting during the 20th AGM.
 - Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM facility on its behalf and to vote either through remote e-voting or during the AGM. The said resolution/authorization should be sent electronically through their registered email address to the Scrutinizer at sridharmudaliar@rediffmail.com with a copy marked to Secretarial@bfutilities.com .
 - Members attending the AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum for 20th AGM as per Section 103 of the Act.
 - Since the AGM will be held through VC/OAVM facility, the Route Map is not annexed in the Notice.
 - National Securities Depository Limited (NSDL) will be providing facility for voting through remote e-Voting, for participation in the 20th AGM through VC/OAVM facility and e-Voting during the 20th AGM.
 - In line with the MCA Circulars and SEBI Circular, the Notice of the 20th AGM and Annual Report for FY 2019-20 will be available on the Company's website www.bfutilities.com, on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
 - Members may join the 20th AGM through VC/OAVM facility by following the procedure as mentioned in para 'C'. The facility for joining the meeting shall open for Members from 11:15 a.m. IST i.e.15 minutes before the time scheduled to start the 20th AGM and the Company may close the window for joining the VC/OAVM facility 15 minutes after the scheduled time to start the 20th AGM.
 - Members may note that the VC/OAVM facility provided by National Securities Depository Limited (NSDL) allows participation of 1000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the 20th AGM without any restriction on account of first-come first- served principle.
3. The Company has fixed Wednesday, December 23, 2020 as the 'Cut- off Date' for the purpose of remote e-voting.
4. 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 e-voting during the AGM.

5. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Pursuant to MCA Circulars and SEBI Circular dated May 12, 2020, the Notice of the 20th AGM along with the Annual Report for FY 2019-20 are being sent only by email to the Members, whose email addresses are registered with the Company/ Depositories. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 20th AGM and the Annual Report for FY 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:
 - For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address Secretarial@bfutilities.com
 - For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
7. The Company has appointed Link Intime India Private Limited, Mumbai as its Registrar and Transfer Agent. All correspondence relating to transfer and transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, dematerialization of shares, payment of dividend etc. will be attended to and processed at the office of the Registrar and Transfer Agent at the following address:-

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.
8. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts, if not given already. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Private Limited.
9. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 01, 2019, transfer of shares in physical mode is prohibited and mandates holding in demat except in case of transmission and transposition. Accordingly, Members are requested to convert physical holding to demat through depository participant. Members may contact the Company/ RTA for any assistance in the said process of physical to demat of shares.
10. Pursuant to Section 72 of the Companies Act, 2013, Shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or from the Company.
11. Members requiring information on the audited financial statement for the Financial Year ended March 31, 2020 or any other information are requested to write to the Company on email address Secretarial@bfutilities.com at least seven (7) days before the date of the meeting to enable the Company to furnish the information in suitable manner. In the absence of such advance request, the Company may not be able to provide explanations during the course of the meeting.
12. During the 20th AGM, Members may access the statutory registers and electronic copy of the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement through the link <https://www.linkintime.co.in/>.
13. Mr. Sridhar Mudaliar (Membership No. FCS 6156 CP No. 2664) Partner of SVD & Associates, Company Secretaries, Pune, has been appointed as the Scrutinizer to scrutinize the e-voting process and vote casted through e-voting during the meeting in a fair and transparent manner. Members may note that the scrutinizer will provide consolidated report for the votes casted through remote e-voting and e-voting during the meeting.

A. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday, 27th December, 2020 at 9:00 A.M. and ends on Tuesday, 29th December, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL. then your user ID is 12*****	16 Digit Beneficiary ID For example if your Beneficiary ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 114998 then user ID is 114998001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

-
- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sridharmudaliar@rediffmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Mr. Amit Vishal at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Secretarial@bfutilities.com.

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Secretarial@bfutilities.com.

B. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

C. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at Secretarial@bfutilities.com. The same will be replied by the company suitably.

The Scrutinizer will submit his report to the Chairman after the completion of scrutiny and the result of the voting will be declared within 48 hours of conclusion of the meeting. The declared results along with the Scrutinizer Report will also be displayed on the website of the Company at www.bfutilities.com and will simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited where equity shares of the Company are listed.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and statement of additional Information as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to following items of the Notice:

Item No. 2

To appoint a Director in place of Mr. B. N. Kalyani (DIN: 00089380), who retires by rotation and being eligible, offers himself for re-appointment

In terms of Section 152 of the Companies Act, 2013, Mr. B. N. Kalyani (DIN: 00089380) 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. B. N. Kalyani, born on 7th January, 1949. Mr. B. N. Kalyani (71) is the Chairman of the Company. He is a Mechanical Engineer from the Birla Institute of Technology & Sciences, Pilani, Rajasthan. He has done his Master of Science from the Massachusetts Institute of Technology, USA. He embarked upon his career with Bharat Forge, a flagship company of the Kalyani Group way back in 1972. He spearheaded the business operations of Bharat Forge heralding it to new heights of success

Mr. B. N. Kalyani is Chairman of Bharat Forge Limited.

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

Name of the Company	Board position held	Name of the Committees	Chairman/ Member
Bharat Forge Limited	Chairman & Managing Director	Stakeholders Relationship Committee Corporate Social Responsibility Committee	Member Member
Kalyani Steels Limited	Director & Member	Audit Committee	Member
Automotive Axles Limited	Chairman	-	-
Hikal Limited	Director	-	-
Kalyani Maxion Wheels Pvt. Ltd	Director	-	-
Meritor HVS (India) Ltd.	Director	-	-
BF Elbit Advanced Systems Pvt. Ltd.	Director	-	-
Maxion Wheels Aluminium India Pvt. Ltd.	Director	-	-

Mr. B. N. Kalyani is father of Mr. Amit B. Kalyani. Except for this, Mr. B. N. Kalyani is not related to any other Director, Manager or Key Managerial Personnel of the Company / their relatives and they are not, 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 7,212 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

To appoint Ms. Aarti A. Sathe (DIN: 06925030) as a Non-Executive Independent Director

The Company had appointed Ms. Aarti A. Sathe as an Independent Director in its Fifteenth Annual General Meeting held on Wednesday, 2nd Day of March, 2016 for a period of five years.

Her term as an independent Director will expire on 1st March, 2021.

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 Ms. Aarti A. Sathe as Independent Directors of the Company for a further term of 5 (five) consecutive years from 2nd March, 2021 to 1st March, 2026.

The Company has received a declaration in writing from Ms. A. A. Sathe that she 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, Ms. A. A. Sathe fulfill the criteria specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for her appointment as an Independent Director of the Company. The Board also considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her 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 Ms. Sathe for the Directorship of the Company.

Ms. Sathe does not hold any shares in the Company as on 31st March, 2020.

Ms. Sathe 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. 3 of the Notice, for the approval of the members of the Company.

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

Ms. Aarti A. Sathe, is a Master in Laws in Constitutional & Administrative Laws from University of Mumbai. She is presently an Independent Counsel and appears before various quasi judicial bodies such as Income Tax Appellate Tribunal, Customs, Excise and Service Tax Appellate Tribunal, etc. She also appears as a Counsel in Bombay High Court before the tax bench for tax Appeals, writs, etc., before Authority of Advance Rulings in International tax matters and also before the Supreme Court in tax matters.

Ms. Sathe has wide experience in direct and indirect taxation, international taxation, FEMA, etc.

Her articles and case law updates are published in the Income Tax Review, a publication of the Chamber of Tax Consultants, Mumbai. Earlier, she was a visiting Faculty on Direct Taxes in Mergers & Acquisitions at Symbiosis Institute of Management Pune.

Directorships / Committee memberships / Chairmanships of Ms. Sathe in other companies are as under:

Name of the Company	Board position held	Name of the Committees	Chairman/Member
BF Investment Limited	Independent Director	Audit Committee Stakeholders Relationship Committee	Member

Except Ms. A. A. Sathe, 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.

By Order of the Board of Directors
For BF Utilities Limited

B. S. Mitkari
Company Secretary
Membership No.FCS/3237

Pune 411 036
12th November, 2020

Additional information as required under the Companies Act, 2013 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 in respect of the Directors' appointment/ re-appointment is provided below:

Name	Age (Years)	Educational Qualification	Experience/ Expertise/ Brief Resume	Relationship with other Directors' / Key Managerial Personnel (KMP)	Directorships and No. of Membership of Committees in other entities as on March 31, 2020	Shareholding as on March 31,2020
Mr. B. N. Kalyani	71	Mechanical Engineer from Birla Institute of Technology & Sciences, Pilani, Rajasthan Master of Science from the Massachusetts Institute of technology, USA	Refer item No. 2 of the explanatory statement of the Notice convening the meeting	Mr. B. N. Kalyani is father of Mr. Amit B. Kalyani. Except this, Mr. B. N. Kalyani is not related to any other Director, Manager or Key Managerial Personnel of the Company / their relatives and they are not, in any way, concerned or interested, in the said resolution	1. Bharat Forge Ltd. (Member- CSR Committee & Member - SR Committee*) 2. Kalyani Steels Ltd. (Member- Audit Committee*) For further details refer to the Annexure to the Notice.	7,212 Shares
Ms. Aarti A. Sathe	43	Master in Laws in Constitutional & Administrative Laws from University of Mumbai..	Refer item No. 3 of the explanatory statement of the Notice convening the meeting	Not related to any Director/ KMP	Independent Director 1) BF Investment Ltd. (Member- Audit Committee & Member- S R Committee*)	NIL

Note:

*(CSR) - Corporate Social Responsibility Committee. (SRC)- Stakeholders Relationship Committee,

Terms and conditions of appointment or re-appointment including remuneration:

- Mr. B. N. Kalyani, Non-Executive and Non-Independent Directors, is liable to retire by rotation and is not entitled to any remuneration. The terms of remuneration including sitting fees for attending Board meetings, reimbursement of expenses and the profit related commission as permissible under law from time to time, are as approved by Members.
- Ms. Aarti A. Sathe, Independent Director, is not liable to retire by rotation. The terms of remuneration including sitting fees for attending Board meetings, reimbursement of expenses and the profit related commission as permissible under law from time to time, are as approved by Members.

CORPORATE GOVERNANCE

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.

2. Board of Directors

a. Composition of the Board

As at 31st March, 2020, the Board comprised of six Directors. The Composition of the Board is as under:

Category of Directors	No. of Directors
Promoter	1
Executive	1
Non-Executive and Independent	3
Non-Executive and Non-Independent	1
Total	6

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 read with Section 149 of the Companies Act, 2013.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company during the Financial Year and till the date of this report and are independent of management.

The Independent Directors of the Company have confirmed compliance of relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014. Requisite disclosures have been received from the Directors in this regard.

None of the Directors of the Company are related to each other except Mr. B. N. Kalyani and Mr. A. B. Kalyani, are related to each other.

b. Number of Board Meetings

During, the Financial Year under review, Nine Board Meetings were held on 18th May, 2019, 30th May, 2019, 31st July, 2019, 25th September, 2019, 31st October, 2019, 14th November, 2019, 30th November, 2019, 3rd February, 2020 and 14th February, 2020.

c. Directors' attendance record and Directorships held

The information on composition and category of the Board of Directors as at 31st March, 2020, attendance of each Director at Board Meetings held during the Financial Year 2019-20 and the Annual General Meeting (AGM) held on 30th November, 2019, 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
	Non-Executive Directors							
1	Mr. B. N. Kalyani ®	7212	5	0	2	9	6	1
2	Mr. A. B. Kalyani	0	7	0	0	9	6	0

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
	Independent and Non-Executive Directors							
3	Mr. B. B. Hattarki	0	4	4	3	9	7	1
4	Ms. A. A. Sathe	0	1	0	2	9	5	1
5	Mr. S. K. Adivarekar Executive Director	0	2	1	1	9	9	1
6	Mr. B. S. Mitkari	0	5	NA	2	9	9	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. B. N. Kalyani	1 Bharat Forge Ltd. 2 Kalyani Steels Ltd. 3 Automotive Axles Ltd. 4 Hikal Ltd.	Chairman & Managing Director Director Chairman & Director Director
2	Mr. A. B. Kalyani	1 Bharat Forge Ltd. 2 Kalyani Steels Ltd. 3 Kalyani Investment Company Ltd. 4 Hikal Ltd. 5 BF Investment Ltd. 6 Schaeffler India Ltd.	Deputy Managing Director Director Chairman Director Chairman Additional Independent Director
3	Mr. B. B. Hattarki	1 BF Investment Ltd. 2 Kalyani Investment Company Ltd. 3 Automotive Axles Ltd 4 Kalyani Steels Ltd.	Director Director Director Director
4	Ms. A. A. Sathe	1 BF Investment Ltd.	Director
5	Mr. S. K. Adivarekar	1 Kalyani Steels Ltd. 2 Kalyani Investment Company Ltd.	Director Director
6	Mr. B. S. Mitkari	1 BF Investment 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.

Mr. B. N. Kalyani and Mr. A. B. Kalyani, are related to each other.

No other Director is 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, 2020:

Sr. No.	Name of Director	Equity Shares of Rs.5 each
1	Mr. B. N. Kalyani	7212
2	Mr. A. B. Kalyani	NIL
3	Mr. B. B. Hattarki	NIL
4	Ms. A. A. Sathe	NIL
5	Mr. S. K. Adivarekar	NIL
6	Mr. B. S. Mitkari	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 Monday, 3rd February, 2020 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) access 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 Meeting, Mr. S. K. Adivarekar, Member and Ms. A. A. Sathe, Member 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.bfutilities.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.bfutilities.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 Accounts & Taxation

l. Disclosure of Expertise or Skills of Directors

Following are the core skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively:

Business Acumen, Leadership, General Management, Finance and Accounting, Corporate Laws, Automotive Industry, Operations, Corporate Strategy, Finance and Corporate Treasury, Manufacturing, Engineering, Business Management, Legal and Taxation.

The following table states the identified core skills/expertise/competencies mapped for each of the Director:

Sr.	Name of Directors	Expertise/Skills in specific functional area
1	Mr. B. N. Kalyani	Business acumen, leadership, Automotive Industry, Corporate Strategy and Business Management
2	Mr. A. B. Kalyani	Business acumen, leadership, Automotive Industry, Corporate Strategy and Business Management
3	Mr. B. B. Hattarki	Automotive Industry, Operations and Manufacturing
4	Ms. A. A. Sathe	Corporate Laws, Legal and Taxation
5	Mr. S. K. Adivarekar	Taxation, Corporate laws, Finance Accounting
6	Mr. B. S. Mitkari	Finance & Accounting, Corporate laws, Legal and Operations.

3. Audit Committee

a. Composition

As at 31st March, 2020, the Audit Committee comprised of four Directors, majority 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, eight Meetings of the Committee were held on 18th May, 2019, 30th May, 2019, 31st July, 2019, 25th September, 2019, 31st October, 2019, 14th November, 2019, 3rd February, 2020 and 14th February, 2020.

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

	Name of the Director	Category	Meetings attended
1.	Mr. S. K. Adivarekar (Chairman)	Independent Director	8
2.	Mr. A. B. Kalyani	Non-Executive Director	6
3.	Mr. B. B. Hattarki	Independent Director	6
4.	Ms. A. A. Sathe	Independent Director	4

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 annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to
 - a) matters required to be included in the Directors responsibility statement to be included in the Board's Report in terms of clause (c) of sub clause 3 of section 134 of the Companies Act, 2013.
 - b) changes, if any, in accounting policies and practices and reasons for the same.
 - c) major accounting entries involving estimates base on the exercise of judgement by management.
 - d) significant adjustments made in the financial statements arising out of audit findings.
 - e) compliance with listing and other legal requirements relating to financial statements.
 - f) disclosure of any related party transactions.
 - g) modified opinion(s) in the draft audit report.
- xi. Reviewing with the management, performance of statutory 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 Statutory 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. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- xix. Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xx. 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;
- xxi. 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;
- xxii. To review the functioning of the whistle blower mechanism;
- xxiii. 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;
- xxiv. 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, three Meetings of the Committee were held on 18th May, 2019, 31st July, 2019 and 30th November, 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	3
2.	Mr. S. K. Adivarekar	Independent Director	3
3.	Mr. A. B. Kalyani	Non-Executive Director	1

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

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 during Financial Year 2019-20:

Information on remuneration of Directors for the year 1st April, 2019 to 31st March, 2020.

Name of the Director	Relationship with other Directors	Sitting Fees	Salary and Perquisites	Total
Mr. B. N. Kalyani	Father of Mr. A. B. Kalyani	30000	N.A.	30000
Mr. A. B. Kalyani	Son of Mr. B. N. Kalyani	30000	N.A.	30000
Mr. B. B. Hattarki	None	35000	N.A.	35000
Ms. A. A. Sathe	None	25000	N.A.	25000
Mr. S. K. Adivarekar	None	45000	N.A.	45000
Mr. B. S. Mitkari	None	NA	11557165	11557165

d. BOARD DIVERSITY AND REMUNERATION POLICY

The Board Diversity and Remuneration Policy is available on the Company's website www.bfutilities.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. Stake Holders' Relationship Committee

The 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 is headed by Mr. B.B. Hattarki, Independent Director, with Mr. B. N. Kalyani, Non-Executive Director and Mr. S. K. Adivarekar, Independent Director being the other Member of the Committee.

During the Financial Year under review, Sixteen Stake Holders' Relationship Committee Meetings were held. The present Committee members attended the said Meeting.

Mr. B. S. Mitkari, Company Secretary is the Compliance Officer. The Compliance Officer can be contacted at:

BF Utilities Limited
Mundhwa, Pune Cantonment
Pune 411 036
Tel.: (020) 26725257
E-mail: Secretarial@bfutilities.com

The Company has designated exclusive e-mail id for the investors as Secretarial@bfutilities.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 2019-20.

Sr. No.	Nature of Complaints	Opening Balance	Received	Resolved	Closing Balance
1	SEBI	0	0	0	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	0	0	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, Mr. B. N. Kalyani and Mr. A. B. Kalyani, Non-Executive Directors.

During the Financial Year under review, One Meeting of the Committee was held on 3rd February, 2020.

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 referred above.

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.bfutilities.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. B. N. Kalyani	Non-Executive	1	0
Mr. A. B. Kalyani	Non-Executive	1	1

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, Independent Director - Chairman, Mr. S. K. Adivarekar, Independent Director and Mr. Amit B. Kalyani, Non-Executive Directors of the Company. During the year one meeting of Risk Management Committee was held on 3rd February, 2020.

Considering the nature of activities of the Company, the Company does not face any commodity risk and does not undertake commodity hedging.

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
2016-17	6 th November, 2017	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	11.00 A.M.
2017-18	25 th September, 2018	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	11.00 A.M.
2018-19	30 th November, 2019	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	11.00 A.M.

Following special Resolutions were passed

AGM Date	Special Resolution passed
25 th September, 2018	1. Appointment of Mr. B. B. Hattarki as Independent Director
30 th November, 2019	1. Appointment of Mr. B. S. Mitkari (DIN:03632549) as a Whole Time Director 2. Approval of Related Party Transaction with Bharat Forge Ltd.

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

During the year, 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. 26 to the 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 disclosed else where 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.bfutilities.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.bfutilities.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.bfutilities.com. The related party transactions are disclosed in Note No.26 of Financial Statements.

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.

g. The Company has complied with the mandatory Corporate Governance requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

h. The Company has not adopted any discretionary requirements mentioned in Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

i. The Chief Executive Officer and Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

j. Foreign exchange risk and hedging activities:

The Company does not have any foreign exchange risk since it has no forex dealings.

k. The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) and to the best of its knowledge, there are no deviations in the accounting treatments that require specific disclosure

l. There were no recommendations of Committees of the Board mandatorily required in a financial year which were not accepted by the Board.

m. Details relating to fees paid to the Statutory Auditors are given in Note to the Financial Statements.

n. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the Management.

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 Standalone Financial Statements of the Company for the year ended 31st March 2020, 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, 2020, the total unclaimed equity shares are 70,405 the share certificates of which have been returned undelivered.

8. PARTICULARS OF APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

1. Reappointment of Mr. B. N. Kalyani

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 :

In terms of Section 152 of the Companies Act, 2013, Mr. B. N. Kalyani (DIN : 0089380) Director retires by rotation at the Meeting and being eligible offers himself for reappointment.

Mr. B. N. Kalyani, born on 7th January, 1949. Mr. B. N. Kalyani (71) is the Chairman of the Company. He is a Mechanical Engineer from the Birla Institute of Technology & Sciences, Pilani, Rajasthan. He has done his Master of Science from the Massachusetts Institute of technology, USA. He embarked upon his career with Bharat Forge, a flagship company of the Kalyani Group way back in 1972. He spearheaded the business operations of Bharat Forge heralding it to new heights of success

Mr. B. N. Kalyani is Chairman of Bharat Forge Limited.

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

Name of the Company	Board position held	Name of the Committees	Chairman/ Member
Bharat Forge Limited	Chairman & Managing Director	Stakeholders Relationship Committee Corporate Social Responsibility Committee	Member Member
Kalyani Steels Limited	Director & Member	Audit Committee	Member
Automotive Axles Limited	Chairman		
Hikal Limited	Director	-	-
Kalyani Maxion Wheels Pvt. Ltd	Director	-	-
Meritor HVS (India) Ltd.	Director	-	-
BF Elbit Advanced Systems Pvt.Ltd.	Director	-	-
Maxion Wheels Aluminium India Pvt. Ltd.	Director	-	-

Save and except, Mr. A. B. Kalyani and Mr. B. N. Kalyani (being related to each other) 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 7,212 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 and therefore recommends the resolution for his reappointment.

2. Re-appointment of Ms. Aarti A. Sathe as an Independent Director

The Company had appointed Ms. Aarti A. Sathe as an Independent Director in its Fifteenth Annual General Meeting held on 2nd Day of March, 2016 for a period of five years.

Her term as an independent Director will expire on 1st March, 2021.

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 Ms. Aarti A. Sathe as Independent Directors of the Company for a further term of 5 (five) consecutive years from 2nd March, 2021 to 1st March, 2026.

The Company has received a declaration in writing from Ms. A. A. Sathe that she 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, Ms. A. A. Sathe fulfill the criteria specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for her appointment as an Independent Director of the Company. The Board also considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her 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 Ms. Sathe for the Directorship of the Company.

Ms. Sathe does not hold any shares in the Company as on 31st March, 2020.

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

Accordingly, the Board recommends, the reappointment of Ms. Aarti Sathe for the approval of the members of the Company.

Ms. Aarti A. Sathe, is a Master in Laws in Constitutional & Administrative Laws from University of Mumbai. She is presently an Independent Counsel and appears before various quasi judicial bodies such as Income Tax Appellate Tribunal, Customs, Excise and Service Tax Appellate Tribunal, etc. She also appears as a Counsel in Bombay High Court before the tax bench for tax Appeals, writs, etc., before Authority of Advance Rulings in International tax matters and also before the Supreme Court in tax matters.

Ms. Sathe has wide experience in direct and indirect taxation, international taxation, FEMA, etc.

Her articles and case law updates are published in the Income Tax Review, a publication of the Chamber of Tax Consultants, Mumbai. Earlier, she was a visiting Faculty on Direct Taxes in Mergers & Acquisitions at Symbiosis Institute of Management Pune.

Directorships / Committee memberships / Chairmanships of Ms. Sathe in other companies are as under:

Name of the Company	Board position held	Name of the Committees	Chairman/Member
BF Investment Limited	Independent Director	Audit Committee Stakeholders Relationship Committee	Member Member

Except Ms. A. A. Sathe, 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 for her reappointment as set out in the Notice.

9. MEANS OF COMMUNICATION

a. Quarterly results

The Extracts of Quarterly and Year to date 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.bfutilities.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**

Corporate Identification Number (CIN)	L40108PN2000PLC015323		
Annual General Meeting	Date : Wednesday , 30 th December , 2020 Time : 11.30 a.m. Venue: AGM will be held through VC/ OAVM.		
Book Closure	Wednesday , 30 th December, 2020 as annual closure for the AGM.		
Financial Year 2019-20	During the year the financial results were announced as under:		
		Standalone	Consolidated
	First Quarter	31-07-2019	31-10-2019
	Second Quarter	14-11-2019	14-11-2019
	Third Quarter	03-02-2020	14-02-2020
	Annual	30-06-2020	17-09-2020
International Security Identification Number (ISIN)	INE243D01012		
BSE Limited (BSE)	532430		
National Stock Exchange of India Limited, (NSE)	BFUTILITIE		
Designated E-mail address for investor services	Secretarial@bfutilities.com		

- 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, 2020.**

Category	No. of Shares	% of Shareholding
1. Promoter and Promoter Group	21,090,015	55.99
2. Mutual Funds / UTI	1,709	0.00
3. Financial Institutions / Banks	368,272	0.98
4. Bodies Corporate	4,860,053	12.90
5. Foreign Portfolio Investors	110,535	0.29
6. Clearing Members	84,259	0.22
7. Non Resident Indians	207,369	0.55
8. General Public	10,945,416	29.06
Total	37,667,628	100.00

d. Distribution of Shareholding as on 31st March, 2020.

Pattern of shareholding by share class as on 31 st March, 2020			
Shareholding class	No. of shareholders	No. of shares Held	Shareholding %
Up to 5,000	45106	7859868	20.86
5,001 to 10,000	160	1147056	3.04
10,001 to 20,000	77	1072253	2.85
20,001 to 30,000	18	478511	1.27
30,001 to 40,000	17	602951	1.60
40,001 to 50,000	9	409511	1.09
50,001 to 100,000	15	1120002	2.97
100,001 and above	24	24977476	66.31
TOTAL	45426	37,667,628	100.00

Dematerialisation of shares and liquidity (as on 31 st March, 2020)	35,476,178 (representing 94.18% of the total issued share capital)
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs / ADRs / Warrants or any Convertible instruments.

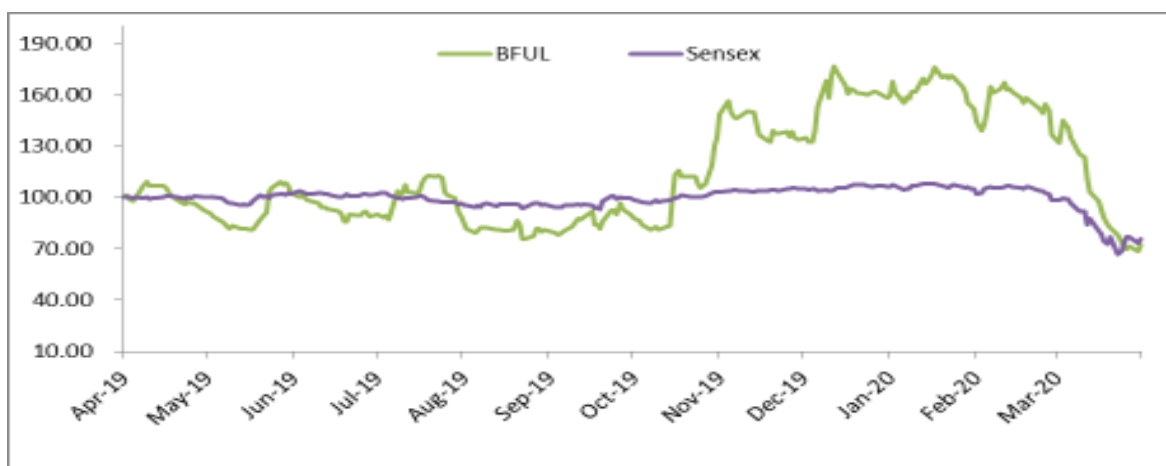
e. Market Price Data

Monthly high / low during April 1, 2019 to March 31, 2020 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
Apr-19	218.95	182.80	1845558	219.00	182.70	12453048
May-19	223.90	159.00	2253116	223.70	158.75	12727919
Jun-19	207.80	165.80	757646	208.00	165.50	4672969
Jul-19	241.20	172.15	4506133	240.00	172.25	29373720
Aug-19	177.00	145.50	1698757	177.50	145.40	8778189
Sep-19	199.00	153.35	1850067	199.00	153.15	11715130
Oct-19	280.00	158.00	2413121	279.90	158.45	15787722
Nov-19	323.00	262.30	1170212	323.50	262.65	5939750
Dec-19	361.00	257.00	1970831	361.30	256.25	10599119
Jan-20	360.35	301.10	956142	360.50	300.30	6798914
Feb-20	342.70	270.90	1001959	342.45	270.95	4770763
Mar-20	307.85	134.35	1000334	308.15	134.10	3294424

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

Quotes on BSE Sensex Index



Note : Share price of BF Utilities Limited and BSE Sensex have been indexed to 100 as on first working day of financial year 2019-20 i.e. 1st April, 2019.

g. Share Transfer System

- I. In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are undertaken by depositories with no involvement of the Company. The Chief Executive Officer and Company Secretary and other officers are authorized by the Board severally, to approve transfers, which are noted at subsequent Board Meetings.
- 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. SEBI Complaints redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redressed 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.

i. Site location

The Company's Wind Farm is located at Village Padekarwadi, Ghatwadi, Pavangaon, Maloshi and Kadve Khurd, Taluka Patan, Dist- Satara, in the State of Maharashtra, India.

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 dematerialize 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, 2020 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 2019-20, the Company has paid the statutory fees, certification fees to the statutory auditors. The details of fees paid are disclosed in Note No.22 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: Secretarial@bfutilities.com.

(q) Director, CEO / CFO Certification

The Director Certificate of Mr. B. B. Hattarki, CEO / CFO Certificate signed by Mr. B. S. Mitkari, was placed before the meeting of the Board of Directors held on 12th November, 2020.

(r) KYC details

Members holding their shares in certificate form are requested to furnish their KYC documents, duly self certified, with R & T Agent i.e. Link Intime India Pvt. Ltd. This is also mandated by Securities and Exchange Board of India (SEBI), vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018.

Documents to be submitted -

- i) Copy of the PAN card
- ii) original cancelled cheque leaf /attested bank passbook showing name of account holder

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 BF Utilities Limited

Place: Pune
Date: 12th November, 2020

B. B. Hattarki
Director
DIN: 00145710

A. B. Kalyani
Director
DIN: 00089430

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of BF Utilities Limited

Pursuant to Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we 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 26th March, 2016.

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

For BF Utilities Limited

Place: Pune

Date: 12th November, 2020

B. S. Mitkari

Wholetime Director

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of BF Utilities Limited

1. The Corporate Governance Report prepared by BF Utilities Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020, and the said Report will be submitted by the Company to the Stock Exchanges as part of the Annual Report.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include.
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;

-
- iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2019 to March 31, 2020:
 - a. Board of Directors;
 - b. Audit Committee;
 - c. Annual General Meeting (AGM);
 - d. Nomination and Remuneration Committee;
 - e. Stakeholders Relationship Committee;
 - f. Risk Management Committee
 - v. Obtained necessary declarations from the directors of the Company
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above, *except in case of the disclosure as required under Sub regulation (9) of Regulation 23 of LODR for the half year ended 31.03.2019 and for 30.09.2019 was given after the time prescribed under this Regulation.*

Other matters and Restriction on Use

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

FOR JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No.: 104370W

per C. K. Joshi
Partner

Place : Pune
Date: November 12, 2020

Membership No.: 030428
UDIN: 20030428AAAAQG9349

**TO THE BOARD OF DIRECTORS OF BF UTILITIES LIMITED
CERTIFICATION BY CHIEF EXECUTIVE OFFICER/DIRECTOR AND
CHIEF FINANCIAL OFFICER 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 Director, Chief Executive Officer and Chief Financial Officer, of BF Utilities 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 Utilities Ltd. for the year 2019-20 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 Utilities Ltd. during the year 2019-20 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 Utilities Ltd. and that we have evaluated the effectiveness of the internal control systems of BF Utilities 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 Utilities 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.

Pune
12th November, 2020

B. S. MITKARI
Wholetime Director &
Company Secretary
DIN: 03632549

DIRECTORS' REPORT

FOR THE YEAR ENDED 31st March, 2020

To,

The Members,

Your Directors have pleasure in presenting their Twentieth Annual Report on the business and operations of the Company together with Audited Statement of Accounts for the year ended 31st March, 2020.

1. FINANCIAL PERFORMANCE

(Rs. in Million)

Particulars	Standalone	
	Financial Year 2019-20	Financial Year 2018-19
Total Income	237.60	497.46
Total Expenditure	217.94	231.62
Profit for the year before taxation	19.66	265.84
Provision for tax (including Deferred Tax)	(5.53)	(5.85)
Profit for the year before taxation	25.19	271.69
Adjustments / Excess / (short) for taxation and tax payments	-	-
Profit attributable to Equity holder	25.19	271.69
Items of other comprehensive income (net of Tax)	(1.08)	0.25
Total	24.11	271.94
Balance of profit / (Loss) from previous year	1,092.71	820.77
Balance available for appropriation	1,116.82	1,092.71
Appropriations	-	-
Surplus retained in statement of profit and loss	1,116.82	1,092.71

2. KEY FINANCIAL RATIOS

Details of changes in key financial ratios including significant changes i.e. change of 25% or more as compared to the immediately previous financial year along with detailed explanations:

Particulars	FY 2019-20	FY 2018-19	Explanation for significant change
Debtor Turnover	N.A.	N.A.	NA
Inventory Turnover	N.A.	N.A.	NA
Interest Coverage Ratio	NIL	NIL	NA
Current Ratio	0.94	0.94	NA
Debt Equity Ratio	0.23	0.29	NA
Debt Equity Ratio (Net)	0.09	0.22	NA
Operating Profit Margin (%)	14.95%	10.00%	NA
Net profit Margin (%)	10.60%	54.62%	NA

Details of any change in Return on Net Worth as compared to the immediately previous financial year:

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Return on Net Worth (%)	1.93%	21.20%	8.43%	6.16%

Return on net worth is computed as net profit by average net worth. The details for change, if any, in return on net worth are explained in relevant sections above.

3. SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2020 stood at Rs.188.34 Million. 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, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

4. DIVIDEND

Your Directors do not recommend any dividend on the equity shares for the year ended 31st March, 2020.

5. MANAGEMENT DISCUSSION AND ANALYSIS

International Scenario

COVID-19 pandemic is having an impact on developments and on new installations of wind power projects worldwide. There are many delays in different phases of project implementation. The delays are mainly caused by interruptions of international supply chains, non-availability of the workforce due to hygienic rules, permission procedures which is taking longer time than usual.

Another new development is the concept of direct marketing and self-consumption of wind power is becoming more popular in many parts of the world. While feed-in tariffs are under pressure and auctions lead to problems amongst investors, such new forms of direct marketing and self consumption may become major drivers for growth in near future.

The new installation of Wind Project in 2020 will be similar or slightly lower than 2019, but growth may return again in 2021.

Domestic Scenario

Wind power generation capacity in India has significantly increased in recent years. As of 2020, the total installed wind power capacity was 38.124 GW, the fourth largest installed wind power capacity in the world. Wind power capacity is mainly spread across the Southern, Western and Northern regions.

However, open access sellers face challenges of higher charges and lower tariffs.

COVID-19:

The outbreak of COVID-19 turned into global pandemic in March 2020 and held the world at its standstill. Consequent lockdown announced across India resulted in temporary closure of offices of the Company in line with the government/local authorities' directions.

Your Company as a part of its safety policies ensured that its employees were working from home. As the restrictions were eased out, your Company while closely monitoring the situation and following safety guideline reopened its offices.

Company's Performance :

Company took all efforts to operationalize maximum wind turbines.

The Company proposes to operationalise additional wind turbines during the coming months.

6. COMPANY PERFORMANCE

During the Financial Year under review, your Company earned total income of Rs.23.76 Crores (previous years Rs.49.75 Crores). The net Profit after tax is Rs.2.52 Crores (previous year's profit of Rs.27.17 Crores).

7. OPERATIONS OF THE COMPANY

The working conditions for wind mill continue to be difficult. Despite such problems, the Company was able to generate 20.70 Million (Net) Units of power. The Company is making all efforts to maximize power generation and reduce costs.

8. HUMAN RESOURCES

As on 31st March, 2020, the Company has 8 employees. The relations with Company's employees are cordial.

9. CONCERNS AND THREATS

- The Company operates in a highly regulated environment. Any change in Government Policies will adversely affect the operations of the Company.
- The Company depends on the service provider for operations and maintenance of Wind Turbines. Certain litigations against the service providers are pending before the judicial / quasi judicial authorities. Unfavourable outcome of these litigations will adversely affect our operations.

10. PROSPECTS FOR THE CURRENT YEAR

The Company is taking all efforts to improve the machine availability of the Wind Farm by undertaking regular maintenance and break down maintenance in a scheduled manner. The Company is also trying to operationalize some of the balance machines. The steep increase in open access charges being levied by the DISCOM year after year is putting huge pressure on the operating margins. The Company is taking measures for reduction of other operating costs to reduce the impact of increase in open access charges.

The current economic slowdown and COVID-19 pandemic in India and globally has posed new challenges to the Company. The Company is taking all efforts to mitigate these challenges.

11. 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 a Chartered Accountant in practice. The Audit Committee of the Board reviews the Internal Audit process and the adequacy and effectiveness of internal audit and controls periodically.

12. SAFETY, HEALTH AND ENVIRONMENT

The Company ensures safety of all its employees working at different places. Necessary safety gadgets are provided to the employees requiring the same.

13. 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.

14. SUBSIDIARY COMPANIES

The Company has four subsidiary companies as on 31st March, 2020.

The details are given in Annexure 'I'

15. 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 'II'

16. EXTRACT OF ANNUAL RETURN

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

17. NUMBER OF MEETINGS OF THE BOARD

During the year under review, Nine 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".

18. 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 31st March 2020, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b) accounting policies as mentioned in Note - 1 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 31st March, 2020 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.

19. 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.bfutilities.com

All the Board Members and Senior Management Personnel of the Company have affirmed compliance

with the Code of Conduct.

20. 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 'IV' to this Report.

21. ACCOUNTS AND AUDIT

a. Statutory Auditors

M/s. Joshi Apte & Co., Chartered Accountant, Pune (Firm Registration No.104370W), are the auditors of the Company and will continue the audit for Financial year 2020-21.

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, to undertake the Secretarial Audit of the Company for the year 2019-20. The Report of the Secretarial Audit is annexed herewith as Annexure 'V' to this Report.

c. CONSOLIDATED ACCOUNTS

The Consolidated Accounts for the year ended 31st March, 2020 are enclosed. Further, a statement containing the salient features of the financial statements of associate companies and joint ventures in the prescribed Form AOC-1 is appended as Annexure to Note No.38 which forms part of this Report.

The Company will make the said financial statements and related detailed information available upon the request by any Member of the Company. These financial statements will also be kept open for inspection by any Member at the Registered Office of the Company. Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents are available on the website of the Company.

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

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Joshi Apte & Co., Statutory Auditors, in their Audit Report on standalone accounts. M/s. SVD & Associates, Practicing Company Secretary, in their Secretarial Audit Report have made certain qualifications. The auditor's qualifications and Boards explanation thereto are summarized as under:

Auditors Qualifications	Boards' explanation
<p>A) Secretarial Audit -</p> <p>i. <i>The Company has not expended any amount for Corporate Social Responsibility activities as prescribed under Section 135 of the Act during the Audit Period.</i></p> <p>ii. <i>As required under respective Regulations of LODR :</i></p> <p>a. <i>The disclosure of related party Transaction as prescribed under sub-regulation (9) of Regulation</i></p>	<p>The Corporate Social Responsibility (CSR) Committee is examining various areas, especially on education for CSR spend. The amount will be spent as per CSR Committees recommendations.</p> <p>The delay was accidental</p>

Auditors Qualifications	Boards' explanation
<p><i>(23) for half year ended 31st March, 2019 and 30th September, 2019 was given after prescribed time period</i></p> <p><i>b. The Annual consolidated financial results for the year ended 31st March, 2019 as prescribed under clause (d) of Sub-regulation (3) of Regulation (33) are submitted to Stock Exchanges beyond prescribed time and the declaration required to be submitted as per the provisions of the said Regulation is not submitted.</i></p> <p><i>c. The Consolidated Financial Results for quarter ended 30th June, 2019 as prescribed under clause (a) and sub clause (b) of Sub regulation (1) of Regulation (33) are filed with Stock Exchange beyond prescribed time period.</i></p> <p><i>d. The Copy of the Annual Report for the year ended 31st March, 2019, required to be submitted to the stock exchange during the period under review, in terms of Regulation 34 of LODR, was submitted beyond the time prescribed under the said Regulation.</i></p>	<p>The finalization and audit of accounts by some of the subsidiaries got delayed due to some unavoidable circumstances, leading to delay in publishing the consolidated results by the Company. Form "A" was submitted for emphasis matter and therefore declaration was not required.</p> <p>The finalization and audit of accounts by some of the subsidiaries got delayed due to some unavoidable circumstances, leading to delay in publishing the consolidated results by the Company.</p> <p>The delay was due to connectivity issues faced during the period.</p>

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

During the year, the Company has not made any investments, other than the Current Investments. 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 2019-20.

24. 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. Particulars are being provided in Form AOC - 2 in Annexure 'VI' Related Party Disclosures as per AS -18 have been provided in to Note No.26 to the Standalone Financial Statements.

25. STATE OF COMPANY'S AFFAIRS

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

26. 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.

27. 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.

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

Conservation of Energy and Technology Absorption

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as Annexure 'VII' to this report.

29. 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.

30. 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 'VIII' to this Report.

31. 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.

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

The details are given in Annexure 'I'

33. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

34. 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 30 th November, 2019, subject to retirement by rotation
Mr. B. S. Mitkari	Whole-time Director	Appointment with effect from 1 st April, 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.

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

Mr. B. S. Mitkari was appointed as a Wholetime Director w.e.f. 1st April, 2019.

36. Directors and KMP's resigned during the year

None of the Directors resigned during the year ended 31st March, 2020.

During the year Mr. S. S. Joshi, resigned as Chief Financial Officer of the Company on 30th November, 2019. Mr. Joshi continues to work as Finance Manager in the Company.

37. Directors proposed to be appointed and re-appointed at the ensuing Annual General Meeting

- 1) Mr. B. N. Kalyani (DIN : 00089380) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 2) Ms. A. A. Sathe (DIN : 06925030) whose term as an Independent Director expires on 1st March, 2021, is proposed to be re-appointed for a further term of five years. A resolution to consider and approve her appointment is included in the Notice of 20th 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.

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

N.A.

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

None.

40. 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.

41. 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 includes 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.

42. COMPOSITION OF AUDIT COMMITTEE

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

43. 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 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.

44. CASH FLOW

A Cash Flow Statement for the year ended 31st March 2020 is attached to the Balance Sheet.

45. CORPORATE GOVERNANCE

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

46. 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.

47. AUDITORS

1. Statutory Auditors

At the Seventeenth Annual General Meeting held on 6th November, 2017 M/s. Joshi Apte & Company, Chartered Accountants (Firm Registration No.104370W), were appointed as Statutory Auditors of the Company to hold office till the conclusion of 21st Annual General Meeting to be held in the year 2021.

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 for the year 2019-20. The Secretarial Audit Report is annexed herewith as Annexure "V".

M/s. SVD & Associates, Practicing Company Secretaries have also submitted Secretarial Compliance Report as laid down in SEBI Circular CIR/CFD/CMD1/27/2019 dated 8th February 2019 and have also confirmed that the Company has

complied with of all applicable SEBI Regulations and circulars / guidelines issued thereunder, for the Financial Year 2019-20, subject to the observations given therein.

48. 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.

49. CERTIFICATE FROM PRACTICING COMPANY SECRETARY:

The Company has received a certificate from Mr. Sunny Warghade, Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified by MCA or SEBI or any such statutory authority from being appointed / continuing as Director and the same is appended as Annexure 'IX' to the Directors' Report.

50. 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
For BF Utilities Limited

Pune	B.B. Hattarki	A.B. Kalyani
12 th November, 2020	Director	Director
	DIN:00145710	DIN:00089430

ANNEXURE I TO THE DIRECTORS' REPORT

SUBSIDIARY COMPANIES

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES FOR THE YEAR 1st APRIL, 2019 TO 31st MARCH, 2020 :

Name and Registered Office of the Subsidiary Company	% Holding	Particulars	Amount (Rs. in lakhs)
Nandi Infrastructure Corridor Enterprises Limited No 1, Midford House, Midford Gardens, Off M.G. Road, Bangalore Karnataka- 560001	74.52	Total Income	564.73
		Total Expenditure	530.56
		Profit / (Loss) before exceptional items and taxation	34.17
		Exceptional items	-
		Profit / (Loss) before taxation	34.17
		Provision for tax (including Deferred Tax)	28.58
		Net Profit / (Loss)	5.59
		Balance of Profit / (Loss) from previous year	(1,960.30)
		Less: Proposed Dividend	-
		Less : Dividend Distribution Tax	-
Less : Transferred to General Reserve	-		
Balance carried to Balance Sheet	(1,900.71)		
Nandi Economic Corridor Enterprises Limited No.1, Midford House, Midford Gardens, Off M.G. Road, Bangalore, Karnataka - 560001	40.41	Total Income	46,766.58
		Total Expenditure	44,205.48
		Profit / (Loss) before exceptional items & taxation	2,561.10
		Exceptional Items	(2,536.48)
		Profit / (Loss) before taxation	24.62
		Provision for tax (including Deferred Tax)	-
		Net Profit / (Loss)	24.62
		Balance of Profit / (Loss) from previous year	(82,461.90)
		Less: Proposed Dividend	-
		Less: Dividend Distribution Tax	-
Balance carried to Balance Sheet	(82,437.28)		
Nandi Highway Developers Limited No.1, Midford House, Midford Garden, Off M.G. Road Bangalore, Karnataka - 560001	69.53	Total Income	6,977.36
		Total Expenditure	3,852.05
		Profit / (Loss) before exceptional items & taxation	3,125.31
		Exceptional Items	-
		Profit / (Loss) before taxation	3,125.31
		Provision for tax (including Deferred Tax)	674.78
		Net Profit / (Loss)	2,450.53
		Balance of Profit / (Loss) from previous year	4,296.96
		Less: Transfer to General Reserve	-
		Less: Proposed / Interim Dividend	-
Less: Dividend Distribution Tax	-		
Balance carried to Balance Sheet	6,747.49		
Avichal Resources Private Limited Cyber City, Tower No.15, Level 6, Office No.602 Magarpatta City, Hadapsar Pune - 411013	100	Total Income	6.17
		Total Expenditure	1.82
		Profit / (Loss) before taxation	4.35
		Provision for tax (including Deferred Tax)	1.13
		Net Profit / (Loss)	3.22
		Balance of Profit / (Loss) from previous year	27.09
		Less: Proposed Dividend	-
		Less : Dividend Distribution Tax	-
		Less : Transferred to General Reserve	-
		Balance carried to Balance Sheet	30.31

For further details refer Note No.38 to the Consolidated Financial Statements.

ANNEXURE II TO THE DIRECTORS' REPORT

INFORMATION FORMING PART OF THE DIRECTORS' REPORT PURSUANT TO 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	N.A. as no remuneration except sitting fee is paid to any Director. During the financial year (except for provision of commission)	
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. B.S. Mitkari - CEO & Company Secretary Mr. S.S. Joshi - CFO	+ 8.5% + 5.7%
III.	The percentage increase in the median remuneration of employees in the financial year	6.00%	
IV.	The number of permanent employees on the rolls of Company	8	
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	7.00% The increase in remuneration is as per the industry practice.	
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.	Mr. B. S. Mitkari Wholetime Director & Company Secretary B. Com, FCS, AICWA Experience - 31 years Date of Commencement of Employment : 24 th August, 2001 Age - 53 years Last employment - Ador Powertron Industries Ltd. % age of equity share held - NIL Nature of Employment - Contractual Remuneration - Rs.1,15,57,165/-	

The PBT for the Financial year ended March 31, 2020 decreased by 90.73%. This is due to NIL dividend from subsidiary company in the current year against Rs. 273.93 Million received in the year 2018-19.

Whereas average increase in remuneration of KMPs is by 6%

For and on behalf of the Board of Directors
For BF Utilities Limited

Pune
12th November, 2020

B.B. Hattarki
Director
DIN:00145710

A.B. Kalyani
Director
DIN:00089430

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MGT - 9

(as at Financial Year ended 31st March, 2020)

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	L40108PN2000PLC015323
ii	Registration Date	15 th September 2000
iii	Name of the Company	BF Utilities Limited
iv	Category / Sub-Category of the Company	Company limited by shares
v	Address of the Registered Office and contact details	Registered Office : Mundhwa, Pune Cantonment, Pune 411 036, Maharashtra, India. Phone : (020) 26725257 E-mail : Secretarial@bfutilities.com Website : www.bfutilities.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, 2nd 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	Wind Power Generation	-	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.	Nandi Infrastructure Corridor Enterprises Ltd. No.1, Midford House, Midford Gardens, Off. M. G. Road, Bangalore - 560 001	U85110KA1996PLC019619	Subsidiary	74.52	2(6)
2.	Nandi Economic Corridor Enterprises Ltd. No.1, Midford House, Midford Gardens, Off. M. G. Road, Bangalore - 560 001	U85110KA2000PLC026939	Subsidiary	40.41	2(6)
3.	Nandi Highway Developers Ltd. No.1, Midford House, Midford Gardens, Off. M. G. Road, Bangalore - 560 001	U85110KA1996PLC019621	Subsidiary	69.53	2(6)
4.	Avichal Resources Private Ltd. Cyber City, Tower No.15, Level 6, Office No.602 Magarpatta City, Hadapsar Pune - 411013	U70101MH1998PTC114605	Subsidiary	100	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. 1 st April, 2019				No. of shares held at the end of the year i.e. 31 st March, 2020				% 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	78755	8	78763	0.21	83563	0	83563	0.22	0.01
b) Central Government / State government(s)	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporate	21006452	0	21006452	55.77	21006452	0	21006452	55.77	0
d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0
e) Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0
Sub Total (A)(1)	21085207	8	21085215	55.98	21090015	0	21090015	55.99	0.01
(2) Foreign									
a) Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0
b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
c) Institutions	0	0	0	0.00	0	0	0	0.00	0
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
e) Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0
Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	21085207	8	21085215	55.98	21090015	0	21090015	55.99	0.01
(B) Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	1539	170	1709	0.00	1539	170	1709	0.00	0.00
b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
c) Alternate Investment Funds	0	0	0	0	0	0	0	0	0
d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investor	186869	0	186869	0.50	110535	0	110535	0.29	-0.21
f) Financial Institutions / Banks	213526	1504	215230	0.57	366607	1665	368272	0.98	0.41
g) Insurance Companies	31549	0	31549	0.08	31549	0	31549	0.08	0.00
h) Provident Fund / Pension Funds	0	0	0	0.00	0	0	0	0.00	0
i) Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0
Foreign Bank	98	0	98	0.00	98	0	98	0.00	0
Sub-Total (B)(1)	433581	1674	435455	1.16	510328	1835	512163	1.36	0.20
(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									
l) Individuals -									
i. Individual shareholders holding nominal share capital up to Rs.2 lakh	8485221	582059	9067280	24.07	8406983	547682	8954665	23.77	-0.30

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 1 st April, 2019				No. of shares held at the end of the year i.e. 31 st March, 2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
II) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	939359	0	939359	2.49	1082011	0	1082011	2.87	-0.38
b) NBFCs registered with RBI	23286	0	23286	0.06	748	0	748	0.00	-0.06
c) Employee Trusts	0	0	0	0	0	0	0	0	0
d) Overseas Depositories (holding DRs)(balancing figure)	0	0	0	0	0	0	0	0	0
e) Any Others (Specify)	0	0	0	0	0	0	0	0	0
- Trusts	2070	60054	62124	0.16	1110	58074	59184	0.16	0.00
- Foreign Nationals	165	0	165	0.00	165	0	165	0.00	0
- Hindu Undivided Family	895510	0	895510	2.38	816646	0	816646	2.17	-0.21
- Non Resident Indian (Non Repat)	65059	3154	68213	0.18	68255	3708	71963	0.19	0.01
- Non Resident Indian (Repat)	133991	1841	135832	0.36	133565	1841	135406	0.36	0.00
- Overseas Bodies Corporates	350	0	350	0.00	350	0	350	0.00	0
- Clearing Members	397175	0	397175	1.05	84259	0	84259	0.22	-0.83
- Bodies Corporate	2979174	1578490	4557664	12.10	3281743	1578310	4860053	12.90	0.80
Sub-Total (B)(3)	13921360	2225598	16146958	42.87	13875835	2189615	16065450	42.65	-0.22
(B) Total Public Shareholding (B)= (B)(1)+(B)(2) +(B)(3)	14354941	2227272	16582413	44.02	14386163	191450	14577613	44.01	-0.01
Total (A)+(B)	35440148	2227280	37667628	100	35476178	2191450	37667628	100	0
(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)	35440148	2227280	37667628	100	35476178	2191450	37667628	100	0

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1/04/2019)			Shareholding at the end of the year (31/3/2020)			% 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	7212	0.02	0.00	7212	0.02	0.00	0.00
2	Ajinkya Investment & Trading Company	6648886	17.65	0.00	6648886	17.65	0.00	0.00
3	Kalyani Investment Company Limited	6195046	16.45	0.00	6195046	16.45	0.00	0.00
4	KSL Holdings Pvt Limited	4353472	11.56	0.00	4353472	11.56	0.00	0.00
5	PIH Finvest Company Limited	1424885	3.78	0.00	1424885	3.78	0.00	0.00
6	BF Investment Limited	1187903	3.15	0.00	1187903	3.15	0.00	0.00
7	Jannhavi Investment Pvt Limited	458514	1.22	0.00	458514	1.22	0.00	0.00
8	Sundaram Trading & Investment Private Limited	239373	0.64	0.00	239373	0.64	0.00	0.00
9	Rajgad Trading Co Pvt Limited	151674	0.40	0.00	151674	0.40	0.00	0.00

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1/04/2019)			Shareholding at the end of the year (31/3/2020)			% 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	
10	Kalyani Consultants Pvt Limited	149500	0.40	0.00	149500	0.40	0.00	0.00
11	Dandakaranya Investment & Trading Pvt Limited	93700	0.25	0.00	93700	0.25	0.00	0.00
12	Campanula Investment & Finance Pvt Limited	56189	0.15	0.00	56189	0.15	0.00	0.00
13	Cornflower Investment & Finance Pvt Limited	39600	0.11	0.00	39600	0.11	0.00	0.00
14	Hastinapur Investment & Trading Pvt Limited	4567	0.01	0.00	4567	0.01	0.00	0.00
15	Dronacharya Investment & Trading Pvt Limited	3143	0.01	0.00	3143	0.01	0.00	0.00
16	Gaurishankar Neelkanth Kalyani	63779	0.17	0.00	63779	0.17	0.00	0.00
17	Sunita Babasaheb Kalyani	4000	0.01	0.00	4000	0.01	0.00	0.00
18	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	672	0.00	0.00	5472	0.01	0.00	0.01
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	0	0.00	0.00	0	0.00	0.00	0.00
22	Amit Babasaheb Kalyani	0	0	0.00	0	0	0.00	0.00
	TOTAL	21085215	55.98	0.00	21090015	55.99	0.00	0.01

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

Sr. No.	Particulars	Shareholding at the beginning of the year i.e. 01/04/2019		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	4800 Shares Purchased by Mr. Ashok Kumar Kheny in open market on 10/07/ 2019	21085215	55.98	21090015	55.99

(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 (01/04/2019)		Cumulative Shareholding at the end of the year (31/03/2020)	
		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 01-04-2019	1568600	4.16%		
	As on 31-03-2020			1568600	4.16%
2	ICICI BANK LIMITED				
	As on 01-04-2019	80794	0.21%		
	05-04-2019	38048	0.10%	118842	0.32%
	12-04-2019	29749	0.08%	148591	0.39%
	19-04-2019	-18700	-0.05%	129891	0.34%
	26-04-2019	-11812	-0.03%	118079	0.31%
	03-05-2019	10718	0.03%	128797	0.34%

Sr. No.	For each of the Top 10 Shareholders Name, Date & Reason of Change	Shareholding at the beginning of the year (01/04/2019)		Cumulative Shareholding during the year (30/03/2020)	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	10-05-2019	15005	0.04%	143802	0.38%
	17-05-2019	-5791	-0.02%	138011	0.37%
	24-05-2019	-18012	-0.05%	119999	0.32%
	31-05-2019	-5406	-0.01%	114593	0.30%
	07-06-2019	2719	0.01%	117312	0.31%
	14-06-2019	11484	0.03%	128796	0.34%
	21-06-2019	5325	0.01%	134121	0.36%
	29-06-2019	3542	0.01%	137663	0.37%
	05-07-2019	3794	0.01%	141457	0.38%
	12-07-2019	-18912	-0.05%	122545	0.33%
	19-07-2019	-6587	-0.02%	115958	0.31%
	26-07-2019	-6010	-0.02%	109948	0.29%
	02-08-2019	4755	0.01%	114703	0.30%
	09-08-2019	-2735	-0.01%	111968	0.30%
	16-08-2019	1114	0.00%	113082	0.30%
	23-08-2019	-512	0.00%	112570	0.30%
	30-08-2019	914	0.00%	113484	0.30%
	06-09-2019	9377	0.02%	122861	0.33%
	13-09-2019	403	0.00%	123264	0.33%
	20-09-2019	7717	0.02%	130981	0.35%
	27-09-2019	-52388	-0.14%	78593	0.21%
	30-09-2019	33648	0.09%	112241	0.30%
	04-10-2019	5831	0.02%	118072	0.31%
	11-10-2019	-3521	-0.01%	114551	0.30%
	18-10-2019	-10339	-0.03%	104212	0.28%
	25-10-2019	27961	0.07%	132173	0.35%
	01-11-2019	-372	0.00%	131801	0.35%
	08-11-2019	284	0.00%	132085	0.35%
	15-11-2019	23923	0.06%	156008	0.41%
	22-11-2019	-23860	-0.06%	132148	0.35%
	29-11-2019	33042	0.09%	165190	0.44%
	06-12-2019	43083	0.11%	208273	0.55%
	13-12-2019	-15024	-0.04%	193249	0.51%
	20-12-2019	59692	0.16%	252941	0.67%
	27-12-2019	486	0.00%	253427	0.67%
	31-12-2019	-18409	-0.05%	235018	0.62%
	03-01-2020	4061	0.01%	239079	0.63%
	10-01-2020	-67621	-0.18%	171458	0.46%
	17-01-2020	-18312	-0.05%	153146	0.41%
	24-01-2020	58847	0.16%	211993	0.56%
	31-01-2020	-1241	0.00%	210752	0.56%

Sr. No.	For each of the Top 10 Shareholders Name, Date & Reason of Change	Shareholding at the beginning of the year (01/04/2019)		Cumulative Shareholding during the year (30/03/2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	07-02-2020	-5734	-0.02%	205018	0.54%
	14-02-2020	7034	0.02%	212052	0.56%
	21-02-2020	650	0.00%	212702	0.56%
	28-02-2020	30043	0.08%	242745	0.64%
	06-03-2020	-13039	-0.03%	229706	0.61%
	13-03-2020	-4453	-0.01%	225253	0.60%
	20-03-2020	149966	0.40%	375219	1.00%
	27-03-2020	-18092	-0.05%	357127	0.95%
	31-03-2020	7646	0.02%	364773	0.97%
	As on 31-03-2020			364773	0.97%
3	NERUL IMPEX PVT LTD				
	As on 01-04-2019	328673	0.87%		
	As on 31-03-2020			328673	0.87%
4	NIMESH ARVIND DOSHI				
	As on 01-04-2019	300000	0.80%		
	As on 31-03-2020			300000	0.80%
5	JAGDISH N MASTER				
	As on 01-04-2019	111000	0.29%		
	17-05-2019	-20500	-0.05%	90500	0.24%
	23-08-2019	500	0.00%	91000	0.24%
	04-10-2019	10000	0.03%	101000	0.27%
	08-11-2019	39000	0.10%	140000	0.37%
	15-11-2019	11500	0.03%	151500	0.40%
	22-11-2019	6000	0.02%	157500	0.42%
	29-11-2019	2000	0.01%	159500	0.42%
	06-12-2019	500	0.00%	160000	0.42%
	13-12-2019	16000	0.04%	176000	0.47%
	20-12-2019	1000	0.00%	177000	0.47%
	10-01-2020	500	0.00%	177500	0.47%
	17-01-2020	25500	0.07%	203000	0.54%
	24-01-2020	6000	0.02%	209000	0.55%
	31-01-2020	750	0.00%	209750	0.56%
	07-02-2020	2000	0.01%	211750	0.56%
	14-02-2020	1500	0.00%	213250	0.57%
	21-02-2020	250	0.00%	213500	0.57%
	28-02-2020	250	0.00%	213750	0.57%
	06-03-2020	1500	0.00%	215250	0.57%
	13-03-2020	250	0.00%	215500	0.57%
	20-03-2020	250	0.00%	215750	0.57%
	31-03-2020	500	0.00%	216250	0.57%
	As on 31-03-2020			216250	0.57%

Sr. No.	For each of the Top 10 Shareholders Name, Date & Reason of Change	Shareholding at the beginning of the year (01/04/2019)		Cumulative Shareholding during the year (30/03/2020)	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
6	GANDHI SECURITIES & INVESTMENT PVT. LTD.				
	As on 01-04-2019	190853	0.51%		
	24-05-2019	100	0.00%	190953	0.51%
	31-05-2019	-500	0.00%	190453	0.51%
	18-10-2019	42075	0.11%	232528	0.62%
	08-11-2019	400	0.00%	232928	0.62%
	15-11-2019	-400	0.00%	232528	0.62%
	22-11-2019	-25600	-0.07%	206928	0.55%
	29-11-2019	-2300	-0.01%	204628	0.54%
	03-01-2020	20	0.00%	204648	0.54%
	10-01-2020	-20	0.00%	204628	0.54%
	14-02-2020	7	0.00%	204635	0.54%
	06-03-2020	6000	0.02%	210635	0.56%
	27-03-2020	-7	0.00%	210628	0.56%
	As on 31-3-2020			210628	0.56%
7	GAGANDEEP CREDIT CAPITAL PVT LTD				
	As on 01-04-2019	0	0.00%		
	26-09-2019	209651	0.56%	209651	0.56%
	As on 31-3-2020			209651	0.56%
8	FINOLEX CABLES LTD.				
	As on 01-04-2019	168750	0.45%		
	As on 31-3-2020			168750	0.45%
9	NEMISH S SHAH				
	As on 01-04-2019	150000	0.40%		
	As on 31-3-2020			150000	0.40%
10	KALYANI EXPORTS & INVESTMENTS PVT.LTD.				
	As on 01-04-2019	145250	0.39%		
	As on 31-3-2020			145250	0.39%

Note :

1. Paid up Share Capital of the Company (Face Value Rs. 5.00) at the end of the year is 37667628 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(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.01/04/2019		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	7212	0.02		
1	Mr. B. N. Kalyani	7212	0.02	-	-
2	Mr. A. B. Kalyani	0	0.00	-	-
3	Mr. B. B. Hattarki	0	0.00	-	-
4	Ms. A. A. Sathe	0	0.00	-	-
5	Mr. S. K. Adivarekar	0	0.00	-	-
6	Mr. B. S. Mitkari	0	0.00	-	-
7	Mr. S. S. Joshi *	0	0.00	-	-
	At the end of the year				
1	Mr. B. N. Kalyani	-	-	7212	0.02
2	Mr. A. B. Kalyani	-	-	0	0.00
3	Mr. B. B. Hattarki	-	-	0	0.00
4	Ms. A. A. Sathe	-	-	0	0.00
5	Mr. S. K. Adivarekar	-	-	0	0.00
6	Mr. B. S. Mitkari	-	-	0	0.00
7	Mr. S. S. Joshi *	-	-	0	0.00
	At the end of the year			7212	0.02

* Mr. S. S. Joshi resigned as CFO w.e.f. 30/11/2019

V. INDEBTEDNESS

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

(Rs. in Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans		Total Indebtedness
		Sales Tax Deferral	Others	
Indebtedness as at 1 st April, 2019				
i) Principal Amount	-	174.98	221.73	396.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	174.98	221.73	396.71
Change in Indebtedness during the financial year				
Addition	-	-	-	-
(Reduction)	-	77.57	9.43	87.00
Indebtedness as at 31 st March, 2020				
i) Principal Amount	-	97.41	212.30	309.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	97.41	212.30	309.71

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in Rupees

	Particulars of Remuneration	Mr. B.S. Mitkari Wholetime Director & Company Secretary	Total Amount
1.	Gross Salary		
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,12,52,576	1,12,52,576
b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	42,149	42,149
c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- As % profit	-	-
	- Others, specify...	-	-
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	2,62,440	2,62,440
	Total	1,15,57,165	1,15,57,165

B. Remuneration to other Directors:

Details of the remuneration paid to the Directors during Financial Year 2019-20:

Information on remuneration of Directors for the year ended 31st March, 2020

Amount in Rupees

Name of the Director	Relationship with other Directors	Sitting Fees	Salary and Perquisites	Total
Mr. B. N. Kalyani	Father of Mr. A. B. Kalyani	30,000	N.A.	30,000
Mr. A. B. Kalyani	Son of Mr. B. N. Kalyani	30,000	N.A.	30,000
Mr. B. B. Hattarki	None	35,000	N.A.	35,000
Ms. A. A. Sathe	None	25,000	N.A.	25,000
Mr. S. K. Adivarekar	None	45,000	N.A.	45,000
Mr. B. S. Mitkari	None	N.A.	1,15,57,165	1,15,57,165

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

Amount in Rupees

Particulars of Remuneration		Mr. S. S. Joshi CFO	Total Amount
1.	Gross Salary		
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	12,03,190	12,03,190
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	-	-
4.	Commission		
	- As % profit	-	-
	- Others, specify ...	-	-
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	33,184	33,184
Total		12,36,374	12,36,374

* Mr. S. S. Joshi resigned as CFO w.e.f. 30/11/2019

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

1. Company - Fine of Rs.4,54,300 for delay in compliance with Regulation 33.
2. Directors - None
3. Other officers in Default - None

For and on behalf of the Board of Directors
For BF Utilities Limited

Pune
12th November, 2020

B.B. Hattarki
Director
DIN:00145710

A.B. Kalyani
Director
DIN:00089430

ANNEXURE IV 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 Utilities 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 Utilities 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 UTILITIES LIMITED

Date : 1st April, 2019
Place : Pune

B.S. Mitkari
CEO

ANNEXURE V TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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]

And

[Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,

The Members,
BF Utilities Limited,
Mundhwa, Pune Cantonment,
Pune 411 036

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BF Utilities 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 2020** 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 2020 according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (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, wherever applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 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;
 - g) 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, 2018 (Not applicable to the Company during the Audit Period);
- (vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

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

- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and
- (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) including any amendments thereto.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, Standards mentioned above subject to the following:

- I. *The Company has not expended any amount for Corporate Social Responsibility activities as prescribed under Section 135 of the Act during the Audit Period.*
- II. *As required under respective Regulations of LODR :*
 - a. *The disclosure of related party Transaction as prescribed under sub-regulation (9) of Regulation (23) for half year ended 31st March, 2019 and 30th September, 2019 was given after prescribed time period*
 - b. *The Annual consolidated financial results for the year ended 31st March, 2019 as prescribed under clause (d) of Sub-regulation (3) of regulation (33) are submitted to stock exchanges beyond prescribed time and the declaration required to be submitted as per the provisions of the said Regulation is not submitted.*
 - c. *The Consolidated Financial Results for quarter ended 30th June, 2019 as prescribed under clause (a) and sub clause (b) of Sub regulation (1) of regulation (33) are filed with Stock Exchange beyond prescribed time period.*
 - d. *The Copy of the Annual Report for the year ended 31st March, 2019, required to be submitted to the stock exchange during the period under review, in terms of Regulation 34 of LODR, was submitted beyond the time prescribed under the said Regulation .*

We further report that,

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

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

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

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

We further report that during the Audit period:

1. The shareholders have, vide special resolution passed in the Annual General Meeting dated 30th November, 2019, approved the material related party transaction with Bharat Forge Limited.

FOR SVD & ASSOCIATES
Company Secretaries

Sridhar Mudaliar
Partner

FCS No: 6156

C P No: 2664

UDIN: F006156B000524421

Place: Pune

Date: July 31, 2020

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,

The Members,
BF Utilities Limited,
Mundhwa, Pune Cantonment,
Pune 411 036

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 Mudaliar
Partner

FCS No: 6156

C P No: 2664

UDIN: F006156B000524421

Place: Pune

Date: July 31, 2020

ANNEXURE VI TO THE DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a.	Name(s) of the related party and nature of relationship	NIL
b.	Nature of contracts/arrangements/transactions	NIL
c.	Duration of the contracts/arrangements/transactions	NIL
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e.	Justification for entering into such contracts or arrangements or transactions	NIL
f.	Date(s) of approval by the Board	NIL
g.	Amount paid as advances, if any	NIL
h.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

a.	Name(s) of the related party and nature of relationship	Bharat Forge Limited
b.	Nature of contracts / arrangements / transactions	Sale of Wind Power
c.	Duration of the contracts / arrangements / transactions	On going basis from April 1, 2020
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	In tune with market parameters, Estimated annual value of Rs. 500 Million
e.	Date(s) of approval by the board, if any	N.A.
f.	Amount paid as advances, if any	NIL

For BF Utilities Limited

Pune
12th November, 2020

B.B. Hattarki
Director
DIN:00145710

A.B. Kalyani
Director
DIN:00089430

ANNEXURE VII TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2020.

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

A. Conservation of Energy and Technology Absorption

- i) Steps taken for Conservation of Energy :
The operations of the Company do not consume much energy
- ii) Steps taken for utilizing alternate source of energy ;
The Company is in the business of generating wind energy.
- iii) The Capital Investment on energy conservation equipment :
Nil during the year under reference.

B. Technology Absorption :

- i) Efforts made towards technology absorption : N.A.
- ii) The benefits derived like product improvement, cost reduction, product development, import substitution : N.A.
- iii) In case imported technology (imported during the last 3 years reckoned from the beginning of the financial year) :

Details of Technology imported (product)	Year of Import	Has technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place and the reasons thereof
NIL	NIL	NIL	NIL

- iv) Expenditure on Research and Development : NIL.

C. Foreign Exchange Earning and Outgo :

- (a) Activities relating to Exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : N.A.
- (b) Total foreign exchange earnings and outgo for the financial year is as follows:
 - i) Total Foreign Exchange earning : NIL
 - ii) Total Foreign Exchange outgo : NIL

ANNEXURE VIII 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.bfutilities.com

2. The Composition of the CSR Committee:

Mr. B. B. Hattarki - Chairman

Mr. B. N. Kalyani - Committee Member

Mr. A. B. Kalyani - Committee Member

3. Average net profit of the company for last three financial years : Rs.16,78,87,774.
4. Prescribed CSR Expenditure (two percentage of the amount as in item 3 above) : Rs.33,57,755.
5. Details of CSR spent during the Financial Year:
- (a) Total amount to be spent for the financial year : Rs. 33,57,755.
- (b) Amount unspent , if any; : Rs. 33,57,755.
- (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 director or through implementing agency
N.A.							

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

Pune
12th November, 2020

B.B. Hattarki
Chairman CSR Committee
DIN:00145710

A.B. Kalyani
Director
DIN:00089430

ANNEXURE IX TO THE DIRECTORS' REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
BF Utilities Limited
Mundhwa,
Pune Cantonment,
Pune - 411 036

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BF Utilities Limited having CIN L40108PN2000PLC015323 and having registered office at Mundhwa, Pune Cantonment, Pune - 411 036 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	BABASAHEB NEELKANTH KALYANI	00089380	15/09/2000
2	AMIT BABASAHEB KALYANI	00089430	01/08/2005
3	BHALCHANDRA BASAPPA HATTARKI	00145710	16/06/2001
4	AARTI ARUN SATHE	06925030	31/03/2015
5	SHRIKRISHNA KIRAN ADIVAREKAR	06928271	30/05/2018
6	BHALCHANDRA SHANKAR MITKARI	03632549	01/04/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature:

Name: Sunny Arun Warghade

Membership No.: 30072

CP No.: 11426

UDIN: A030072B000514028

Place: Pune

Date : 28TH JULY, 2020

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN): L40108PN2000PLC015323
2. Name of the Company: BF Utilities Limited
3. Registered address: Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India
4. Website: www.bfutilities.com
5. E-mail id: Secretarial@bfutilities.com
6. Financial Year reported: 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

BF Utilities Limited is in the business of Wind Power Generation and Infrastructure

*Industrial Group	Description
N.A.	Wind Power Generation

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

Sr. No.	Name and Description of main products/services
1	Wind Power

9. Total number of locations where business activity is undertaken by the Company:

(a) Number of International Locations (Provide details of major 5):

NIL

(b) Number of National Locations:

Padekarwadi, Ghatwadi, Pawangaon, Maloshi and Kadve Khurd Dist- Satara, Maharashtra State.

10. Markets served by the Company ñ Local/State/National/ International:

Local market in India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital: Rs.18.83 Crores
2. Total Turnover: Rs.23.76 Crores
3. Total Profit after Taxes: Rs.2.52 Crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):
Company is in the process of undertaking CSR Activities.
5. List of activities in which expenditure in 4 above has been incurred:
N.A.

SECTION C: OTHER DETAILS

1. Subsidiary Company/Companies
Yes, the Company has 3 (Three) direct and 1 (One) indirect subsidiary companies as on March 31, 2020.
2. Participation of Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).
Given the current size and scale of operations, subsidiary companies, as of now, are not engaged in BR initiatives process of the Company.
3. Participation of any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
No, other entities with whom the Company does business with viz. suppliers, distributors etc. do not participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN : 00089430

Name : Mr. A. B. Kalyani

Designation : Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN	00089430
2	Name	Mr. A. B. Kalyani
3	Designation	Director
4	Telephone Number	+91 20 26725257
5	E-mail Id	Secretarial@bfutilities.com

2. Principle-wise (as per NVGs) BR Policy/policies?

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as under:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement and CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	NA	Y	N	N	N	N	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	N	NA	NA	NA	NA	N	NA
3	Does the policy conform to any national/international standards? If yes, specify?	The policies are in line with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board of Directors?	The mandatory Policies under Indian laws and regulations have been adopted by the Board and signed by the Director.								

5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to ensure implementation of various policies. We review the implementation of policies through our internal audit, risk management process, monitoring of KPI's in-line with established Policies.
6	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Insider Trading Policy, Code of Conduct are available on Company's website. All other policies are available at the Registered Office.
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies are communicated to internal stakeholders and the same are available at the Registered Office. Wherever required, the Policies are also communicated to our external stakeholders and are made available on Company's website.
8	Does the Company have in-house structure to implement the policy/policies?	Yes. We have an in-house structure with clearly defined roles and responsibilities which periodically reviews implementation of various policies under the aegis of Internal Risk Management Framework, Internal Audits and review of KPI's at various levels of management.
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes. Each of the Policies formulated by the Company have an in-built grievance and redressal mechanism.
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments where ever required.

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why: (Tick upto 2 options)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	This clause is not applicable considering nature of business.				-	The Company is always responsive to its customer needs.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR Performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.

Annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is hyperlink for viewing this report? How frequently it is published ?

No.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

Yes. It extends to outside Company to the extent applicable.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year under review, the Company has not received any complaint under the investigation mechanism.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

Considering nature of our business, these clauses are not applicable.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

5. Does the Company have a mechanism to re-cycle products and waste? If yes, what is the percentage of re-cycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Considering nature of business, these clauses are not applicable

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the total number of employees

Total number of employees: 8

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

Total number of employees hired on temporary/contractual/ casual basis: NIL

3. Please indicate the number of permanent women employees:

Number of permanent women employees: 2

4. Please indicate the number of permanent employees with disabilities:

Number of permanent employees with disabilities: NIL

5. Do you have an employee association that is recognized by Management?

No.

6. What percentage of your permanent employees is members of this recognised employee association?

N.A.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as at the end of the financial year

Sr.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/ Involuntary labour	Nil	Nil
2.	Sexual Harassment	Nil	Nil
3.	Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

- Permanent Employees - NIL
- Permanent Women Employees - NIL
- Casual/Temporary/Contractual Employeesñ NIL
- Employees with Disabilities - NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

NIL

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders ? If so, provide details thereof, in about 50 words or so.

NIL

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company does not have a stated Human Rights Policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Except to the extent specifically stated elsewhere in Annual Report, during the year under review, the Company has not received any complaint from any stakeholders.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?

N.A.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Yes/No If yes, please give hyperlink for webpage etc.

The Company generates Wind Energy and thereby addresses these issues.

3. Does the Company identify and assess potential environmental risks? Y/N

No

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company's projects are registered for CDM with UNFCCC.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

No.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

N.A.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at end of the Financial Year.

NIL

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company is a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

The Company is member of Indian Wind Power Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

No.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company has CSR Policy

2. Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/ government structures/any other organization?

The Company is in the process of undertaking such programmes.

3. Have you done any impact assessment of your initiative?

No.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company is evaluating various areas/projects.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

N.A.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of Financial Year.

NIL

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

N.A.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as at the end of Financial Year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

No.

Standalone Financial Statements

INDEPENDENT AUDITORS' REPORT

To
The Members
BF Utilities Limited,
Pune.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of BF UTILITIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matters

Without qualifying our Audit Report, we draw attention to the following matters in the Notes to the Ind AS financial statements:

- (a) We draw attention to Note No.32 to the accompanying Ind AS financial statements. As mentioned therein there are certain litigations by and against the Company and the subsidiaries of the Company that are yet to be decided by various courts, and the matter is subjudice. No cognizance thereof is taken in the preparation of the Ind AS financial statements, pending the final outcome of these cases.

Note 32-

Certain litigations by and against the Company and the subsidiaries of the Company are pending in various courts and the matter is subjudice. No cognizance thereof is taken in the preparation of the Ind AS financial statements, pending final outcome of the cases.

- (b) As stated in Note No.36, to the accompanying financial statements, Consolidated Financial Statements have not been prepared.

Note 36-

Nandi Highway Developers Ltd. (NHDL), Nandi Infrastructure Corridor Enterprises Ltd. (NICE), Nandi Economic Corridor Enterprises Ltd. (NECE) and Avichal Resources Pvt. Ltd., which are the subsidiaries of the Company, are in the process of finalising their accounts for the financial year ended 31st March, 2020 and hence, they have not yet submitted the said audited financials to the Company.

The Company will prepare consolidated financials, once the audited accounts of all the above-mentioned subsidiaries are made available to it.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Sr. no.	Key Audit Matter	Auditor's response
1	<p>Management's judgement in respect of Impairment testing of investment in Subsidiary company having negative net worth</p> <p>Nandi Economic Corridor Enterprises Ltd. (NECE), which is a subsidiary of the Company, is in the process of finalising the accounts for the financial year ended 31st March, 2020. However, negative net worth is observed in the provisional financial statements produced before us.</p> <p>Management of NECE has applied key judgments in estimating the discounted future cash flows. Considering the discounted future cash flows and explanations, the Company's management is of the view that there is no impairment adjustment required in the value of investment in the subsidiary company. Refer note 37 to the Standalone financial statement.</p>	<p><i>Principal Audit Procedure</i></p> <p>Auditor is required to evaluate the impairment of investments at each balance sheet date. We have obtained Discounted Future Cash Flow Statement from the management of the said company. Management of the said company has provided details of assumptions, its validation and discounting rate. We have verified the working and assumptions and relied on the judgment of the management in respect of the same.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 financial statements or our knowledge obtained during the course of our 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 for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; 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 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 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 are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies 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 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, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our

report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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 Auditors) Rules, 2014, as amended 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 standalone financial statements. (Refer Note 33)
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Joshi Apte & Co.
Chartered Accountants
(Firm's Registration No. : 104370W)

per C. K. Joshi
Partner
(Membership No.: 030428)
UDIN: 20030428AAAAHS5504

Place: Pune
Date: June 30, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BF Utilities Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management' Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by Institute of Chartered Accountants of India and the Standards on Auditing 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. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Joshi Apte & Co.
Chartered Accountants
(Firm's Registration No. : 104370W)

per C. K. Joshi
Partner
(Membership No.: 030428)
UDIN: 20030428AAAAHS5504

Place: Pune
Date: June 30, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Re: BF Utilities Limited ("the Company")

- i. In respect of the Company's fixed assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) There is a regular programme of verification which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of registered documents provided to us, we report that, the title deeds comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, *subject to correction in the revenue record in respect of land which is under litigation.*
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
As explained to us, inventories of Certified Emission Reduction (CER) and Renewable Energy Certificate (REC) were verified electronically during the year by the management at reasonable intervals, since the same is not physically verifiable and no material discrepancies were noticed.
- iii. During the year, the Company has not granted any loans, secured or unsecured, to companies, firms 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 complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. The provisions of clause (3) (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, goods and service tax, service tax, value added tax, cess and any other statutory dues to the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of financial year concerned for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, income tax, sales tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans from the government. The Company has not taken any loans or borrowings from banks and financial institution and has not issued debentures during the year.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us by the management, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

-
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of Companies Act, 2013, where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the standalone Financial Statements etc., as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with any directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Joshi Apte & Co.
Chartered Accountants
(Firm's Registration No. : 104370W)

per C. K. Joshi
Partner
(Membership No.: 030428)
UDIN: 20030428AAAAHS5504

Place: Pune
Date: June 30, 2020

Balance Sheet as at 31st March, 2020

	Note No.	As at 31 st March, 2020 Million Rs.	As at 31 st March, 2019 Million Rs.
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	2.1	101.03	139.27
(b) Intangible assets - under development	2.2	-	-
(c) Intangible assets		-	-
(d) Financial assets			
(i) Investments	3	1,102.46	1,102.46
(ii) Other non current financial assets	4	81.31	89.05
(e) Deferred tax assets (Net)	13	1.29	-
(f) Income tax assets (net)		6.16	6.23
(g) Other non current assets	5	370.00	370.00
		<u>1,662.25</u>	<u>1,707.01</u>
II Current assets			
(a) Inventories	6	1.01	0.74
(b) Financial assets			
(i) Investments	3	2.68	6.42
(ii) Trade receivables	7	3.52	18.24
(iii) Cash and cash equivalents	8	178.14	9.25
(iv) Other bank balances	8	195.60	393.60
(v) Other current financial assets	4	35.24	31.58
(c) Other current assets	5	6.37	5.66
		<u>422.56</u>	<u>465.49</u>
		<u>2,084.81</u>	<u>2,172.50</u>
Total assets			
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	9	188.34	188.34
(b) Other equity	10	1,116.82	1,092.71
		<u>1,305.16</u>	<u>1,281.05</u>
Total equity			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	37.11	70.60
(ii) Other financial liabilities	12	81.31	89.05
(b) Deferred tax liabilities (Net)	13	-	9.11
(c) Other non-current liabilities	14	2.44	14.25
		<u>120.86</u>	<u>183.01</u>
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	212.30	221.73
(ii) Trade payables	15	68.96	69.07
(iii) Other financial liabilities	12	280.68	305.94
(b) Other current liabilities	14	6.95	22.04
(c) Provisions	16	89.90	89.66
		<u>658.79</u>	<u>708.44</u>
Total liabilities			
Total equity and liabilities			
		<u>2,084.81</u>	<u>2,172.50</u>
Summary of significant accounting policies	1		

The accompanying notes form an integral part of the financial statement.

As per our report of even date
For JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No. 104370W

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
Partner
Membership No. 030428

B. B. HATTARKI
Director
DIN : 00145710

B. S. MITKARI
CEO, CFO & Company Secretary
DIN : 03632549

Pune, June 30, 2020

Pune, June 30, 2020

Statement of Profit and loss for the year ended 31st March 2020

	Note No.	Year ended 31 st March, 2020 Million Rs.	Year ended 31 st March, 2019 Million Rs.
Income			
I. Revenue from operations	17	192.50	178.05
II. Other income	18	45.10	319.41
III. Total income (I + II)		237.60	497.46
IV. Expenses			
Changes in inventories	19	(0.27)	0.86
Employee benefit expense	20	17.71	16.42
Finance costs	21	10.87	24.45
Depreciation and amortization expense	2.1	38.72	38.64
Other expenses	22	150.91	151.25
Total expenses		217.94	231.62
V. Profit exceptional items and tax(III-IV)		19.66	265.84
VI. Exceptional items		-	-
VII. Profit before tax (V + VI)		19.66	265.84
VIII. Tax expense :			
(a) Current tax			
- pertaining to profit for the year		16.40	7.30
- MAT Credit utilised in relation to earlier years		(12.00)	(6.80)
Tax for the year		4.40	0.50
(b) Deferred tax			
		(9.93)	(6.35)
		(5.53)	(5.85)
IX. Profit for the year after taxation (VII-VIII)		25.19	271.69
X. Adjustments relating to earlier years :			
Excess / (Short) provision for taxation and tax payments		-	-
XI. Profit for the year after taxation and adjustments relating to earlier years (IX+X)		25.19	271.69
XII. Other Comprehensive Income for the year			
(a) Items that will not be reclassified to Profit or Loss (net off tax):			
Remeasurement of the defined benefit plans		0.14	(0.11)
Remeasurement of financial instruments		(1.22)	0.36
(b) Items that will be reclassified to Profit or Loss			
		-	-
		(1.08)	0.25
XIII. Total comprehensive income for the year (XI + XII)		24.11	271.94
XIV. Earnings per share:			
(Face value per equity share Rs.5)			
Basic & Diluted	23	0.67	7.21
Summary of significant accounting policies	1		

The accompanying notes form an integral part of the financial statement.

As per our report of even date
For JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No. 104370W

per C. K. JOSHI
Partner
Membership No. 030428

Pune, June 30, 2020

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B. B. HATTARKI
Director
DIN : 00145710

Pune, June 30, 2020

B. S. MITKARI
CEO, CFO & Company Secretary
DIN : 03632549

Cash Flow Statement For The Year Ended 31st March, 2020

	31 st March, 2020	31 th March, 2019
	Million Rs.	Million Rs.
Cash Flow from Operating Activities		
Profit before tax	19.66	265.84
Adjustment for:		
Depreciation	38.72	38.64
Interest expense	0.01	6.33
Ind AS adjustments not related to cash flow	18.60	25.86
Interest income	(26.22)	(18.14)
Dividend received	(0.07)	(273.99)
Profit on sale of assets	-	(0.02)
Ind AS adjustments not related to cash flow	(18.60)	(25.86)
Remeasurement of net defined benefit plan	0.14	(0.11)
Operating Profit before working capital changes	32.24	18.55
Movements in working capital:		
(Increase) / Decrease in Inventories	(0.27)	0.86
(Increase) / Decrease in Trade receivable	14.72	(1.59)
(Increase) / Decrease in Other financial asset	4.08	25.39
(Increase) / Decrease in Other current asset	(0.71)	(0.58)
Increase / (Decrease) in Trade payable	(0.11)	3.49
Increase / (Decrease) in Other financial liability	(33.00)	(7.72)
Increase / (Decrease) in Other liability	(8.11)	(22.43)
Increase / (Decrease) in Short term provisions	0.24	(16.27)
Operating Profit after working capital changes	9.08	(0.30)
Direct taxes paid (Net of refunds)	(4.33)	8.48
Net cash generated from Operating Activities (A)	4.75	8.18
Cash Flow from Investing Activities		
Payment towards capital expenditure	(0.48)	(0.30)
Investment made as fixed deposits	198.00	(188.53)
Proceeds from sale of assets	-	0.02
Current Financial Investment (including SOCIE)	2.05	3.25
Interest Income	26.22	8.16
Dividend received	0.07	273.99
Net cash generated from Investing Activities (B)	225.86	96.59
Cash Flow from Financing Activities		
Borrowings repaid	(61.71)	(104.42)
Interest paid	(0.01)	(17.15)
Net cash generated from Financing Activities (C)	(61.72)	(121.57)
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	168.89	(16.80)
Cash and cash equivalents at the beginning of the year	9.25	26.05
Cash and cash equivalents at the end of the year	<u>178.14</u>	<u>9.25</u>

The accompanying notes form an integral part of the financial statement.

As per our report of even date
For JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No. 104370W

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
Partner
Membership No. 030428

B. B. HATTARKI
Director
DIN : 00145710

B. S. MITKARI
CEO, CFO & Company Secretary
DIN : 03632549

Pune, June 30, 2020

Pune, June 30, 2020

Statement of Changes in Equity (SOCIE) for the year ended 31st March, 2020

Million Rs.

Particulars	Share Capital	Other Equity			Total Equity
		Reserves and Surplus		Other Comprehensive Income	
		Share Premium	Retained Earnings	Equity Instruments FVTOCI	
Balance as on 01/04/2018	188.34	-	819.01	1.76	1,009.11
Issue of Share Capital	-	-	-	-	-
Total comprehensive income for the Year	-	-	-	-	-
Profit	-	-	271.69	-	271.69
Remeasurement of Net Defined Benefit Liability / Asset, net of tax effect	-	-	(0.11)	-	(0.11)
Equity Instruments through Other Comprehensive Income, net of tax effect	-	-	-	0.36	0.36
Total comprehensive income for the Year	-	-	271.58	0.36	271.94
Transactions with the owners of the Company recognised, directly in Equity	-	-	-	-	-
Total contributions by and contributions to owners of the Company	-	-	-	-	-
Balance as on 31/03/2019	188.34	-	1,090.59	2.12	1,281.05
Balance as at 01/04/2019	188.34	-	1,090.59	2.12	1,281.05
Issue of Share Capital	-	-	-	-	-
Total comprehensive income for the Year	-	-	-	-	-
Profit	-	-	25.19	-	25.19
Remeasurement of Net Defined Benefit Liability /Asset, net of tax effect	-	-	0.14	-	0.14
Equity Instruments through Other Comprehensive Income, net of tax effect	-	-	-	(1.22)	(1.22)
Transfer within Equity	-	-	-	-	-
Total comprehensive income for the Year	-	-	25.33	(1.22)	24.11
Transactions with the owners of the Company recognised, directly in Equity	-	-	-	-	-
Refund of Share Application Money	-	-	-	-	-
Total contributions by and contributions to owners of the Company	-	-	-	-	-
Balance as on 31/03/2020	188.34	-	1,115.92	0.90	1,305.16

The accompanying notes form an integral part of the financial statement.

As per our report of even date
For JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No. 104370W

per C. K. JOSHI
Partner
Membership No. 030428

Pune, June 30, 2020

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B. B. HATTARKI
Director
DIN : 00145710

Pune, June 30, 2020

B. S. MITKARI
CEO, CFO & Company Secretary
DIN : 03632549

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

Corporate Information:

BF Utilities Ltd. ("the Company" or "BFUL") is a public company domiciled in India and incorporated on 15 September, 2000 under the provisions of the Companies Act, 1956 ("the Act"). The Company's shares are listed on National stock exchange and Bombay stock exchange in India. The Company is engaged in the generation of electricity through wind mills. The Company's CIN is L40108PN2000PLC015323. The registered office of the Company is located at BF Utilities Limited Mundhwa, Pune Cantonment, Pune 411 036, Maharashtra, India.

The financial statements were authorized for issue in accordance with a resolution of the directors on 30 June, 2020.

1. Significant accounting policies :

a. Basis of preparation

These 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 from time to time.

The financial statements have been prepared on an accrual basis and under historical cost convention, except Defined benefit Plan - Plan assets and certain financial Assets & Liabilities which are measured at fair value (refer accounting policy regarding financial instruments). The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year except for the changes in accounting policies required to be made on adoption of Indian Accounting Standards notified under the Companies Act, 2013.

b. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

c. Critical estimates and judgements

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 Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where 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 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 of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Provisions

Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Estimate of current and deferred tax

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the statement of profit and loss and tax payments.

d. Current versus non-current classification

The Company 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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 Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and translations

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

f. Investment in subsidiaries, joint ventures and associates

The Company has accounted for its investment in subsidiaries, joint ventures and associates 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or 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 unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and 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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Please refer to Note No 27

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

h. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalised at cost, including non-deductible excise duty (blocked ITC credit under GST), wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing 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 is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised 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 the replaced part is derecognised.

Depreciation

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

Depreciation for identified components is computed on Straight Line Method ('SLM') except in respect of Furniture & Fixtures and Vehicles is computed on Written Down Value ('WDV') method based on useful lives estimated by the management.

The management estimates the useful lives for the assets as follows:

Assets	Useful lives
Building	60 Years
Plant & Machinery (Windmills)	22 Years
Electrical Installation	10 Years
Testing Meters	5 Years
Furniture & Fixtures	10 Years
Tools and equipments	10 Years
Computers and mobile phones	3 Years
Office Equipments	5 Years
Vehicles	8 Years

Useful lives of the above assets are as per prescribed under Part C of Schedule II of the Companies Act, 2013.

De-recognition / Disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

i. Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

Amortisation

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset, as provided by another Ind-AS.

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

The summary of amortization policy applied to the Company's intangible assets is as below:

Type of asset	Life (years)
Computer software	3

De-recognition / Disposal

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the net carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Such capitalized expenditure is reflected as intangible under development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

j. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on the basis of electricity wheeled into MSEB grid and jointly certified.

Income from Certified Emission Reduction (CERs) units and Renewable Energy Certificates (RECs) is recognised in the period of its actual sales.

Claims / Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income from investments is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in other income in the statement of profit and loss.

Ind AS 115 - Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

k. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

l. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method 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 recognised 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 recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised 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 utilised, except:

- When the deferred tax asset relating to the deductible temporary difference 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 recognised 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

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI 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.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The effect on adoption of Ind AS 12 Appendix C is insignificant in the financial statements.

Amendment to Ind AS 12 - Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Minimum alternate tax (MAT)

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

m. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

Amendment to Ind AS 23 Borrowing costs: The amendments clarify that if any specific borrowing

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact related to this amendment.

n. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangements contain a lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the same is in line with inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

There is no material impact of Ind AS 116 on the financial statements of the Company, therefore, effect of the same is not considered.

o. Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other cost incurred in bringing the inventories of their present location and condition.

Stores and spares and loose tools are valued at lower of cost or net realisable value. However, materials and other items held for operation and maintenance of fixed assets are not written down below cost.

Costs are determined on unsold Certified Emission Reduction (CER) and Renewable Energy Certificate (REC) are considered as Inventory and valued on the basis of costs which are directly allocated to it. The cost is assigned to inventories on First in First Out (FIFO) basis. This CERs and RECs are valued at lower of cost or net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

p. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cashflow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Intangible assets under development are tested for impairment annually. Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised 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 recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

q. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value (unless the effect of time value of money is material) and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets, if any, are disclosed in the notes to accounts.

r. Post-employment and other employee benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

Gratuity

Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully cover the same under cash accumulation policy of the Life Insurance Corporation of India. The employee's gratuity is a defined benefit funded plan.

The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet as asset/liability with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
 - Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
 - Net interest expense or income

Superannuation

Superannuation is a defined contribution plan covering eligible employees. The contribution to the superannuation fund managed by the insurer is equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contribution to this scheme is charged to the statement of profit and loss on an accrual basis. There are no other contributions payable other than contribution payable to the respective fund.

Privilege Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave encashment liability as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

s. Financial instruments

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply following exceptions/exemptions prospectively from April 1, 2016.

- Classification and measurement of financial assets have been done based on facts and circumstances existed on transition date.
- Elected to continue carrying value of equity instruments in subsidiaries, associates and jointly controlled entities as deemed cost on transition date.
- De-recognition of financial assets and financial liabilities have been applied prospectively.
- Applied the requirements of relating to accounting for difference between fair value of financial asset or financial liability from its transaction price of Ind-AS 109 prospectively.

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 entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS11 and Ind-AS 18
- d) Loan commitments which are not measured as at FVTPL
- e) Financial guarantee contracts which are not measured as at FVTPL

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises 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

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

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 recognising 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 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 entity 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 entity 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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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 amortised cost, contractual revenue receivables and lease receivables:
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-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI:
Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they

Notes to the Standalone Financial Statements for the Year ended 31st March, 2020 :

are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 11.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t. 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.

u. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

v. Dividend to equity holders of the Company

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

w. 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.

x. Earnings per share

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 are adjusted for the effects of all dilutive potential equity shares.

y. Recent accounting pronouncements

Appendix B to Ind AS 21, foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

z. Amendment to Ind AS 19: plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Notes forming part of Standalone Financial Statements for the year ended 31st March, 2020 :

(Million Rs.)

Sr. no.	Particulars	Gross block			Depreciation			Net block			
		As at 1/04/2019	Additions during the year	Deductions during the year	As at 31/03/2020	Up to 1/04/2019	On deductions & adjustments	For the year	Up to 31/03/2020	As at 31/03/2020	As at 31/03/2019
2.1	Property, Plant, Equipment (PPE) :										
1	Land	15.20	-	-	15.20	-	-	-	-	15.20	15.20
2	Building	13.11	-	-	13.11	12.03	0.03	0.03	12.06	1.05	1.08
3	Plant & Machinery	1,144.69	-	-	1,144.69	1,022.95	37.87	37.87	1,060.82	83.87	121.74
4	Electrical Installation	3.64	0.31	-	3.95	2.70	0.70	0.70	3.40	0.55	0.94
5	Tools & Equipments	0.09	-	-	0.09	0.03	0.01	0.01	0.04	0.05	0.06
6	Furniture & Fixtures	0.21	-	-	0.21	0.20	-	-	0.20	0.01	0.01
7	Computers etc.	1.17	0.15	0.45	0.87	1.03	0.45	0.08	0.66	0.21	0.14
8	Office Equipments	0.21	0.02	0.07	0.16	0.11	0.07	0.03	0.07	0.09	0.10
9	Vehicles	1.93	-	-	1.93	1.93	-	-	1.93	-	-
	Total A	1,180.25	0.48	0.52	1,180.21	1,040.98	0.52	38.72	1,079.18	101.03	139.27
	Previous period Total	1,180.03	0.30	0.08	1,180.25	1,002.42	0.08	38.64	1,040.98	139.27	177.61
2.2	Intangible assets under development :										
1	Intangible asset	-	-	-	-	-	-	-	-	-	-
	Total B	-	-	-	-	-	-	-	-	-	-
	Previous period Total	-	-	-	-	-	-	-	-	-	-
	Grand Total (A+B)	1,180.25	0.48	0.52	1,180.21	1,040.98	0.52	38.72	1,079.18	101.03	139.27
	Previous period Grand Total	1,180.03	0.30	0.08	1,180.25	1,002.42	0.08	38.64	1,040.98	139.27	177.61

Note: Refer Significant accounting policies referred to in note no. 1

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

3 Investments

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Non Current Investment		
Equity instruments (unquoted)		
Investment in Subsidiaries		
Investment in wholly owned subsidiary		
10,200(31 March 2019 : 10,200) Equity shares of Rs. 10 each fully paid up in Avichal Resources Pvt. Ltd.	65.17	65.17
Total	65.17	65.17
Investment in other subsidiaries where Company holds 51% or more of the equity share capital		
77,569,111(31 March, 2019 : 77,569,111) Equity shares of Rs. 10/- each fully paid up in Nandi Infrastructure Corridor Enterprises Ltd.	775.69	775.69
26,071,902(31 March, 2019 : 26,071,902) Equity shares of Rs. 10/- each fully paid up in Nandi Highway Developers Ltd. *	260.72	260.72
Total	1,036.41	1,036.41
Total Investment in Subsidiaries	1,101.58	1,101.58
Investment in others		
25,000(31 March, 2019 : 25,000) Equity shares of Rs. 10/- each fully paid up in SKH Metals Ltd.	0.88	0.88
Total Investment in others	0.88	0.88
Total Non Current Investments	1,102.46	1,102.46
Current Investment		
Investments in Bonds		
1 (31 March, 2019 : 1) 10.70% Tata Motors Finance Ltd., Bonds 2020	0.52	0.52
- (31 March, 2019 : 2) 10.40% Vijaya Bank Perpetual Bonds	-	2.05
	0.52	2.57
Investment in Equity		
Equity Instruments (Quoted)		
300 (31 March, 2019: 300) equity shares of Rs. 10/-each fully paid up in Metalyst Forging Ltd.#	-	-
800 (31 March, 2019 : 800) equity shares of Rs. 10/-each fully paid up in MM Forging Ltd.	0.13	0.43
100 (31 March, 2019 : 100) equity shares of Rs. 10/-each fully paid up in EL Forge Ltd.	-	-
84 (31 March, 2019 : 84) equity shares of Rs. 10/-each fully paid up in Finolex Industries Ltd.	0.03	0.04
140 (31 March, 2019 : 140) equity shares of Rs. 1/-each fully paid up in Hindalco Industries Ltd.	0.01	0.03
112 (31 March, 2019 : 112) equity shares of Rs. 10/-each fully paid up in NIIT Technologies Ltd.	0.13	0.15
10,800 (31 March, 2019 : 10,800) equity shares of Rs. 1/-each fully paid up in ITC Ltd.	1.86	3.20
	2.16	3.85
Total current investments	2.68	6.42
Total investments	1,105.14	1,108.88

* 26,071,902 (previous year- 26,071,902) shares pledged with Banks for loans taken by related party. (See note no. 24)

Investments are in the process of being transferred in the name of the Company.

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

Details of quoted/ unquoted instruments :

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
(a)Aggregate amount of quoted investments and market value thereof;		
Carrying value	2.16	3.85
Market value	2.16	3.85
(b)Aggregate amount of unquoted investments		
Carrying value	1,102.98	1,105.02
(c) Aggregate amount of diminution in value of investments	-	-

4 Other financial assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Non-current		
Financial guarantee contract receivable	81.31	89.05
Total non current financial assets	81.31	89.05
Current		
Energy credit receivable	9.26	9.51
Interest receivable	18.24	14.33
Financial Guarantee Contract Receivable	7.74	7.74
Total current financial assets	35.24	31.58
Total	116.55	120.63

5 Other assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Non-current		
(Unsecured, considered good)		
Loans and advances to related parties (See note no. 26)		
Advances for purchase of land	370.00	370.00
Total other non current assets	370.00	370.00
Current		
Balances with statutory / government authorities	0.10	0.06
Gratuity plan asset	0.19	0.26
Prepaid expenses	3.63	3.14
Other advances	2.45	2.20
Total other current assets	6.37	5.66
Total	376.37	375.66

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

6 Inventories

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Stock of renewable energy certificates (RECs) (Refer note below)	0.03	-
Stock of consumables, stores and spares	0.98	0.74
Total	1.01	0.74

Note: Quantitative details of Stock

Sr. no.	Description	Units	Units
1	No. of RECs held as inventory	1,085	-
2	No. of consumables, stores and spares	330	480

7 Trade receivables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Current (Unsecured)		
Considered good*	3.52	18.24
Considered doubtful	-	-
	3.52	18.24
Less : Provision	-	-
	3.52	18.24
Total	3.52	18.24

*Includes dues from related parties (Refer Note No. 26)

8 Cash & bank balances :

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
i) Cash & cash equivalents		
Cash on hand	0.02	0.01
Balances with banks - in current accounts	11.82	9.24
Fixed deposits (original maturity less than three months)	166.30	-
Total cash & cash equivalents	178.14	9.25
ii) Other bank balances		
Balance with banks		
Fixed deposits (original maturity more than three months but less than twelve months from the date of Balance sheet)	-	86.20
Fixed deposits (original maturity more than three months but less -twelve months)	195.60	307.40
Total other bank balances	195.60	393.60
Total	373.74	402.85

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

9 Share capital :

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
<u>Authorised</u>		
60,000,000 (31 March, 2018 : 60,000,000) Equity shares of Rs. 5/- each	300.00	300.00
<u>Issued, subscribed & fully paid up</u>		
37,667,628 (31 March, 2018 : 37,667,628) Equity shares of Rs. 5/- each	188.34	188.34
Total	188.34	188.34

9(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 March, 2020		As at 31 March, 2019	
	No. of shares	Million Rs.	No. of shares	Million Rs.
At the beginning of the year	37,667,628	188.34	37,667,628	188.34
Issued /(reduction) if any during the year	-	-	-	-
Outstanding at the end of the year	37,667,628	188.34	37,667,628	188.34

9(b) Terms / rights attached to equity shares

The Company has only one class of 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 dividends in Indian Rupees. The dividend, as and when proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

9(c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

The Company being ultimate holding company there are no shares held by any other holding, ultimate holding company and their subsidiaries/associates.

9(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding reporting date.

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

Name of the shareholder*	Equity shares			
	As at 31 March, 2020		As at 31 March, 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
Ajinkya Investment & Trading Company	6,648,886	17.65	6,648,886	17.65
Kalyani Investment Company Ltd.	6,195,046	16.45	6,195,046	16.45
KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472	11.56

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders / members.

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

10 Other equity

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Other Comprehensive Reserve	2.12	1.76
OCI Income	(1.22)	0.36
	0.90	2.12
Surplus in statement of profit & loss :		
As per last financial statement	1,090.59	819.01
Add: Other comprehensive income	0.14	(0.11)
Add: Net profit for the year	25.19	271.69
	1,115.92	1,090.59
	1,116.82	1,092.71

11 Borrowings

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Non-current borrowings		
Deferred payment liabilities (unsecured)		
Sales tax deferral obligation collected under Government of Maharashtra package scheme of incentive by a beneficiary under an arrangement.	37.11	70.60
	37.11	70.60
Current borrowings		
Loan from others (unsecured)	212.30	221.73
	212.30	221.73
	249.41	292.33

11(a) Sales tax deferral

Balance outstanding Rs. 97.41 Million (as at 31 March, 2019- Rs.174.98)

Repayable 1/5th of amount every year after 10 years of the benefit availed.

Repayment schedule

Year	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
2019-20	-	77.57
2020-21	52.29	52.29
2021-22	31.92	31.92
2022-23	13.20	13.20
Total	97.41	174.98

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

12 Other financial liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Other Non current financial liabilities		
Fair Value Financial guarantee contract	81.31	89.05
Total	81.31	89.05
Other Current financial liabilities		
Capital creditors	10.10	10.10
Interest free security deposit received from related party (Refer note no. 26)	210.00	210.00
Current maturities of long term borrowings(unsecured)	52.29	77.57
Fair Value Financial guarantee contract	7.74	7.74
Other payables	0.55	0.53
Total	280.68	305.94
Total	361.99	394.99

13 Deferred tax liabilities (Net)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
I Deferred tax liabilities :		
On account of timing difference		
a) Depreciation	22.56	33.14
b) Financial Assets	0.42	0.89
	22.98	34.03
II Deferred tax assets :		
On account of timing difference		
a) Disallowances under Income Tax Act, 1961	24.27	24.92
	24.27	24.92
Deferred tax liability (Net) (I - II)	(1.29)	9.11

14 Other liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Other Non current liabilities		
Sales tax deferral revenue - Government grants	2.44	14.25
	2.44	14.25
Other current liabilities		
Sales tax deferral revenue - Government grants	5.58	12.56
Directors' commission payable	-	8.00
Statutory dues payable including tax deducted at source	1.37	1.48
	6.95	22.04
	9.39	36.29

Refer Schedule 11(a) for repayment schedule and terms for sales tax deferral

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

15 Trade payables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Dues to micro and small enterprises	-	-
Dues to other than micro & small enterprises	68.96	69.07
	68.96	69.07

Note :

On the basis of information available with the Company, regarding the status of suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006", there are no suppliers has confirmed that they covered under above mentioned Act.

16 Provisions

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Provision for employee benefits :		
Leave encashment	0.71	0.76
Other provisions :		
Electricity duty	86.43	86.38
Wheeling & transmission charges	2.76	2.52
	89.90	89.66

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

17 Revenue from operations

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Wind power generated (Refer note no. 26)	153.74	149.11
Renewable energy certificate units (REC)	38.47	28.94
Miscellaneous income	0.29	-
Total	192.50	178.05

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts and also those which pertain to contracts with original expected duration of one year or less.

18 Other income

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Dividend received (Refer note no. 26)	0.07	273.99
Interest on bank fixed deposits and bonds	26.22	18.14
Provision no longer required	-	1.40
Government grants sales tax deferral income	10.86	18.12
Financial guarantee contract income	7.74	7.74
Profit on sale of assets	-	0.02
Miscellaneous income	0.21	-
Total	45.10	319.41

19 Changes in inventories

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
(Increase) / decrease in inventory:		
Closing stock of renewable energy certificates (RECs), stores and spares	1.01	0.74
Opening stock of renewable energy certificates (RECs), stores and spares	0.74	1.60
Total	(0.27)	0.86

20 Employee benefit expense

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Salaries, allowances etc.	16.62	15.35
Contribution to provident & other funds	0.63	0.62
Gratuity expenses	0.26	0.24
Staff welfare expenses	0.20	0.21
Total	17.71	16.42

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

21 Finance costs

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Interest on electricity duty	-	5.76
Interest on sales tax deferral liabilities (unwinding)	10.86	18.12
Interest on shortfall of advance tax & GST	-	0.55
Bank charges	0.01	0.02
Total	10.87	24.45

22 Other expenses

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Operating expenses		
Purchase of goods for trading	0.24	-
Operations, maintenance & CDM expenses- wind mills	24.80	23.58
Lease rent - land (Refer note no. 1.n)	0.65	0.60
Insurance	1.19	1.12
Electricity duty	18.53	18.41
Cross subsidy	32.70	36.33
Open Access - Wheeling charges	3.42	2.62
Open Access - Transmission charges	11.23	7.48
Open Access - Other charges	29.82	28.03
Other operating expenses	2.70	2.57
(A)	125.28	120.74
Administrative expenses		
Insurance - others	0.31	0.13
Rates & taxes	0.88	1.01
Taxes, GST - RCM	1.48	0.07
Repairs & maintenance (Machinery)	1.34	1.71
Repairs & maintenance (others)	0.03	0.02
Director's sitting fees	0.17	0.16
Directors' commission	-	8.00
Payment to auditors :		
Audit fee	1.40	1.29
Tax audit fee	0.13	0.13
Reimbursement of expenses	0.03	0.01
	1.56	1.43
Foreign currency exchange Loss	-	0.02
Commission on financial guarantee unrecoverable	7.74	7.74
Amortisation of premium on bonds	0.05	0.12
Asset written off	0.22	-
Printing and stationery	0.89	0.95
Listing and custodial charges	1.20	1.19
Fine and Penalties	0.46	-
Miscellaneous expenses including postage, travelling, telephone etc.	3.40	3.96
Professional & consultancy expenses	5.90	3.99
(B)	25.63	30.51
Total (A)+ (B)	150.91	151.25

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

23 Earnings per share (EPS)

Particulars	Million Rs.	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Numerator for basic and diluted EPS		
Net profit attributable to shareholders	25.19	271.69
Weighted average number of equity shares	37,667,628	37,667,628
Basic earnings per share of face value of Rs. 5/- each	0.67	7.21
Diluted earnings per share of face value of Rs. 5/- each	0.67	7.21

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

24. Contingent Liability and Commitments

Particulars of Contingent liabilities	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
I Estimated amount of Contracts remaining to be executed on capital accounts and not provided for.	-	-
II Contingent Liabilities not provided for in respect of		
a) Claims against the Company not acknowledged as debt.	184.65	184.65
b) Guarantee given by the Company on behalf of other company	-	
c) Others	0.08	-0.68

Commitments

- a. In case of Nandi Economic Corridor Enterprises Ltd. (NECE), the Company along with Nandi Infrastructure Corridor Enterprises Ltd. (NICE) as a joint sponsor, has given an Undertaking to IDFC Limited, acting as a Lenders' Agent, in connection with the consortium loan total amounting to Rs. 4,000 Million (out of total exposure of Rs 16,500 Million) advanced to NECE, whereby the Company, along with NICE, has undertaken to ensure continuance of the of the Project undertaken by NECE, maintenance of shareholding and management control over NECE and provision of requisite technical, financial and managerial expertise, etc. until the final settlement date of the consortium loan. The Company has recognised it as Financial Guarantee contract to the extent of Letter of Comfort issued by it.

Further the Company has agreed to grant to NECE, Operation & Maintenance Cost Overrun Support, Yield Equalisation Support, interest differential support under certain Facilities and Major Maintenance Reserve Support, on need basis.

- b. The Company has given undertaking to Axis Finance Ltd. in respect of term loan facility granted by it to Nandi Highway Developers Limited (NHDL) of Rs. 1,200 Million. The Company has agreed that-
- It shall not dispose of its interest in the entire shareholding in the NHDL till the final settlement date of the term loan; and
 - It shall not sell/ transfer/ encumber in any form, the shares of the NHDL held by the Company, without prior written approval of Axis Finance Ltd.

26,071,902 shares of NHDL are pledged with Axis Finance Ltd.

The disclosure required by Ind AS 37- "Provisions, Contingent Liabilities and Contingent Assets" prescribed by Rules, as amended are as follows.

(In Rs. Million)

Class of provision	Carrying amount as on April 1, 2019	Charge during the year	Amount paid during the year	Carrying amount as on March 31, 2020
Electricity Duty	86.38	18.53	(18.48)	86.43
(Previous year)	103.66	18.41	(35.69)	86.38

Nature of provision

In terms of various notifications/ circulars issued by Government of Maharashtra, electricity duty is payable in respect of wind power sold to third parties.

25. Un hedged foreign Currency Exposure

Un-hedged Receivables and Payables	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Trade payables	-	-

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

26. Related party disclosures

Name of the related parties and related party relationship

Subsidiaries	Nandi Infrastructure Corridor Enterprises Ltd. (NICE) Nandi Highway Developers Ltd. (NHDL) Avichal Resources Pvt. Ltd. (Avichal)
Companies under same management control	Nandi Economic Corridor Enterprises Ltd. (NECE)

Related parties with whom transactions have taken place during the year

Enterprises under common control	Bharat Forge Ltd. BF Investment Limited
Key management personnel	Mr. B S Mitkari (CEO & CS) Mr. S S Joshi (CFO)@

@ Up to 30/11/2019

Related party transactions

Sr No	Nature of transaction	Name of the Related Party	Year ended	Year ended
			March 31, 2020	March 31, 2019
			Million Rs.	Million Rs.
I	Income			
A	Sales	Bharat Forge Ltd.	153.74	144.31
B	Sale of traded goods	Bharat Forge Ltd.	0.28	-
C	Dividend received	NHDL	-	273.93
D	Employee deputation cost (including taxes)	BF Investment Ltd.	4.36	4.32
E	Financial guarantee contract	NECE	7.74	7.74
II	Expenses			
A	Purchases of spares / Debit Note raised.	Bharat Forge Ltd.	(0.20)	(1.60)
B	Reimbursement of expenses	Bharat Forge Ltd.	96.37	90.82
C	Rent	Avichal Resources Pvt. Ltd.	0.65	0.60
D	Financial guarantee contract (amount written off)	NECE	7.74	7.74
E	Remuneration paid to KMP		12.09	11.83
F	Directors' fees, etc.	Mr. B.N Kalyani Mr. A.B. Kalyani Mr. B.B. Hattarki Mr. S.S. Vaidya* Ms. A.A. Sathe Mr.S.K. Adivarekar#	0.03 0.03 0.04 - 0.05 0.05	0.03 0.03 0.04 0.01 0.05 0.03
G	Commission to directors	Mr. B.N Kalyani Mr. A.B. Kalyani Mr. B.B. Hattarki Ms. A.A. Sathe Mr.S.K. Adivarekar	- - - - -	3.77 3.77 0.15 0.15 0.15
III	Others			
	Loan / ICD Taken / (Repaid)	BF Investment Ltd.	(9.43)	(1.57)

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

Balance outstanding as at the year end

Sr No	Nature of transaction	Name of the Related Party	March 31, 2020	March 31, 2019
			Receivable / (Payable)	Receivable / (Payable)
			Million Rs.	Million Rs
01	Trade Receivable	Bharat Forge Ltd	-	18.24
02	Trade payable	Avichal Resources Pvt. Ltd.	(1.03)	(1.50)
03	Loan / Inter Corporate Deposits	BF Investment Ltd.	(200.00)	(209.43)
04	Security deposit	Bharat Forge Ltd.	(210.00)	(210.00)
05	Advance Given	NECE Bharat Forge Ltd.	370.00 -	370.00 0.20
06	Investment balance	NICE NHDL Avichal Resources Pvt. Ltd.	775.69 260.72 65.17	775.69 260.72 65.17
07	Commission to directors	Mr. B.N Kalyani Mr. A.B. Kalyani Mr. B.B. Hattarki Ms. A.A. Sathe Mr.S.K.Adivarekar	- - - - -	3.77 3.77 1.5 1.5 1.5
08	Remuneration Payable to KMP		(0.09)	(0.14)

* Up to May 30, 2018

from May 30, 2018.

27. Financial Instruments

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. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. The capital structure of the Company consists of debt and total equity of the Company.

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 and short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company is not subject to any externally imposed capital requirements.

Total debt includes all long- and short-term debts as disclosed in note 11 to the financial statements.

The gearing ratio at the end of the reporting year was as follows

Particulars	March 31, 2020	March 31, 2019
	Million Rs.	Million Rs.
Loans and Borrowings	301.70	369.90
Less - Cash and Cash Equivalents	178.14	9.25
Net Debt	123.56	360.65
Equity	1305.16	1,281.05
Capital and Net Debt	1428.72	1,641.70
Debt to Equity Ratio	0.09	0.22

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2020, other than those with carrying amounts that are reasonable approximates of fair values:

(Million Rs.)

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investments	1,105.14	1,108.88	1,105.14	1,108.88
Trade receivables	3.52	18.24	3.52	18.24
Cash and cash equivalents - Bank balance	373.74	402.85	373.74	402.85
Other financial assets	116.55	120.63	116.55	120.63
Total Financial Assets	1598.95	1,650.60	1598.95	1,650.60
Borrowings	301.70	369.90	301.70	369.90
Trade payables	68.96	69.07	68.96	69.07
Other Financial Liabilities	309.70	317.42	309.70	317.42
Total Financial Liabilities	680.36	756.09	680.36	756.09

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Further the management assessed that the fair value of security deposits and other non-current receivables approximate their carrying amounts largely due to discounting at rates which are an approximation of current lending rates.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
2. The Company has not performed a fair valuation of its investment in unquoted ordinary shares which are classified as FVTOCI, as the Company believes that the impact of change on account of fair value is insignificant.

Financial risk management framework:

The Company is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the interest rates and other market changes.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Company maintains its cash and cash equivalents and deposits with banks having good reputation and high-quality credit ratings.

The Company has only one customer i.e. Bharat Forge Ltd. To mitigate the credit risk, the company has taken security deposit of Rs. 200 Million (Rs 200 Million as on March 31, 2019) which covers the sales made by Company to it over next year(s).

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, liquid cash and bank balance by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below provides details regarding the contractual maturities of significant financial liabilities:

(Million Rs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Less than 1 Year	More than 1 Year	Less than 1 Year	More than 1 Year
Borrowings	264.59	37.11	299.30	70.60
Trade payables	5.37	63.59	10.77	58.30
Other financial liabilities	228.39	81.31	228.37	89.05

Fair Value Measurement

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 reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS 113 - Fair Value Measurement.

An explanation of each level is as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

(Million Rs.)

Quantitative disclosure fair value measurement hierarchy for assets	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant un-observable Inputs (Level 3)
Financial assets at FVTOCI			
Equity Instruments (Quoted)			
March 31, 2020	2.16	-	-
March 31, 2019	3.85	-	-
Equity Instruments (Un-Quoted)			
March 31, 2020	-	-	0.88
March 31, 2019	-	-	0.88
Financial assets at Amortised Cost			
Investments in Bonds			
March 31, 2020	0.52	-	-
March 31, 2019	2.57	-	-

28. Gratuity and other post-employment benefit plans

Gratuity plan

Funded scheme

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972 and the Scheme framed by the Company. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years but not more than fifteen years of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. Every employee who has completed fifteen years of service gets a gratuity on departure at one month's salary (last drawn) for each completed year of service, subject to maximum for 20 months salary as per the Scheme of the Company. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long-term obligations to make future benefit payments.

1) Liability risks

a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz. LIC of India and other insurance companies. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also, interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

The principal assumptions used in determining gratuity for the Company's plan is shown below:

Particulars	As at March 31, 2020	As at March 31, 2019
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.20%	7.10%
Rate of increase in compensation levels	7.50%	7.50%
Expected rate of return on plan assets	7.10%	7.40%
Expected average remaining working lives (in years)	5.76	5.01
Withdrawal rate (based on grade and age of employees)		
Age upto 30 years	10%	10%
Age 31 - 44 years	10%	10%
Age 45 - 50 years	10%	10%
Age above 50 years	10%	10%

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
Present value of obligation as at the beginning of the period	5.13	4.54
Interest expense	0.36	0.34
Current service cost	0.28	0.25
Benefits (paid)	-	-
Remeasurements on obligation [Actuarial (Gain) / Loss]	(0.07)	0.01
Closing defined benefit obligation	5.70	5.13

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
Opening fair value of plan assets	5.39	4.29
Interest Income	0.38	0.35
Contributions	0.04	0.85
Benefits paid	-	-
Remeasurements	-	-
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	0.07	(0.10)
Closing fair value of plan assets	5.88	5.39
Actual return on plan assets	0.45	0.25

Net Interest (Income/Expense)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Interest (Income) / Expense - Obligation	0.36	0.34
Interest (Income) / Expense - Plan assets	(0.38)	(0.35)
Net Interest (Income) / Expense for the period	(0.02)	(0.01)

Remeasurement for the year [Actuarial (Gain)/loss]

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Experience (Gain) / Loss on plan liabilities	(0.24)	(0.07)
Demographic (Gain) / Loss on plan liabilities	-	0.01
Financial (Gain) / Loss on plan liabilities	0.17	0.07
Experience (Gain) / Loss on plan assets	(0.08)	0.13
Financial (Gain) / Loss on plan assets	0.02	(0.03)

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

Amount recognised in Statement of Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Opening amount recognised in OCI outside profit and loss account	(0.19)	(0.30)
Remeasurement for the year-Obligation (Gain)/Loss	(0.07)	0.01
Remeasurement for the year-Plan assets (Gain)/Loss	(0.07)	0.10
Total Remeasurement cost/(credit) for the period recognised in OCI	(0.14)	0.11
Closing amount recognised in OCI outside profit and loss account	(0.33)	(0.19)

The amounts to be recognised in the Balance Sheet

Particulars	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
Present value of obligation as at the end of the period	5.70	5.13
Fair value of plan assets as at the end of the period	5.88	5.39
Surplus/ (Deficit)	0.19	0.26
Current Liability	-	-
Non-Current Liability	5.70	5.13
Net asset / (liability) to be recognised in balance sheet	0.19	0.26

Expense recognised in the statement of profit and loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Current service cost	0.28	0.25
Net Interest (Income) / Expense	(0.02)	(0.01)
Net periodic benefit cost recognised in the statement of profit and loss	0.26	0.24

Reconciliation of net asset/ (liability) recognised:

Particulars	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
Net asset / (liability) recognised at the beginning of the period	0.26	(0.25)
Company contributions	0.04	0.85
Expense recognised at the end of period	(0.26)	(0.24)
Amount recognised outside profit & loss for the period	0.14	(0.11)
Net asset / (liability) recognised at the end of the period	0.19	0.26

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Funds managed by insurer	100 %	100 %

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount Rate	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
5.20%	5.90	5.33
7.20%	5.51	4.94

B) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Salary Increment Rate	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
6.50%	5.54	4.98
8.50%	5.86	5.29

C) Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Withdrawal Rate	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
9.00%	5.71	5.14
11.00%	5.68	5.12

The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

Particulars	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
Within one year	2.08	1.55
After one year but not more than five years	3.34	2.00
After five years but not more than ten years	1.32	2.36

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 5.76 years.

Provident Fund

In accordance with the law, all employees of the Company are entitled to receive benefits under the provident fund. Till the Financial Year 2016-17, the Company operated defined benefit plan. Under the defined benefit plan, the Company contributes to the " BFUL Employees Provident Fund Trust. ". The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

From the Financial Year 2017-18 onwards the Company operated defined contribution plan. Under the defined contribution plan, provident fund is contributed to the government administered provident fund. The Company has no obligation, other than the contribution payable to the provident fund.

29. Income Taxes

A reconciliation of the Income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Accounting profit before tax from operations	19.66	265.84
Enacted tax rate in India	27.82%	27.82%
Computed tax expense at enacted tax rate	5.47	73.96
Effect of Exempt Income	(0.02)	(76.22)
Effect of non-deductible expenses	11.81	14.55
Effect of deductible expenses	(0.86)	(4.99)
Effect of change in Tax Rates	-	-
Effect of MAT Credit availed	(12.00)	(6.80)
Effect of timing difference	(9.93)	(6.35)
Others	-	-
Tax expense reported in statement of profit and loss	(5.53)	(5.85)

30. Corporate Social Responsibility (CSR)

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

Particulars	(Million Rs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Gross amount required to be spent by the Company during the year	8.04	4.68
Amount spent during the year	NIL	NIL

31. Segment information as required by Ind AS 108 "Operating Segments" as prescribed by Rules, as amended is set out in a separate statement annexed thereto.

32. Certain litigations by and against the Company and subsidiaries of the Company are pending in various Courts, and the matter is subjudice. No cognizance thereof is taken in the preparation of the Ind AS financial statements, pending final outcome of the cases.

33. The Company has advanced amounts aggregating to Rs. 370 million to Nandi Economic Corridor Enterprises Limited (NECE), Subsidiary Company, for purchase of developed parcels of land, which remain outstanding at the balance sheet date. These have been considered as good and recoverable in these financial statements by the Management of the Company based on the balance confirmation received from NECE.

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

34. Disclosures required as per Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have been set out in a separate statement annexed hereto.

35. Corona virus (COVID -19) has badly affected the world economy, including India. COVID-19 is likely to affect the business activities of the Company, the impact of which cannot be reasonably estimated at this early stage.

However, based on the preliminary estimates, the Company does not anticipate any major challenge in meeting its Financial obligations, on long term basis and does not carry any risk in the recoverability and carrying values of its assets including advances given for specific purpose to the subsidiary companies and does not anticipate any additional liability as at the Balance Sheet date.

There may be a fall in the fair value of investments in equities, which the Company expects to be temporary in nature, since all the investments are held for long term basis and as a promoter of the respective subsidiary companies.

The Company will closely monitor any material changes that may take place in future that may impact its business.

● **Impact on revenue:**

The majority of source of income of the Company is in the form of sale of power and related products. The Company feels that it is too early to estimate the exact impact, if any, on the revenue from sale of power, due to COVID-19.

However, impact assessment of COVID - 19 is a continuing process given the uncertainties associated with its nature and duration, and the Company will evaluate the same at a regular interval.

36. Nandi Highway Developers Ltd. (NHDL), Nandi Infrastructure Corridor Enterprises Ltd. (NICE), Nandi Economic Corridor Enterprises Ltd. (NECE) and Avichal Resources Pvt. Ltd., which are the subsidiaries of the Company, are in the process of finalising their accounts for the financial year ended 31st March, 2020 and hence, they have not yet submitted the said audited financials to the Company.

The Company will prepare consolidated financial statements, once the audited accounts of all the above-mentioned subsidiaries are made available to the Company.

37. Nandi Economic Corridor Enterprises Ltd. (NECE), which is a subsidiary of the Company, is in the process of finalising the accounts for the financial year ended 31st March, 2020. However, negative net worth is observed in the provisional financial statements produced before us.

Management of NECE has applied key judgments in estimating the discounted future cash flows. Considering the discounted future cash flows and explanations, the Company's management is of the view that there is no impairment adjustment required in the value of investment in the subsidiary company.

38. Previous year's figures have been regrouped wherever necessary.

As per our report of even date
For JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No. 104370W

per C. K. JOSHI
Partner
Membership No. 030428

Pune, June 30, 2020

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B. B. HATTARKI
Director
DIN : 00145710

Pune, June 30, 2020

B. S. MITKARI
CEO, CFO & Company Secretary
DIN : 03632549

Notes forming part of Standalone Financial Statements for the Year ended 31st March, 2020 :

Annexure referred to in Note No. 31 of the Financial Statements of BF Utilities Ltd.

Segment Reporting as required by "Ind AS 108 : Operating Segments" for the year ended 31st March, 2020

Million Rupees

Sr. No.	Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
1	Segment Revenue		
	a. Wind Energy	192.50	179.45
	b. Infrastructure *	7.74	281.67
	Total	200.24	461.12
	Less : Inter segment revenue	-	-
	Net Revenue	200.24	461.12
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind Energy	(0.43)	(6.82)
	b. Infrastructure	(4.17)	270.49
	Total	(4.60)	263.67
	Less : i) Finance Cost	10.87	24.45
	ii) Other unallocable expenditure net off unallocable income	(35.13)	(26.62)
	Total Profit / (Loss) before tax and Exceptional Items	19.66	265.84
	Exceptional Items	-	-
	Total Profit / (Loss) before tax	19.66	265.84
3	Total Carrying Amount of Segment Assets		
	a. Wind Energy	574.42	655.77
	b. Infrastructure	1,495.46	1,503.20
	c. Other - Unallocables	13.63	13.53
	Total	2,083.51	2,172.50
4	Total Carrying Amount of Segment Liabilities		
	a. Wind Energy	379.94	387.60
	b. Infrastructure	89.05	96.79
	c. Other - Unallocables	0.94	1.24
	Total	469.93	485.63
5	Capital Employed (Segment Assets - Segment Liabilities)		
	a. Wind Energy	194.48	268.17
	b. Infrastructure	1,406.41	1,406.41
	c. Other - Unallocables	12.69	12.29
	Total	1,613.58	1,686.87
6	Total Cost incurred during the year to acquire Segment Assets that are expected to be used during more than one period.		
	a. Wind Energy	0.48	0.30
	b. Infrastructure	-	-
	c. Other - Unallocables	-	-
	Total	0.48	0.30
7	Depreciation & Amortisation		
	a. Wind Energy	38.72	38.64
	b. Infrastructure	-	-
	Total	38.72	38.64

* Dividend income is earned from subsidiary mainly engaged in infrastructure activity.

Annexure referred to Note No. 34 of Notes forming part of the Financial Statements

Disclosures required as per Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Name of the Company	Year	Loans and Advances Given		Investments	
		Amount Outstanding as at 31 March, 2020	Maximum Balance outstanding during the year/period	Amount Outstanding as at 31 March, 2020	Investments by the loanee in the shares of parent company and subsidiary company as at 31 March, 2020
		Million Rs.	Million Rs.	Million Rs.	Million Rs.
Subsidiaries :					
Nandi Infrastructure Corridor Enterprise Ltd.	2019-20	-	-	775.69	-
	2018-19	-	-	775.69	-
Nandi Highway Developers Ltd.	2019-20	-	-	260.72	-
	2018-19	-	-	260.72	-
Avichal Resources Pvt. Ltd.	2019-20	-	-	65.17	-
	2018-19	-	-	65.17	-
Nandi Economic Corridor Enterprises Ltd.	2019-20	370.00	370.00	-	-
	2018-19	370.00	370.00	-	-

Note :There are no loans and advances in the nature of loans to firms / companies in which Directors are interested.

Consolidated Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To,
The Members
BF Utilities Limited, Pune

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of BF Utilities Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss, (the consolidated statement of changes in equity) and the consolidated cash flows Statement for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies (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 their consolidated state of affairs of the Company as at March 31, 2020, of consolidated profit, (consolidated changes in equity) and its consolidated cash flows for the year then ended.

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 ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. 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 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.

Emphasis of Matters

Without qualifying our opinion, we draw attention to the following matters in the Notes to the Statement:

- (a) We draw attention to Note No. 37 of the Statement. As mentioned therein there are certain litigations by and against the Company that are yet to be decided by various courts and the matter is subjudice. No cognizance thereof is taken in the preparation of the consolidated Ind AS financial statements, pending the final outcome of these cases.

Note No. 37-

Certain litigations by and against the Company are pending in various Courts, and the matter is subjudice. No cognizance thereof is taken in the preparation of the consolidated Ind AS financial statement, pending final outcome of the cases.

- (b) We draw attention to Note No. 40 in respect of NECE, it had been reported in Print Media that in September 2014 the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House of Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by NECE as part of the Bangalore Mysore Infrastructure Corridor Project ('BMIC Project'). As explained in the said Note, based on the legal opinion obtained by NECE in this regard, the Management of NECE has evaluated the above development and, in their assessment, since every aspect of the implementation of the BMIC Project has been judicially scrutinized in earlier instances by the Hon'ble High Court of Karnataka and Hon'ble Supreme Court of India and the Hon'ble Courts have pronounced detailed favorable judgments regarding the same, including upholding the process adopted by NECE in implementing the BMIC Project as per FWA, they are of the view that NECE has followed the FWA in letter and spirit and that all concerned laws have been adhered to in implementing the BMIC Project. Accordingly, NECE intends to legally contest any matter that may arise consequent to the reported findings of the Assembly Panel.

Note No. 40-

It had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House of Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by NECE. Further, it had also been reported in the print media that the House Committee tabled its report during November 2016 in the Karnataka Legislative

Assembly, wherein NECE had various departments of GoK have been accused of violations of several terms of FWA and recommendations have been made to initiate appropriate actions which include recovery of excess land given for the project, recovery of illegal toll collected by NECE and further probe by national agencies such as the Central Bureau of Investigation (CBI), Enforcement of Directorate, central vigilance commission or investigative agencies of equal standing. While NECE has still not been provided with any notice of the formation of the committee or its reports, the Management of NECE has assessed the findings of the said Committee reported in the print media and is of the opinion that the allegations made therein are baseless, politically motivated and hence lack legal withstanding. Further, NECE had faced similar situations in the past, where NECE has received favorable orders from the Hon'ble High Court and the Supreme Court. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee itself is unconstitutional, illegal, and invalid and any findings/report, given by the aforesaid House Committee would also be illegal and untenable in law.

Based on the aforesaid legal opinion, the Management of NECE has evaluated the above developments and in its assessment, since every aspect of the implementation of the BMIC Project has been judicially scrutinized in earlier instances by the Hon'ble High Court of Karnataka and Hon'ble Supreme Court of India and as the Hon'ble Courts have pronounced detailed favorable judgements regarding the same, including upholding the process adopted by NICE/ NECE in implementing the BMIC project as per FWA, the Management of NECE is of the view that NECE has followed the FWA in letter and spirit and that all concerned laws have been adhered to in implementing the BMIC project. As such, NECE intends to legally contest any matters that may arise in this regard to safeguard of its interests.

NECE's township development activities carried out as part of the BMIC project are dependent upon receiving necessary approvals from the Bangalore Mysore Infrastructure Corridor Area Planning authority.

The Management of NECE is of the opinion that the requisite regulatory approvals would be received by NECE in the normal course of business for the township development activities; various litigations would be decided in the favor of NECE and, hence, there would be no adverse effect on the operations of NECE including its ability to continue operations in foreseeable future.

- (c) We draw attention to Note No. 28 (i) of the Statement. As mentioned therein, As at the Balance sheet date, there are various cases pending against the NECE challenging the execution of the BMICP (the 'Project') which can be categorized under the following broad heads: a) Land acquisition and allotment related b) Litigation against layout approvals c) Enhanced compensation. NECE has been legally advised that none of these pending litigations or threatened litigation is likely to affect the execution of the Project. The Management of NECE believes that aforesaid litigations will not have any material impact upon the financial statements.

Note No.28(i)-

As at the Balance sheet date, there are various cases pending against the NECE challenging the execution of the BMICP (the 'Project') which can be categorized under the following broad heads: a) Land acquisition and allotment related b) Litigation against layout approvals c) Enhanced compensation. NECE has been legally advised that none of these pending litigations or threatened litigation is likely to affect the execution of the Project. The Management of NECE believes that aforesaid litigations will not have any material impact upon the financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Report of the Directors, Report on Corporate Governance, Business Responsibility Report, Management Discussion and Analysis, and Report on Risk Management (collectively referred as "other information") but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management 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 term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated 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 included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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.

Paragraph 40(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 40(c) explains that when law, regulation or the applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

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 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 and its associates and jointly controlled entities 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 and its associates and jointly controlled entities 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 associates and jointly controlled entities 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 any significant deficiencies 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.

Other Matters

We did not audit the financial statements / financial information of 3 (three) subsidiaries and 1 (one) step down subsidiary whose financial statements / financial information reflect total assets of Rs.19,623.70 Million as at 31st March, 2020, total revenues of Rs. 5,408.33 Million and net cash outflows amounting to Rs. (114.65) Million for the year ended on that date, as considered in the consolidated Ind AS financial statements, which have been audited by other auditors 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 these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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 and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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, and the Consolidated Cash Flow Statement 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.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India, is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note nos. 28(i) & 37 to the consolidated Ind AS financial statements.
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For Joshi Apte & Co.
Chartered Accountants
(Firm's Registration Number: 104370W)

per C. K. Joshi
Partner
(Membership Number: 030428)
UDIN : 20030428AAAALD7834

Place : Pune
Date : September 17, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Ind AS financial statements of the Company as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting of BF Utilities Limited (hereinafter referred to as "the Company") and its subsidiary 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 Company, its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 over financial reporting 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") issued by Institute of Chartered Accountants of India and the Standards on Auditing 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. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to

future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by Group 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 report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to these 3 subsidiary companies, one step down subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For Joshi Apte & Co.
Chartered Accountants
(Firm's Registration Number: 104370W)

per C. K. Joshi
Partner
(Membership Number: 030428)
UDIN : 20030428AAAALD7834

Place : Pune
Date : September 17, 2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

	Note No.	As at 31 st March, 2020 Million Rs.	As at 31 st March, 2019 Million Rs.
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	2.1	260.19	304.65
(b) Capital work in progress		353.51	353.44
(c) Investment property	2.2	1.04	1.04
(d) Goodwill	2.3	63.51	63.51
(e) Right to use	2.3	40.33	-
(f) Other intangible assets	2.3	11,250.12	10,713.78
(g) Intangible assets - under development	2.4	85.01	88.18
(h) Financial assets			
(i) Investments	3	0.95	0.95
(ii) Loans	4	33.72	14.33
(iii) Other financial assets	5	36.28	32.00
(i) Income tax assets (net)		124.09	62.55
(j) Deferred tax asset	6	-	22.28
(k) Other non current assets	7	4,271.70	4,260.70
Total non current assets		<u>16,520.45</u>	<u>15,917.41</u>
II Current assets			
(a) Inventories	8	2,232.53	1,714.31
(b) Financial assets			
(i) Investments	3	1,981.21	1,425.89
(ii) Trade receivables	9	7.15	20.26
(iii) Cash and cash equivalents	10	271.00	216.75
(iv) Other bank balances	10	349.46	615.38
(v) Loans	4	246.02	1.25
(vi) Other financial assets	5	33.41	30.44
(c) Other current assets	7	65.73	62.84
Total current Assets		<u>5,186.51</u>	<u>4,087.12</u>
Total assets		<u><u>21,706.96</u></u>	<u><u>20,004.53</u></u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	188.34	188.34
(b) Other equity	12	(2,401.71)	(2,834.41)
Equity attributable to equity holders of the parent		(2,213.37)	(2,646.07)
(c) Non controlling interest		2,188.76	2,052.87
Total equity		<u>(24.61)</u>	<u>(593.20)</u>
I Non-current liabilities			
(a) Financial liabilities			
Borrowings	13	16,199.85	16,608.43
other financial liabilities	14	1,165.91	1,060.50
(b) Provisions	17	88.40	36.47
(c) Deferred tax liabilities	6	11.95	-
(d) Other non-current liabilities	15	894.83	654.84
Total Non-Current liabilities		<u>18,360.94</u>	<u>18,360.24</u>
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	212.30	221.73
(ii) Trade payables	16	488.98	548.61
(iii) Other financial liabilities	14	1,210.46	1,178.17
(b) Other current liabilities	15	1,243.43	44.83
(c) Provisions	17	215.46	244.15
Total Current liabilities		<u>3,370.63</u>	<u>2,237.49</u>
Total Liabilities		<u>21,731.57</u>	<u>20,597.73</u>
Total equity and liabilities		<u><u>21,706.96</u></u>	<u><u>20,004.53</u></u>
Summary of significant accounting policies	1		

The accompanying notes form an integral part of the consolidated financial statement.

As per our report attached
For JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No. 104370W

per C. K. JOSHI
Partner
Membership No. 030428

Pune, September 17, 2020

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B.B. HATTARKI
Director
DIN : 00145710

Pune, September 17, 2020

B.S. MITKARI
Director, CEO, CFO &
Company Secretary
DIN : 03632549

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note No.	Year ended 31 st March, 2020 Million Rs.	Year ended 31 st March, 2019 Million Rs.
Income			
I. Revenue from operations	18	5,351.88	4,481.38
II. Other income	19	294.03	212.37
III. Total revenue (I + II)		5,645.91	4,693.75
IV. Expenses			
Changes in inventories	20	(0.27)	0.86
Operational Expense	21	323.24	182.39
Cost of sale of land and land development	22	0.12	-
Employee benefit expenses	23	571.08	512.94
Finance costs	24	2,137.62	2,052.75
Depreciation and amortization expense	2.1 & 2.3	531.40	520.17
Other expenses	25	1,490.61	477.34
Total expenses		5,053.80	3,746.45
V. Profit / (Loss) before tax and exceptional items (III-IV)		592.11	947.30
VI. Exceptional items		(253.65)	(151.95)
VII. Profit / (Loss) before tax (V + VI)		338.46	795.35
VIII. Tax expense :			
(a) Current tax			
- pertaining to profit for the year		80.60	103.46
- MAT Credit utilised in relation to earlier years		(12.00)	(6.80)
Tax for the year		68.60	96.66
(b) Deferred tax			
		(3.68)	(21.33)
		64.92	75.33
IX. Profit / (Loss) for the year after taxation (VII-VIII)		273.54	720.02
X. Adjustments relating to earlier years :			
Excess / (Short) provision for taxation and tax payments		-	(0.04)
XI. Profit / (Loss) for the year after taxation and adjustments relating to earlier years (IX+X)		273.54	719.98
Other Comprehensive Income for the period (net of tax)			
(a) Items that will not be reclassified to Profit or Loss :			
Remeasurement of the defined benefit plans (net off tax)		(1.32)	(7.61)
Remeasurement of financial instruments (net off tax)		(1.22)	0.36
(b) Items that will be reclassified to Profit or Loss			
		-	-
		(2.54)	(7.25)
XIII Total Comprehensive income for the period Net of tax (XI + XII)		271.00	712.73
Profit for the year			
Attributable to:			
Equity holders of the parent		197.26	384.02
Non-controlling interests		76.28	335.96
		273.54	719.98
Comprehensive Income for the year			
Attributable to:			
Equity holders of the parent		(1.48)	(2.81)
Non-controlling interests		(1.06)	(4.44)
		(2.54)	(7.25)
XII. Earnings per share:			
Basic & Diluted Rs.	26	7.26	19.11
Summary of significant accounting policies	1		

The accompanying notes form an integral part of the consolidated financial statement.

As per our report attached
For JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No. 104370W

per C. K. JOSHI
Partner
Membership No. 030428

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B.B. HATTARKI
Director
DIN : 00145710

B.S. MITKARI
Director, CEO, CFO &
Company Secretary
DIN : 03632549

Pune, September 17, 2020

Pune, September 17, 2020

Consolidated Cash Flow Statement For The Year Ended 31st March, 2020

	31 st March, 2020 Million Rs.	31 th March, 2019 Million Rs.
<u>Cash Flow from Operating Activities</u>		
Profit before tax	338.46	795.35
Adjustment for:		
Depreciation	531.40	520.17
Interest expense	2,126.77	2,034.63
Government grants sales tax deferral expense (being non cash)	10.86	18.12
Interest income	(42.71)	(40.13)
Dividend	(0.07)	(0.04)
Loss on sale of assets	0.17	0.67
Gain on sale of assets	-	(0.02)
Gain on sale of investments	(104.82)	(26.66)
Net fair value gain on current investments at FVTPL	(41.89)	(31.90)
Government grants sales tax deferral income (being non cash)	(10.86)	(18.12)
Operating profit before working capital changes	2,807.31	3,252.07
Movements in Working Capital:		
(Increase) / Decrease in Inventories	(518.22)	0.70
(Increase) / Decrease in Trade receivable	13.10	1.02
(Increase) / Decrease in Other financial asset	(4.03)	(14.34)
(Increase) / Decrease in Other current asset	(2.91)	13.40
(Increase) / Decrease in Short term loans & advances	(244.77)	123.14
Increase / (Decrease) in Trade payable	(59.63)	282.83
Increase / (Decrease) in Other financial liability	75.81	189.92
Increase / (Decrease) in Other liability	1,198.60	(27.87)
Increase / (Decrease) in Short term provisions	(28.68)	71.73
Operating Profit after working capital changes	3,236.58	3,892.60
Direct taxes paid (Net of Refunds)	(130.13)	155.39
Net Cash generated from operating activities (A)	3,106.45	4,047.99
<u>Cash Flow from investing activities</u>		
Payment towards capital expenditure	(1,064.38)	(49.97)
Proceeds from sale of assets	0.59	0.09
Payment towards investments	(552.13)	(1,318.23)
Payment towards capital WIP	(0.07)	0.08
Proceeds from sale of investments	104.82	26.66
Current financial investment (including SOCIE)	374.86	(93.21)
Interest income	39.46	30.15
Dividend income	0.07	0.04
Fixed Deposits placed with the banks	265.92	(176.81)
Net Cash generated from investing activities (B)	(830.86)	(1,581.20)
<u>Cash flow from financing activities</u>		
Repayment of borrowings	(418.02)	1,128.57
Long term loans & advances	(19.40)	19.38
Other Non current assets	(10.99)	(950.94)
Provisions	51.94	(252.30)
Dividend paid	-	(200.79)
Other non-current liabilities	240.00	(237.44)
Interest paid	(2,064.87)	(1,997.41)
Net Cash generated from financing activities (C)	(2,221.34)	(2,490.93)
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	54.25	(24.14)
Cash and cash equivalents at the beginning of the year	216.75	240.90
Cash and cash equivalents at the end of the year	271.00	216.75

The accompanying notes form an integral part of the consolidated financial statement.

As per our report attached
For JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No. 104370W

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
Partner
Membership No. 030428

B.B. HATTARKI
Director
DIN : 00145710

B.S. MITKARI
Director, CEO, CFO &
Company Secretary
DIN : 03632549

Pune, September 17, 2020

Pune, September 17, 2020

Consolidated Statement of Changes in Equity (SOCIE) for the year ended 31st March, 2020

Particulars	Share Capital	Other Equity										Total Before Non Controlling Interest (NCI)	Non Controlling Interest (NCI)	Total Equity
		Reserves and Surplus					Items of Other Comprehensive Income							
		Share Premium	Reserve Fund U/s 45 IC(1) of the RBI Act, 1934	Special reserve account under section 80-IA (6) of Income Tax Act, 1961	Measurement of below market rate liability at fair value	Foreign currency monetary items translation difference account	General Reserve	Retained Earnings	Equity Instruments FVTOCI	Actuarial Gains / (Losses) on defined benefit Plans				
Balance as at 01/04/2018	188.34	1,864.84	4.06	-	1,505.49	(122.09)	0.07	(6,345.47)	1.76	(20.44)	(3,111.79)	1,936.31	(987.14)	
Impact of changes in Accounting Policy														
Restated Balance as on 01/04/2018	188.34	1,864.84	4.06	-	1,505.49	(122.09)	0.07	(6,345.47)	1.76	(20.44)	(3,111.79)	1,936.31	(987.14)	
Change / Transfers During the Year	-	-	-	-	-	(47.68)	-	-	-	-	(47.68)	(70.31)	(117.99)	
Profit for the year	-	-	-	-	-	-	-	384.01	-	-	384.01	335.96	719.97	
Other comprehensive income for the Year	-	-	-	-	-	-	-	-	0.36	(3.17)	(2.81)	(4.44)	(7.25)	
Total	-	-	-	-	-	(47.68)	-	384.01	0.36	(3.17)	333.52	261.21	594.73	
Transactions with the owners of the Company recognised, directly in Equity														
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends including DDT	-	-	-	-	-	-	-	(56.14)	-	-	(56.14)	(144.65)	(200.79)	
Total	-	-	-	-	-	-	-	(56.14)	-	-	(56.14)	(144.65)	(200.79)	
Balance as on 31/03/2019	188.34	1,864.84	4.06	-	1,505.49	(169.77)	0.07	(6,017.60)	2.12	(23.61)	(2,834.41)	2,052.87	(593.20)	
Restated Balance as on 01/04/2019	188.34	1,864.84	4.06	-	1,505.49	(169.77)	0.07	(6,017.60)	2.12	(23.61)	(2,834.41)	2,052.87	(593.20)	
Change / Transfers During the Year	-	-	-	-	67.15	169.77	-	-	-	-	236.92	60.67	297.59	
Profit for the year	-	-	-	-	-	-	-	197.26	-	-	197.26	76.28	273.54	
Other comprehensive income for the Year	-	-	-	-	-	-	-	-	(1.22)	(0.26)	(1.48)	(1.06)	(2.54)	
Total	-	-	-	-	67.15	169.77	-	197.26	(1.22)	(0.26)	432.70	135.89	568.59	
Transactions with the owners of the Company recognised, directly in Equity														
Dividends Final	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends Interim	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends including DDT	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as on 31/03/2020	188.34	1,864.84	4.06	-	1,572.64	-	0.07	(5,820.34)	0.90	(23.87)	(2,401.71)	2,188.76	(24.61)	

The accompanying notes form an integral part of the consolidated financial statement.

As per our report attached
For JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No. 104370W

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
Partner
Membership No. 030428

B.B. HATTARKI
Director
DIN : 00145710

B.S. MITKARI
Director, CEO, CFO &
Company Secretary
DIN : 03632549

Pune, September 17, 2020

Pune, September 17, 2020

Corporate Information:

The Consolidated Ind AS financial statements comprise of BF Utilities Ltd. ("the Company" or "BFUL") and its subsidiaries (collectively, the Group) for the year ending 31st March, 2020. BF Utilities Ltd is a public company domiciled in India and incorporated on 15 September, 2000 under the provisions of the Companies Act, 1956 ("the Act"). Its shares are listed on National stock exchange and Bombay stock exchange in India. The Group is engaged in the generation of electricity through wind mills and Infrastructure activities. The Company's CIN is L40108PN2000PLC015323. The registered office of the Company is located at BF Utilities Limited Mundhwa, Pune Cantonment, Pune - 411036, Maharashtra, India.

The financial statements were authorized for issue in accordance with a resolution of the directors on September 17, 2020.

1. Significant accounting policies:

a. Statement of compliance

The Consolidated Ind AS Financial Statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as per Companies (Indian Accounting Standards) Rules 2015 notified under section 133 of the Companies Act, 2013 ("The Act") and other relevant provisions of the Act.

b. Overall Considerations

The Financial Statements have been prepared using the Significant Accounting Policies and Measurement Bases that are in effect as at 31 March 2020. The Accounting Policies used in the preparation of financial statements are consistent with that of previous year.

c. Basis of Preparation

These Consolidated Ind AS 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 from time to time.

The Consolidated Ind AS financial statements have been prepared on an accrual basis and under historical cost convention, except Defined benefit Plan - Plan assets and certain financial Assets & Liabilities which are measured at fair value (refer accounting policy regarding financial instruments). The accounting policies are consistently applied by the group during the year and are consistent with those used in previous year except for the changes in accounting policies required to be made on adoption of Indian Accounting Standards notified under the Companies Act, 2013.

d. Basis of Consolidation

The Consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Ind AS financial statements to ensure conformity with the Group's accounting policies.

The financial statements of subsidiaries have been drawn for the year ended March 31, 2020.

Consolidation procedure:

The Consolidated Ind AS financial statements of the Company and its subsidiaries ("the Group") for the year ended March 31, 2020 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Ind AS Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Company for its separate financial statements.

The Company consolidates entities which it owns or controls. The Consolidated Ind AS financial statements comprise the financial statements of the company, its subsidiaries as disclosed below.

Control exists when the parent -

- has power over the entity,
- is exposed or has rights to variable returns from its involvement with the entity and
- has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Company and its subsidiary companies have been combined by adding together the like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.

The excess of the cost to the Company of its investment in a subsidiary and the Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the Consolidated Ind AS financial statements.

The excess of the Company's portion of equity of the subsidiary over the cost of investment in the subsidiary is treated as capital reserve in the Consolidated Ind AS financial statements.

Goodwill arising on consolidation is not amortized. It is tested for impairment on a periodic basis and written off if found impaired.

The Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the Consolidated Ind AS financial statements.

The Consolidated Ind AS financial statements are presented in the same manner as the Company's separate financial statements.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The subsidiary companies considered in Consolidated Ind AS financial statements are as follows:

Name of the subsidiary and Country of Incorporation	Ownership Percentage as at	
	March 31, 2020	March 31, 2019
Nandi Infrastructure Corridor Enterprises Ltd. (NICE) - India	74.52 %	74.52 %
Nandi Highway Developers Ltd.(NHDL) - India	69.53 %	69.53 %
Nandi Economic Corridor Enterprises Ltd. * (NECE) - India	40.41 %	40.41 %
Avichal Resources Private Ltd. - India	100.00 %	100.00 %

* held through subsidiary

Statutory group information is provided in Annexure A

e. Significant accounting judgements, estimates and assumptions

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

f. Critical Estimates and Judgements

Useful lives of depreciable/amortizable assets

Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.

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 Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where 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 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 evaluation model is used.

Recoverability of advances/receivables - At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Evaluation of indicators for impairment of assets - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Service concession arrangements (SCA)

The evaluation of applicability of SCA requires the Management to assess whether the group has right to operate the asset/infrastructure or has ownership of the asset. The Management among other factors considers who regulates the prices and controls residual interest in the asset for determining application of guidance relating to SCA.

Defined Benefit Obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Provisions

Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Estimate of current and deferred tax

The group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the group and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the group operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the statement of profit and loss and tax payments.

g. Property, Plant and Equipment

Recognition and Measurement

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalised at cost, including non-deductible excise duty (blocked ITC credit under GST), wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing 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 group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised 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 recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised 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 the replaced part is derecognised.

Depreciation

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

Depreciation for identified components, other than Furniture & Fixtures and Vehicles is computed on straight line method (in case for the Company for Furniture & Fixtures and Vehicles on written down value method) based on useful lives, determined based on internal technical evaluation as follows:

Assets	Useful lives
Building	24 to 60 Years
Plant & Machinery	10 to 22 Years
Electrical Installation	10 Years
Computers and mobile phones	3 to 6 Years
Testing Meters	5 Years
Furniture & Fixtures	10 Years
Tools and equipments	10 Years
Office Equipments	5 Years
Vehicles	8 to 10 Years

Useful lives of the above assets are as per prescribed under Part C of Schedule II of the Companies Act, 2013.

De-recognition / Disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

h. Intangible assets

Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

Toll road assets, created under Build, Own, Operate and Transfer ("BOOT") model is considered as intangible asset since the asset will be transferred to GoK at the end of the concession period. The cost of such intangible asset comprises of land acquisition cost, direct and indirect expense incurred on procurement / construction of roads, bridges, culverts, including toll plazas, other equipment and utilities used in or in connection with operation of toll road including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), borrowing cost if capitalization criteria are met and any directly attributable expenditure for making the asset ready for its intended use and net of any trade discounts and rebates.

Amortisation

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset, as provided by another Ind-AS.

The summary of amortization policy applied to the group's intangible assets is as below:

Type of asset Life (years)

Computer software 3

- Solely for purposes of amortisation of the toll road assets, the group has considered a period of 26 to 40 years from the initial financial closure.
- The amortisation is provided on the systematic basis over the above-mentioned period.

De-recognition / Disposal

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the net carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred.

Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Such capitalized expenditure is reflected as intangible under development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

i. Investment in subsidiaries and joint ventures

The group has accounted for its investment in subsidiaries and joint ventures at cost less accumulated impairment.

j. 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months (5 years for Township Development from the date of registration of land in the name of the Company and after getting the required regulatory approval for commencing the development activities) as its operating cycle.

k. Financial Instruments

In accordance with Ind AS 101 provisions related to first time adoption, the group has elected to apply following exceptions/exemptions prospectively from April 1, 2016.

- Classification and measurement of financial assets have been done based on facts and circumstances existed on transition date.
- Elected to continue carrying value of equity instruments in subsidiaries, associates and jointly controlled entities as deemed cost on transition date.
- De-recognition of financial assets and financial liabilities have been applied prospectively.
- Applied the requirements of relating to accounting for difference between fair value of financial asset or financial liability from its transaction price of Ind-AS 109 prospectively.

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 entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments not held for trading, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its 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.

When the group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

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:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS11 and Ind-AS 18
- d) Loan commitments which are not measured as at FVTPL
- e) Financial guarantee contracts which are not measured as at FVTPL

The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises 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 recognising 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 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 entity 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 entity 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

As a practical expedient, the group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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 amortised cost, contractual revenue receivables and lease receivables:

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-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

I. 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or 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 unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and 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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Please refer to Note No 31

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

m. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method 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 recognised 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 recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised 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 utilised, except:

- When the deferred tax asset relating to the deductible temporary difference 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 recognised 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI 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.

Minimum alternate tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognized as an asset only to the extent that there is convincing evidence that the group will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the group recognizes MAT credit as an asset for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The group reviews the "MAT credit entitlement"

asset at each reporting date and writes down the asset to the extent the group does not have convincing evidence that it will pay normal tax during the specified period.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 ñ Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. Group is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12- Income Taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. Group does not have any impact on account of this amendment.

n. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. (NECE) Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

Amendment to Ind AS 23 Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Group does not expect any impact related to this amendment.

o. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the group has determined whether the arrangements contain a lease on the basis of facts and circumstances existing on the date of transition.

Finance leases

Assets acquired on lease which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the company with expected inflationary costs.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the group's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

Company as a lessor

Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the same is in line with inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
 - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under the both methods.

The Group has adapted Ind AS 116 "Leases" effective April 1, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the current year. Group is currently evaluating the effect of this amendment on the financial statements.

p. Inventories

Stock of land and related developments are valued at lower of cost and net realizable value. Cost is the aggregate of land cost and development cost which includes materials, contract works, direct expenses and apportioned borrowing costs. Cost of inventories have been computed to include all cost of purchases, cost of conversion and other cost incurred in bringing the inventories of their present location and condition.

Stores and spares and loose tools are valued at lower of cost or net realisable value. However, materials and other items held for operation and maintenance of fixed assets are not written down below cost.

Costs are determined on unsold Certified Emission Reduction (CER) and Renewable Energy Certificate (REC) are considered as Inventory and valued on the basis of costs which are directly allocated to it. The cost is assigned to inventories on First in First Out (FIFO) basis. This CERs and RECs are valued at lower of cost or net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

q. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the group extrapolates cashflow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Intangible assets under development are tested for impairment annually. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised 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 recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

r. 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.

s. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to

an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

t. Provisions

A provision is recognized when the group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value (unless the effect of time value of money is material) and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets, if any, are disclosed in the notes to accounts.

u. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of land - Revenue from sale of land is recognised when all significant risks and rewards of ownership of land is transferred to the buyer and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Toll collections - Income from toll collections is recognised on the basis of actual collection.

Construction revenue and construction expenses - Construction revenue from contracts covered under service concession agreements are recognised in line with the Appendix A to Ind AS 11 - Service Concession Arrangements. Under Appendix A to Ind AS 11 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the operator receives a right (i.e. a concessionaire) to charge users of the public service.

Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on the basis of electricity wheeled into MSEB grid and jointly certified.

Income from Certified Emission Reduction (CERs) units and Renewable Energy Certificates (RECs) is recognised in the period of its actual sales.

Claims / Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income from investments is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in other income in the statement of profit and loss.

Ind AS 115 - Revenue from contracts with customers

MCA has notified Ind AS 115 - Revenue from contracts with customer, mandatorily applicable from 1 April 2018. The standard requires the company to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Group is evaluating the requirements of the new standard and the effect on the financial statements is being evaluated.

v. Foreign currencies

The group's financial statements are presented in INR, which is also its functional currency.

Transactions and Translations

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the group's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

w. Post-employment and other employee benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Provident fund

Provident fund is a defined contribution plan covering eligible employees. The group and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner / BFUL Employees PF Trust equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The group has no obligation, other than the contribution payable to the provident fund.

Gratuity

Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully cover the same under cash accumulation policy of the Life Insurance Corporation of India. The employee's gratuity is a defined benefit funded plan.

The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet as asset/liability with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income

Superannuation

Superannuation is a defined contribution plan covering eligible employees. The contribution to the superannuation fund managed by the insurer is equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contribution to this scheme is charged to the statement of profit and loss on an accrual basis. There are no other contributions payable other than contribution payable to the respective fund.

Privilege Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The group presents the entire leave encashment liability as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

Amendment to Ind AS 19- Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. Group does not have any impact on account of this amendment.

x. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The group does not recognize a contingent liability but discloses its existence in the financial statements.

y. Dividend to equity holders of the group

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

z. Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets/ liabilities".

aa. Earnings per share

The Group reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 are adjusted for the effects of all dilutive potential equity shares.

In respect of NECE-

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share (or increase net loss per share) from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

2.1 Property, Plant, Equipment (PPE) :

Sr. no.	Particulars	Gross block			Depreciation			Net block			
		As at 1/04/2019	Additions during the year	Deductions during the year	As at 31/03/2020	Up to 1/04/2019	On deductions & adjustments	For the year	Up to 31/03/2020	As at 31/03/2020	As at 31/03/2019
1	Land	32.93	-	-	32.93	-	-	-	-	32.93	32.93
2	Building	102.27	-	-	102.27	30.71	-	3.97	34.68	67.59	71.56
3	Plant & Machinery	1,228.39	-	0.34	1,228.05	1,100.02	0.33	38.77	1,138.46	89.59	128.37
4	Electrical Installation	40.70	0.31	-	41.01	16.69	-	4.53	21.22	19.79	24.01
5	Tools & Equipments	2.76	-	-	2.76	1.57	-	0.29	1.86	0.90	1.19
6	Furniture & Fixtures	27.06	16.67	0.20	43.53	13.72	0.12	3.91	17.51	26.02	13.34
7	Computers etc.	10.66	0.78	3.21	8.23	3.67	3.06	2.41	3.02	5.21	6.99
8	Office Equipments	13.28	1.23	2.49	12.02	7.99	2.13	1.96	7.82	4.20	5.29
9	Vehicles	53.21	-	1.28	51.93	32.24	1.11	6.84	37.97	13.96	20.97
	Total A	1,511.26	18.99	7.52	1,522.73	1,206.61	6.75	62.68	1,262.54	260.19	304.65
	Previous period Total	1,503.01	18.07	9.80	1,511.28	1,151.06	9.07	64.63	1,206.62	304.66	351.95

Details of Property, Plant and Equipment pledged are given in note no 13 - Borrowings

Note: Refer Significant accounting policies referred to in note no. 1

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

2.2 Investment Property

Particulars	(Million Rs.)
Gross Carrying amount	
At 01 April 2019 (Deemed cost)	1.04
Additions	-
Disposals	-
Gross carrying amount at 31 March 2020	1.04
Accumulated depreciation	
At 01 April 2019	-
Depreciation charge during the year	-
Depreciation on disposal	-
Accumulated depreciation at 31 March 2020	-
Net carrying amount	
At 31 March 2020	1.04
At 31 March 2019	1.04

2.3 Other Intangible Assets

Particulars	(Million Rs.)				
	Goodwill	Right to use	Other Intangible Assets		
			Rights to Operate Toll Roads	Software	Total
Cost or valuation					
At 1 April 2018	63.51	-	12,284.57	0.19	12,284.76
Additions	-	-	31.91	-	31.91
At 31 March 2019 (Total)	63.51	-	12,316.48	0.19	12,316.67
Additions	-	48.40	997.00	-	997.00
At 31 March 2020 (Total)	63.51	48.40	13,313.48	0.19	13,313.67
Amortisation and impairment					
At 1 April 2018	-	-	1,147.18	0.16	1,147.34
Additions	-	-	455.54	0.01	455.55
At 31 March 2019	-	-	1,602.72	0.17	1,602.89
Additions	-	8.07	460.65	0.01	460.66
At 31 March 2020	-	8.07	2,063.37	0.18	2,063.55
Net book value					
At 31 March 2020	63.51	40.33	11,250.11	0.02	11,250.12
At 31 March 2019	63.51	-	10,713.77	0.03	10,713.78

2.4 Intangible Assets under Development

Intangible Assets Under development :	(Million Rs.)
Cost	
as at 1 April 2018	109.22
Additions	-
Deductions	21.04
as at 31 March 2019	88.18
Additions	-
Deductions (Refer Note No. 38)	3.17
as at 31 March 2020	85.01
Amortisation and impairment	
as at 1 April 2018	-
Additions	-
Deductions	-
as at 31 March 2019	-
Additions	-
Deductions	-
as at 31 March 2020	-
Net Block	
as at 31 March 2020	85.01
as at 31 March 2019	88.19

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

3 Investments

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Non Current Investment		
Investment in others		
Investment in Government Security/ Trust	0.01	0.01
6,251 (31 March, 2019 : 6,251) Equity shares of Rs. 10/- each fully paid up in Nandi Engineering Limited	0.06	0.06
25,000(31 March, 2019 : 25,000) Equity shares of Rs. 10/- each fully paid up in SKH Metals Ltd.	0.88	0.88
Total Non Current Investments	0.95	0.95
Current Investment		
Investments in Bonds (Quoted)		
1 (31 March, 2019 : 1) 10.70% Tata Motors Finance Ltd., Bonds 2020	0.52	0.52
- (31 March, 2019 : 2) 10.40% Vijaya Bank Perpetual Bonds	-	2.05
	0.52	2.57
Investments in Mutual funds (Quoted)		
Carried at fair value through profit or loss (FVTPL)		
Axis Treasury Advantage Fund (83,837.568 units)	194.94	-
HDFC Corporate Bond Fund (8,090,164.051 Units)	186.75	-
Axis Banking & PSU Fund-D-G (180,312.553 Units)	349.99	-
Axis Short Term Fund-D-G (9,657,465.862 Units)	225.75	-
Aditya Birla Floating Rate Fund-D-G (523,437.093 Units)	132.06	-
IDFC Banking & PSU Debt Fund-D-G (41,805,498.041 units)	751.00	-
IDFC Ultra Short Term Fund (7,911,663.309 Units)	90.24	-
IDFC Cash Fund-growth (Direct Plan) (Nil Units) (31 March 2019 - 2,80,491.962 units)	-	635.74
Bol AXA-Ultra Short Term Fund (19,455.436 Units) (31 March 2019 - 142,853.285 units)	47.80	492.44
BOI - AXA liquid fund growth (Nil Units) (31 March 2019 - 48,804.712 units)	-	105.14
BOI AXA Arbitrage Fund-Growth (Nil units) (31 March 2019 - 1,77,66,752.165 units)	-	186.15
	1,978.53	1,419.47
Investment in Equity Shares (Quoted)		
300 (31 March, 2019) equity shares of Rs. 10/-each fully paid up in Metalyst Forging Ltd.#	-	-
800 (31 March, 2019 : 800) equity shares of Rs. 10/-each fully paid up in MM Forging Ltd.	0.13	0.43
100 (31 March, 2019 : 100) equity shares of Rs. 10/-each fully paid up in EL Forge Ltd.	-	-
84 (31 March, 2019 : 84) equity shares of Rs. 10/-each fully paid up in Finolex Industries Ltd.	0.03	0.04
140 (31 March, 2019 : 140) equity shares of Rs. 10/-each fully paid up in Hindalco Industries Ltd.	0.01	0.03
112 (31 March, 2019 : 112) equity shares of Rs. 10/-each fully paid up in NIIT Ltd.	0.13	0.15
10,800 (31 March, 2019 : 10,800) equity shares of Rs. 10/-each fully paid up in ITC Ltd.	1.86	3.20
	2.16	3.85
Total current investments	1,981.21	1,425.89
Total Investments	1,982.16	1,426.84

Investments are in the process of being transferred in the name of the Company.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

Details of quoted/ unquoted instruments :

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
(a)Aggregate amount of quoted investments and market value thereof;		
Carrying value	1,981.21	1,425.89
Market Value	1,981.21	1,425.89
(b)Aggregate amount of unquoted investments		
Carrying value	0.95	0.95

4 Loans - Non-Current

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Security Deposits	32.87	13.62
Inter-corporate deposits		
- considered good	-	-
- considered doubtful	5.54	5.54
Less: Provision for doubtful advances	(5.54)	(5.54)
	-	-
Advances to related parties		
- considered good	0.85	0.71
- considered doubtful	694.62	694.62
Less: Provision for doubtful advances	(694.62)	(694.62)
Total loans- non current	33.72	14.33

Loans - Current

Unsecured, considered good		
Loans and advances to Employees	1.62	1.25
Advances to Related Parties	244.40	-
Total loans- current	246.02	1.25
Total loans	279.74	15.58

The intercorporate deposit has been provided to Nandi Engineering Limited (NEL) at an interest rate of 13% p.a. and is secured by the personal guarantee and immovable property of the MD of NECE. The deposit has been provided to NEL towards general corporate purposes.

5 Other financial assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Non-current		
Balances with Banks	36.28	32.00
Total non current financial assets	36.28	32.00
Current		
Energy credit receivable	9.25	9.50
Interest receivable	24.16	20.94
Total current financial assets	33.41	30.44
Total	69.69	62.44

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

6 Deferred tax Assets (Net)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
I Deferred tax assets :		
On account of timing difference		
a) Other Disallowance u/s 43B of Income Tax Act, 1961	24.27	24.92
b) Financial Assets/ Liabilities	26.20	41.41
	50.47	66.33
II Deferred tax liabilities :		
On account of timing difference		
a) Depreciation	22.56	33.14
b) Financial Assets/ Liabilities	39.86	10.91
	62.42	44.05
Deferred tax Asset (Net) (I - II)	(11.95)	22.28

7 Other Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Non-current		
Capital Advances (a)	147.42	143.62
Advances Towards land acquisition and projects		
Considered Good	4,054.24	4,073.09
Considered Doubtful	10.50	34.05
Sub-Total	4,064.74	4,107.14
(-) Provision	(10.50)	(34.05)
Total (b)	4,054.24	4,073.09
Capital Advances to Related Parties		
Considered Good		
Considered Doubtful	532.62	532.62
Sub-Total	532.62	532.62
(-) Provision	(532.62)	(532.62)
Total (c)	-	-
Advance to Suppliers/ Service Providers		
Considered Good	70.04	43.99
Considered Doubtful	71.39	71.39
Sub-Total	141.43	115.38
(-) Provision	(71.39)	(71.39)
Total (d)	70.04	43.99
Total other non current assets (a to d)	4,271.70	4,260.70
Current		
Balance with statutory / Government authorities	0.10	0.06
Prepaid expenses	19.72	28.21
Duties and Taxes Receivable	0.24	0.99
Advances to suppliers/ service providers		
- considered good	28.23	28.23
- considered doubtful	0.97	0.97
	29.20	29.20
Less: Provision for doubtful advances	(0.97)	(0.97)
	28.23	28.23
Other advances	17.44	5.35
Total other current assets	65.73	62.84
Total	4,337.43	4,323.54

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

8 Inventories

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Stock of renewable energy certificates (RECs) (Refer note below)	0.03	-
Stock of consumables, stores and spares	0.98	0.74
Land & Related Development Costs	2,231.52	1,713.57
Total	2,232.53	1,714.31

Note: Quantitative details of Stock

Sr. no.	Description	Units	Units
1	No. of RECs held as inventory	1,085	-
2	No. of consumables, stores and spares	330	480

9 Trade receivables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Unsecured, considered good*	-	-
Unsecured, considered doubtful	-	-
	-	-
Less : Provision for doubtful receivables	-	-
	-	-
Others		
Unsecured, considered good*	7.15	20.26
Unsecured, considered doubtful	-	-
	7.15	20.26
Less : Provision	-	-
	7.15	20.26
Total	7.15	20.26

*Includes dues from related parties

10 Cash & bank balances :

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
i) Cash & cash equivalents		
Cash on hand	13.89	34.19
Balances with banks - in current accounts	89.97	182.56
Fixed Deposits (original maturity less than three months)	167.14	-
	271.00	216.75
ii) Other Bank Balances		
Fixed Deposits (original maturity more than three months but less - twelve months from date of balance sheet)	153.86	307.98
Fixed Deposits (original maturity more than three months but less - twelve months)	195.60	307.40
Total Other Bank Balances	349.46	615.38
Total	620.46	832.13

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

11 Equity Share capital :

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
<u>Authorised</u>		
60,000,000 (31 March, 2018 : 60,000,000) Equity shares of Rs. 5/- each	300.00	300.00
<u>Issued, subscribed & fully paid up</u>		
37,667,628 (31 March, 2018 : 37,667,628) Equity shares of Rs. 5/- each	188.34	188.34
Total	188.34	188.34

11(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 March, 2020		As at 31 March, 2019	
	No. of shares	Million Rs.	No. of shares	Million Rs.
At the beginning of the year	37,667,628	188.34	37,667,628	188.34
Issued /(reduction) if any during the year	-	-	-	-
Outstanding at the end of the year	37,667,628	188.34	37,667,628	188.34

11(b) Terms / rights attached to equity shares

The Company has only one class of 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 dividends in Indian Rupees. The dividend, as and when proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

11(c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

The Company being ultimate holding company there are no shares held by any other holding, ultimate holding company and their subsidiaries/associates.

11(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding reporting date.

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

Name of the shareholder*	Equity shares			
	As at 31 March, 2020		As at 31 March, 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
Ajinkya Investment & Trading Company	6,648,886	17.65	6,648,886.00	17.65
Kalyani Investment Company Ltd.	6,195,046	16.45	6,195,046.00	16.45
KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472.00	11.56

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders / members.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

12 Other equity

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Items of Other Comprehensive Reserve		
Equity Instruments FVTOCI		
Opening Balance	2.12	1.76
Add / (Less) Change -	(1.22)	0.36
Transfer to Retained Earnings	-	-
Closing Balance (a)	0.90	2.12
Actuarial Gains / (losses) on defined benefit Plans		
Opening Balance	(23.61)	(20.44)
Add / (Less) Change -	(0.26)	(3.17)
Closing Balance (b)	(23.87)	(23.61)
Surplus in statement of profit & loss :		
As per last financial statement	(6,017.60)	(6,345.47)
Trf from OCI	-	-
Add / (less): Net profit / (net loss) for the year	197.26	384.01
Less : final dividend	-	-
Less : Interim dividend	-	-
Less : DDT	-	(56.14)
(c)	(5,820.34)	(6,017.60)
Share Premium		
Opening Balance	1,864.84	1,864.84
Add / (Less) Change -	-	-
Closing Balance (d)	1,864.84	1,864.84
Reserve Fund U/s 45 IC(1) of the RBI Act, 1934		
Opening Balance	4.06	4.06
Add / (Less) Change -	-	-
Closing Balance (e)	4.06	4.06
General Reserve		
Opening Balance	0.07	0.07
Add / (Less) Change -	-	-
Closing Balance (f)	0.07	0.07
Measurement of below market rate financial liability at fair value		
Opening Balance	1,505.48	1,505.48
Add / (Less) Change -	67.15	-
Closing Balance (g)	1,572.63	1,505.48
Foreign currency monetary items translation difference account		
Opening Balance	(169.77)	(122.09)
Add / (Less) Change -	169.77	(47.68)
Closing Balance (h)	-	(169.77)
Total (a to h)	(2,401.71)	(2,834.41)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

13 Borrowings

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Non-current borrowings		
Secured Loans		
Term Loan From Axis Finance Ltd (NHDL)	722.52	882.08
The Facility together with all Interest, Default Interest, all other costs, charges, expenses, fees or amounts payable to the Lender, the Security Trustee and the Escrow Bank under the Finance Documents shall be secured by the following security ("Security"):		
Repayment: Repayable in 16 equal quarterly instalments starting from June 30, 2019. Rate of Interest 10.70%.		
Security:		
(a) A Security Interest by way of first and exclusive ranking mortgage over the identified non-agricultural land parcel admeasuring approximately 45 acres situate at Bengaluru-Mysuru Infrastructure Corridor (NECE Road), Bangalore owned by the Security Provider, including all the structures thereon both present and future .		
(b)(the properties in clause (a) are hereinafter referred to as the "Mortgaged Property")		
(c) A Security Interest by way of first & exclusive charge on both present and future current assets of the Borrower;		
(d) A Security Interest by way of first & exclusive charge and escrow over the cash flows of the Borrower;		
(e) A Security Interest by way of first & exclusive charge on the Escrow Account, Interest Service Reserve, Major Maintenance Reserve, Retention Monies, etc. and other reserves and any other bank accounts of Borrower wherever maintained;		
(f) A Security Interest by way of assignment of all the Borrower's rights, title, interest, benefits, claims and demands as stipulated:		
a. in the Project Documents (including but not limited to the Concession Agreement);		
b. in the permits, approvals and clearances pertaining to the Project; and in any letter of credit, guarantee, performance bond provided by any party to the Project Documents; and		
c. all insurance contracts/ insurance proceeds pertaining to the project;		
(g) A Security Interest by way of first and exclusive pledge of 69.5% unencumbered fully paid up equity shares of the Borrower held by BFUL;		
(h) Corporate guarantee by the Guarantor;		
(i) Corporate guarantee by the Security Provider to the extent of the Mortgaged Property offered as a security;		
Term Loan from other banks (NECE)	10,414.74	10,695.22
Term loan from others (NECE)	3,987.18	3,960.26
Term loans from banks and others (together referred to as Senior Lenders): During the financial year 2014-15, on the request from NECE, the Senior Lenders of the long term loans have refinanced the respective loans provided to NECE. Post refinancing, the total term loans taken by NECE has been split into 4 Facilities as given below:		
Facility 1 - Repayable in 50 unequal quarterly instalments from June 2017 to September 2029.		
The interest on above term loans from banks are linked to the respective banks base rates.	31 March 2020	31 March 2019
	9.50% to 11.35%	9.50% to 11.35%

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Facility 2 - Repayable in one single payment on September 2029. The interest on above term loans from banks are linked to the respective banks base rates. 31 March 2020 10.85% to 11.85% 31 March 2019 10.25% to 11.85%		
Facility 3 - Repayable in 38 unequal instalments from June 2022 to September 2031. The interest on above term loans from banks are linked to the respective banks base rates. 31 March 2020 7.08 to 11% 31 March 2019 7.37%		
Facility 4 - Repayable in 38 unequal instalments from June 2022 to September 2031. The interest on above term loans from banks are linked to the respective banks base rates. 31 March 2020 13.75% to 13.95% 31 March 2019 13.75%		
Security: Term loan from banks and from others is secured by a first charge: <ul style="list-style-type: none"> - by way of mortgage of land, buildings and all fixed Assets both present and future. - on all the movable properties of NECE. - on all the right, title, interest, benefit, claims and demands, whatsoever of NECE in respect of project documents, including all guarantees and bonds received by NECE. - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of NECE. The term loan is also secured by pledge of shares held by NICE in NECE. As additional comfort security to lenders of Facility 3 and Facility 4, a First ranking pari passu pledge over 1.15% of the Shares of NECE held by Jaypatri Investments Private Limited has also been created.		
(a)	15,124.44	15,537.56
Unsecured Loans		
7% Cumulative Redeemable Preference shares of Rs.10/- each (issued by NICE) As per the initial repayment terms, 7% cumulative redeemable preference shares are due for redemption within 7 years i.e. as at 26 March 2017. However, as at 31 March 2017, the terms of redemption were revised for further one year (i.e. 26 March 2018). Further, vide board resolution passed at 131 st meeting of the board of directors of NICE held on 28 February 2018 the terms of repayment has been further extended for a period of 2 years, i.e. from 26 March 2018 to 25 March 2020. Further, vide baord resolution passed at 141 st meeting of the board of directors of NICE held on 4 February 2020 the terms of repayment has been further extended for a period of 5 years, i.e. from 26 March 2020 to 25 March 2025.	228.48	314.50
7% Cumulative Redeemable Preference shares of Rs.10/- each (issued by NECE) These are not redeemable until the entire "Senior Loan"(i.e. the aggregate amount of rupee term loans from banks and financial institutions) is paid in full with all interest, premium and other sums as may be payable in respect thereof and a full, unconditional and complete discharge is given by the senior lenders.	582.51	513.04

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Sales tax deferral obligation collected under Government of Maharashtra package scheme of incentive by a beneficiary under an arrangement	37.11	70.60
Interest free loan from related parties (unsecured)	626.51	522.03
(b)	1,474.61	1,420.17
(a + b)	16,599.05	16,957.73
Amount included in "Current maturities of long term borrowings"	(399.20)	(349.30)
Total Non current Borrowings	16,199.85	16,608.43
Current borrowings		
Loan from others (unsecured)	212.30	221.73
Total current Borrowings	212.30	221.73

13(a) Sales tax deferral - Repayment Schedule

Year for repayment	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
2019-20	-	77.57
2020-21	52.29	52.29
2021-22	31.92	31.92
2022-23	13.20	13.20

14 Other financial liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Other Non current financial liabilities		
Interest accrued on borrowings but not due	676.41	648.04
Advances received towards sale of land and joint development agreements	445.59	412.46
Lease liability	43.91	-
Fair Value Financial guarantee contract	-	-
Total other non current financial liabilities	1,165.91	1,060.50
Other Current financial liabilities		
Capital creditors	10.10	10.10
Interest free security deposit received from related party	210.00	210.00
Interest accrued on borrowings	269.19	207.29
Fair Value Financial guarantee contract	-	-
Current maturities of long term borrowings	676.49	726.87
Security Deposits	3.18	3.36
Retention Money	15.53	4.51
Other payables (including payable to superannuation trust)	25.97	16.04
Total other current financial liabilities	1,210.46	1,178.17
Total other financial liabilities	2,376.37	2,238.67

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

15 Other liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Other Non current liabilities		
Other Long Term Liabilities	20.64	13.23
Advances received towards sale of land and joint development agreements	464.03	219.64
Deferred revenue	407.72	407.72
Sales tax deferral revenue - Government grants	2.44	14.25
Total - other non current liabilities	894.83	654.84
Other current liabilities		
Sales tax deferral revenue - Government grants	5.58	12.56
Land acquisition related accruals	1,211.01	-
Payable for Purchase of Fixed Assets	0.93	0.93
Director's commission payable	-	8.00
Statutory dues payable including tax deducted at source	25.91	23.34
Total - other current liabilities	1,243.43	44.83
Total Other liabilities	2,138.26	699.67

Refer Schedule 11(a) for repayment schedule and terms for sales tax deferral

16 Trade payables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Total outstanding dues other than micro & small enterprises	487.79	548.61
Dues to micro & small enterprises	1.19	-
Total Trade payable	488.98	548.61

Note :

The group has disclosed amount payable to suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". This information regarding micro and small enterprises has been determined to the extent such parties have been identified, on the basis of information available with the group.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

17 Provisions

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Provisions - Non-current		
Provision for employee benefits :		
Gratuity	24.65	29.42
Leave encashment	6.98	7.05
Others	56.77	-
Total Provision Non-Current	88.40	36.47
Provisions - Current		
Provision for employee benefits :		
Leave encashment	91.85	79.48
Gratuity	(0.19)	1.24
Other provisions :		
Provision for major maintenance expenses	34.61	74.53
Electricity duty	86.43	86.38
Wheeling & transmission charges	2.76	2.52
Total Provision Current Total	215.46	244.15
Total Provision Current & Non-Current	303.86	280.62

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

18 Revenue from operations

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Wind power generated	153.74	149.11
Renewable energy certificate units (REC)	38.47	28.94
Revenue from Toll Operations	4,160.61	4,299.28
Construction Revenue	997.00	4.05
Revenue from sale of land	1.77	-
Miscellaneous income	0.29	-
Total	5,351.88	4,481.38

19 Other income

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Dividend received	0.07	0.04
Interest on bank fixed deposits and bonds	41.79	38.29
Interest from Others	0.92	1.84
Provision no longer required	28.27	78.11
Government Grants Sales Tax Deferral Income	10.86	18.12
Financial Guarantee Contract Income	-	-
Gain on Sale of Investments	104.82	26.66
Profit on sale of assets	-	0.02
Net fair value gain on current investments at FVTPL	41.89	31.90
Parking fees	5.09	4.28
Rental Income	57.70	12.00
Miscellaneous income	2.62	1.11
Total	294.03	212.37

20 Changes in inventories

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
(Increase) / decrease in inventory:		
Closing stock	1.01	0.74
Opening sock	0.74	1.60
Total	(0.27)	0.86

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

21 Operational Expenses

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Land lease rent	8.91	19.29
Road Repairs and Maintenance	314.33	163.10
Total Operational Expenses	323.24	182.39

22 Cost of Sale of Land & Land Development

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Opening stock	1,713.57	1,713.41
Add: Cost of purchase of land and land development cost incurred	518.07	0.16
	2,231.64	1,713.57
Less: Closing stock	(2,231.52)	(1,713.57)
Total	0.12	-

23 Employee benefit expense

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Salaries, allowances etc.	481.67	430.23
Contribution to provident & other funds	69.35	66.14
Staff welfare expenses	20.06	16.57
Total	571.08	512.94

24 Finance costs

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Interest on loans	1,990.32	1,860.74
Interest on electricity duty	-	5.76
Interest on Sales Tax deferral Liabilities (unwinding)	10.86	18.12
Interest on shortfall of advance tax	-	0.55
Interest on lease liabilities	6.53	-
Interest on major maintenance expenses	10.11	48.45
Bank charges/ Other Borrowing Costs	119.80	119.13
Total	2,137.62	2,052.75

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

25 Other expenses

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
	Million Rs.	Million Rs.
Operating expenses		
Operations, maintenance & CDM expenses	24.80	23.58
Purchase of goods for trading	0.24	-
Design and engineering	14.66	14.53
Construction expense	997.00	4.05
Termination of Development Contract	-	40.52
Insurance	1.19	1.12
Electricity duty	18.53	18.41
Electricity water charges	2.83	2.07
Cross Subsidy	32.70	36.33
Open Access - Wheeling charges	3.42	2.62
Open Access - Transmission charges	11.23	7.48
Open Access - Other charges	29.82	28.03
Telephone & Communication	2.20	2.59
Other operating expenses	2.70	2.57
(A)	1,141.32	183.90
Administrative expenses		
Insurance - others	6.99	3.98
Rent	0.16	0.10
Rates & taxes	2.56	2.84
Taxes, GST- RCM	1.48	0.07
Repairs & maintenance (Machinery)	3.44	6.12
Repairs & maintenance (Building)	1.31	3.94
Repairs & maintenance (others)	17.48	16.85
Director's sitting fee	0.17	0.16
Director's commission	-	8.00
Payment to auditors :		
Audit fee	5.21	4.85
Tax audit fee	0.54	0.54
Reimbursement of expenses	0.03	0.01
Foreign currency exchange loss	-	0.02
Travel & Conveyance	36.69	33.78
Security Charges	66.14	60.70
Commission on Financial Guarantee unrecoverable	-	-
Amortisation of premium on bonds	0.05	0.12
Asset written off	0.22	-
Provision for doubtful advances	-	5.54
Corporate social responsibility expenses	0.71	-
Loss on Fixed Asset Sold	0.17	0.67
Printing and stationery	5.20	6.44
Listing and Custodial charges	1.20	1.19
Advertisement and business promotion	1.12	2.26
Fines and penalties	0.46	-
Miscellaneous expenses including postage, travelling, telephone etc.	49.03	27.76
Professional & consultancy expenses	148.93	107.50
(B)	349.29	293.44
Total (A)+ (B)	1,490.61	477.34

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

26 Earnings per share (EPS)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Numerator for basic and diluted EPS		
Net profit attributable to shareholders	273.54	719.98
Weighted average number of equity shares	37,667,628	37,667,628
Basic earnings per share of face value of Rs. 5/- each	7.26	19.11
Diluted earnings per share of face value of Rs. 5/- each	7.26	19.11

27 Not used

28. Contingent Liabilities and commitments

Particulars of Contingent liabilities	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
1 Claims against the Group not acknowledge as debt	709.34	709.34
2 Estimated Amounts of Contracts remaining to be executed on capital account and not provided for (net of advances)		
i. in respect of BUFL	-	-
ii. In respect of NECE	360.11	171.71
3 Guarantee given by the Company on behalf of other company	-	-
4 Others	119.19	0.68

As regards NECE -

- (i) As at the Balance sheet date, there are various cases pending against NECE challenging the execution of the BMICP (the 'Project') which can be categorised under the following broad heads: a) Land acquisition and allotment related b) Litigation against layout approvals c) Enhanced compensation. NECE has been legally advised that none of these pending litigations or threatened litigation is likely to affect the execution of the Project. The Management of NECE believes that aforesaid litigations will not have any material impact upon the financial statements.
- (ii) NECE has received claims from certain suppliers for payment of statutory dues aggregating to Rs. 460.64 Million (31 March 2019: Rs. 460.64 Million) as at 31 March 2020. NECE has not acknowledged them as debt and is in discussion with vendors. The Management believes that even if the aforesaid amounts are paid by NECE, they will be reimbursed by the Government; hence claims will not have any material impact upon the financial statements.
- (iii) NECE has received tax demand from the income tax authorities aggregating to Rs. 119.18 Million in respect of various deductions claimed in the tax return, unexplained cash deposits during demonetization period and other matters relating to the assessment year 2017-18. NECE has filed an appeal before Commissioner of Income Tax (Appeals) on 24 January 2020 and basis its assessment believe that no liability would devolve upon NECE.

Commitments

In case of Nandi Economic Corridor Enterprises Ltd. (NECE), the Company along with Nandi Infrastructure Corridor Enterprises Ltd. (NICE) as a joint sponsor, has given an Undertaking to IDFC Limited, acting as a Lenders' Agent, in connection with the consortium loan total amounting to Rs. 4,000 Million (out of total exposure of Rs 16,500 Million) advanced to NECE, whereby the Company, along with NICE, has undertaken to ensure continuance of the of the Project undertaken by NECE, maintenance of shareholding and management control over NECE and provision of requisite technical, financial and managerial expertise, etc. until the final settlement date of the consortium loan. The Company has recognised it as Financial Guarantee contract to the extent of Letter of Comfort issued by it.

Further the Company has agreed to grant to NECE, Operation & Maintenance Cost Overrun Support, Yield Equalisation Support, interest differential support under certain Facilities and Major Maintenance Reserve Support, on need basis.

The Company has given undertaking to Axis Finance Limited in respect of term loan facility granted by it to Nandi Highway Developers Limited (NHDL) of Rs. 1,200 Million. The Company has agreed that-

- It shall not dispose off its interest in the entire shareholding in the NHDL till the final settlement date of the term loan; and
- It shall not sell/ transfer/ encumber in any form, the shares of the NHDL held by the Company, without prior written approval of Axis Finance Limited.

26,071,902 shares of NHDL are pledged with Axis Finance Limited.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

In respect of BFUL-"Provisions, Contingent Liabilities and Contingent Assets."

The disclosure required by Ind AS 37- "Provisions, Contingent Liabilities and Contingent Assets" prescribed by Rules, as amended are as follows.

(In Rs. Million)

Class of provision		Carrying amount as on April 1, 2019	Charge during the year	Amount paid during the year	Carrying amount as on March 31, 2020
Electricity Duty		86.38	18.53	(18.48)	86.43
(Previous year)		103.66	18.41	(35.69)	86.38

Nature of provision

In terms of various notifications/ circulars issued by Government of Maharashtra, electricity duty is payable in respect of wind power sold to third parties.

29. Un hedged Foreign Currency Exposure

Un-hedged Receivables and Payables	As at 31 st March, 2020	As at 31 st March, 2019
	Million Rs.	Million Rs.
Trade Payables	-	-

30. Related Party disclosures

(i) Names of the related parties and related party relationship

Related parties where control exist	Nandi Infrastructure Corridor Enterprises Ltd. (NICE) Nandi Highway Developers Ltd.(NHDL) Nandi Economic Corridor Enterprises Ltd. * (NECE) Avichal Resources Private Ltd.
Enterprises owned or significantly influenced by key management personnel or their relatives / Enterprises under common control	Bharat Forge Ltd. (BFL) BF Investment Ltd. (BFIL) Nandi Engineering Ltd. (NEL) Nandi Infrastructure Capital Company Ltd. (NICCL) AKK Developers Pvt Ltd. (AKKDPL) AKK Entertainment Ltd. (AKKEL) Ashok Kheny Production Pvt Ltd. (AKPPL) Bonic Developers Pvt. Ltd. (BDPL) Ashok Kheny Infrastructure Ltd. (AKIL) Ashok Kheny Motors Pvt. Ltd. SAB Engineering Inc., USA (SEI) India International Infrastructure Engineers Ltd (IIIE)
Key Managerial Personnel (KMP)	Mr. B.S. Mitkari (CEO , CFO & CS) Mr. S. S. Joshi (CFO)@ Mr. Ashok Kheny, Managing Director of Subsidiaries Mr. Shivkumar Kheny, Managing Director of Subsidiary Mr. N Bala Krishna, CFO & CS- NHDL Mr. A Rudra gaud, CFO of NECE Mr. N. Balaji Naidu, Company Secretary of NECE

*Held though subsidiary company.

@Up to 30/11/2019.

(ii) Related party transactions

(Amount in Million)

	Nature of transaction	Year	Entities where control exists	Key Management Personnel (KMP)	Enterprise Over which KMP have Significant Influence
I	Income				
a	Sales	2019-20 2018-19	154.27 144.31	- -	- -
b	Employee deputation cost received (including GST)	2019-20 2018-19	4.36 4.32	- -	- -
C	Interest Income on ICD	2019-20 2018-19	- -	- -	- 1.74
II	Expenses				
A	Purchases of Raw Material	2019-20 2018-19	0.14 1.60	- -	- -
B	Reimbursement of Open Access expenses	2019-20 2018-19	96.37 90.82	- -	- -
C	Interest on ICD / Loan	2019-20 2018-19	- -	- -	45.58 40.08
D	Rent	2019-20 2018-19	- -	- -	2.39 2.28
E	Professional fees and others	2019-20 2018-19	- -	- -	14.16 14.16
F	Directors' fees, etc.	2019-20 2018-19	- -	0.17 8.16	- -
G	Remuneration paid to KMP	2019-20 2018-19	- -	67.12 57.39	- -
H	Dividend paid	2019-20 2018-19	- -	- -	- 124.00
III	Others				
A	Loan/ICD Taken / (Repaid)	2019-20 2018-19	(9.43) (1.57)	- -	(226.24) -
B	Advance given	2019-20 2018-19	- -	- -	12.87 12.26
C	Security Deposit taken / (Repaid)	2019-20 2018-19	- -	- -	- -

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

(iii) Balances outstanding as at the year end

(Amount in Million)

Sr No	Nature of transaction	Year	Entities where control exists Receivable / (Payable)	Key Management Personnel (KMP)	Enterprise over which KMP have Significant Influence
				Receivable / (Payable)	Receivable / (Payable)
1	Trade Receivable	31 March, 2020 31 March, 2019	- 18.24	- -	- -
2	Loan / Inter Corporate Deposit	31 March, 2020 31 March, 2019	(200.00) (209.43)	- -	244.70 -
3	Security deposit received	31 March, 2020 31 March, 2019	(210.00) (210.00)	- -	- -
4	Advance given	31 March, 2020 31 March, 2019	- -	- -	350.39 362.72
5	Advance to suppliers	31 March, 2020 31 March, 2019	- -	- -	23.29 31.08
6	Loans outstanding and interest accrued but not due	31 March, 2020 31 March, 2019	- -	- -	(876.19) (777.25)
7	Remuneration payable to KMP	31 March, 2020 31 March, 2019	- -	(0.09) (38.62)	- -

31. Financial Instruments

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. In order to maintain or adjust the capital structure, the group may issue new shares or sell assets to reduce debt.

The capital structure of the group consists of debt and total equity of the group.

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 and short-term borrowings. The group's policy is aimed at combination of short-term and long-term borrowings. The group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the group.

The group is not subject to any externally imposed capital requirements.

Total debt includes all long and short-term debts as disclosed in note 13 to the financial statements.

The gearing ratio at the end of the reporting period was as follows

Particulars	March 31, 2020	March 31, 2019
	Million Rs.	Million Rs.
Loans and Borrowings	17,088.64	17,557.03
Less - Cash and Cash Equivalents	271.00	216.75
Net Debt	16,817.64	17,340.28
Equity	(24.61)	(593.20)
Capital and Net Debt	16,793.03	16,747.08
Gearing Ratio	(683.36)	(28.23)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

Set out below is a comparison, by class, of the carrying amounts and fair value of the group's financial instruments as of March 31, 2020, other than those with carrying amounts that are reasonable approximates of fair values:

(Rs. In Million)

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investments	1,982.16	1,426.84	1,982.16	1,426.84
Trade receivables	7.15	20.26	7.15	20.26
Cash and cash equivalents - Bank balance	620.46	832.13	620.46	832.13
Other financial assets	69.69	62.44	69.69	62.44
Total Financial Assets	2,679.46	2,341.67	2,679.46	2,341.67
Borrowings	17,088.64	17,557.03	17,088.64	17,557.03
Trade payables	488.98	548.61	488.98	548.61
Other Financial Liabilities	1,699.88	1,511.80	1,699.88	1,511.80
Total Financial Liabilities	19,277.50	19,617.44	19,277.50	19,617.44

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Further the management assessed that the fair value of security deposits and other non-current receivables approximate their carrying amounts largely due to discounting at rates which are an approximation of current lending rates.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
2. The group has not performed a fair valuation of its investment in unquoted ordinary shares which are classified as FVTOCI, as the group believes that the impact of change on account of fair value is insignificant.

Financial Risk management framework:

The group is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the group.

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the interest rates and other market changes.

Credit Risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management - The finance function of the group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach - The group recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the group does not have significant credit risk, it does not present the information related to ageing pattern. The

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

group has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the group made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Interest rate risk (mainly in case of NECE)

NECE's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Particulars	(Rs. In Million)	
	31 March 2020	31 March 2019
Variable rate borrowing	15,117.43	15,117.42
Fixed rate borrowing	-	-
Interest free borrowing	600.08	498.75
Total borrowings	15,717.51	15,616.17

Particulars	(Rs. In Million)	
	31 March 2020	31 March 2019
Interest rates - increase by 50 basis points (50 bps)	(77.27)	(78.30)
Interest rates - decrease by 50 basis points (50 bps)	77.27	78.30

Liquidity Risk

Liquidity risk refers to the risk that the group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group manages liquidity risk by maintaining adequate reserves, liquid cash and bank balance by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	(Rs. In Million)			
	As at March 31, 2020		As at March 31, 2019	
	Less than 1 Year	More than 1 Year	Less than 1 Year	More than 1 Year
Borrowings	889.79	16,199.85	948.60	16,608.43
Trade payables	488.98	-	548.61	-
Other financial liabilities	533.97	1,165.91	451.30	1,060.50

Fair Value Measurement

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 reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the Ind AS 113 - Fair Value Measurement. An explanation of each level is as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the group's assets and liabilities.

(Rs. In Million)

Quantitative disclosure fair value measurement hierarchy for assets	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant un-observable Inputs (Level 3)
Financial assets at FVTOCI			
Equity Instruments (Quoted)			
31 March, 2020	2.16	-	-
31 March, 2019	3.85	-	-
Equity Instruments (Un-Quoted)			
31 March, 2020	-	-	0.88
31 March, 2019	-	-	0.88
Financial assets at FVTPL			
Debt Instruments (Quoted)			
31 March, 2020	1,978.53	-	-
31 March, 2019	1,419.47	-	-
Financial assets at Amortised Cost			
Investments in Bonds			
31 March, 2020	0.59	-	-
31 March, 2019	2.64	-	-

32. Gratuity and other post-employment benefit plans**Gratuity plan****Funded scheme**

The group has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972 and the Scheme framed by the group. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years but not more than fifteen years of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. Every employee who has completed fifteen years of service gets a gratuity on departure at one month's salary (last drawn) for each completed year of service, subject to maximum for 20 months' salary as per the Scheme of the group. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long-term obligations to make future benefit payments.

1) Liability risks**a) Asset-liability mismatch risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the group is successfully able to neutralize valuation swings caused by interest rate movements.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) **Asset risks**

All plan assets are maintained in a trust fund managed by a public-sector insurer viz. LIC of India and other insurance companies. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The group has no control over the management of funds but this option provides high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

The principal assumptions used in determining gratuity for the group's plan is shown below:

Particulars	As at March 31, 2020	As at March 31, 2019
Mortality table	IALM (2012-14) ult	IALM (2012-14) ult
Discount rate	7.10%	7.10%
Rate of increase in compensation levels	7.50%	7.50%
Expected rate of return on plan assets	7.40%	7.40%
Expected average remaining working lives (in years)	5.76	5.01
Withdrawal rate (based on grade and age of employees)		
Age up to 30 years	10%	10%
Age 31 - 44 years	10%	10%
Age 45 - 50 years	10%	10%
Age above 50 years	10%	10%

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
Present Value of Obligation as at the beginning of the period	140.18	113.75
Interest Expense	7.59	8.10
Current Service Cost	13.22	13.25
Past service cost	1.32	-
Benefits (Paid)	(3.57)	(2.51)
Remeasurement on obligation (Actuarial Gain/Loss)	5.05	7.59
Liabilities assumed / (settled) on account of inter group transfer	1.65	-
Closing defined benefit obligation	163.80	140.18

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
Opening fair value of plan assets	109.52	73.19
Interest Income	1.80	1.48
Contributions	22.61	33.65
Benefits paid	(3.57)	(2.51)
Return on Plan asset	7.56	3.72
Liabilities assumed / (settled) on account of inter group transfer	3.05	-
Closing Fair value of Plan Assets	137.93	109.52
Actual Return on Plan Assets	4.28	3.98

Net Interest (Income/Expense)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Interest (Income)/Expense- Obligation	0.36	0.34
Interest (Income)/Expense- Plan Assets	(0.38)	(0.35)
Net Interest (Income)/Expense for the period	0.75	(0.01)

Remeasurement for the period [Actuarial (Gain)/loss]

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Experience (Gain)/Loss on plan liabilities	(0.24)	(0.07)
Demographic (Gain)/Loss on plan liabilities	-	-
Financial (Gain)/Loss on plan liabilities	0.17	0.07
Experience (Gain)/Loss on plan assets	(0.08)	0.13
Financial (Gain)/Loss on plan assets	(0.02)	(0.03)

Amount recognised in Statement of Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Opening Balance of OCI outside profit & loss account	(0.19)	(0.30)
Remeasurement for the year-Obligation (Gain)/Loss	(4.72)	(6.81)
Remeasurement for the year-Plan assets (Gain)/Loss	1.81	(0.40)
Total Remeasurement cost/(credit) for the period recognised in OCI	(0.14)	0.11
Closing amount recognised in OCI outside profit and loss account	(3.10)	(7.51)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

The amounts to be recognised in the Balance Sheet

Particulars	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
Present value of obligation as at the end of the period	165.45	140.18
Fair value of plan assets as at the end of the period	140.98	109.52
Surplus/ (Deficit)	(24.47)	(30.66)
Current Liability	-	1.50
Non-Current Liability	30.35	34.55
Net liability to be recognised in balance sheet	(24.47)	(30.66)

Expense recognised in the statement of profit and loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Current service cost	14.54	13.25
Past Service Cost	-	-
Net Interest (Income) / Expense	1.07	2.66
Net periodic benefit cost recognised in the statement of profit and loss	15.61	15.92

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Funds managed by insurer	100 %	100 %

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased present value of obligation

Discount Rate	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
6.10%	5.90	5.33
4.94%	5.51	4.94

B) Impact of change in salary increase rate when base assumption is decreased/increased present value of obligation

Salary Increment Rate	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
6.50%	5.54	4.98
8.50%	5.86	5.29

C) Impact of change in withdrawal rate when base assumption is decreased/increased present value of obligation

Withdrawal Rate	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
9%	5.71	5.14
11%	5.68	5.12

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2020 :

The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

Particulars	As at March 31, 2020	As at March 31, 2019
	Million Rs.	Million Rs.
Expected contribution during the next annual reporting period	1.50	3.00
Within one Year	19.77	20.18
After one year but not more than five years	42.72	38.55
After five years but not more than ten years	306.78	371.72

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 5.76 years (10.06 years in case of NECE, 12.53 years in case of NHDL)

Provident Fund

In accordance with the law, all employees of the group are entitled to receive benefits under the provident fund. Till the Financial Year 2016-17, the company operated defined benefit plan. Under the defined benefit plan, the company contributes to the "BFUL Employees Provident Fund Trust. ". The company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

From the Financial Year 2017-18 onwards, the company like other entities of the group operated defined contribution plan. Under the defined contribution plan, provident fund is contributed to the government administered provident fund. The group has no obligation, other than the contribution payable to the provident fund.

33. Income Taxes

A reconciliation of the Income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Accounting profit before tax from operations	338.46	795.35
Enacted tax rate in India	31.54%	33.74%
Computed tax expense at enacted tax rate	106.76	268.37
Effect of non-deductible expenses	2.25	21.48
Effect of deductible expenses	(38.13)	(70.13)
Effect of MAT Credit availed	(5.27)	(6.80)
Effect of set off of tax expense on account of accumulated tax losses.	(0.69)	(137.59)
Tax expense reported in statement of profit and loss	64.92	75.33

34. 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 Company recognises CSR spends as and when incurred. Relevant details for the financial year/ period covered by these statements are as under.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Million Rs.	Million Rs.
Gross amount required to be spent by the Group during the year	16.06	4.68
Amount spent during the year	4.49	NIL

35. Leases

Operating lease

The Group has taken various residential/ commercial premises on cancellable operating leases. As per the terms and conditions mentioned in the respective lease agreements, the same are generally renewed on expiry of the lease period and there is no lock-in period in such operating lease taken by the Group. Rent expense debited to statement of profit and loss for above mentioned cancellable operating leases for the year ended 31 March 2020 is Rs. 8.91 million (for the year ended 31 March 2019 is Rs. 19.29 Million).

36. Segment information as required by IND AS 108 "Operating Segments" as prescribed by Rules, as amended is set out in a separate statement annexed thereto.

37. Certain litigations by and against the Company are pending in various Courts, and the matter is subjudice. No cognizance thereof is taken in the preparation of the consolidated Ind AS financial statements, pending final outcome of the cases.

38. Statement of Financial of Subsidiary Companies in terms of Section 129(3) of the Companies Act, 2013 is annexed.

39. Exceptional item- in respect of NECE

Exceptional item during the year represents exchange loss transferred from equity to Statement of profit and loss on conversion of dollar loan in to INR loan (refer Statement of changes in equity). Previous year amount represented compensation paid to Managing Director upon approval by Ministry of Corporate Affairs.

40. Basis of preparation of financial statements (in respect of NECE)

It had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House of Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by NECE. Further, it had also been reported in the print media that the House Committee tabled its report during November 2016 in the Karnataka Legislative Assembly, wherein NECE had various departments of GoK have been accused of violations of several terms of FWA and recommendations have been made to initiate appropriate actions which include recovery of excess land given for the project, recovery of illegal toll collected by NECE and further probe by national agencies such as the Central Bureau of Investigation (CBI), Enforcement of Directorate, central vigilance commission or investigative agencies of equal standing. While NECE has still not been provided with any notice of the formation of the committee or its reports, the Management of NECE has assessed the findings of the said Committee reported in the print media and is of the opinion that the allegations made therein are baseless, politically motivated and hence lack legal withstanding. Further, NECE had faced similar situations in the past, where NECE has received favourable orders from the Hon'ble High Court and the Supreme Court. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee itself is unconstitutional, illegal, and invalid and any findings/report, given by the aforesaid House Committee would also be illegal and untenable in law.

Based on the aforesaid legal opinion, the Management of NECE has evaluated the above developments and in its assessment, since every aspect of the implementation of the BMIC Project has been judicially scrutinized in earlier instances by the Hon'ble High Court of Karnataka and Hon'ble Supreme Court of India and as the Hon'ble Courts have pronounced detailed favourable judgements regarding the same, including upholding the process adopted by NICE/ NECE in implementing the BMIC project as per FWA, the Management of NECE is of the view that NECE has followed the FWA in letter and spirit and that all concerned laws have been adhered to in implementing the BMIC project. As such, NECE intends to legally contest any matters that may arise in this regard to safeguard of its interests.

NECE's township development activities carried out as part of the BMIC project are dependent upon receiving necessary approvals from the Bangalore Mysore Infrastructure Corridor Area Planning authority.

The Management of NECE is of the opinion that the requisite regulatory approvals would be received by NECE in the normal course of business for the township development activities; various litigations would be decided in the favour of NECE and, hence, there would be no adverse effect on the operations of NECE including its ability to continue operations in foreseeable future.

41. NECE has negative net worth at 31 March 2020 and has incurred losses during the current year. Notwithstanding the above, the financial statements have been prepared on going concern basis as NECE has earned positive cash flow from operations; and the Management of NECE on the basis of projections believe that NECE will be able to meet the liabilities as they arise in foreseeable future.

42. Covid Impact- In respect of BFUL

Corona virus (COVID -19) has badly affected the world economy, including India. COVID-19 is likely to affect the business activities of the Company, the impact of which cannot be reasonably estimated at this early stage.

However, based on the preliminary estimates, the Company does not anticipate any major challenge in meeting its Financial obligations, on long term basis and does not carry any risk in the recoverability and carrying values of its assets including advances given for specific purpose to the subsidiary companies and does not anticipate any additional liability as at the Balance Sheet date.

There may be a fall in the fair value of investments in equities, which the Company expects to be temporary in nature, since all the investments are held for long term basis and as a promoter of the respective subsidiary companies.

The Company will closely monitor any material changes that may take place in future that may impact its business.

● **Impact on revenue:**

The majority of source of income of the Company is in the form of sale of power and related products. The Company feels that it is too early to estimate the exact impact, if any, on the revenue from sale of power, due to COVID-19.

However, impact assessment of COVID - 19 is a continuing process given the uncertainties associated with its nature and duration, and the Company will evaluate the same at a regular interval.

43. Scheme of Amalgamation- in respect of NHDL

As per the Sections 230 to 232 of the Companies Act 2013, The NHDL had obtained approval of shareholders for Amalgamation of Nandi Highway Developers Ltd (Transferee company) and Nandi Infrastructure capital company Ltd (Transferor Company) during the year 2019-20. and NHDL had submitted petition before National Company Law Tribunal (NCLT) for approval of the scheme of the amalgamation between Nandi Highway Developers Ltd (NHDL) and Nandi Infrastructure capital company Ltd (NICCL). The NCLT had dispensed convening of separate meeting of creditors and shareholders in view of no objections received from them. NCLT further directed NHDL to submit copies of petition to the concerned Registrar of Companies (ROC), Regional Director (RD), Official Liquidator (OL), Income Tax Office (ITO) and the Competition commission of India for seeking their objections if any for the proposed scheme of Amalgamation accordingly NHDL had served petition copies to them and awaiting their confirmation.

44. Hybrid Electronic Toll Collection Work Implementation at Toll Road- in respect of NHDL

NHDL had undertaken the Hybrid Electronic Toll Collection work (HETC) as per the Ministry of Road Transport and Highways (MoRTH) directive during the year 2019-20 and work is in progress and complete cost pertaining to HETC work to be borne by the MoRTH/NHAI /NH.

45. Previous year's figures have been regrouped wherever necessary.

As per our report attached
For JOSHI APTE & CO.
Chartered Accountants
ICAI Firm Registration No. 104370W

per C. K. JOSHI
Partner
Membership No. 030428

Pune, September 17, 2020

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B.B. HATTARKI
Director

DIN : 00145710

Pune, September 17, 2020

B.S. MITKARI
Director, CEO, CFO &
Company Secretary
DIN : 03632549

Annexure referred to Note No. 36 Notes forming part of the Consolidated Financial Statements of BF Utilities Ltd.

Disclosure of Sement information

Segmentwise Revenue, Results, and Capital Employed based on Consolidated Financial Statements for the year ended 31 March, 2020.

		(Rs. In Million)	
Sr. No.	Particulars	Year ended 31-Mar-20 (Audited)	Year ended 31-Mar-19 (Audited)
1	Segment Revenue		
	a. Wind Mills	192.50	179.45
	b. Infrastructure	5,159.38	4,303.32
	Total	5,351.88	4,482.77
	Less : Inter segment revenue	-	-
	Net sales / income from operations	5,351.88	4,482.77
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind Mills	(0.01)	(6.38)
	b. Infrastructure	2,437.94	2,805.17
	Total	2,437.93	2,798.79
	Less : i) Interest and Finance Charges	2,137.62	2,052.74
	ii) Other unallocable expenditure net off unallocable income	(291.80)	(201.25)
	Total Profit / (Loss) before tax and Exceptional Items	592.11	947.30
	Exceptional Item	(253.65)	(151.95)
	Total Profit /(Loss) before tax	338.46	795.35
3	Total Carrying amount of segment assets		
	a. Wind Mills	575.03	655.39
	b. Infrastructure	19,141.84	17,894.73
	c. Unallocable	1,992.27	1,433.31
	Total	21,709.14	19,983.43
4	Total segment liabilities		
	a. Wind Mills	379.08	386.26
	b. Infrastructure	4,245.10	2,627.56
	c. Unallocable	0.94	1.24
	Total	4,625.12	3,015.06
5	Capital employed (Segment Assets - Segment Liabilities)		
	a. Wind Mills	195.95	269.13
	b. Infrastructure	14,896.74	15,267.17
	c. Other - Unallocable	1,991.33	1,432.07
	Total	17,084.02	16,968.37
6	Total cost incurred during the year to acquire segment assets that are expected to be used during more than one period		
	a. Wind Mills	0.48	0.30
	b. Infrastructure	18.50	17.76
	c. Other - Unallocable	-	-
	Total	18.98	18.06
7	Depreciation and amortisation		
	a. Wind Mills	38.73	38.64
	b. Infrastructure	492.67	481.53
	Total	531.40	520.17

Annexure to Note No. 38

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries.

Amount in Million Rupees

Sr. No	Particulars	Subsidiaries			
		Nandi Infrastructure Corridor Enterprise Limited	Nandi Economic Corridor Enterprises Limited	Nandi Highway Developers Limited	Avichal resources Private Limited
1	Reporting Period	Apr 19 to Mar 20	Apr 19 to Mar 20	Apr 19 to Mar 20	Apr 19 to Mar 20
2	Reporting Currency	INR	INR	INR	INR
3	Exchange rate	1.00	1.00	1.00	1.00
4	Share Capital	1,040.94	2,090.47	375.00	0.10
5	Reserves & Surplus	73.29	(3,316.52)	675.40	3.10
6	Total Assets	1,715.64	18,629.82	2,195.82	3.40
7	Total Liabilities	601.41	19,855.87	1,145.42	0.20
8	Details of Investment (except in case of Investments in subsidiaries)	0.06	1,978.52	0.01	-
9	Turnover	56.47	4,676.66	697.74	0.62
10	Profit before Taxation	3.42	2.46	312.53	0.44
11	Provision for Taxation	2.86	-	67.48	0.11
12	Profit after Taxation	0.56	2.46	245.05	0.32
13	Proposed Dividend	-	-	-	-
14	Extent of shareholding (in percentage)	74.52%	40.41%	69.53%	100%

Notes

- Names of subsidiaries which are yet to commence operations : NA / Nil
- Names of subsidiaries which have been liquidated or sold during the year. : NA / Nil

Annexure A Statutory Group Information

Annexure referred to Note No. 1 (d) notes forming part of
the Consolidated Financial Statements of BF Utilities Ltd.

Name of the entity in the group	Net assets (Total assets - total liabilities)		Share in profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Rs. in Million	As a % of consolidated profit or loss	Rs. in Million	As a % of consolidated other Comprehensive income	Rs. in Million	As a % of consolidated total Comprehensive income	Rs. in Million
Parent								
BF Utilities Ltd								
Balance as at 31 March, 2020	-58.97%	1,305.15	9.21%	25.19	42.62%	(1.09)	8.89%	24.10
Balance as at 31 March, 2019	-48.41%	1,281.04	37.74%	271.69	-3.45%	0.25	38.15%	271.94
Subsidiaries (Indian)								
Nandi Infrastructure Corridor Enterprises Ltd. (NICE) - India								
Balance as at 31 March, 2020	-50.34%	1,114.22	0.20%	0.56	0.00%	-	0.21%	0.56
Balance as at 31 March, 2019	-38.68%	1,023.56	-3.64%	(26.22)	0.00%	-	-3.68%	(26.22)
Nandi Highway Developers Ltd.(NHDL) - India								
Balance as at 31 March, 2020	-47.46%	1,050.40	89.58%	245.05	-25.68%	0.65	90.66%	245.71
Balance as at 31 March, 2019	-30.41%	804.70	49.22%	354.37	1.31%	(0.09)	49.71%	354.28
Nandi Economic Corridor Enterprises Ltd. * (NECE) - India								
Balance as at 31 March, 2020	55.39%	(1,226.05)	0.90%	2.46	83.06%	(2.12)	0.13%	0.35
Balance as at 31 March, 2019	54.19%	(1,433.91)	54.70%	393.80	102.14%	(7.41)	54.21%	386.39
Avichal Resources Private Ltd. # - India								
Balance as at 31 March, 2020	-0.14%	3.20	0.12%	0.32	0.00%	-	0.12%	0.32
Balance as at 31 March, 2019	-0.11%	2.88	0.04%	0.28	0.00%	-	0.04%	0.28
Non-Controlling Interest in all Subsidiaries								
Balance as at 31 March, 2020	-98.89%	2,188.78	27.88%	76.28	41.67%	(1.06)	27.75%	75.22
Balance as at 31 March, 2019	-77.58%	2,052.87	46.66%	335.96	61.26%	(4.44)	46.51%	331.52
Adjustments arising out of consolidation								
Balance as at 31 March, 2020	-102.63%	2,271.50	-27.87%	(76.25)	-41.67%	1.06	-27.74%	(75.18)
Balance as at 31 March, 2019	-85.84%	2,271.46	-8.61%	(62.02)	-61.26%	4.44	-8.08%	(57.57)
Total after elimination on account of consolidation-2020	100.00%	(2,213.36)	100.00%	273.55	100.00%	(2.55)	100.00%	271.01
Total after elimination on account of consolidation-2019	100.00%	(2,646.06)	100.00%	719.97	100.00%	(7.25)	100.00%	712.72



KALYANI
BF UTILITIES LIMITED

MUNDHWA, PUNE CANTONMENT, PUNE 411 036
MAHARASHTRA, INDIA.
website : www.bfutilities.com