

BF UTILITIES LIMITED



KALYANI

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Annual Report for the year ended on 30th September, 2015

BOARD OF DIRECTORS

Mr. B. N. Kalyani	Chairman
Mr. A. B. Kalyani	Non-Executive Director
Mr. B. B. Hattarki	Non-Executive Independent Director
Mr. G. K. Agarwal	Non-Executive Director *
Mr. S. S. Vaidya	Non-Executive Independent Director
Ms. A. A. Sathe	Additional Director (Non-Executive Independent Director) ®

* Resigned on 31st March, 2015

® Appointed on 31st March, 2015

CHIEF EXECUTIVE OFFICER / COMPANY SECRETARY

Mr. B.S. Mitkari

CHIEF FINANCIAL OFFICER

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 Fax: +91 (20) 2616 3503;
Email: pune@linkintime.co.in

REGISTERED OFFICE

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

CORRESPONDANCE ADDRESS

Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar, Pune - 411 013
Phone: +91-20-6629 2550 / 26
E-mail : bfutilitiesltd@vsnl.net
Website : <http://www.bfutilities.com>
CIN : L40108PN2000PLC015323

INFORMATION FOR SHAREHOLDERS

Annual General Meeting
Day & Date : Wednesday, 2nd March, 2016
Time : 11.30 a.m.
Venue : Kalyani Steels Ltd. Mundhwa, Pune - 411 036
Date of Book Closure : 2nd March, 2016



BF UTILITIES LIMITED

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

CIN : L40108PN2000PLC015323

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of BF Utilities Limited will be held at Kalyani Steels Ltd at Mundhwa, Pune 411 036 on Wednesday, the 2nd day of March, 2016 at 11.30 a.m. (IST), to transact the following business

ORDINARY BUSINESS :

ITEM NO.1:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 30th September, 2015 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO.2:

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

ITEM NO.3:

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. Joshi Apte & Co., Chartered Accountant, Pune (Firm Registration No.104370W), (who were appointed in the Fourteenth Annual General Meeting, as Statutory Auditors for a period of three years upto the conclusion of the Seventeenth Annual General Meeting to be held during the year 2018) be and is hereby ratified for the financial year 2015-16 as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration plus service tax thereon and reimbursement of out of pocket and travelling expenses etc. as may be mutually agreed between the Board of Directors of the Company and the auditors based on the recommendation of the Audit Committee."

SPECIAL BUSINESS :

ITEM NO. 4:

Appointment of Ms. Aarti A. Sathe as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of 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 Clause 49 of the Listing Agreement, 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 Clause 49 of the Listing Agreement 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, 2016 to 1st March, 2021."

ITEM NO. 5:

Related party Transactions of the Company with Bharat Forge Limited.

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 applicable provisions of Section 188 and any other provisions of the Companies Act, 2013 and Rules framed thereunder and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Regulations" (including statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other statutory approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to enter into transaction/s of purchase/sale of goods / services, lease, transfer, assign or otherwise etc., whether material or otherwise, for the period of five (5) financial years with effect from April 1, 2015, of the Company with Bharat Forge Limited - Related Party, upto an estimated annual value of Rs.500 millions, to be discharged in a manner and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and Bharat Forge Limited."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board of Directors
For BF Utilities Limited

Pune
28th November, 2015

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

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a Poll instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case, a Proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such Proxy shall not act as a Proxy for any other person or member.

The Instrument appointing proxy should, however, be deposited at the Registered Office of the Company duly completed and signed not less than forty-eight (48) hours before the commencement of the meeting.

2. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business under Item No .4 and 5 of the Notice to be transacted at the Annual General Meeting is annexed hereto.
3. Corporate members are requested to send board resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
4. Members who hold shares in dematerialised form are requested to write their DP ID AND CLIENT ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting to facilitate easy identification of membership at the meeting.
5. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depository Participants and those holding shares in physical form are to intimate the said changes to the Registrar and Transfer Agent of the Company, at their address given below.
6. The Share Transfer Books and the Register of Members of the Company will remain closed on Wednesday, 2nd March, 2016, as an Annual Closure for Annual General Meeting.
7. Equity Shares of the Company are under compulsory demat trading by all investors. Those shareholders, who have not dematerialised their shareholding, are advised to dematerialise the same to avoid any inconvenience in future.
8. Brief Profile of Directors proposed to be appointed / re-appointed, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement / Listing Regulations 2015 with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialised form are therefore requested to submit their PAN to the Depository Participants with whom they are maintaining the demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer

Agent of the Company, at their address given below.

10. The Ministry of Corporate Affairs (MCA), Government of India, had taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and had issued circulars stating that service of notice / documents including Annual Report can be done by e-mail to its members.

To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested submit the same to the Registrar and Transfer Agent of the Company i.e. Link Intime India Private Limited, Block No. 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Pune - 411 001, (Maharashtra), Telephone No. 020 2616 1629 / 2616 0084.

The Notice of the Annual General Meeting along with the Annual Report 2014-15 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for the physical copy of the same.

11. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.
12. All documents referred to in the Notice or in the accompanying Statement are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10.00 a.m. to 12.00 noon, prior to the date of the Annual General Meeting and also available for inspection at the meeting.
13. Pursuant to Section 72 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. SH - 13 in duplicate (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
14. Voting through electronic means
- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement/ Listing Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Fifteenth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Poling Paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 28th February, 2016 (9:00 am) and ends on 1st March, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th February, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "BF_utilities_e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

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- (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "BF Utilities Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to deulkarcs@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the Fifteenth AGM :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 24th February, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 24th February, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or pune@linkintime.co.in .
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

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- XII. 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 as well as voting at the AGM through ballot paper.
- XIII. Mr. S. V. Deulkar, of SVD & Associates, Company Secretaries (Membership No. FCS 6156 & CP No. 2664) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the Fifteenth AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.bfutilities.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, Mumbai.

15. For members who wish to vote using Ballot Paper :

Pursuant to Clause 35B of the Listing Agreement / Listing Regulations, 2015, Members who do not have access to e-voting facility may fill in the Ballot Paper enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer appointed by the Board of Directors of the Company, Mr. S. V. Deulkar of SVD & Associates, Company Secretaries, at C/o BF Utilities Limited, Secretarial Department, Cyber City, Tower 15, Level 6, Office 602, Magarpatta City, Hadapsar Pune 411 013 so as to reach not later than 1st March, 2016 by 6:00 p.m. Ballot Paper received thereafter will be treated as invalid.

16. A member shall opt for only one mode of voting i.e either through remote e-voting or by Ballot Paper or by Poling Paper. If the member casts vote through all the modes, the votes in the electronic system would be considered and the Ballot Paper and / or Poling Paper would be ignored.

17. In terms of Section 152 of the Companies Act, 2013, Mr. Amit B. Kalyani (DIN:00089430) Director retires by rotation at the Meeting and being eligible offers himself for reappointment. The information as required under Clause 49 of the Listing Agreement/ Listing Regulations, 2015 with the Stock Exchanges, with respect to the retiring director is as under:

Mr. A. B. Kalyani, aged 40 years, is a Mechanical Engineer from Bucknell University, Pennsylvania, USA and has been on the Board of BF Utilities Limited since 2005. Mr. A.B. Kalyani is Executive Director of Bharat Forge Limited.

He initially worked with Kalyani Steels Ltd, followed by other companies within the Group. He then joined Bharat Forge in 1999 as Vice President and Chief Technology Officer, where he played a critical role responsible for implementing Unified MIS System SAP R3.

He later took charge of investor relations & fund raising such as GDR, FCCB, Rights Issue & ECBs, He was also instrumental in strategizing and execution of the several acquisitions that the Group had done in Germany.

Mr. Kalyani is currently an Executive Director on the board of Bharat Forge Limited, the flagship company of the Kalyani Group. While he is involved in the company's strategic planning & global business development initiatives, Mr. Kalyani also takes care of the overall Group strategy and is responsible for the expansion of its steel business and driving the infrastructure business foray of the Group.

Mr. A.B. Kalyani is a member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer Cum Shareholders' / Investors' Grievance and Risk Management Committee.

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

Name of the Company	Board position held	Name of the Committees	Chairman/Member
Bharat Forge Limited	Executive Director	-	-
Kalyani Steels Limited	Director	-	-
BF Investment Limited	Director	Audit Committee	Member
Kalyani Investment Co. Limited	Chairman	-	-
BF-NTPC Energy Systems Limited	Director	-	-
Hikal Limited	Director	-	-
BF Elbit Advanced Systems Private Limited	Director	-	-

Mr. A.B. Kalyani is holding 28,270 equity shares of Rs. 5/- each of the Company. He is son of Mr. B. N. Kalyani, Chairman of the company.

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

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

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

Sr. No.	Name of Director	No. of Shares held
1	Mr. A. B. Kalyani	28270
2	Ms. Aarti A. Sathe	Nil

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

By Order of the Board of Directors
 For BF Utilities Limited

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

Pune 411036
 28th November, 2015

ANNEXURE TO THE NOTICE

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

ANNEXURE TO THE NOTICE

As required by Section 102 (1) of the Companies Act, 2013 and pursuant to Clause 49 of the Listing Agreement/ Listing Regulations, 2015, the following Statement sets out all material facts relating to Item No. 4 and 5 in the accompanying Notice dated 28th November, 2015 of Annual General Meeting of the Company to be held on Wednesday, the 2nd day of March, 2016 at 11.30 a.m. at Kalyani Steels Ltd., at Mundhwa, Pune 411 036.

ITEM NO. 4 OF THE NOTICE:

The Board of Directors of the Company in its meeting held on 31st March, 2015 had appointed Ms. Aarti Sathe as an additional director on the Board of the Company to hold office upto the conclusion of the ensuing Annual General Meeting.

Ms. Sathe has submitted a declaration that she meets the criteria for independence as prescribed in Section 149(6) of the Act and Clause 49 of the Listing Agreement and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, is proposed to be appointed as an Independent Director on the Board 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. Aarti 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	Member

Ms. Sathe does not hold any shares of the Company. She is not related to any other Director on the Board of the Company.

Save and except, Ms. Sathe, to the extent of her shareholding interest, if any, in the Company, none of other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM NO. 5 OF THE NOTICE:

Further to the applicable provisions of Section 188 and any other provisions of the Companies Act, 2013 and Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Regulations" Under the said Regulations, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the shareholders by a Special Resolution.

The Company has been in the business of generating Wind Power. The Power generated from Wind Mills is supplied to Bharat Forge Limited. Considering the sizable requirement for power of Bharat Forge Limited, BF Utilities Limited will benefit by supplying entire power to a single customer i.e. Bharat Forge Limited.

The individual transaction values would be revised, if required, based on mutual discussions to align the same at arm's length rates,.

In compliance of the said Regulations, the Audit Committee of the Company has reviewed and approved the said ongoing transactions. These transactions would be material in terms of the provisions of Listing Regulations and therefore, the Board has proposed the same to be placed before the shareholders for their approval as a Special Resolution at the Annual General Meeting of the Company. The said approval would be effective for the period of five financial years with effect from April 1, 2015. Looking at the nature of business of the Company and the transactions, such approval of shareholders for the period of five years would be essentially required at this point of time.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

1. Name of the related party and nature of relationship :
Bharat Forge Limited, under same group
2. Applicability of the agreement / arrangement is subject to statutory approval, if any.
3. Notice period for termination : by mutual consent.
4. Manner of determining the pricing and other commercial terms : On arm's length basis, as far as possible and in tune with market parameters.
5. Disclosure of interest : Mr. B. N. Kalyani and Mr. Amit B. Kalyani are Directors of the Company and hold positions of Directors and Key Managerial Personnel of Bharat Forge Limited
6. Duration - 5 years, as stated above.
7. Monetary value : Estimated values as mentioned in the resolution.
8. Nature, material terms and particulars of the arrangement :

Company	Contract Purpose
Bharat Forge Limited	Sale of Electricity and other transactions incidental thereto

9. Any other information relevant or important for the members to make a decision on the proposed transaction : None.

The Board recommends the Special Resolutions set out at Item No.5 of the Notice for approval by the members.

Except as mentioned above, no Director, Key Managerial Personnel or their respective relatives is concerned or interested, financially or otherwise, in this resolution.

{Note- any reference in this Notice and other documents to the provisions of erstwhile Listing Agreement with the Stock Exchange applies *mutatis mutandis* to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.}

By Order of the Board of Directors
For BF Utilities Limited

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

Pune 411036
28th November, 2015

Management Discussion And Analysis

Wind Power : International Scenario

According to Bloomberg New Energy Finance (BNEF), global wind-power installations are expected to reach 63.7 GW in 2015, up 30 percent from 2014. New capacity in 2016 will be comparable, with Brazil, the US and India posting the biggest gains in terms of megawatts added, offsetting declines in China, Germany and Poland.

The International Energy Agency says renewable energy will overtake coal as the largest source of electricity by the early 2030s. In 2014, clean power accounted for 85 percent of the increase in generation worldwide, and from 2015 through 2040, the 3,600 GW of new renewable capacity will outstrip additions of all other forms of generation combined, the agency forecasts.

Wind Power : Domestic Scenario

ICRA expects annual wind capacity installations during the current year to improve to 2800 MW, a growth of about 20% over the previous year, driven both by the IPP as well non-IPP segments. While the former was encouraged by satisfactory feed-in tariff based PPAs in key wind energy rich states and cost competitiveness with conventional power, the latter derived benefits from the accelerated depreciation (AD) norms. Strong policy support by Government of India (as evident from wind based cumulative capacity target of 60 GW by FY2022 and from the proposed National Renewable Energy Act), coupled with cost competitiveness of wind energy tariff continue to support favorable demand outlook in the long run. As on June 30, 2015 the total installed wind energy based capacity stood at 23763 MW, constituting 9% of the overall installed capacity in the country; within the renewable energy segment, it continues to occupy a dominant share of 65%.

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Performance of Company's Wind Mill Project

As explained in Note 37 of Notes to the Accounts, realisation of power sales were held up due to changes in Open Access permission procedures during the first half of the year. The Company is already in appeals with MERC for necessary redressals.

Company has received Open Access permission for three years w.e.f. April 1, 2015. Company is confident that realisation for power generated during April 1, 2014 to March 31, 2015 will take place soon.

CORPORATE GOVERNANCE

Report on Corporate Governance

(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

The Company has included a compliance report on Corporate Governance in its Annual Report in the spirit of transparency in management and best board practices. This Chapter of the report, plus the information given under 'Management Discussion and Analysis' and 'Shareholder Information' constitute such a compliance report on corporate governance during 2014-2015.

2. Board of Directors

a. Composition of the Board

As at 30th September, 2015, the Board comprised of five Directors. The Composition of the Board is as under:

Category of Directors	No. of Directors
Executive	Nil
Non-Executive and Independent	3
Non-Executive and Non-Independent	2
Total	5

b. Number of Board Meetings

During the Financial Year under review, six Board Meetings were held on 28th November, 2014, 3rd February, 2015, 14th February, 2015, 31st March, 2015, 15th May, 2015 and 8th August, 2015.

c. Directors' attendance record and directorships held

The information on composition and category of the Board of Directors as at 30th September, 2015, attendance of each Director at Board Meetings held during the Financial Year 2014-15 and the Annual General Meeting (AGM) held on 30th March, 2015, Directorships and Committee positions in other public companies of which the Director is a Member / Chairman and the shareholding of Non-Executive Directors is as follows:

Sr. No.	Name of Director	No. of shares held by Non-Executive Directors	No. of Directorships in other public companies #	No. of Committee positions held in other public companies***		No. of Board Meetings held	Attendance at the meetings	
				Chairman	Member		Board	AGM
	Executive Director	NA	NA	NA	NA	NA	NA	NA
	Non-Executive Directors							
1	Mr. B. N. Kalyani @	7204	9	2	2	6	5	1
2	Mr. A. B. Kalyani @	28270	6	0	1	6	4	1
3	Mr. G. K. Agarwal *	455	1	N.A.	N.A.	6	4	1
	Independent and Non-Executive Directors							
4	Ms. A. A. Sathe **	0	1	0	1	6	1	0
5	Mr. B. B. Hattarki	0	8	4	3	6	5	1
6	Mr. S. S. Vaidya	0	5	2	2	6	6	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 as per Clause 49 of the Listing Agreement.

* Resigned as Director of the Company w.e.f. 31st March, 2015.

** Appointed as Additional Director w.e.f. 31st March, 2015.

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 Thursday, 31st March, 2015 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, taking into account the views of Executive Directors and Non-executive Directors;
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

f. 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 <http://www.bfutilities.com>

g. 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., <http://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.

h. 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.

e. 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.

3. Audit Committee

a. Composition

As at 30th September, 2015, the Audit Committee comprised of three Non-Executive 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, Five Meetings of the Committee were held on 28th November, 2014, 3rd February, 2015, 14th February, 2015, 15th May, 2015 and 8th August, 2015.

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

	Name of the Director	Category	Meetings attended
1.	Mr. S. S. Vaidya (Chairman)	Independent Director	5
2.	Mr. A. B. Kalyani	Non-Executive Director	3
3.	Mr. B. B. Hattarki	Independent Director	4

b. Terms of Reference

The terms of reference of the Audit Committee include the matters specified under Clause 49 (III) of the Listing Agreement entered into with the stock exchanges as well as those in Section 177 of the Companies Act, 2013. 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 before submission to the Board;
- xi. Reviewing with the management, external auditors and internal auditor, the adequacy of internal control systems;
- xii. Discussing with internal auditor any significant finding and follow up on such issues;
- xiii. Discussing with the external auditors before the audit commences on the nature and scope of audit, as well as having post audit discussion to ascertain any areas of concern;
- xiv. Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards;
- xv. Reviewing details of related party transactions exceeding 1% of last year's turnover;
- xvi. Reviewing the Company's financial and risk management policies;

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 Clause 49 of the Listing Agreement entered into with the stock exchanges at which the Company's Equity Shares are listed.

During the Financial Year under review, one meeting of the Committee was held on 31st March, 2015.

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	1
2.	Mr. S. S. Vaidya	Independent Director	0
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 Clause 49 (IV) of the Listing Agreement entered into with the stock exchanges 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.
- 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.

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. The copy of the same has been attached as "Annexure IV" to the Directors' Report.

The members at the Annual General Meeting of the Company held on 30th March, 2015, approved the payment of commission to the Non-Executive Directors, at the rate of 1% of the net profits of the Company computed in the manner laid down in Sections 197 and 198 of the Companies Act, 2013.

Details of the remuneration paid to the Directors during Financial Year 2014-15:

Information on remuneration of Directors for the year ended 30th September, 2015

Name of the Director	Relationship with other Directors	Sitting Fees	Salary and Perquisites	Commission	Total
Mr. B. N. Kalyani	Father of Mr. A. B. Kalyani	25000	N.A.	N.A.	25000
Mr. A. B. Kalyani	Son of Mr. B. N. Kalyani	20000	N.A.	N.A.	20000
Mr. G. K. Agarwal *	None	20000	N.A.	N.A.	20000
Mr. B. B. Hattarki	None	25000	N.A.	N.A.	25000
Mr. S. S. Vaidya	None	30000	N.A.	N.A.	30000
Ms. A. A. Sathe ®	None	5000	N.A.	N.A.	5000

Notes :

* Ceased to be a Director with effect from March 31, 2015.

@ Appointed as Additional Director with effect from March 31, 2015

d. BOARD DIVERSITY AND REMUNERATION POLICY

The Board on recommendation of the Nomination and Remuneration Committee, on 31st March, 2015, has approved Board Diversity and Remuneration Policy and the same is available on the Company's website <http://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 Clause 49 of the Listing Agreement 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 not exceeding 1% of the net profits of the Company for the year, 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. Share Transfers Cum Shareholders' / Investors' Grievance and Stake Holders' Relationship Committee

The Share Transfer Cum Shareholders' / Investors' Grievance and Stake Holders' Relationship Committee has been constituted to look into investors' complaints like transfer of shares, non-receipt of Balance Sheet, etc. and redressal thereof. The Committee is headed by Mr. B.B. Hattarki, Independent Director, with Mr. B. N. Kalyani, Non-Executive Director and Mr. S. S. Vaidya, Independent Director being the other Member of the Committee.

During the Financial Year under review, Twenty Two Share Transfers Cum Shareholders' / Investors' Grievance and 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

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

With reference to Clause 47(f) of the Listing Agreement, the Company has designated exclusive e-mail id for the investors as bfutilitiesltd@vsnl.net 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.

During the year ended 30th September, 2015, four complaints were received and replied to the satisfaction of the shareholders. One complaint was outstanding as at 30th September, 2015.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Considering the requirement of the Companies Act, 2013, the Board on 13th May, 2014 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 year 2014-15, the Corporate Social Responsibility Committee met on 28th November, 2014 and 31st March, 2015.

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. The Board on recommendation of the CSR Committee, on 28th November, 2014 has approved CSR Policy for the Company and the same is available on the Company's website <http://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	2	2
Mr. B. N. Kalyani	Non-Executive	2	2
Mr. A. B. Kalyani	Non-Executive	2	2

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, the Board on 28th November, 2014, has also constituted 'Risk Management Committee' to identify, monitor and minimise risks as also to identify business opportunities. Within the framework of the Risk Management Policy, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan. The Committee comprises of Mr. B. B. Hattarki, Independent Director - Chairman, Mr. S. S. Vaidya Independent Director and Mr. Amit B. Kalyani, Non-Executive Directors of the Company. No meeting of the Committee was held during the year.

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
2011-12	30 th March, 2013	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	10.30 A.M.
2012-13	24 th March, 2014	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	10.30 A.M.
2013-14	14 th July, 2014	Extra Ordinary General Meeting	Kalyani Steels Ltd., Pune 411036	10.30 A.M.
2013-14	30 th March, 2015	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	10.30 A.M.

In the Extra-Ordinary General meeting held on 14th July, 2014 a special Resolution pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the "Companies Act") and rules made thereunder, to the extent notified and in effect, and applicable provisions, if any, of the Companies Act, 1956, and all other related regulations for issue of securities aggregating to upto Rs.5,000 Million to the "Investors" was passed by requisite majority.

No Resolutions passed at the above General Meetings 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 Clause 49 of the Listing Agreement, except to the extent disclosed elsewhere in the Annual Report.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that may have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Note no. 31 to the 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.

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 <http://www.bfutilities.com>.

d. Policy for determining 'material' subsidiaries

As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy for determining 'material' subsidiaries, which has been put up on the website of the Company at <http://www.bfutilities.com>.

e. Related Party Transactions Policy

As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at <http://www.bfutilities.com>.

f. Disclosure by Management to the Board

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

ii. Non-Mandatory Requirements

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

a. Shareholders' Rights

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

b. Statutory Auditors' qualifications

There are no qualifications on the Standalone Financial Statements of the Company for the year ended 30th September 2015, made by the Statutory Auditors in their Audit Report. The observations on Consolidated Financial Statements are explained in the Directors Report.

iii. Other Requirements

Disclosure under Clause 5A II of the Listing Agreement 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 30th September, 2015, the total unclaimed equity shares are 71865, the share certificates of which have been returned undelivered.

8. PARTICULARS OF RE-APPOINTMENT OF DIRECTORS

The brief resumes and other details relating to the Directors who are proposed to be re-appointed, as required to be disclosed under Clause 49 of the Listing Agreement, are as under :

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

Mr. A. B. Kalyani, aged 40 years, is a Mechanical Engineer from Bucknell University, Pennsylvania, USA and has been on the Board of BF Utilities Limited since 2005. Mr. A.B. Kalyani is Executive Director of Bharat Forge Limited.

He initially worked with Kalyani Steels Ltd, followed by other companies within the Group. He then joined Bharat Forge in 1999 as Vice President and Chief Technology Officer, where he played a critical role responsible for implementing Unified MIS System SAP R3.

He later took charge of investor relations & fund raising such as GDR, FCCB, Rights Issue & ECBs, He was also instrumental in strategizing and execution of the several acquisitions that the Group had done in Germany.

Mr. Kalyani is currently an Executive Director on the board of Bharat Forge Limited, the flagship company of the Kalyani Group. While he is involved in the company's strategic planning & global business development initiatives, Mr. Kalyani also takes care of the overall Group strategy and is responsible for the expansion of its steel business and driving the infrastructure business foray of the Group.

Mr. A.B. Kalyani is a member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee.

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

Name of the Company	Board position held	Name of the Committees	Chairman/ Member
Bharat Forge Limited	Executive Director	-	-
Kalyani Steels Limited	Director	-	-
BF Investment Limited	Director	Audit Committee	Member
Kalyani Investment Co. Limited	Chairman	-	-
BF-NTPC Energy Systems Limited	Director	-	-
Hikal Limited	Director	-	-
BF Elbit Advanced Systems Private Limited	Director	-	-

Mr. A.B. Kalyani is holding 28,270 equity shares of Rs. 5/- each of the Company. He is son of Mr. B. N. Kalyani, Chairman the Company.

The Board of Directors of the Company in its meeting held on 31st March, 2015 had appointed Ms. Aarti Sathe as an additional director on the Board of the Company to hold office upto the conclusion of the ensuing Annual General Meeting.

Ms. Sathe has submitted a declaration that she meets the criteria for independence as prescribed in Section 149(6) of the Act and Clause 49 of the Listing Agreement and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, is proposed to be appointed as an Independent Director on the Board 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. Aarti 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	Member

Ms. Sathe does not hold any shares of the Company. She is not related to any other Director on the Board of the Company.

9. MEANS OF COMMUNICATION

a. Quarterly results

The Quarterly, Half Yearly and Annual Results are published in national and local newspapers, namely The Financial Express (English) and Loksatta (Marathi), having wide circulation. Since the Results of the Company are published in the newspapers, half yearly reports are not sent individually to the shareholders.

The Company's Results and official news releases are displayed on the Company's website namely <http://www.bfutilities.com>.

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, 2 nd March, 2016 Time : 11.30 a.m. Venue : Kalyani Steels Ltd., Mundhwa, Pune - 411 036, Maharashtra, India
Book Closure	Wednesday, 2 nd March, 2016 as annual closure for the AGM.
Last date of receipt of proxy forms	29 th February, 2016 upto 11.30 a.m.
Financial Year 2014-15	During the year the financial results were announced as under: First quarter : 3 rd February, 2015 Second quarter : 15 th May, 2015 Third quarter : 8 th August, 2015 Annual : 28 th November, 2015
International Security Identification Number (ISIN)	INE243D01012

Bombay Stock Exchange Limited (BSE)	532430
National Stock Exchange of India Limited, (NSE)	BFUTILITIE
Designated E-mail address for investor services	bfutilitiesltd@vsnl.net
Correspondence Address	Cyber City, Tower 15, Level 6, Office 602, Magarpatta City, Hadapsar Pune 411 013

b. Shareholding Pattern as on 30th September, 2015.

Category	No. of Shares	% of Shareholding
1. Promoter and Promoter Group	24,724,432	65.64
2. Mutual Funds / UTI	2,078	0.01
3. Financial Institutions / Banks	82,674	0.22
4. Bodies Corporate	4,197,468	11.14
5. Foreign Institutional Investors	106,935	0.28
6. Clearing Members	461,538	1.23
7. Non Resident Indians	156,528	0.42
8. General Public	7,935,975	21.06
Total	37,667,628	100.00

c. Distribution of Shareholding as on 30th September, 2015.

Pattern of shareholding by share class as on 30 th September, 2015			
Shareholding class	No. of shareholders	No. of shares Held	Shareholding %
Up to 5,000	42561	6201724	16.46
5,001 to 10,000	111	788242	2.09
10,001 to 20,000	42	608508	1.62
20,001 to 30,000	19	460137	1.22
30,001 to 40,000	9	316475	0.84
40,001 to 50,000	8	369425	0.98
50,001 to 100,000	14	1050213	2.79
100,001 and above	22	27872904	74.00
TOTAL	24,052	37,667,628	100.00

Dematerialisation of shares and liquidity (as on 30 th September, 2015)	35,316,184 (representing 93.76% 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.

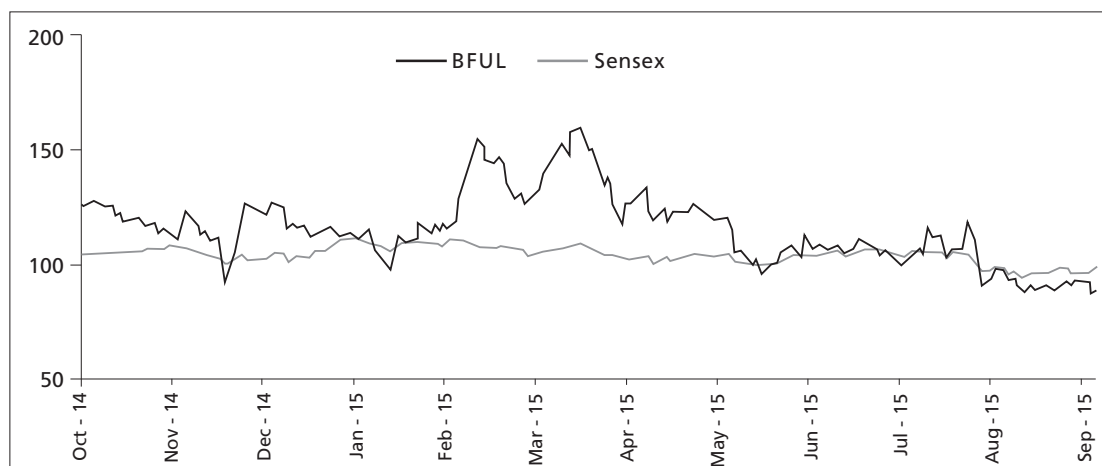
d. **Market Price Data**

Monthly high / low during the year 2014-15 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
Oct-14	735.00	505.10	4172386	736.00	504.00	10841494
Nov-14	692.40	594.00	1781542	693.00	594.15	3752544
Dec-14	689.00	437.05	5801067	688.40	430.30	15959868
Jan-15	682.95	580.00	3017802	684.00	580.00	6640691
Feb-15	661.70	514.45	4927124	661.05	515.10	12245327
Mar-15	890.00	605.00	11819314	890.00	604.00	35022718
Apr-15	872.00	606.15	7266221	872.00	605.45	18531827
May-15	717.65	619.25	3065521	716.90	617.50	7943756
Jun-15	649.00	497.05	4501514	648.80	495.00	9289673
Jul-15	602.70	521.00	2913885	602.80	523.45	6946107
Aug-15	652.00	448.00	6030462	652.00	446.00	17225721
Sep-15	515.75	454.20	2229325	515.85	453.30	5206695

e. **Performance in comparison to broad-based indices - BSE Sensex**

Quotes on BSE Sensex Index



f. **Share Transfer System**

- I. The applications for transfer of shares lodged at the Company's Registrar and Share Transfer Agents in physical form are processed within 15 days of receipt of valid and complete documents in all respects. After such processing, the Registrar and Share Transfer Agent will issue share certificate to the concerned shareholder within 15 days of receipt of certificate for transfer. Shares under objection are returned within a stipulated period of time. The transfer applications are approved periodically by the senior management of the Company.
- II. Pursuant to the Listing Agreement, 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 Fax No.020-26163503
Email : pune@linkintime.co.in

IV. 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 share holdings 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) 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.

(e) 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: bfutilitiesltd@vsnl.net.

(f) CEO / CFO Certification

The CEO Certificate signed by Mr. B. S. Mitkari and CFO Certificate signed by Mr. S. S. Joshi, was placed before the meeting of the Board of Directors held on 28th November, 2015.

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.

{Note- any reference in this Report to the provisions of erstwhile Listing Agreement with the Stock Exchange applies *mutatis mutandis* to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.}

For BF Utilities Limited

Place: Pune
Date: 28th November, 2015

B. B. Hattarki	A. B. Kalyani
Director	Director
DIN: 00145710	DIN: 00089430

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of BF Utilities Limited

Pursuant to SEBI (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 1st April, 2014.

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

For BF Utilities Limited

Place: Pune

Date: 28th November, 2015

B. S. Mitkari

Chief Executive Officer

S. S. Joshi

Chief Financial Officer

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of *BF Utilities Limited*

We have examined the compliance of conditions of Corporate Governance by BF Utilities Limited, for the year ended September 30, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Joshi Apte & Co.

Firm Registration Number: 104370W

Chartered Accountants

Prakash Apte

Partner

Place : Pune

Date : November 28, 2015

Membership Number: 033212

TO THE BOARD OF DIRECTORS OF BF UTILITIES LIMITED CERTIFICATION BY DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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 financial statements and the cash flow statement for 2014-15 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 the Company during the year 2014-15 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 and that we have evaluated the effectiveness of the internal control systems of the Company 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:
 - 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 statements; 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

November 28, 2015

A. B. KALYANI

Director

B. S. MITKARI

Chief Executive Officer

S. S. JOSHI

Chief Financial Officer

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER, 2015

To,

The Members,

Your Directors have pleasure in presenting their Fifteenth Annual Report on the business and operations of the Company together with Audited Statement of Accounts for the year ended 30th September, 2015.

1. FINANCIAL PERFORMANCE :

Particulars	(Rs. in Million)	
	Year ended 30 th Sept., 2015	Year ended 30 th Sept., 2014
Total Income	192.75	251.94
Total Expenditure	190.22	238.20
Profit before taxation	2.53	13.74
Exceptional Item : sale of Investments	40.40	0
Provision for tax (including Deferred Tax)	2.33	0.83
Net Profit	40.60	12.91
Adjustments relating to earlier years : Excess provision for taxation and tax payments	12.53	0
Balance of Profit/(Loss) from previous year	542.67	529.76
Add Profit for the year	53.13	12.91
Balance available for appropriation	595.80	542.67
Appropriations :	NIL	NIL
Balance carried to Balance Sheet	595.80	542.67

2. DIVIDEND :

Your Directors do not recommend any dividend on the equity shares for the year ended 30th September, 2015.

3. MANAGEMENT DISCUSSION AND ANALYSIS

A separate chapter on Management Discussion and Analysis is attached hereto and forms part of this report

4. COMPANY PERFORMANCE

During the Financial Year under review, your Company earned total income of Rs.19.27 Crores (previous years Rs.25.19 Crores). The net profit after tax is Rs.4.06 Crores (previous years Rs.1.29 Crores).

5. OPERATIONS OF THE COMPANY

The operations at Wind Farm site were affected due to labour problems and some other local issues. Despite such problems, the Company was able to generate 27.81 Million (Net) Units of power.

6. HUMAN RESOURCES

As on 30th September, 2015, the Company has 9 employees. The relations with Company's employees are cordial.

7. 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.

8. 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.

9. 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.

10. 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.

11. SUBSIDIARY COMPANIES

The Company has three subsidiary companies as on September 30, 2015.

The details are given in Annexure 'I'

12. 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'

13 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.

14. NUMBER OF MEETINGS OF THE BOARD

During the year under review, six 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 Listing Agreement.

15. 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 30th September 2015, 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 30th September 2015 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.

16. 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 Clause 49 of the Listing Agreement.

17. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board had on the recommendation of the Nomination and Remuneration Committee framed a 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.

18. AUDITORS

a. Statutory Auditors

The Board of Directors has recommended ratification of re-appointment of M/s. Joshi Apte & Co., Chartered Accountant, Pune (Firm Registration No.104370W), as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting (AGM) to be held on 2nd March, 2016 till the conclusion of next Annual General Meeting.

b. Secretarial Audit

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

19. 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. There are certain Audit Qualifications with respect to Consolidated Accounts. M/s. SVD & Associates, Practicing Company Secretary, in their Secretarial Audit Report have made certain qualifications. The auditors qualifications and Boards explanation thereto are summarized as under:

Auditors Qualifications	Boards' explanation
A) Financial Audit - Consolidated financial statements	
1. As stated in note no. 36 C accompanying consolidated financial statements, Nandi Economic Corridor Enterprises Limited (NECE) has given advances aggregating to Rs. 1,150,454,871 (Previous Year Rs.1,205,653,553) to Nandi Engineering Limited (NEL) for undertaking development of toll roads and townships and loans of Rs. 160,793,546 (Previous Year Rs. 170,678,545) given to NEL (including interest accrued but not due of Rs.10,793,546 (Previous Year	The management of Nandi Economic Corridor Enterprises Ltd. (NECE) has considered these advances as good based on the future additional work that is expected to be contracted to Nandi Engineering Ltd. once NECE receives / acquires the requisite land parcels.

Rs.20,678,545), which remain outstanding at the balance sheet date of NECE (i.e., 3 September, 2015), have been considered good and recoverable in the financial statements by the management of NECE based on future additional work expected to be contracted to NEL. In the absence of sufficient appropriate audit evidence, we are unable to form an opinion on the recoverability of the said amount.

2. As stated in note no. 31 E accompanying consolidated financial statements, Nandi Highway Developers Limited (NHDL) has accounted for the Retirement Benefits based on the premium given by Life Insurance Corporation (LIC) which is not as per actuarial valuation principles as required by Accounting Standard (AS) 15. We are unable to give the required effects and disclosures in the consolidated financial statements.

The management of Nandi Highway Developers Ltd. has accounted for the Retirement Benefit based on the premium given by Life Insurance Corporation of India (LIC).

B) Secretarial Audit Report

1. During the period from 1st October, 2014 to 31st March, 2015, the Company has failed to comply with Clause 49 (II) (A) of the Listing Agreement relating to maintaining 50% of the Composition of the Board as Independent Director.

The Company was looking for a suitable candidate for appointment of Independent Director. The Company has re-balanced its Board to comply with Clause 49 (II) (A) with effect from March 31, 2015, by inducting Independent Director.

2. During the period from 1st October, 2014 to 30th September, 2015, , even though the Company has complied with other requirements of related party transactions, the Company has failed to disclose the compliance on related party transaction in the quarterly corporate governance report filed by the Company as required under Clause 49 (VII) of the Listing Agreement.

There were no "material related party transactions" as defined under Listing Agreement during this period. The company is of the view that disclosure under Clause 49 is correctly filed.

3. The Company has failed to file Consolidated financial results of the Company within 60 days of the close of the Financial year with the Stock Exchange as required under Clause 41 of the Listing Agreement.

The Company has stated in Note No. 38 of its standalone financial statement that "Nandi Infrastructure Corridor Enterprises Ltd. (NICE) and Nandi Economic Corridor Enterprises Ltd. (NECE), which are the subsidiaries of the Company, have obtained extension of time u/s 96 of the Companies Act, 2013 from Registrar of Companies, Bangalore Karnataka. The Company will prepare consolidated financials, once the audited accounts of both the above mentioned subsidiaries are made available to the Company." The Company has subsequently filed the consolidated financial results with the Stock Exchange on 14th February, 2015.

4. The Company has failed to disclose the details of shares encumbered by promoter in the financial result filed by the Company with the Stock exchange under Clause 41 of the Listing Agreement for the quarter ended September 2014, December 2014, March 2015 and June 2015.

The disclosures were made under Clause 35 of the Listing Agreement. The Company has taken the necessary steps to rectify the same in future reports.

5. The Company has failed to disclose the fact for pending Open Access Permission from MSEDCL for the period 1st April, 2014 to 31st March, 2015 and consequent appeal filed by the Company with MERC under Clause 36 of the Listing Agreement. However, the Company reports this information in the quarterly results filed by the Company with Stock Exchange.

MSEDCL has not rejected the Open Access permission. There is no show cause notice from MSEDCL on this matter. There is no time limit for MSEDCL to grant Open Access permissions. In earlier years also permission from MSEDCL was delayed and the Company had no reasons to believe that there would be such an inordinate delay. However, since the permission was not forthcoming, the Company has preferred an appeal with MERC. Therefore the Company is of the view that reporting on this matter under clause 36 is not required. Necessary disclosures were made in quarterly results filed under Clause 41.

- | | |
|--|---|
| <p>6. The Company has not expended any amount for Corporate Social Responsibility activities of the Company.</p> | <p>The Company has identified the areas and the projects for spending the amounts allocated for CSR activities. The same will be spent in due course of time.</p> |
| <p>7. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company were appointed on 31st March, 2015, therefore during the period from 1st October, 2014 to 30th March, 2015, the Company had no CEO & CFO as required under Section 203 of the Companies Act, 2013.</p> | <p>The Company was looking for a suitable candidate for appointment of CEO & CFO. The Company has appointed a CEO & a CFO on March 31, 2015.</p> |
| <p>8. Section 152 (6) of the Companies Act, 2013 require atleast 1/3rd of the director to retire by rotation at the Annual General Meeting (AGM) of the Company. In the AGM of the Company held on 30th March, 2015 only one director retired by rotation.</p> | <p>The Company is of the view that Independent Directors should be excluded while computing the number of Directors liable to retire by rotation. In such case only one Director is liable to retire by rotation.</p> |
| <p>9. During the Financial Year, the Company has failed to file following forms with the Registrar of Companies as required under Section 179 and 77 of the Companies Act, 2013 and the rules made thereunder: Board Meeting 28.11.2014</p> | <p>Company has initiated the process for filing of application of condonation of delay for the same.</p> |
| <p>a. Form Mgt 14 - Noting of Disclosure of Interest by the Directors under section 184 of the Companies Act, 2013</p> | |
| <p>b. Form Mgt 14 - Approval of Standalone Financial Results for the quarter and year ended 30.09.2014. Board Meeting 03.02.2015</p> | |
| <p>c. Form Mgt 14 - Noting of Disclosure of Interest by the Directors under Section 184 of the Companies Act, 2013 Board Meeting 14.02.2015</p> | |
| <p>d. Form Mgt 14 - Approval of Consolidated Financial Results for the quarter and year ended 30.09.2014 and Approval of Consolidated Financial Statement for the year ended 30.09.2014.</p> | |
| <p>e. Form Mgt 14 - Approval of the Board for providing security as stated in section 179 of the Companies Act, 2013</p> | |
| <p>f. Form CHG 1 - for pledge of shares held in the subsidiary Company to Kotak Mahindra Bank as a security for loan availed by the subsidiary Company.</p> | |

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

During the year, the Company has not invested any funds in equity capital of any company. 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 company has not granted any loans and issued corporate guarantees during the year.

21. 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.31 to the Financial Statements.

22. STATE OF COMPANY'S AFFAIRS

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

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. BOARD EVALUATION

Pursuant to provisions of the Companies Act, 2013, Rules thereunder and Clause 49 of Listing Agreement, the Board has carried out evaluation of its own performance and that of its Committees and individual Directors.

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

The details are given in Annexure 'I'

30. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

31. 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. B.B. Hattarki *	Independent Director	Five consecutive years commencing from 30 th March 2015 up to 29 th March, 2020
Mr. S. S. Vaidya *	Independent Director	Five consecutive years commencing from 30 th March 2015 up to 29 th March, 2020

Name of Director	Designation	Term of appointment
Ms. A.A. Sathe	Additional Director	Upto the ensuing Annual General Meeting
Mr. B.N. Kalyani	Director	Re-appointed with effect from 30 th March 2015, subject to retirement by rotation

* Appointed as Independent Directors in accordance with Section 149 of Companies Act, 2013 and Clause 49 of the Listing Agreement.

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 under Clause 49 of the Listing Agreement with the Stock Exchanges.

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

Name of the KMP	Designation
Mr. B. S. Mitkari	CEO & Company Secretary
Mr. S. S. Joshi	CFO

33. Directors and KMP's resigned during the year

Mr. G. K. Agarwal, Non-executive Director of the Company has tendered his resignation effective from March 31, 2015 due to personal reason and ceased to be the Director of the Company. The Directors place on record their appreciation for the valuable contribution made by Mr. G. K. Agarwal.

None of the KMPs resigned during the year ended 30th September, 2015.

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

Mr. A.B. Kalyani retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Ms. A.A. Sathe was appointed as Additional Director on March 31, 2015. Her term of office expires at the end of the ensuing Annual General Meeting. A proposal for her appointment of Independent Director is placed for the approval of members at the ensuing 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 Clause 49 of the Listing Agreement, form part of the Notes and Statement setting out material facts annexed to the Notice of the Annual General Meeting.

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

Hospet Bellary Highways Pvt. Ltd. ceased to be an Associate Company, consequent to sale of shareholding.

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

None.

37. 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.

38. 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.

39. COMPOSITION OF AUDIT COMMITTEE

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

40. 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.

41. CASH FLOW

A Cash Flow Statement for the year ended 30th September 2015 is attached to the Balance Sheet.

42. CORPORATE GOVERNANCE

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

43. 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.

{Note- any reference in this Report to the provisions of erstwhile Listing Agreement with the Stock Exchange applies *mutatis mutandis* to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.}

For and on behalf of the Board of Directors

Pune
28th November, 2015

B.B. Hattarki
Director
DIN:00145710

A.B. Kalyani
Director
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 APRIL 1, 2014 TO MARCH 31, 2015 :

Name and Registered Office of the Joint Venture Company	% Holding	Particulars	Amount (' in lakhs)
Nandi Infrastructure Corridor Enterprise Limited No 1, Midford House, Midford Gardens, Off M.G. Road, Bangalore Karnataka- 560001	74.52	Total Income	70.13
		Total Expenditure	48.08
		Profit / (Loss) before exceptional items and taxation	21.34
		Exceptional items	(73.45)
		Profit / (Loss) before taxation	(52.11)
		Provision for tax (including Deferred Tax)	(6.42)
		Net Profit / (Loss)	(58.53)
		Balance of Profit / (Loss) from previous year	(154.58)
		Less: Proposed Dividend	-
		Less : Dividend Distribution Tax	-
		Less : Transferred to General Reserve	-
Balance carried to Balance Sheet	(213.11)		
Nandi Economic Corridor Enterprises Limited No.1, Midford House, Midford Gardens, Off M.G. Road, Bangalore, Karnataka - 560001	48.27	Total Income	46109.35
		Total Expenditure	34805.72
		Profit / (Loss) before taxation	11303.63
		Provision for tax (including Deferred Tax)	-
		Net Profit / (Loss)	11303.63
		Balance of Profit / (Loss) from previous year	(77907.80)
		Less: Adjustment of Depreciation	749.57
		Less: Transfer to General Reserve	-
		Less: Proposed Dividend	-
		Less: Dividend Distribution Tax	-
		Balance carried to Balance Sheet	(65854.60)
Nandi Highway Developers Limited No.1, Midford House, Midford Garden, Off M.G. Road Bangalore, Karnataka - 560001	69.53	Total Income	4177.23
		Total Expenditure	3809.00
		Profit / (Loss) before taxation	368.23
		Provision for tax (including Deferred Tax)	76.37
		Net Profit / (Loss)	291.86
		Balance of Profit / (Loss) from previous year	1355.77
		Less: Transfer to General Reserve	-
		Less: Proposed Dividend	-
		Less: Dividend Distribution Tax	-
		Balance carried to Balance Sheet	1647.63

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		
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	N.A. N.A.	
III.	The percentage increase in the median remuneration of employees in the financial year	13.34%		
IV.	The number of permanent employees on the rolls of Company	9		
V.	The Explanation on the relationship between average increase in remuneration and company performance	Increase in remuneration is in line with the responsibilities of employees.		
VI.	Comparison on the remuneration of the Key Managerial Personnel against the performance of the Company	The remuneration is not solely based on company performance but also includes various other factors like individual performance, industry trends, economic situation, future growth prospects, etc. The Board believes that the remuneration is in line with the industry.		
VII.	Variation in the market capitalizations of the date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies		As on 30 th September	
			2015	2014
		Market Capitalisation * (Rs. in Crores)	1762	2090
	PE Ratio *	331	1632	
		* Source NSE. The Company had not made any public offer.		
VIII.	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	12.98%		
		14.45%		
IX.	Comparison of the each remuneration of the KMP against the performance of the Company	The remuneration is not solely based on company performance but also includes various other factors like individual performance, industry trends, economic situation, future growth prospects, etc. The Board believes that the increase is in line with the industry.		
X.	The key parameters for any variable component of remuneration availed by the Directors	N.A.		
XI.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	N.A.		
XII.	Affirmation	The Board affirms that the remuneration is as per the Nomination and Remuneration policy of the Company.		

Sr. No.	Particulars		
XIII.	Statement showing the name of every employee of the Company, who- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh 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 five lakh 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.	Name Remuneration Received Nature of Employment Qualification Experience Date of Commencement of employment Age Last employment % age of Equity Shares held Whether relative of any Director	B. S. Mitkari * Rs.75,00,000 Permanent employee B. Com. FCS, AICWA 25 Years 26 th August, 2001 48 years Ador Powertron Industries Ltd. NIL No

* Redesignated as CEO on 31st March, 2015

** Redesignated as CFO on 31st March, 2015

For and on behalf of the Board of Directors

Pune
28th November, 2015

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 30 September, 2015)

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. Correspondence address: Cyber City, Tower 15, Level 6, Office 602, Magarpatta City, Hadapsar, Pune- 411 013 Phone : (020) 66292550 E-mail : bfutilitiesltd@vsnl.net 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 Fax: +91(20) 2616 3503 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, Midfords House, Midford Gardens, Off. M. G. Road, Bangalore - 560 001	U85110KA1996PLC019619	Subsidiary	74.52	2(6)
2.	Nandi Economic Corridor Enterprises Ltd. No.1, Midfords House, Midford Gardens, Off. M. G. Road, Bangalore - 560 001	U85110KA2000PLC026939	Subsidiary	48.27	2(6)
3.	Nandi Highway Developers Ltd. No.1, Midfords House, Midford Gardens, Off. M. G. Road, Bangalore - 560 001	U85110KA1996PLC019621	Subsidiary	69.53	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				No. of shares held at the end of the year				% 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	103025	8	103033	0.27	103025	8	103033	0.27	0.00
b) Central Government / State government(s)	0	0	0	0	0	0	0	0.00	0.00
c) Bodies Corporate	24621399	0	24621399	65.36	24621399	0	24621399	65.36	0.00
d) Financial Institutions / Banks	0	0	0	0	0	0	0	0.00	0.00
e) Any Others (Specify)	0	0	0	0	0	0	0	0.00	0.00
Sub Total (A)(1)	24724424	8	24724432	65.64	24724424	8	24724432	65.64	0.00
(2) Foreign									
a) Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0.00	0.00
b) Bodies Corporate	0	0	0	0	0	0	0	0.00	0.00
c) Institutions	0	0	0	0	0	0	0	0.00	0.00
d) Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
e) Any Others (Specify)	0	0	0	0	0	0	0	0.00	0.00
Sub Total (A)(2)	0	0	0	0	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	24724424	8	24724432	65.64	24724424	8	24724432	65.64	0.00
(B) Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	30582	170	30752	0.08	1908	170	2078	0.01	-0.07
b) Financial Institutions / Banks	30613	1704	32317	0.09	80970	1704	82674	0.22	0.13
c) Central Government / State Government(s)	0	0	0	0	0	0	0	0.00	0.00
d) Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
e) Insurance Companies	31549	0	31549	0.08	31549	0	31549	0.08	0.00
f) Foreign Institutional Investors	283336	0	283336	0.75	106935	0	106935	0.28	-0.47
g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0.00	0.00
h) Qualified Foreign Investors	0	0	0	0	0	0	0	0.00	0.00
i) Any other (Specify)	0	0	0	0	0	0	0	0.00	0.00
Sub-Total (B)(1)	376080	1874	377954	1.00	221362	1874	223236	0.59	-0.41
B(2) Non-Institutions									
a) Bodies Corporate	2427187	1580253	4007440	10.64	2617633	1579835	4197468	11.14	0.50
b) Individuals									
l) Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	5198434	792147	5990581	15.90	5817300	764732	6582032	17.47	1.57

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% 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. 1 lakh.	2221769	0	2221769	5.90	1295341	0	1295341	3.44	-2.46
c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
d) Any Others (Specify)									
i) Clearing Members	211147	0	211147	0.56	461538	0	461538	1.23	0.67
ii) Foreign Portfolio Investor (Corporate)					25033	0	25033	0.07	0.07
iii) Non Resident Indian (Repat)	91905	1841	93746	0.25	103531	1841	105372	0.28	0.03
iv) Non Resident Indian (Non Repat)	35485	3154	38639	0.10	48002	3154	51156	0.14	0.04
v) Overseas Bodies Corporates	350	0	350	0.00	350	0	350	0.00	0.00
vi) Trusts	1570	0	1570	0.00	1670	0	1670	0.00	0.00
Sub-Total (B)(2)	10187847	2377395	12565242	33.36	10370398	2349562	12719960	33.77	0.41
(B) Total Public Shareholding (B)= (B)(1)+(B)(2)	10563927	2379269	12943196	34.36	10591760	2351436	12943196	34.36	0.00
Total (A)+(B)	35288351	2379277	37667628	100	35316184	2351444	37667628	100	0.00
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
(1) Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
(2) Public	0	0	0	0	0	0	0	0	0
Sub-Total (C)	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	35288351	2379277	37667628	100	35316184	2351444	37667628	100	0.00

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1/10/2014)			Shareholding at the end of the year (30/9/2015)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	
1	Babasaheb Neelkanth Kalyani Promoter	7204	0.02	0.00	7204	0.02	0.00	0.00
2	Ajinkya Investment & Trading Company	10292103	27.32	0.00	10292103	27.32	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	4.92	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	211103	0.56	0.00	211103	0.56	0.00	0.00
9	Rajgad Trading Co Pvt Limited	151674	0.40	0.00	151674	0.40	0.00	0.00
10	Kalyani Consultants Pvt Limited	149500	0.40	0.00	149500	0.40	0.00	0.00

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1/10/2014)			Shareholding at the end of the year (30/9/2015)			% 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	
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	Amit Babasaheb Kalyani	28270	0.08	0.00	28270	0.08	0.00	0.00
18	Rohini Gaurishankar Kalyani	2000	0.01	0.00	2000	0.01	0.00	0.00
19	Dr Meera Kheny	700	0.00	0.00	700	0.00	0.00	0.00
20	Ashok Kumar Kheny	672	0.00	0.00	672	0.00	0.00	0.00
21	Sugandha Jai Hiremath	400	0.00	0.00	400	0.00	0.00	0.00
22	Sulochana Neelkanth Kalyani Jointly Mr.B. N. Kalyani	8	0.00	0.00	8	0.00	0.00	0.00
		24724432	65.64	4.92	24724432	65.64	0.00	0.00

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

Sr. No.	Particulars	Shareholding at the beginning of the year i.e.01/10/2014		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
There was no change in Promoters' shareholding during the year.					

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

Sr. No.	Particulars	Shareholding at the beginning of the year i.e.01/10/2014		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	3218806	8.55		
1	Krutadnya Management And Trading Services LLP	1568600	4.16	-	-
2	Nerul Impex Pvt Ltd.	328673	0.87	-	-
3	Satishchandra Shantilal Doshi	191330	0.51	-	-
4	Hitesh Satishchandra Doshi	186203	0.49	-	-
5	Nimesh Arvind Doshi	180000	0.48	-	-
6	Finolex Cables Limited	168750	0.45	-	-
7	Ketan S Shah	150000	0.40	-	-
8	Nemish S Shah	150000	0.40	-	-
9	Alchemy India Long Term Fund Limited	150000	0.40	-	-
10	Kalyani Exports & Investments Pvt.Ltd.	145250	0.39	-	-

Sr. No.	Particulars	Shareholding at the beginning of the year i.e.01/10/2014		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 end of the year (or on the date of separation, if separated during the year)				
1	Krutadnya Management And Trading Services Lp	-	-	1568600	4.16
2	Nerul Impex Pvt Ltd	-	-	328673	0.87
3	Citibank N.A.	-	-	212085	0.56
4	Nimesh Arvind Doshi	-	-	180000	0.48
5	Finolex Cables Limited	-	-	168750	0.45
6	Hitesh Satishchandra Doshi	-	-	165696	0.44
7	Nemish S Shah	-	-	150000	0.40
8	Ketan S Shah	-	-	150000	0.40
9	Kalyani Exports & Investments Pvt.Ltd.	-	-	145250	0.39
10	Aboli Investment Pvt Ltd	-	-	136900	0.363
	At the end of the year			3205954	8.51

Note:

- In case of joint holding, the names of first holder is considered.
- The shareholding details given above are based on the legal ownership and not beneficial ownership and is derived on the folio number listing provided by the Registrar and share Transfer agent of the Company.
- Since the shareholding of top ten shareholders are held in electronic form, it is not feasible to provide date-wise increase or decrease in the shareholding pattern of top ten shareholders during the Financial 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.01/10/2014		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	35929	0.10		
1	Mr. B. N. Kalyani	7204	0.02	-	-
2	Mr. A. B. Kalyani	28270	0.08	-	-
3	Mr. G. K. Agarwal #	455	0.00	-	-
4	Mr. B. B. Hattarki	0	0.00	-	-
5	Mr. S. S. Vaidya	0	0.00	-	-
6	Ms. A. A. Sathe @	0	0.00	-	-
7	Mr. B. S. Mitkari *	0	0.00	-	-
8	Mr. S. S. Joshi *	0	0.00	-	-
	At the end of the year				
1	Mr. B. N. Kalyani	-	-	7204	0.02
2	Mr. A. B. Kalyani	-	-	28270	0.08
3	Mr. B. B. Hattarki	-	-	0	0.00
4	Mr. S. S. Vaidya	-	-	0	0.00
5	Ms. A. A. Sathe @	-	-	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			35474	0.10

Resigned as Director on 31st March, 2015

@ Appointed as Additional Director of the Company with effect from 31st March, 2015

* Appointed as Key Managerial Personnel on 31st March, 2015

V. INDEBTEDNESS

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

(In Million)

		Secured Loans excluding deposits	Unsecured Loans	Sales Tax Deferral	Total Indebtedness
	Indebtedness as at October 1, 2014				
i)	Principal Amount	300	152.10	615.10	1067.20
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	8.98	2.52	-	11.50
	Total (i+ii+iii)	308.98	154.62	615.10	1078.70
	Change in Indebtedness during the financial year				
	Addition	-	115.40	-	115.40
	(Reduction)	(300)	(15.80)	(112.87)	(428.67)
	Net Change	(300)	99.60	(112.87)	(313.27)
	Indebtedness as at September 30, 2015				
i)	Principal Amount	-	251.70	502.23	753.93
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	12.04	-	12.04
	Total (i+ii+iii)	-	263.74	502.23	765.97

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

N.A.

B. Remuneration to other Directors:

Details of the remuneration paid to the Directors during Financial Year 2014-15:

Information on remuneration of Directors for the year ended 30th September, 2015

Name of the Director	Relationship with other Directors	Sitting Fees	Salary and Perquisites	Commission	Total
Mr. B. N. Kalyani	Father of Mr. A. B. Kalyani	25000	N.A.	N.A.	25000
Mr. A. B. Kalyani	Son of Mr. B. N. Kalyani	20000	N.A.	N.A.	20000
Mr. G. K. Agarwal *	None	20000	N.A.	N.A.	20000
Mr. B. B. Hattarki	None	25000	N.A.	N.A.	25000
Mr. S. S. Vaidya	None	30000	N.A.	N.A.	30000
Ms. A. A. Sathe @	None	5000	N.A.	N.A.	5000

Notes : * Ceased to be a Director with effect from March 31, 2015.

@ Appointed as Additional Director with effect from March 31, 2015

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

Amount in Rupees

Particulars of Remuneration	Mr. B.S. Mitkari * CEO & Company Secretary	Mr. S. S. Joshi * CFO	Total Amount
Gross Salary			
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24,25,198	6,48,835	30,74,033
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL
Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
Stock Option	NIL	NIL	NIL
Sweat Equity	NIL	NIL	NIL
1. Commission			
- As % profit			
Others, specify ...	NIL	NIL	NIL
2. Others, please specify (Company's contribution towards Provident Fund and Superannuation)	118,260	20,010	138270
Total	25,43,458	6,68,845	32,12,303

* appointed as Key Managerial Personnel from 31st March, 2015. (Remuneration prorata)

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

Pune
28th November, 2015

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)

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 Three (3) Non-Executive Director of which majority are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, as amended from time to time, read along with the applicable rules thereto and Clause 49 under the Listing Agreement. 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 the 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**
 - 2.4.1. Any Director
 - 2.4.2. CEO;
 - 2.4.3. Chief Financial Officer; and
 - 2.4.4. Company Secretary;
- 2.5. **Listing Agreement** means Agreement, as amended from time to time, executed with Stock Exchanges for Listing of Securities of the Company.
- 2.6. **Senior Management** means personnel of the Company who are members of its core management team being functional heads,

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. Formulate the criteria for determining qualifications, positive attributes and independence of the director.
- 3.1.2. 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.
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

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) Managing Director / Whole-time Director :

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director 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 and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company 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 employee 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 reason 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 authorised 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 / Managing Director, 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 authorised 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 if it is not able to comply with such provisions, approval of the Central Government.

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 or without the prior sanction of the Central Government, where required, 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 permitted by the Central Government.

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 Articles of Association of the Company and 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. Minimum two (3) members 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 such regular intervals as may be required.

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 nay 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 being 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 : March 31, 2015
Place : Pune

A.B. KALYANI
DIRECTOR

ANNEXURE V TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2015

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

To,

The Members,
BF Utilities Limited, Pune.

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 a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on 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 30th September, 2015 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 30th September, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder; (in so far as they are made applicable) and the Companies Act, 1956 (to the extent applicable)
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (not applicable to the company during the audit period.)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/ 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, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (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;
 - (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) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (not applicable to the company during the audit period.)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable to the company during the audit period.)
- (vi) The specific laws applicable to the Company:-
 - a) Electricity Act, 2003;
We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India with effect from 1st July, 2015.
 - (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s).

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

1. *During the period from 1st October, 2014 to 31st March, 2015, the Company has failed to comply with Clause 49 (II) (A) of the Listing Agreement relating to maintaining 50% of the Composition of the Board as Independent Director.*
2. *During the period from 1st October, 2014 to 30th September, 2015, , even though the Company has complied*

with other requirements of related party transactions, the Company has failed to disclose the compliance on related party transaction in the quarterly corporate governance report filed by the Company as required under Clause 49 (VII) of the Listing Agreement.

3. The Company has failed to file Consolidated financial results of the Company within 60 days of the close of the Financial year with the Stock Exchange as required under Clause 41 of the Listing Agreement.
4. The Company has failed to disclose the details of shares encumbered by promoter in the financial result filed by the Company with the Stock exchange under Clause 41 of the Listing Agreement for the quarter ended September 2014, December 2014, March 2015 and June 2015.
5. The Company has failed to disclose the fact for pending Open Access Permission from MSEDCL for the period 1st April, 2014 to 31st March, 2015 and consequent appeal filed by the Company with MERC under Clause 36 of the Listing Agreement. However, the Company reports this information in the quarterly results filed by the Company with Stock Exchange.
6. The Company has not expended any amount for Corporate Social Responsibility activities of the Company.
7. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company were appointed on 31st March, 2015, therefore during the period from 1st October, 2014 to 30th March, 2015, the Company had no CEO & CFO as required under Section 203 of the Companies Act, 2013.
8. Section 152 (6) of the Companies Act, 2013 require atleast 1/3rd of the director to retire by rotation at the Annual General Meeting (AGM) of the Company. In the AGM of the Company held on 30th March, 2015 only one director retired by rotation.
9. During the Financial Year, the Company has failed to file following forms with the Registrar of Companies as required under Section 179 and 77 of the Companies Act, 2013 and the rules made thereunder:
Board Meeting 28.11.2014
 - a. Form Mgt 14 ñ Noting of Disclosure of Interest by the Directors under section 184 of the Companies Act, 2013
 - b. Form Mgt 14 - Approval of Standalone Financial Results for the quarter and year ended 30.09.2014.
Board Meeting 03.02.2015
 - c. Form Mgt 14 ñ Noting of Disclosure of Interest by the Directors under Section 184 of the Companies Act, 2013
Board Meeting 14.02.2015
 - d. Form Mgt 14 ñ Approval of Consolidated Financial Results for the quarter and year ended 30.09.2014 and Approval of Consolidated Financial Statement for the year ended 30.09.2014.
 - e. Form Mgt 14 ñ Approval of the Board for providing security as stated in section 179 of the Companies Act, 2013
 - f. Form CHG 1 ñ for pledge of shares held in the subsidiary Company to Kotak Mahindra Bank as a security for loan availed by the subsidiary Company.

We further report that

The Board of Directors of the Company is duly constituted subject to our comments referring to Independent Directors in our observations detailed above, other changes in the composition of the Board of Directors made during the period under review were carried out in compliance with the provisions of the Act.

Notices for Board Meetings and committee meetings were generally sent at least seven days in advance

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 for the period 1st April 2014 to 31st March, 2015, the Company has applied for Open Access Permission to Maharashtra State Electricity Distribution Co. Ltd (MSEDCL). However due to policy issues at MSEDCL, it has not granted Open Access Permission to the Company, consequently credit notes are awaited from MSEDCL. The Company has preferred an appeal with MERC against the decision of MSEDCL. In case of unfavourable decision by MERC and consequent sale of power to MSEDCL, the profits of the Company for that quarter would be lower by about Rs. 405.40 lakhs net of Tax. However the Company has received Open Access permission for 3 years from 1st April, 2015. The Company regularly reports this information in the quarterly results filed with Stock Exchange under Clause 41 of the listing Agreement

FOR SVD & ASSOCIATES

S V Deulkar
PARTNER
FCS No. 1321
C P No. 965

Place: Pune
Date: 28.11.2015

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 Electricity and other transactions incidental thereto.
c.	Duration of the contracts / arrangements / transactions	On going basis from April 1, 2015
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

B. N. Kalyani
Chairman

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 September 30, 2015.

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 : Documentation in process.
- 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
Howitzer Gun	2013	In progress	Documentation in process

- 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 : Rs.25.61 Million.

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 <http://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.34,053,051.
4. Prescribed CSR Expenditure (two percentage of the amount as in item 3 above) : Rs.681,061.
5. Details of CSR spent during the Financial Year:
- (a) Total amount to be spent for the financial year : Rs.681,061.
- (b) Amount unspent , if any; : Rs.681,061.
- (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 : *The Company has identified the areas and the projects for spending the amounts allocated for CSR activities. The same will be spent in due course of time.*
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.

Pune
28th November, 2015

Sd/-
B. B. Hattarki
Chairman CSR Committee
DIN: 00145710

Sd/-
A, B. Kalyani
Director
DIN: 00089430

INDEPENDENT AUDITORS' REPORT

To
The Members
BF Utilities Limited,
Pune.

Report on the Standalone Financial Statements

We Joshi Apte & Co. Chartered Accountants have audited the accompanying standalone financial statements of BF Utilities Limited ("the Company") which comprise the Balance Sheet as at 30 September, 2015, the Statement of Profit and Loss, the Cash Flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management' Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

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, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 30 September, 2015, and its profit and its cash flows for the period then ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- (a) We draw attention to Note No.35 to the accompanying 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 financial statements, pending the final outcome of these cases.

Note 35-

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 financial statements, pending final outcome of the cases.

- (b) As stated in note no. 37 in the financial statements, in an event of non-receipt of Open Access Permission from Maharashtra State Electricity Distribution Co. Ltd., (MSEDCL) and consequent sale of power from April 2014 to March 2015 to MSEDCL, the profits of the Company for the accounting period ended on 31 March, 2015 would be lower by Rs. 40.5 Million (net of tax).

Note 37-

The Company is required to apply for Open Access Permission to Maharashtra State Electricity Distribution Co. Ltd., (MSEDCL) every financial year. Upon receipt of the Open Access Permission, the credit notes are issued by MSEDCL for power generated at the Company's Wind Farm at Satara which are subsequently adjusted in the power bill of the customer in Pune.

The Company has applied for Open Access Permission to MSEDCL for the financial year 1 April, 2014 to 31 March, 2015 well in time. However, due to certain policy issues at MSEDCL, it has still not granted Open Access Permission to the Company for the said year and consequently credit notes for this period are awaited from MSEDCL. The Company had preferred an appeal with MERC against the decision of MSEDCL.

Pending issuance of these credit notes, the Company has recognized revenue from power generation during 1 April, 2014 to 31 March, 2015 at the average power tariff rate at Rs. 5.75 per unit generated.

In case of unfavorable decision by MERC and consequent sale of power to MSEDCL, at Rs. 2.52 per unit generated, as per case no. 58 of 2008 issued by MSEDCL, the profits of the Company for that year would be lower by about Rs.40.5 Million net of tax.

However the Company has received Open Access Permission for 3 years from 1 April, 2015

Our opinion is not qualified in respect of the above matters

Report on Other Legal and Regulatory Matters

1. As required by the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order .
2. Further, as required by section 143(3) of the Companies Act, 2013, we further report that:
 - (i) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by us in the Report are in agreement with the books of account.
 - (iv) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (v) On the basis of the written representations received from the directors as on 30 September, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 30 September, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (vi) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has, in accordance with generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 26 & 27 to the financial statement;
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

For Joshi Apte & Co.
Chartered Accountants
ICAI Firm Registration Number: 104370W

P. J. Apte
Partner

Membership Number: 033212

Pune
28th November, 2015

ANNEXURE 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)

RE: BF Utilities Limited ("the Company")

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets were physically verified during the period by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals having regards to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
2. Considering the nature of the Company, the provisions of clause 3 (ii) (a),(b) and (c) of the Order pertaining to the physical verification of inventory and maintenance of inventory records are not applicable to the Company.
3. 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 Act.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations for purchase of fixed assets, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of goods and services. The activities of the Company do not involve activities of purchase of inventory. During the course of our audit, we have not observed any major weakness in such internal control system.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. 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.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, income tax, sales tax, wealth tax, service tax, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, value added tax, cess and other material statutory dues in arrears as at 30 September, 2015 for a period of more than six months from the date they became payable.
There were no dues of wealth tax, duty of customs, duty of excise and cess which have not been deposited as at 30 September, 2015 on account of disputes.
 - (c) There are no amounts that are required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial period covered by our audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to financial institutions, bank or debenture holders.
10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by the subsidiary from a bank is not prima facie prejudicial to the interest of the Company.
11. In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

For Joshi Apte & Co.
Chartered Accountants
ICAI Firm Registration Number: 104370W

Financial Statements

Balance Sheet as at 30th September, 2015

Particulars	Note No.	As at 30th	As at 30th
		September, 2015	September, 2014
		Rs.	Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	188,338,140	188,338,140
(b) Reserves and surplus	3	595,799,443	542,672,449
		<u>784,137,583</u>	<u>731,010,589</u>
2 Non-current liabilities			
(a) Long-term borrowings	4	388,743,506	802,226,676
(b) Deferred tax liabilities (Net)	5	52,160,484	60,830,022
		<u>440,903,990</u>	<u>863,056,698</u>
3 Current liabilities			
(a) Short-term borrowings	6	251,700,000	152,100,000
(b) Trade payables	7	58,517,069	49,891,568
(c) Other current liabilities	8	337,733,549	336,161,864
(d) Short-term provisions	9	197,457,668	190,676,455
		<u>845,408,286</u>	<u>728,829,887</u>
TOTAL		<u><u>2,070,449,859</u></u>	<u><u>2,322,897,174</u></u>
B. ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		274,140,783	318,975,269
(ii) Intangible assets under development		74,392,164	28,700,213
(b) Non-current investments	11	1,055,597,690	1,055,597,691
(c) Long-term loans and advances	12	370,000,000	370,000,000
		<u>1,774,130,637</u>	<u>1,773,273,173</u>
2 Current assets			
(a) Current investments	13	664,125	297,273,850
(b) Inventories	14	609,660	690,336
(c) Trade receivables	15	25,679,514	784,483
(d) Cash and bank balance	16	17,363,043	24,480,802
(e) Short-term loans and advances	17	81,696,524	80,834,350
(f) Other current assets	18	170,306,356	145,560,180
		<u>296,319,222</u>	<u>549,624,001</u>
TOTAL		<u><u>2,070,449,859</u></u>	<u><u>2,322,897,174</u></u>
Summary of significant accounting policies	1.C		

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

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

PRAKASH APTE
Partner
Membership No. 033212

Pune, 28 November, 2015

On behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B.B. HATTARKI
Director
DIN : 00145710

S. S. JOSHI
Chief Financial Officer

Pune, 28 November, 2015

A.B. KALYANI
Director
DIN : 00089430

B.S. MITKARI
Chief Executive Officer & Company Secretary

Statement of Profit and loss for the year ended 30th September 2015

Particulars	Note No.	Year ended 30th	Year ended 30th
		September, 2015	September, 2014
		Rs.	Rs.
Income			
I. Revenue from operations (Net)	19	190,738,684	234,674,412
II. Other income	20	2,015,105	17,267,510
III. Total revenue (I + II)		192,753,789	251,941,922
IV. Expenses			
Changes in inventories	21	80,676	(12,218)
Employee benefit expenses	22	13,742,176	10,163,799
Finance costs	23	56,131,902	58,426,827
Depreciation and amortization expense	10	47,899,819	61,148,745
Other expenses	24	72,370,865	108,477,917
Total expenses		190,225,438	238,205,070
V. Profit / (Loss) before tax and exceptional items (III-IV)		2,528,351	13,736,852
VI. Exceptional items (See note no. 40)		40,400,000	-
VII. Profit / (Loss) before tax (V + VI)		42,928,351	13,736,852
VIII. Tax expense :			
(a) Current tax		11,000,000	4,500,000
(b) Deferred tax		(8,669,538)	(3,670,724)
		2,330,462	829,276
IX. Profit / (Loss) for the year after taxation (VII-VIII)		40,597,889	12,907,576
X. Adjustments relating to earlier years :			
Excess / (Short) provision for taxation and tax payments		12,529,105	-
XI. Profit / (Loss) for the year after taxation and adjustments relating to earlier years (IX+X)		53,126,994	12,907,576
XII. Earnings per share:			
Basic & Diluted	25	1.41	0.34
Summary of significant accounting policies	1.C		

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

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

PRAKASH APTE
Partner
Membership No. 033212

Pune, 28 November, 2015

On behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

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Pune, 28 November, 2015

A.B. KALYANI
Director
DIN : 00089430

B.S. MITKARI
Chief Executive Officer & Company Secretary

Cash Flow Statement For The Year Ended 30th September, 2015

Particulars	Year ended 30th Sept., 2015		Year ended 30th Sept., 2014	
	Rs.	Rs.	Rs.	Rs.
A Cash Flow From Operating Activities				
Profit/ (Loss) before taxation		42,928,351		13,736,852
Add: Interest / depreciation / other non cash expenses				
Depreciation	47,899,819		61,148,745	
Finance Cost	55,631,902		57,448,943	
Loss on sale of fixed assets	-		435	
Diminution in value of investments	9,725		34,999	
Exchange (gain)/ loss	-		3,192	
		<u>103,541,446</u>		<u>118,636,314</u>
Less: Interest / dividend / other adjustments				
Provision no longer required	34,999		-	
Dividend	48,192		116,966	
Interest	888,042		15,612,970	
Profit on sale of investments	40,831,332		216,628	
		<u>(41,802,565)</u>		<u>(15,946,564)</u>
Operating profit before working capital changes :		<u>104,667,232</u>		<u>116,426,602</u>
(Increase) / decrease working capital				
(Increase) / decrease in current assets :				
(Increase) / decrease in inventories	80,676		(12,218)	
(Increase) / decrease in sundry debtors	(24,895,031)		42,934,792	
(Increase) / decrease in other current assets and loans and advances	(25,472,933)		(101,569,298)	
	<u>(50,287,288)</u>		<u>(58,646,724)</u>	
Increase / (decrease) in current liabilities :				
Liabilities	17,035,604		29,350,359	
	<u>17,035,604</u>		<u>29,350,359</u>	
		<u>(33,251,684)</u>		<u>(29,296,365)</u>
Cash generated from operations		71,415,548		87,130,237
Direct taxes paid		326,524		(19,037,786)
Net cash flow from operating activities		<u>71,742,072</u>		<u>68,092,451</u>
B Cash flow from investing activities				
Additions to fixed assets / other adjustments				
Investments		296,258,710		(307,523,710)
Inter corporate deposit		-		200,000,000
Additions to fixed assets		(48,757,284)		(28,722,138)
Sales proceeds of assets		-		8,702
Non operating income				
Dividend	48,192		116,966	
Interest	752,625		17,057,982	
Profit on sale of investments	40,831,332		216,628	
		<u>41,632,149</u>		<u>17,391,576</u>
Net cash flow from investing activities		<u>289,133,575</u>		<u>(118,845,570)</u>
C Cash flow from financing activities				
Secured loans (Net of repayment)		(300,000,000)		100,000,000
Unsecured loans		(13,274,744)		(407,488)
Finance cost paid		(55,094,952)		(45,949,526)
Net cash from finance activities		<u>(368,369,696)</u>		<u>53,642,986</u>
Net changes in cash and cash equivalents (A+B+C)		(7,494,049)		2,889,867
Cash and cash equivalents at the beginning of the year*		13,557,092		10,667,225
Cash and cash equivalents at the end of the year*		6,063,043		13,557,092

* See note no. 19 for Cash and cash equivalents

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

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

On behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

PRAKASH APTE
Partner
Membership No. 033212

B.B. HATTARKI
Director
DIN : 00145710

A.B. KALYANI
Director
DIN : 00089430

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 28 November, 2015

Pune, 28 November, 2015

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

1 A. 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"). Its 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.

1 B. Basis of preparation:

The financial statements of the Company for the year ended 30 September, 2015 have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. These financial statements are prepared on an accrual basis and under the historical cost convention except financial instruments which have been measured at fair value. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year.

1 C. Summary of significant accounting policies:

a) Use of estimates:

The preparation of the financial statements is in conformity with Indian GAAP and requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets:

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company has adopted the provisions of para 46A of AS 11 "The Effects of Changes in Foreign Exchange Rates", accordingly, exchange difference arising on settlement of long term foreign currency borrowing relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Capital work-in-progress includes cost of fixed assets that are not ready to be put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Expenditure on New Projects and Expenditure during Construction etc. :

In case of new projects or expansion at the existing units of the Company, expenditure incurred including interest and financing costs of specific borrowings, prior to commencement of commercial production is being capitalised to the cost of assets.

c) Intangible assets:

(i) Acquired intangible assets

Intangible assets acquired separately are measured on the initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

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

(ii) Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

- the availability of adequate resources to complete the development and to use or sell the asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such capitalized expenditure is reflected as intangible under development.

d) **Capital work-in-progress:**

Projects under which assets are not ready for their intended use or projects which are suspended during extended period in which active development is interrupted and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable /eligible interest.

e) **Depreciation and amortization:**

Depreciation on tangible fixed assets is provided using the Straight Line Method ('SLM') except in respect of Furniture & Fittings and Vehicle is provided using Written Down Value ('WDV') over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the fixed 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
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.

Individual assets whose cost does not exceed Rs. 5,000 are fully depreciated in the year of acquisition.

Depreciation on additions to assets during the year is being provided on pro-rate basis from the date of acquisition/ installation.

Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rate basis upto the date on which such assets are sold, discarded or demolished.

Intangible assets are amortized on a straight line basis over their estimated useful lives commencing from the day the asset is made available for use.

f) **Impairment of tangible and intangible assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each reporting period / year end even if there is no indication that the asset is impaired.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor that reflects current market assessments of the time value of money and risks specific to the asset.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

g) **Investments:**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value, determined on category of investment basis. Long-term investments presented in the financial statements are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary decline, in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

h) Inventory:

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, as per guidance note issued by ICAI dated 11 February 2012. The cost is assigned to inventories on First in First Out (FIFO) basis. These CERs and RECs are valued at lower of cost or net realisable value.

i) Cash and cash equivalents:

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

j) Cash flow statement:

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

k) Borrowing Cost:

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.

l) Leases:

(i) Where the Company as a lessor,

Leased assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment. Leased assets under operating lease, lease income from such lease is recognised in the statement of profit and loss account on straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the use of leased asset is diminished.

(ii) Where the Company is the lessee,

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

m) Revenue Recognition:

Revenue recognition is generally postponed if the receipt can not be estimated with reasonable certainty.

(a) Income from Electricity generated is accounted on the basis of electricity wheeled into MSEB grid and jointly certified.

(b) Interest is accrued over the period on the amount of loan/investment.

(c) Dividend is accrued in the year in which it is declared, whereby right to receive is established.

(d) Profit/Loss on sale of investment is recognised on contract date.

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

n) Foreign currency transaction:

Foreign currency transactions and balances:

Initial recognition

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

Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined.

o) Retirement and other employee benefits:

(i) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

employee and the Company make monthly contributions to the provident fund plan equal to a specific percentage of the covered employee's salary. The Company contributes a part of the contributions to the "BF Utilities Limited Staff Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. 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. The guidance note on implementation of AS-15 (revised 2005) "Employee Benefits", states that benefits involving employer established provident funds, which requires interest shortfalls to be provided, are to be considered as defined benefit plans.

(ii) 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 as at the date of the Balance Sheet and the shortfall in the fair value of the Plan Assets is recognized as an obligation.

(iii) Superannuation

Retirement benefit in the form of superannuation plan is defined contribution plan. Defined contribution to Life Insurance Corporation of India for employees covered under Superannuation scheme are accounted at the rate of 15% of such employee's basic salary.

(iv) 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.

p) Income taxes:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current reporting period and reversal of timing differences of earlier reporting periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

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 tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (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 in accordance with the Guidance Note on Accounting 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.

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 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.

r) **Earnings per share (EPS):**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, occurred during the reporting period, 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 for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

s) **Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

t) **Domestic transfer pricing:**

The Company enters into 'domestic transactions' with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 (the 'Regulations'). The pricing of such domestic transactions will need to comply with the arm's length principle under the Regulations. These Regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income Tax authorities.

The Company has undertaken necessary steps to comply with the Regulations. The Management is of the opinion that the domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

u) **Segment reporting:**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation 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".

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

2 Share Capital :

Particulars	As at 30th September 2015		As at 30th September 2014	
	No. of Shares	Rs.	No. of Shares	Rs.
<u>Authorised</u>				
Equity Shares of Rs. 5/- each.	60,000,000	300,000,000	60,000,000	300,000,000
<u>Issued, Subscribed & fully paid up</u>				
Equity shares of Rs. 5/- each fully paid up	37,667,628	188,338,140	37,667,628	188,338,140
Total		188,338,140		188,338,140

2 (a) Reconciliation of Shares outstanding at the beginning and at the end of the Year

Particulars	As at 30th September 2015		As at 30th September 2014	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	37,667,628	188,338,140	37,667,628	188,338,140
Issued / reduction if any during the year	-	-	-	-
Outstanding at the end of the year	37,667,628	188,338,140	37,667,628	188,338,140

2 (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.

2 (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

2 (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.

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

Name of the Shareholder *	Equity Shares			
	As at 30th September 2015		As at 30th September 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
i) Ajinkya Investment & Trading Company	10,292,103	27.32	10,292,103	27.32
ii) Kalyani Investment Company Ltd.	6,195,046	16.45	6,195,046	16.45
iii) 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 TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

3 Reserves & Surplus :

Particulars	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
Surplus in statement of Profit & Loss :		
As per last financial statement	542,672,449	529,764,873
Add / (less): Net profit / (net loss) for the year	53,126,994	12,907,576
Total	595,799,443	542,672,449

4 Long Term Borrowings

Particulars	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
Secured		
Term loan from others		
Rupee term loan from HDFC Ltd. (See note no. 4(a))	-	300,000,000
	-	300,000,000
Less: Current maturity of long term borrowings transferred to "Other current liabilities" (See note no. 8)	-	-
	-	300,000,000
Unsecured :		
Deferred payment liabilities		
Sales tax deferral obligation collected under Government of Maharashtra package scheme of incentive by a beneficiary under an arrangement (See note no. 4 (b))	502,226,830	615,101,574
	502,226,830	615,101,574
Less : Shown under "Other current liabilities" (See note no. 8)	113,483,324	112,874,898
	388,743,506	502,226,676
Total	388,743,506	802,226,676

4(a) Rupee term loan from HDFC Ltd.

Loan from HDFC Ltd. was secured by : Corporate Guarantee issued by KSL Holdings Private Limited.

This loan was repayable on completion of 24 months from the date of disbursement i.e. from 25 March, 2014. This loan carried an interest linked to HDFC Ltd's Corporate Prime Lending Rate. Interest at Base rate of 8% was payable quarterly and balance on repayment of loan. The loan has been fully repaid during the year and satisfaction of charge filed accordingly.

4(b) Sales tax deferral

Balance outstanding Rs. 502,226,830 (Previous year 615,101,574)

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

Repayment schedule

Year	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
2014-15	-	112,874,744
2015-16	113,483,324	113,483,324
2016-17	110,924,349	110,924,349
2017-18	102,845,364	102,845,364
2018-19	77,566,386	77,566,386
2019-20	52,287,407	52,287,407
2020-21	31,920,000	31,920,000
2021-22	13,200,000	13,200,000
Total	502,226,830	615,101,574

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

5 Deferred Tax Liabilities (net)		
Particulars	As at 30th	As at 30th
	September 2015	September 2014
	Rs.	Rs.
I Deferred tax liabilities :		
On account of timing difference		
a) Depreciation (See note no. 5 (a))	83,983,822	90,524,763
Total	83,983,822	90,524,763
II Deferred tax assets :		
On account of timing difference		
a) Disallowance u/s 43B of Income Tax Act, 1961	31,823,338	29,694,741
Total	31,823,338	29,694,741
Deferred tax liability (Net) (I - II)	52,160,484	60,830,022

5(a) As required by and in accordance with Accounting Standard 22 - 'Taxes on Income' prescribed by Companies (Accounts) Rules, 2014, the Company recognises deferred tax which result from timing differences after ignoring deferred tax adjustments originating and reversing during the tax holiday period. The deferred tax adjustments reversing outside the tax holiday period have been recomputed consequent to the company's claim of determining the tax holiday period with reference to the date of each phase of implementation as against the earlier intended period with reference to a single date of implementation for the wind power generation business.

6 Short Term Borrowings

Particulars	As at 30th	As at 30th
	September 2015	September 2014
	Rs.	Rs.
Loan repayable on demand		
Unsecured		
from related parties (See note no. 31)	221,000,000	140,000,000
Rate of interest 8% & 10%p.a.		
from other parties - interest free	30,700,000	12,100,000
Total	251,700,000	152,100,000

7 Trade Payable

Particulars	As at 30th	As at 30th
	September 2015	September 2014
	Rs.	Rs.
Total outstanding dues other than micro & small enterprises	48,415,823	39,790,322
Capital creditors	10,101,246	10,101,246
Total	58,517,069	49,891,568

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 covered under above mentioned Act.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

8 Other Current Liabilities

Particulars	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
Current maturities of long term borrowings (See note no. 4)	113,483,324	112,874,898
Statutory dues payable including tax deducted at source	1,558,282	1,137,928
Interest free security deposit received from related party (See note no. 31)	210,000,000	210,000,000
Interest accrued on borrowings	12,036,367	11,499,417
Other payables	655,576	649,621
Total	337,733,549	336,161,864

9 Short Term Provisions

Particulars	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
Provision for employee benefits :		
Leave encashment (See note no. 33 D)	755,919	553,946
Gratuity (See note no. 33 A)	959,103	597,670
Provident fund : - BFUL Staff Provident Fund Trust (See note no. 33 C)	91,281	42,482
Other provisions :		
Tax provision (Net of advance tax Rs. 47,989,878, P.Y. Rs.87,034,438)	4,487,981	5,690,562
Electricity duty (See note no. 32)	97,328,031	90,969,374
Wheeling & transmission charges (See note no. 32)	93,835,353	92,822,421
Total	197,457,668	190,676,455

10 Fixed Assets

Sr. No.	Particulars	Amounts in Rupees									
		Gross Block				Depreciation				Net Block	
		As At 1/10/2014	Additions during the year	Deductions during the year	As At 30/09/2015	Up to 1/10/2014	On Deductions & Adjustments	For the Year	Up to 30/09/2015	As At 30/09/2015	As At 30/09/2014
	Tangible assets :										
1	Land	15,199,252	-	-	15,199,252	-	-	-	-	15,199,252	15,199,252
2	Building	13,108,730	-	-	13,108,730	3,074,423	-	8,854,312	11,928,735	1,179,995	10,034,307
3	Plant & Machinery	1,144,688,812	-	-	1,144,688,812	852,410,370	-	37,886,800	890,297,170	254,391,642	292,278,442
4	Electrical Installation	652,688	2,988,480	-	3,641,168	338,068	-	124,018	462,086	3,179,082	314,620
5	Furniture & Fixtures	125,000	76,853	-	201,853	51,771	-	99,512	151,283	50,570	73,229
6	Office Equipments	1,137,724	-	-	1,137,724	906,862	-	180,832	1,087,694	50,030	230,862
7	Vehicles	1,934,032	-	-	1,934,032	1,089,475	-	754,345	1,843,820	90,212	844,557
	Total A	1,176,846,238	3,065,333	-	1,179,911,571	857,870,969	-	47,899,819	905,770,788	274,140,783	318,975,269
	Previous year Total	1,176,844,313	21,925	20,000	1,176,846,238	796,733,087	10,863	61,148,745	857,870,969	318,975,269	380,111,226
	Intangible assets under development :										
1	Intangible Asset	28,700,213	45,691,951	-	74,392,164	-	-	-	-	74,392,164	28,700,213
	Total B	28,700,213	45,691,951	-	74,392,164	-	-	-	-	74,392,164	28,700,213
	Previous year Total	-	28,700,213	-	28,700,213	-	-	-	-	28,700,213	-
	Grand Total (A+B)	1,205,546,451	48,757,284	-	1,254,303,735	857,870,969	-	47,899,819	905,770,788	348,532,947	347,675,482
	Previous year Grand Total	1,176,844,313	28,722,138	20,000	1,205,546,451	796,733,087	10,863	61,148,745	857,870,969	347,675,482	380,111,226

Note: Refer para II of summary of significant accounting policies referred to in note no. 1.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

11 Non Current Investments

Particulars	Face Value Rs.	As at 30th September 2015		As at 30th September 2014	
		No. of Shares	Rs.	No. of Shares	Rs.
A. Trade investments, at cost					
In equity shares - fully paid					
Unquoted instruments					
i. In subsidiary companies :					
Nandi Infrastructure Corridor Enterprises Ltd. (74.52% of holding)	10	77,569,111	775,691,110	77,569,111	775,691,110
Nandi Highway Developers Ltd.* (69.53% of holding)	10	26,071,902	260,719,010	26,071,902	260,719,010
			1,036,410,120		1,036,410,120
ii. In associate company :					
Hospet Bellari Highways Private Ltd. # (35% of holding)	10	-	-	3,500	35,000
			-		35,000
B. Other investments, at cost					
Unquoted instruments					
Moksha-Yug Access India Pvt. Ltd.	10	608,824	18,310,382	608,824	18,310,382
SKH Metals Ltd.	10	25,000	877,188	25,000	877,188
			19,187,570		19,187,570
Total cost			1,055,597,690		1,055,632,690
Less : Diminution in value of investments			-		(34,999)
		Total	1,055,597,690		1,055,597,691

* 12,301,127 (P.Y. 11,071,900) shares pledged with Banks for loans taken by related party. (See note no. 31)

Ceases to be an associate w.e.f. 17 February, 2015

12 Long Term Loans & Advances

Particulars	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
Unsecured, considered good (unless otherwise stated)		
Loans and advances to related parties (See note No. 31)		
- Advances for purchase of land	370,000,000	370,000,000
Total	370,000,000	370,000,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

13 Current Investments (at cost or market value whichever is lower)

Particulars	Face Value Rs.	As at 30th September 2015		As at 30th September 2014	
		Number	Rs.	Number	Rs.
Non trade investments					
In equity shares-fully paid : Quoted					
# Metalyst Forging Ltd. (earlier Ahmednagar Forging Ltd.)	10	300	49,152	300	49,152
MM Forging Ltd.	10	400	36,920	400	36,920
EL Forging Ltd.	10	100	799	100	799
Finolex Industries Ltd.	10	84	4,204	84	4,204
Hindalco Industries Ltd.	1	140	18,160	140	18,160
NIIT Technologies Ltd.	10	112	6,129	112	6,129
ITC Ltd.	1	7,200	595,026	3,600	595,026
Total cost			710,390		710,390
In Debentures : Unquoted					
0% OFCD in DGM Realities Pvt. Ltd. (See note no. 40)			-		296,600,000
Less : Diminution in value of investment (cumulative)			(46,265)		(36,540)
		Total	664,125		297,273,850

Book value and Market value of Non - Current and Current investments

	Book Value		Market Value	
	As at 30th September 2015	As at 30th September 2014	As at 30th September 2015	As at 30th September 2014
Quoted	664,125	673,850	2,689,342	3,063,976
Unquoted	1,055,597,690	1,352,197,691	NA	NA
Total	1,056,261,815	1,352,871,541	2,689,342	3,063,976

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

14 Inventories

Particulars	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
Stock of Renewable Energy Certificates (RECs) (Refer note below)	609,660	690,336
Total	609,660	690,336

Note:Quantitative details of Stock

Sr. No.	Description	Units	Units
1	No. of RECs held as inventory	22,627	28,549
2	No. of RECs under certification	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

15 Trade Receivables

Particulars	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good*	-	784,483
Unsecured, considered doubtful	-	-
	-	784,483
Less : Provision for doubtful receivables	-	-
	-	784,483
Others		
Unsecured, considered good*	25,679,514	-
Unsecured, considered doubtful	-	-
	25,679,514	-
Less : Provision for doubtful receivables	-	-
	25,679,514	-
Total	25,679,514	784,483

*Includes dues from related parties (See note no.31)

16 Cash & bank balance :

Particulars	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
i) Cash & cash equivalents #		
Cash on hand	18,867	9,681
Balances with banks - in current accounts	6,044,176	13,547,411
	6,063,043	13,557,092
ii) Other Bank Balances		
Balance with banks		
Fixed Deposits (original maturity more than three months but less than twelve months)	11,300,000	10,923,710
Total	17,363,043	24,480,802

the balance that meet the definition of cash and cash equivalent as per AS-3 'Cash flow statement'.

17 Short Term Loans & Advances

Particulars	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
Other loans and advances (Unsecured, considered good)		
Advance towards wheeling & transmission charges (See note no.32F)	77,641,966	77,641,966
Others	4,054,558	3,192,384
Total	81,696,524	80,834,350

18 Other Current Assets

Particulars	As at 30th September 2015	As at 30th September 2014
	Rs.	Rs.
Energy credit receivable	168,566,826	145,172,222
Interest receivable	186,295	50,878
Other receivable	1,553,235	337,080
Total	170,306,356	145,560,180

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

19 Revenue from Operations

Particulars	Year ended	Year ended
	30th September 2015	30th September 2014
	Rs.	Rs.
Wind power generated (See note no. 37)	179,440,368	206,325,082
Renewable energy certificate units (REC)	11,298,316	28,349,330
Total	190,738,684	234,674,412

20 Other income

Particulars	Year ended	Year ended
	30th September 2015	30th September 2014
	Rs.	Rs.
Dividend received	48,192	116,966
Interest on bank fixed deposits	888,042	15,612,970
Profit on sale of investments	431,332	216,628
Provision no longer required	34,999	-
Business auxiliary services	600,000	1,200,000
Miscellaneous income	12,540	120,946
Total	2,015,105	17,267,510

21 Changes in Inventories

Particulars	Year ended	Year ended
	30th September 2015	30th September 2014
	Rs.	Rs.
(Increase) / decrease in inventory:		
Closing stock of renewable energy certificates (RECs)	609,660	690,336
Opening stock of renewable energy certificates (RECs)	690,336	678,118
Total	80,676	(12,218)

22 Employee Benefits Expense

Particulars	Year ended	Year ended
	30th September 2015	30th September 2014
	Rs.	Rs.
Salaries, allowances etc.	12,614,598	9,424,092
Contribution to provident & other funds	1,072,449	692,011
Staff welfare expenses	55,129	47,696
Total	13,742,176	10,163,799

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

23 Finance Cost

Particulars	Year ended	Year ended
	30th September 2015	30th September 2014
	Rs.	Rs.
Interest on loans (See note no. 6 & 31)	51,289,508	49,735,854
Interest on electricity duty	4,331,239	4,331,238
Interest on shortfall of advance tax	500,310	977,859
Bank charges	10,845	3,381,876
Total	56,131,902	58,426,827

24 Other Expense

Particulars	Year ended		Year ended
	30th September 2015		30th September 2014
	Rs.	Rs.	Rs.
Operating expenses			
Operations, maintainance & CDM expenses- wind mills		35,740,576	43,694,982
Lease rent - land		600,000	678,872
Insurance		1,033,873	1,018,093
Electricity duty (See Note No. 32)		6,358,657	7,445,910
Wheeling & transmission charges		12,250,522	19,271,417
Overhauling of wind mills		-	19,690,944
Other operating expenses		1,197,604	1,153,464
(A)		57,181,232	92,953,682
Administrative expenses			
Insurance - others		97,761	119,535
Rent		407,123	-
Rates & taxes		1,865,450	806,047
Repairs & maintenance (others)		34,772	26,593
Director's sitting fees		125,000	155,000
Payment to auditors :			
Audit fee (See note below)	1,612,067		1,264,838
Tax audit fee	112,360		112,360
		1,724,427	1,377,198
Diminution in value of investments		9,725	34,999
Exchange (gain) / loss (Net)		-	3,192
Loss on sale of asset		-	435
Miscellaneous expenses including printing, stationery postage, travelling, telephone etc.		5,629,602	6,824,653
Professional & consultancy expenses		5,295,773	6,176,583
(B)		15,189,633	15,524,235
Total (A)+ (B)		72,370,865	108,477,917

Note : Including QIP fees of Rs. 451,182 (Previous year : Nil)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

25 Earning Per Equity Share

Particulars	Year ended 30th September 2015	Year ended 30th September 2014
Numerator for basic and diluted EPS		
Net profit attributable to shareholders	53,126,994	12,907,576
Weighted average number of equity shares	37,667,628	37,667,628
Basic earnings per share of face value of Rs. 5/- each	1.41	0.34
Diluted earnings per share of face value of Rs. 5/- each	1.41	0.34

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

26. Contingent Liabilities

Particulars of Contingent liabilities	As at 30th September 2015	As at 30th September 2014
	Rupees	Rupees
Contingent Liabilities not provided for in respect of		
a) Claims against the Company not acknowledged as debt.	59,858,522	106,592,832
b) Guarantee given by the Company on behalf of other Company (See note no. 28)	600,000,000	300,000,000

27. Commitments:

- A. The Company as a Promoter of Nandi Economic Corridor Enterprises Ltd. (NECE) has given an undertaking to Infrastructure Development Finance Co. Ltd. (IDFC) in connection with the loan of Rs. 13,200 million (previous year Rs. 13,200 million) advanced to NECE by IDFC, whereby the company has undertaken to ensure continuance of the project undertaken by NECE, continued Promoters contributions as per the Financial plan, with adequate technical, financial and managerial support at the least until the final settlement date.

Further the Company has committed to meet the shortfall in resources of NECE by way of Promoters contribution in terms of the Financing Plan which can be in the form of Equity / Preference Share Capital and / or granting of interest free unsecured loan until the final settlement date, which together with current contributions would be subordinate to the funds borrowed from IDFC and shall not be repaid until the final settlement date. The Company has further agreed to ensure that the Borrower adheres to the land sale / Development Plan as mentioned in the Common Loan Agreement.

- B. The Company, as a promoter and indirect holding company of Nandi Economic Corridor Enterprises Ltd. (NECE) has signed definitive agreements on 24 December, 2010, in relation to foreign direct investment of Rs. 5,000 million in NECE.

Pursuant to these definitive agreements, NECE has allotted convertible "Securities" to AIRRO (Mauritius) Holdings V (Investor), on the terms and conditions contained in the definitive agreements, whereby the investor would get a shareholding between 8.33% and 16.29% in NECE.

28. A. The Company has given security to Axis Bank Limited to the extent of Rs. 300 million for securing the term loan facility granted by it to Nandi Highway Developers Limited (NHDL), a subsidiary of the Company, by way of hypothecation of movable assets and equitable mortgage of fixed assets pertaining to Wind Mill project of the Company located in village Boposhi and Maloshi, Dist Satara.
- B. The Company has given security to Kotak Mahindra Investments Limited to the extent of Rs.300 million securing the term loan facility granted by it to Nandi Highway Developers Limited (NHDL), a subsidiary of the Company, by way of pledge of 12,301,127(P.Y. 11,071,900) equity shares of Rs. 10 each of NHDL held by the Company.

29. Foreign currency income & expenditure accounted on accrual basis	Year ended 30th September 2015	Year ended 30th September 2014
	Rupees	Rupees
A Expenditure in Foreign Currency :		
Project Expenses	25,610,097	18,898,870
Others	-	-
Total	25,610,097	18,898,870
B Earnings in Foreign Currency	-	-

30. Segment information as required by Accounting Standard 17 "Segment Reporting" as prescribed by Rules, as amended is set out in a separate statement annexed thereto.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

31. Related party disclosures have been set out in a separate statement annexed to this schedule. The related parties, as defined by Accounting Standard 18 "Related Party Disclosures" prescribed by Rules, in respect of which the disclosures have been made, have been identified and taken on record by the Board.
32. The disclosures required by Accounting Standard 29 "Provision, Contingent Liabilities and Contingent Assets" prescribed by Rules, as amended are as follows.

	Class of Provision	Carrying amount as on 1 October, 2014	Provision made / Increase (Decrease) in Provision	Amounts used during the year	Amount reversed during the year	Carrying amount as on 30th September, 2015
		Rs.	Rs.	Rs.	Rs.	Rs.
A.	Electricity Duty	90,969,374	6,358,657	-	-	97,328,031
	(Previous Year)	88,950,318	7,445,910	5,426,854	-	90,969,374
B.	Wheeling & Transmission Charges	92,822,421	1,012,932	-	-	93,835,353
	(Previous Year)	73,551,004	19,271,417	-	-	92,822,421
	Total (A + B)	183,791,795	7,371,589	-	-	191,163,384
	(Previous year)	162,501,322	26,717,327	5,426,854	-	183,791,795

Nature of Provisions

- A. In terms of various notifications / circulars issued by Government of Maharashtra, electricity duty is payable in respect of wind power sold to third parties. However in absence of clarity on the entire subject and also in view of various other issues the Company as a matter of prudence and without prejudice to dispute the claim, has made a provision for Electricity duty.
- B. All the Wind Power Projects have completed the tenure of wheeling agreement with the distribution licensee viz. Maharashtra State Electricity Distribution Company Limited (MSEDCL). All the projects of wheeling energy are under the open access provisions issued by the Hon' able Maharashtra Electricity Regulatory Commission (MERC). As a matter of prudence and without prejudice the Company has made a provision for wheeling and Transmission charges under open access.

Expected timing of resulting outflow:

- A. Since the matter is yet to be resolved / clarified in respect of applicability of Electricity duty for Wind Power Generation, the timing of outflow cannot be determined up to December 2011. However, the Company is paying the duty regularly since January 2012.
- B. Short Term Loans & Advances includes Wheeling and Transmission charges of Rs. 77,641,966 (P.Y. Rs. 77,641,966) have been paid upto 31 March, 2014, to the distribution licensee under protest, as the matter is pending in appeal with the MERC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

33. Liability for employee benefit has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard - 15 (Revised) Employee Benefit, prescribed by Rules, as amended the details of which are as hereunder:

A Funded Scheme (Gratuity)

(Amount in Rupees)

	Particulars	As at 30th Sept, 2015	As at 30th Sept, 2014
(I)	Amount Recognised in the Balance Sheet :		
	a) Present Value of Funded Obligations	3,470,441	2,892,962
	b) Fair Value of Plan Assets	2,511,338	2,295,292
	c) Net Liability /(Asset) recognised in the Balance Sheet		
	Amounts in Balance Sheet		
	Liability	959,103	597,670
	Asset	-	-
	Net Liability	959,103	597,670
(II)	Amount to be Recognised in the Statement of Profit and Loss :		
	a) Current Service Cost	244,637	168,438
	b) Past Service Cost	-	-
	c) Interest Cost	248,795	239,522
	d) Expected Return on Plan Assets	(172,537)	(161,232)
	e) Net Actuarial (Gains)/Loss recognised in the year	50,783	(248,298)
	f) Total, included in "Employee Benefit Expense"	371,684	(1,570)
(III)	Change in Defined Benefit Obligation and reconciliation thereof		
	a) Opening Defined Benefit Obligation	2,892,962	2,931,061
	b) Acquisition adjustments	-	-
	c) Interest Cost	248,795	239,522
	d) Past Service Cost	-	-
	e) Current Service Cost	244,637	168,438
	f) Settlement Cost (Credit)	-	-
	g) Benefits Paid	-	(226,314)
	h) Actuarial Losses/(Gains)	84,047	(219,745)
	i) Closing Defined Benefit Obligation	3,470,441	2,892,962
(IV)	Change in the fair value of Plan Assets and the reconciliation thereof		
	a) Fair Value of Plan Assets at the beginning of the year	2,295,292	2,194,017
	b) Acquisition adjustments	-	-
	c) Expected Return on Plan Assets	172,531	161,232
	d) Add : Contributions by employer	10,251	137,804
	e) Assets distributed on Settlement	-	-
	f) Less : Benefit Paid	-	(226,314)
	g) Add / (Less) : Actuarial Gains /(Losses) on Plan Assets	33,264	28,553
	h) Fair Value of Plan Assets at the end of the year	2,511,338	2,295,292
	i) Actual Return on Plan assets	205,795	189,785
(V)	Principal Actuarial Assumptions :		
	Discount Rate	7.80%	8.60%
	Rate of return on Plan Assets (p.a.)	7.50%	7.50%
	Salary Escalation	7.50%	7.50%
	Expected Average remaining working lives of employees (Years)	5.22	5.57

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

B Experience History

(Amount in Rupees)

Particulars	As at 30th Sept, 2015	As at 30th Sept, 2014	As at 30th Sept, 2013	As at 30th Sept, 2012	As at 30th Sept, 2011
Present Value of Obligation	3,470,441	2,892,962	2,931,061	2,612,776	1,108,101
Plan Assets	2,511,338	2,295,292	2,194,017	1,885,630	868,825
Surplus / (Deficit)	(959,103)	(597,670)	(737,044)	(727,146)	(239,276)
Experience adjustments on plan liabilities (loss) / gain	9,003	210,085	92,054	40,232	(324,243)
Experience adjustments on plan assets (loss) / gain	33,264	28,553	26,018	(4,420)	74,876

C Provident Fund

The Provident Fund contribution is made to BFUL Staff Provident Fund Trust. In terms of guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident Fund Liability based on assumptions listed below. The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are

Particulars	As at 30 Sept, 2015	As at 30 Sept, 2014
Remaining term of maturity	5.22 Years	5.57 Years
Expected guaranteed interest rate	8.75%	8.75%
Discount Rate for the remaining term of maturity of interest portfolio	7.80%	8.60%

D Unfunded Scheme (Compensated Absences - Leave Encashment)

Particulars	As at 30 Sept, 2015	As at 30 Sept, 2014
Present Value of unfunded obligations	755,919	553,946
Expenses recognised in Profit and Loss Account	-	-
Discount Rate	7.80%	8.60%
Salary Escalation Rate	7.50%	7.50%

34. The Company has advanced amounts aggregating to Rs. 370,000,000 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.
35. 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 financial statements, pending final outcome of the cases.
36. Disclosures required as per Clause 32 of the Listing Agreement have been set out in a separate statement annexed hereto.
37. The Company is required to apply for Open Access Permission to Maharashtra State Electricity Distribution Co. Ltd., (MSEDCL) every financial year. Upon receipt of the Open Access Permission, the credit notes are issued by MSEDCL for power generated at the Company's wind farm at Satara which are subsequently adjusted in the power bill of the customer in Pune.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER, 2015:

The Company has applied for Open Access Permission to MSEDCL for the financial year 1 April, 2014 to 31 March, 2015 well in time. However, due to certain policy issues at MSEDCL, it has still not granted Open Access Permission to the Company for the said year and consequently credit notes for this period are awaited from MSEDCL. The Company had preferred an appeal with MERC against this decision of MSEDCL.

Pending issuance of these credit notes, the Company has recognized revenue from power generation during 1 April, 2014 to 31 March, 2015 at the average power tariff base rate at Rs. 5.75 per unit generated.

In case of unfavourable decision by MERC and consequent sale of power to MSEDCL at Rs. 2.52 per unit generated, as per case no 58 of 2008 issued by MSEDCL, the profits of the Company for that year would be lower by about Rs. 40.5 million net of tax.

However the Company has received Open Access Permission for 3 years from 1 April, 2015.

38. During the year, the operations of wind farm of the Company were partially affected due to the local issues at the wind farm site and disputes with the service provider. The power generation and corresponding income from operation is lower due to these disturbances. The wind farm has since been functioning normally.
39. 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 covered by these statements are as under.

(Amount in Rupees)

Particulars	Year ended 30th September 2015	Year ended 30th September 2014
Gross amount required to be spent by the Company during the year	1,282,505	NIL
Amount spent during the year	NIL	NIL

40. During the year, the Company has sold 0% OFCD's held in DGM Realities Pvt Ltd. at a profit of Rs 40.4 million.
41. The Company has reclassified previous figures to confirm to this year's classification.

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

PRAKASH APTE
Partner
Membership No. 033212

Pune, 28 November, 2015

On behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B.B. HATTARKI
Director
DIN : 00145710

S. S. JOSHI
Chief Financial Officer

Pune, 28 November, 2015

A.B. KALYANI
Director
DIN : 00089430

B.S. MITKARI
Chief Executive Officer & Company Secretary

Annexure referred to in Note No. 30 of the Financial Statements of BF Utilities Ltd.

Segment Reporting as required by Accounting Standard 17 for the Year ended 30 September, 2015

Sr. No.	Particulars	Year ended	Year ended
		30th Sept, 2015	30th Sept, 2014
		Rs.	Rs.
1	Segment Revenue		
	a. Wind Energy	191,626,726	250,287,382
	b. Infrastructure	34,999	-
	Total	191,661,725	250,287,382
	Less : Inter segment revenue	-	-
	Net sales / income from operations	191,661,725	250,287,382
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind Energy	63,579,298	76,632,056
	b. Infrastructure	(4,161,682)	(4,590,284)
	Total	59,417,616	72,041,772
	Less : i) Interest	56,131,902	58,426,827
	ii) Other unallocable expenditure net off unallocable income	757,363	(121,907)
	Total Profit / (Loss) before tax and Exceptional Items	2,528,351	13,736,852
	Exceptional Items	40,400,000	-
	Total Profit / (Loss) before tax	42,928,351	13,736,852
3	Total Carrying Amount of Segment Assets		
	a. Wind Energy	569,795,880	570,988,340
	b. Infrastructure	1,406,410,120	1,703,010,121
	c. Others - Unallocables	94,243,859	48,898,713
	Total	2,070,449,859	2,322,897,174
4	Total Amount of Segment Liabilities		
	a. Wind Energy	470,619,684	487,254,311
	b. Infrastructure	-	-
	c. Others - Unallocables	9,605,278	6,600,678
	Total	480,224,962	493,854,989
5	Capital Employed (Segment Assets - Segment Liabilities)		
	a. Wind Energy	99,176,196	83,734,029
	b. Infrastructure	1,406,410,120	1,703,010,121
	c. Others - Unallocables	84,638,581	42,298,035
	Total	1,590,224,897	1,829,042,185
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	3,065,333	21,925
	b. Infrastructure	-	-
	c. Others - Unallocables	45,691,951	28,700,213
	Total	48,757,284	28,722,138
7	Depreciation & Amortisation		
	a. Wind Energy	47,899,819	61,148,745
	b. Infrastructure	-	-
	Total	47,899,819	61,148,745

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

For the year ended 30th September, 2015

31 Related party disclosure

(i) Names of the related parties and related party relationship

(Amount in Rupees)

Related parties where control exist	
Subsidiaries	Nandi Infrastructure Corridor Enterprise Ltd. Nandi Highway Developers Ltd.
Step down subsidiary	Nandi Economic Corridor Enterprise Ltd.
Associate	Hospet Bellari Highways Pvt. Ltd. #
Enterprises owned or significantly influenced by key management personnel or their relatives /Enterprises under common control	Bharat Forge Ltd. BF Investment Ltd.
Key management personnel	Mr. B.S. Mitkari* (CEO & CS) Mr. S.S.Joshi*

Ceases to be an associate w.e.f. 17 February , 2015.

*Mr. B.S.Mitkari (CEO) and Mr. S.S.Joshi (Chief Financial Officer) are key managerial personnel w.e.f. 31 March, 2015 in accordance with the provisions of the Companies Act 2013.

(ii) Related party transactions

(Amount in Rupees)

Nature of transaction	Name of the related party	Year ended September 30, 2015	Year ended September 30, 2014
Sale of power	Bharat Forge Ltd.	157,568,241	61,152,860
Reimbursement of expenses	Bharat Forge Ltd.	20,549,079	-
Employee deputation cost	BF Investment Ltd.	1,821,054	-
Services rendered	BF Investment Ltd.	600,000	1,200,000
Loan/ ICD taken	BF Investment Ltd.	36,000,000	50,000,000
	Bharat Forge Ltd.	45,000,000	30,000,000
Interest on ICD / Loan	BF Investment Ltd.	10,953,645	5,004,711
	Bharat Forge Ltd.	6,593,151	-
Managerial remuneration		3,212,303	NIL

(iii) Balances outstanding as at the year end

(Amount in Rupees)

Nature of transaction	Name of the related party	Year ended September 30, 2015	Year ended September 30, 2014
Receivable	Bharat Forge Ltd.	25,679,514	784,483
	BF Investment Ltd.	1,553,235	337,080
Loan / Intercorporate deposit taken	BF Investment Ltd.	146,000,000	110,000,000
	Bharat Forge Ltd.	75,000,000	30,000,000
Interest payable	BF Investment Ltd.	7,839,518	2,515,856
	Bharat Forge Ltd.	4,196,849	-
Security deposit taken	Bharat Forge Ltd.	210,000,000	210,000,000
Advance given	Nandi Economic Corridor Enterprise Ltd.	370,000,000	370,000,000
Investment balance	Nandi Infrastructure Corridor Enterprise Ltd.	775,691,110	775,691,110
	Nandi Highway Developers Ltd.	260,719,010	260,719,010
	Hospet Bellari Highways Pvt. Ltd.	-	1
Managerial remuneration payable*		329,072	NIL

* Does not include gratuity and leave encashment since the same is considered for all employees of the Company as a whole

(iv) Gurantee given on behalf of subsidiary

The Company has given security to Axis Bank Limited to the extent of Rs. 300 Million for securing the term loan facility granted by it to Nandi Highway Developers Ltd. (See note no. 28A)

The Company has given security to Kotak Mahindra Investments Limited to the extent of Rs.300 Million securing the term loan facility granted by it to it to Nandi Highway Developers Limited. (See note no. 28B)

Annexure referred to Note No. 36 Of Notes forming part of the Financial Statements

Disclosures required as per Clause 32 of the Listing Agreement

Name of the Company	Loans and Advances Given		Investments
	Amount Outstanding as at 30th Sept. 15	Maximum Balance outstanding during the year	Amount Outstanding as at 30th Sept. 15
	Rs.	Rs.	Rs.
Subsidiaries :			
Nandi Infrastructure Corridor Enterprise Ltd.	-	-	775,691,110
Nandi Highway Developers Ltd.	-	-	260,719,010
Nandi Economic Corridor Enterprises Ltd.	370,000,000	370,000,000	-

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

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BF UTILITIES LIMITED

To,
The Members
BF Utilities Limited, Pune

We have audited the accompanying consolidated financial statements of BF Utilities Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at 30 September 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of these consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and the auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in paragraph of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

1. As stated in note no. 36 C accompanying consolidated financial statements, Nandi Economic Corridor Enterprises Limited (NECE) has given advances aggregating to Rs. 1,150,454,871 (Previous Year Rs. 1,205,653,553) to Nandi Engineering Limited (NEL) for undertaking development of toll roads and townships and loans of Rs. 160,793,546 (Previous Year Rs. 170,678,545) given to NEL (including interest accrued but not due of Rs. 10,793,546 (Previous Year Rs. 20,678,545)), which remain outstanding at the balance sheet date of NECE (i.e. 3 September, 2015), have been considered good and recoverable in the financial statements by the management of NECE based on future additional work expected to be contracted to NEL. In the absence of sufficient appropriate audit evidence, we are unable to form an opinion on the recoverability of the said amount.
2. As stated in note no. 31 E accompanying consolidated financial statements, Nandi Highway Developers Limited (NHDL) has accounted for the Retirement Benefits based on the premium given by Life Insurance Corporation (LIC) which is not as per actuarial valuation principles as required by Accounting Standard (AS) 15. We are unable to give the required effects and disclosures in the consolidated financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the consolidated 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:

- a) in the case of the consolidated Balance Sheet, of the states of affairs of the Group as at 30th September 2015;
- b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw your attention to the following matters in the Notes accompanying the consolidated financial statements

1. Note no.36 A regarding the reported constitution of an House Committee consisting of members of the Karnataka Legislative Assembly, to study alleged violations in implementation of the Framework Agreement ('FWA') in the construction of Peripheral Road, development of Townships and Utilities undertaken by the Company 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 constitution of the Assembly Panel to study the implementation of the FWA.

Note no. 36 A

It has been reported in the print media that in September, 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House 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 the NECE. Further, it has also been reported in the print media that the House Committee has been advised to conduct comprehensive enquiry and submit its report and recommendations within 3 months and study the High Court and Supreme Court rulings on the BMIC Project issues and the alleged violations by NICE in the implementation of Framework Agreement.

As on 3 September, 2015, NECE has not received any communication from the aforesaid House Committee regarding the alleged violations. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee will be unconstitutional, illegal, invalid and any findings / report, if given by the aforesaid House Committee would also be illegal and untenable in law. Further, the NECE had faced similar situations in the past, where NECE has received favorable orders from the Hon'ble High Court and the Supreme Court.

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 judgments 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 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.

Based on the above, in the opinion of the Management, the requisite regulatory approvals are expected to be received by NECE in the normal course of business for the township development activities of NECE and hence, there would be no adverse effect on the operations of NECE.

Our opinion is not qualified in respect of the above matter.

2. Note no.36 B regarding to the Going concern assumption in preparation of the financial statements. As mentioned therein, while NECE has repaid all its overdues to the Senior Lenders and has also been successful in re-financing its long-term borrowings, NECE continues to face shortage of funds required to meet day-to-day business operations. The financial statements have been prepared on the assumption that NECE will continue as a going concern based on the mitigation plans of the Management of NECE which, inter alia, includes (i) the business plans of NECE (which, inter alia, envisage the receipt of requisite approvals for disposal / development of parcels of land), (ii) NECE's intention to legally contest any matter that may arise pursuant to the constitution of the

Assembly Panel to study the implementation of the FWA referred to in paragraph 6 (a) above and (iii) the consideration of the undertaking provided by NICE and the BFUL to extend financial support to NECE as stated in the Note 36 B. The ability of NECE to continue as a going concern is dependent on the successful completion and outcome of the aforesaid mitigation plans.

Note no.36 B

NECE had been incurring losses in prior years resulting in substantial erosion of its net-worth and had also overdue in repayment of borrowings. In the current year, based on internal accruals, NECE has repaid all its overdue to the Senior Lenders and has also been successful in re-financing its long-term borrowings. However, NECE continues to face shortage of funds required to meet day-to-day business operations.

BFUL and NICE have entered into a Sponsor Support Agreement with the Senior Lenders of NECE, under which they have undertaken to financially support NECE in meeting any shortfall in the Operation and Maintenance of the Integrated Toll Road Project consisting of Toll Road and Township Development, as defined in the Agreement.

NECE believes that with a combination of the following mitigation plans, it would be able to meet all its obligations in the normal course of business:

- (i) the business plans of NECE which, inter alia, considers:
 - a) its internal cash accruals from Toll revenues;*
 - b) disposal / development of parcels of land where approvals have been received;*
 - c) disposal / development of parcels of land subject to receipt of approvals, which is expected to be received pursuant to the favorable orders of the Hon'ble High Court of Karnataka;**
- (ii) legally contesting any matters that may arise consequent to the reported constitution of the Assembly Panel to study the implementation of the Framework Agreement as stated in; and*
- (iii) The undertaking provided by BFUL and NICE under the Sponsor Support Agreement with the Senior Lenders of NECE, under which the said companies have undertaken to financially support NECE in meeting any shortfall in the Operation and Maintenance of the Integrated Toll Road Project consisting of Toll Road and Township Development, as defined in the Agreement.*

Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Our opinion is not qualified in respect of the above matter.

3. Note no. 37 in respect of certain litigations by and against the Company and its subsidiaries which are pending in various courts and the matter is subjudice. No cognizance thereof is taken in the consolidated financial statements as on 30th September 2015.

Note no.37

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 financial statements, pending final outcome of the cases.

Our opinion is not qualified in respect of the above matter.

4. Note no.38 regarding an event of non-receipt of Open Access Permission from Maharashtra State Electricity Distribution Co. Ltd., (MSEDCL) and consequent sale of power from April 2014 to March 2015 to MSEDCL, the profits of the Company for the accounting year ended on 30 September, 2015 would be lower by Rs.40.5 Million (net of tax).

Note no. 38

The Company is required to apply for Open Access Permission to Maharashtra State Electricity Distribution Co. Ltd., (MSEDCL) every financial year. Upon receipt of the Open Access Permission, the credit notes are issued by MSEDCL for power generated at the Company's wind farm at Satara which are subsequently adjusted in the power bill of the customer in Pune.

The Company has applied for Open Access Permission to MSEDCL for the financial year 1 April, 2014 to 31 March, 2015 well in time. However, due to certain policy issues at MSEDCL, it has still not granted Open Access Permission to the Company for the said year and consequently credit notes for this period are awaited from MSEDCL. The Company had preferred an appeal with MERC against this decision of MSEDCL.

Pending issuance of these credit notes, the Company has recognized revenue from power generation during 1 April, 2014 to 31 March, 2015 at the average power tariff base rate at Rs. 5.75 per unit generated.

In case of unfavorable decision by MERC and consequent sale of power to MSEDCL at Rs. 2.52 per unit generated, as per case no 58 of 2008 issued by MSEDCL, the profits of the Company for that year would be lower by about

Rs. 40.5 million net of tax.

However the Company has received Open Access Permission for 3 years from 1 April, 2015

Our opinion is not qualified in respect of the above matter.

5. Note no. 40 regarding non availability of information pertaining to the period subsequent to the dates of issue of the respective financial statements of the subsidiaries till the date of issue of these consolidated financial statements.

Note no. 40

Impact, if any, of significant transactions or other events, on the Consolidated Financial Statements, pertaining to the period subsequent to the dates of issue of the respective financial statements of the subsidiaries till the date of issue of these Consolidated Financial Statements, cannot be given due to lack of such information of the subsidiaries for the said period.

Our opinion is not qualified in respect of the above matter.

6. Note no.41 regarding the managerial remuneration paid by NECE for the period 1 December, 2013 to 31 March, 2014 amounting to Rs. 13,333,333 which is subject to the approval by the Government of India.

Note no. 41

In the prior year remuneration amounting to Rs. 58,381,984 had been paid to Managing Director of NECE, Mr. Ashok Kheny. The remuneration paid for the period 1 April, 2013 to 30 November, 2013 was within the sanctioned limits of the approval, granted by the Ministry of Corporate Affairs, Government of India (GOI) to NECE. NECE's application for seeking approval from the GOI for the managerial remuneration to be paid for the period 1 December, 2013 until 31 March, 2014 is pending with the GOI for approval.

Managerial remuneration for the period 1 December, 2013 to 31 March, 2014, to the extent of Rs. 13,333,333 would be adjusted appropriately in accordance with the GOI approval on receipt of the same.

Our opinion is not qualified in respect of the above matter.

Other Matter

We did not audit the financial statements of the Subsidiaries and step-down subsidiaries, whose financial statements reflects total revenue, total assets and cash flows to the extent they are included in the consolidated financial statements of the Group are as given below:

(Amount in Rupees)

Name	Extent of Share in		
	Revenue	Assets	Cash flows
Nandi Highway Developers Limited	417,723,078	1,206,577,640	18,479,485
Nandi Economic Corridor Enterprises Limited	4,610,934,879	20,512,619,256	48,433,994
Nandi Infrastructure Corridor Enterprises Limited	7,013,646	1,392,416,663	(1,034,301)

These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

Our opinion on the consolidated 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.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' report of the Holding Company, its subsidiaries and associate companies incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
- As required by section 143(3) of the Companies Act, 2013, we report, to the extent applicable, that:
 - We/ the other auditors whose reports we have relied upon have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and the reports of the other auditors;

-
- (iii) 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 books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (iv) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (v) On the basis of the written representations received from the directors of the Holding Company as on 30 September, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under section 139 of the Act, of its subsidiaries and associate companies, none of the directors of the Group companies and its associate companies is disqualified as on respective balance sheet dates of the subsidiaries and associate companies from being appointed as a director in terms of Section 164 (2) of the Act.
 - (vi) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The consolidated financial statements disclose the impact of pending litigations on its financial position in its consolidated financial position of the Group and its associates. Refer note 33 to the consolidated financial statement;
 - b) Having regard to explanation given in note no. 29 (I) (C) to the consolidated financial statements regarding optionally fully convertible debentures being considered as debt instruments, there were no long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Holding Company and its subsidiaries and associate companies.

For Joshi Apte & Co.
Chartered Accountants
ICAI Firm Registration Number: 104370W

Pune
28th November, 2015

P. J. Apte
Partner
Membership Number: 033212

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

Our reporting on the Order includes BF Utilities Limited ('Holding Company') and its subsidiaries and associates incorporated in India and to whom the provisions of the Order apply (together referred to as "the Covered entities" in this report), which have been audited by other auditors and our report of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the Consolidated Financial Statements. The list of the Covered entities is tabulated below:

Name of the Company	Relationship
Nandi Highway Developers Limited	Subsidiary
Nandi Infrastructure Corridor Enterprise Limited	Subsidiary
Nandi Economic Corridor Enterprises Limited*	Subsidiary
Hospet Bellari Highways Private Limited #	Associate

*held through subsidiary

ceases to be an associate w.e.f. 17 February, 2015.

i. In respect of Fixed Assets:

- a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us and the other auditors, the fixed assets were physically verified during the year by the management of the Holding Company, its subsidiaries and associate in accordance with a regular program of verification which, in our opinion and as reported by the other auditors who have audited the financial statements of the aforesaid subsidiaries and associate, provides for physical verification of the fixed assets at reasonable intervals having regards to the size of the respective entities and the nature of their assets. According to the information and explanations given to us and to the other auditors, no material discrepancies were noticed on such verification.

ii. In respect of Inventories:

- a) Considering the nature of the Holding Company and certain Covered entities as reported by the other auditors, the provisions of clause 3 (ii) (a), (b) and (c) of the Order pertaining to the physical verification of inventory and maintenance of inventory records are not applicable. In respect of one subsidiary whose financials has been audited by the other auditor, he has reported that the inventory in respect of that subsidiary comprises land and project under construction / development (work-in-progress); and that it has been explained to him that, the inventories were physically verified during the year by the Management at reasonable intervals.
- b) The Holding Company and certain Covered entities as reported by the other auditors, do not have any inventory and accordingly clauses 3 (ii) (a), (b) and (c) of the Order are not applicable. In respect of one subsidiary whose financials has been audited by the other auditor, he has reported that the procedures of physical verification by way of verification of title deeds and site visits by management are adequate in relation to the size of that entity and the nature of its business.
- c) The Holding Company and certain Covered entities as reported by the other auditors, do not have any inventory and accordingly clauses 3 (ii) (a), (b) and (c) of the Order are not applicable. In respect of one subsidiary whose financials has been audited by the other auditor, he has reported that the concerned subsidiary has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii. The Holding 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 Act. In respect of certain covered entities, whose financials have been audited by the other auditor, they have reported that the respective covered entities have not granted unsecured loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Act. In respect of one subsidiary whose financials has been audited by the other auditor, he has reported that the respective entity has granted unsecured loans, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and in respect of such loans the receipts of principal amounts and interest have been as per stipulations and there is no overdue amount in excess of Rs. 1 lakh remaining outstanding at the year-end.

The loans mentioned above are subject matter of audit qualification described in the Basis for Qualified Opinion paragraph.

iv. In respect of the Holding Company in our opinion and according to the information and explanations given to us, having regard to the explanations in respect of some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotation for purchase of fixed assets, there is an adequate internal control system commensurate with the size of the Holding Company and the respective nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.

In respect of certain Covered entities, in the opinion of the other auditors and according to the information and

explanations given to them, they have reported that there is an adequate internal control system commensurate with the size of the certain respective Covered entities of the Group and the respective nature of their businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable.

In respect of one subsidiary whose financials has been audited by the other auditor, he has reported that the business of that subsidiary includes purchase of land where there is a probability of claims regarding title to such properties and the explanations that some of the items purchased are of special nature and that it is not feasible to obtain comparable alternative quotations for purchase of fixed assets and similar parcels of land for development, there is an adequate internal control system commensurate with the size of that subsidiary and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services.

During the course of our and the other auditors audit, no major weakness was observed in the internal control system.

- v. In our opinion and the opinion of the other auditors and according to the information and explanation given to us and other auditors; and having regard to the explanation given in Note 10 (ii) to the Consolidated Financial Statements regarding certain advances received by a covered entity being considered as advance for joint development arrangement. The Holding Company and Covered entities have not accepted any deposits.
- vi. According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the respective entities are not required to maintain cost records as prescribed under section 148(1) of the Companies Act, therefore the provisions of clause 3 (vi) of the Order are not applicable to the Holding Company and certain Covered entities.

In respect of one subsidiary whose financials has been audited by the other auditor, he has reported that they have broadly reviewed the cost records maintained by the respective entity pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and that they are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. However they have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. According to the information and explanations given to us and the other auditors, in respect of statutory dues of the Holding Company and the Covered entities:
 - a) The respective entities have generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable with appropriate authorities.
 - b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues, which were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and Covered entities of the Group.
 - c) There are no dues outstanding of income- tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited as on the respective year end date on account of disputes in the Holding Company and the Covered entities of the Group.
 - d) There were no amounts that are due to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The Holding Company and the Covered entities of the Group have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year, except for one subsidiary. The other auditor who has audited the financial statements of that subsidiary has reported that, after considering the possible effect of their audit qualification described in Basis for Qualified opinion paragraph, the accumulated losses of that subsidiary at the end of financial year are not less than fifty percent of its net worth and that subsidiary has not incurred cash losses during the financial year covered by audit and had incurred cash losses in the immediately preceding financial year.
- ix. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company and certain Covered entities of the Group have not defaulted in the repayment of dues to financial institution, bank or debenture holders. In respect of one subsidiary whose financials has been audited by the other auditor, he has reported that the concerned subsidiary had defaulted in payment of principal and interest under the term loans availed by that entity from banks and financial institutions. Such overdues aggregated upto Rs. 2,726,264,230 and the period these amounts were overdue ranged from 1 to 216 days during the year ended 31 March, 2015. As at 31 March, 2015, there were no outstanding overdues under these term loans.
- x. In our opinion and according to the information and explanations given to us, the Holding Company has given guarantee for loans taken by subsidiaries from banks and financial institutions, which is not prima-facie prejudicial to the interest of the Holding Company. In respect of the Covered entities whose financials have

been audited by the other auditors, they have reported that the respective entities have not given any guarantee for loans taken by others from bank or financial institutions.

- xi. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans were applied for the purpose for which the loans were obtained. In respect of one subsidiary whose financials has been audited by the other auditor, he has reported that the term loans have been applied for the purpose for which they were obtained, other than temporary deployment pending application. In respect of another subsidiary whose financials has been audited by the other auditor, he has reported that the concerned entity has not raised any term loans.
- xii. To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud on or by the Holding Company and the Covered entities of the Group have been noticed or reported during the year.

For Joshi Apte & Co.
Chartered Accountants
ICAI Firm Registration Number: 104370W

Pune
28th November, 2015

Prakash Apte
Partner
Membership Number: 033212

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet as at 30th September, 2015

Particulars	Note No.	As at 30th September, 2015 Rs.	As at 30th September, 2014 Rs.
A. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	188,338,140	188,338,140
(b) Reserves and surplus	3	<u>(2,471,034,378)</u>	<u>(2,992,876,919)</u>
		<u>(2,282,696,238)</u>	<u>(2,804,538,779)</u>
2 Minority Interest		3,904,139,258	3,337,711,920
3 Non-current liabilities			
(a) Long-term borrowings	4	18,183,517,180	18,509,302,725
(b) Other long term liabilities	5	351,312,981	340,910,036
(c) Long term provisions	6	33,458,951	9,116,047
(d) Deferred tax liabilities (Net)	7	<u>136,637,454</u>	<u>60,830,022</u>
		<u>18,704,926,566</u>	<u>18,920,158,830</u>
4 Current liabilities			
(a) Short-term borrowings	8	251,700,000	152,100,000
(b) Trade payables	9	126,994,061	98,872,599
(c) Other current liabilities	10	1,443,951,427	2,574,425,174
(d) Short-term provisions	11	<u>219,627,675</u>	<u>220,195,950</u>
		<u>2,042,273,163</u>	<u>3,045,593,723</u>
TOTAL		<u><u>22,368,642,749</u></u>	<u><u>22,498,925,694</u></u>
B. ASSETS			
1 Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		486,052,746	574,641,451
(ii) Intangible assets		12,507,731,036	12,661,101,851
(iii) Capital work-in-progress		1,645,101,484	1,590,451,044
(b) Other noncurrent assets	13	478,229,362	-
(c) Non-current investments	14	19,255,780	19,193,271
(d) Long-term loans and advances	15	<u>3,786,950,265</u>	<u>3,858,442,648</u>
		<u>18,923,320,673</u>	<u>18,703,830,265</u>
2 Current assets			
(a) Current investments	16	664,125	297,273,850
(b) Inventories	17	1,720,312,756	1,967,834,986
(c) Trade receivables	18	41,140,212	8,674,374
(d) Cash and bank balance	19	106,911,073	63,179,977
(e) Short-term loans and advances	20	1,370,447,211	1,310,445,848
(f) Other current assets	21	<u>205,846,699</u>	<u>147,686,394</u>
		<u>3,445,322,076</u>	<u>3,795,095,429</u>
TOTAL		<u><u>22,368,642,749</u></u>	<u><u>22,498,925,694</u></u>
Summary of significant accounting policies	1.D		

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

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

PRAKASH APTE
Partner
Membership No. 033212

On behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B.B. HATTARKI
Director
DIN : 00145710

A.B. KALYANI
Director
DIN : 00089430

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 28 November, 2015

Pune, 28 November, 2015

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Consolidated Profit and loss for the year ended 30th September, 2015

Particulars	Note No.	Year ended 30th	Year ended 30th
		September, 2015	September, 2014
		Rs.	Rs.
Income			
I. Revenue from operations (Net)	22	5,189,174,856	2,381,838,317
II. Other income	23	32,052,294	85,369,801
III. Total revenue (I + II)		5,221,227,150	2,467,208,118
IV. Expenses			
Cost of sale of land	24	481,657,063	74,819,672
Changes in inventories	25	80,676	(12,218)
Employee benefit expenses	26	385,622,214	328,496,850
Finance costs	27	2,313,823,355	2,400,878,983
Depreciation and amortization expense	12	279,784,798	237,254,071
Other expenses	28	588,411,592	521,611,393
Total expenses		4,049,379,698	3,563,048,751
V. Profit / (Loss) before tax and exceptional items (III-IV)		1,171,847,452	(1,095,840,633)
VI. Exceptional items (See note no. 44)		33,055,000	-
VII. Profit / (Loss) before tax (V + VI)		1,204,902,452	(1,095,840,633)
VIII. Tax expense :			
(a) Current tax		19,316,397	16,334,316
(b) Deferred tax		(8,669,538)	(3,670,724)
		10,646,859	12,663,592
IX. Profit / (Loss) for the year after taxation (VII-VIII)		1,194,255,593	(1,108,504,225)
X. Adjustments relating to earlier years :			
Excess / (Short) provision for taxation and tax payments		12,566,144	(3,301,951)
		1,206,821,737	(1,111,806,176)
XI. Minority Interest		592,167,470	(591,103,403)
XII. Profit / (Loss) for the year after taxation and adjustments relating to earlier years (IX + X - XI)		614,654,267	(520,702,773)
XIII. Earnings per share:			
Basic & Diluted	29 A	16.32	(13.82)
Summary of significant accounting policies	1.D		

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

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

PRAKASH APTE
Partner
Membership No. 033212

On behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B.B. HATTARKI
Director
DIN : 00145710

A.B. KALYANI
Director
DIN : 00089430

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 28 November, 2015

Pune, 28 November, 2015

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement For The Year Ended 30th September, 2015

Particulars	Year ended 30th Sept., 2015		Year ended 30th Sept., 2014	
	Rs.	Rs.	Rs.	Rs.
A Cash Flow From Operating Activities				
Profit/ (Loss) before taxation		1,204,902,452		(1,095,840,633)
Add: Interest / depreciation / other non cash expenses				
Depreciation	279,784,798		237,254,071	
Finance Cost	2,313,323,355		2,399,901,124	
Loss on sale of fixed assets	852,752		878,172	
Diminution in value of investments	9,725		34,999	
Provision for doubtful advance	15,627,839		10,906,926	
Exchange (gain)/ loss	10,145,326		3,192	
		2,619,743,795		2,648,978,484
Less: Interest / dividend / other adjustments				
Provision no longer required	2,609,536		-	
Dividend	48,192		120,705	
Interest	24,891,166		42,059,718	
Profit on sale of investments	41,534,414		9,958,141	
		(69,083,308)		(52,138,564)
Operating profit before working capital changes		3,755,562,939		1,500,999,287
(Increase) / decrease working capital				
(Increase) / decrease in current assets :				
(Increase) / decrease in inventories	247,522,230		64,971,259	
(Increase) / decrease in sundry debtors	(32,465,838)		42,674,593	
(Increase) / decrease in Non current assets	(478,229,362)		-	
(Increase) / decrease in other current assets and loans and advances	(4,978,119)		(327,504,389)	
	(268,151,089)		(219,858,537)	
Increase / (decrease) in current liabilities : Liabilities				
	(125,363,489)		465,807,083	
	(125,363,489)		465,807,083	
		(393,514,578)		245,948,546
Cash generated from operations		3,362,048,361		1,746,947,833
Direct taxes paid		(49,038,935)		(41,900,586)
Net cash flow from operating activities		3,313,009,426		1,705,047,247
B Cash flow from investing activities				
Additions to fixed assets / other adjustments				
Investments		281,165,878		274,105,001
Additions to fixed assets		(93,978,970)		(496,651,746)
Sales proceeds of assets		650,500		208,602
Non operating income				
Dividend	48,192		120,705	
Interest	24,891,166		42,059,718	
Profit on sale of investments	41,534,414		9,958,141	
		66,473,772		52,138,564
Net cash flow from investing activities		254,311,180		(170,199,579)
C Cash flow from financing activities				
Secured loans (Net of repayment)		(787,302,375)		191,883,573
Unsecured loans		(13,274,744)		(20,774,895)
Finance cost paid		(2,723,388,681)		(1,987,741,951)
Net cash from finance activities		(3,523,965,800)		(1,816,633,273)
Net changes in cash and cash equivalents (A+B+C)		43,354,806		(281,785,605)
Cash and cash equivalents at the beginning of the year*		52,256,267		334,041,872
Cash and cash equivalents at the end of the year*		95,611,073		52,256,267

* See note no. 19 for Cash and cash equivalents

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

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

PRAKASH APTE
Partner
Membership No. 033212

On behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

B.B. HATTARKI
Director
DIN : 00145710

S. S. JOSHI
Chief Financial Officer

A.B. KALYANI
Director
DIN : 00089430

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 28 November, 2015

Pune, 28 November, 2015

1 A. Corporate Information:

BF Utilities Ltd. ("the Company" or "BFUL") is a public company domiciled in India and incorporated on September 15,2000 under the provisions of the Companies Act,1956. Its 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.

1 B. Basis of preparation:

These consolidated financial statements comprise the financial statements of the Company, its subsidiaries and the associate company (together referred to as the 'Group').These consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. These consolidated financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014.

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of previous year.

1 C. Principles of consolidation:

These consolidated financial statements of the group are prepared in accordance with Accounting Standard (AS)-21 on 'Consolidated Financial Statements' and Accounting Standard (AS)-23 'Accounting for investments in Associates in Consolidated Financial Statements' as notified.

The financial statements in respect of all subsidiary companies are drawn for the year ended on 31 March 2015 whereas the financial statements for BF Utilities Ltd. (BFUL) are drawn for the year ended on 30 September 2015. The effect of significant transaction and other events that occur between 1 April 2015 and 30 September 2015 is considered in the consolidated financial statement if it is of a material nature.

The financial statements of the Company and its subsidiary companies have been combined on line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. Any excess of the cost to the Company of its investment in a subsidiary and the Company's portion of equity of subsidiary at the date at which investment in the subsidiary is made, is described as goodwill and recognised separately as an asset in the consolidated summary financial statements and is tested for impairment annually. The excess of the Company's portion of equity of the subsidiary over the cost of investment therein is treated as capital reserve.

The Group's investment in its Associate is accounted for using the equity method. An Associate is an entity in which the Group has significant influence.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary required for deviations, if any, to the extent possible unless otherwise stated, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements.

The subsidiary companies considered in consolidated financial statements are as follows:

Name of the subsidiaries	Country of Incorporation	Parent Companies Ultimate holding percentage		Financial Year ends on
		30-09-2015	30-09-2014	
a. Nandi Infrastructure Corridor Enterprises Ltd.	India	74.52%	74.52%	31-03-2015
b. Nandi Highway Developers Ltd.	India	69.53%	69.53%	31-03-2015
c. Nandi Economic Corridor Enterprises Ltd. *	India	48.27%	48.27%	31-03-2015

* held through subsidiary

The associate company considered in consolidated financial statements is as follows:

Name of the associate	Country of Incorporation	Parent Companies Ultimate holding percentage		Financial Year ends on
		30-09-2015	30-09-2014	
Hospet Bellari Highways Pvt. Ltd. (upto 17 February,2015)	India	-	35.00%	31-03-2015

1 D Summary of significant accounting policies:

(a) Use of estimates:

The preparation of the consolidated financial statements is in conformity with Indian GAAP and requires the management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

(b) Current-Non Current classification:

All assets and liabilities have been classified as current or non-current as per Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

(c) Operating Cycle:

Based on nature of business and activities carried out by Group, time between acquisition of assets and their realisation in cash and cash equivalent, Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Refer unique accounting policies for operating cycle of subsidiaries.

- i) The Group follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.
- ii) Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.
- iii) The preparation of Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the Group financial statements are based upon Management's evaluations of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing the Group financial statements. Any revisions to accounting estimates are recognized prospectively in current and future periods.

(d) Tangible fixed assets and depreciation:

- A. Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Group has adopted the provisions of para 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of Group are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

- B. Expenditure on New Projects and Expenditure during Construction etc. :

In case of new projects or expansion at the existing units of the Group, expenditure incurred including interest and financing costs of specific borrowings, prior to commencement of commercial production is being capitalised to the cost of assets.

C. Depreciation:

C.I. In respect of BF Utilities Ltd.

- i Depreciation on Buildings, Plant & Machinery, Electrical Installations, and Office Equipments is being provided on "Straight Line Method" and on Furniture & Fittings and Vehicles is being provided on "Written down value" basis, as per useful life of fixed assets prescribed in Schedule II of the Companies Act, 2013 in respect of tangible fixed assets, based on technical estimated that indicate the useful lives would be comparable with those arrived at using the life of the assets.
- ii Depreciation on additions to assets during the year is being provided at their respective rates on pro-rata basis from the date of put to use. Individual assets costing less than Rupees five thousand are depreciated in full in the period of purchase.
- iii Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis up to the date on which such assets are sold, discarded or demolished.
- iv Project under which assets are not ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable or eligible interest.
- v In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II to the Companies Act, 2013. The useful life has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of its technical expertise along with historical and industry trends for arriving the economic life of an asset. Such class of assets and their estimated useful lives are as under:

Assets	Useful lives
Building	60 years
Plant & Machinery (Windmills)	22 years
Electrical Installation	10 years
Testing Meters	5 years
Furniture & Fixtures	10 years
Office Equipments	5 years
Vehicles	8 years

C.II. Refer unique accounting policies for depreciation of subsidiaries.

(e) Intangible assets:

(i) Acquired intangible assets:

Intangible assets acquired separately are measured on the initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

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

(ii) Research and development cost:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such capitalized expenditure is reflected as intangible under development.

(f) **Capital work-in-progress:**

Projects under which assets are not ready for their intended use or projects which are suspended during extended period in which active development is interrupted and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable /eligible interest.

(g) **Impairment of Assets:**

The Group tests for impairments at each reporting dates, if and only if, there are indications that suggest a possible reduction in the recoverable value of an asset. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the net realisable value and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(h) **Investments:**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value, determined on category of investment basis. Long-term investments presented in the financial statements are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary decline, in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(i) a) **Cash and cash equivalents (for purposes of Cash Flow Statement):**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

b) **Cash and Bank balance:**

Cash and bank balance includes cash and cash equivalents (for the purpose of Cash Flow Statement) and deposits having maturity more than three months but less than twelve months.

(j) **Cash flow statement:**

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

(k) **Revenue Recognition:**

Revenue recognition is generally postponed if the receipt can not be estimated with reasonable certainty.

- a) Income from Electricity generated is accounted on the basis of electricity wheeled into MSEB grid and jointly certified.
- b) Interest is accrued over the period and the amount of loan/investment.
- c) Dividend is accrued in the year in which it is declared, whereby right to receive is established.
- d) Profit/Loss on sale of investment is recognised on contract date.
- e) Income from Certified Emission Reduction (CERs) units and Renewable Energy Certificates (RECs) is recognised in the year of its actual sales.
- f) Income from toll road is recognised on the basis of actual collection.

(l) **Borrowing Cost:**

Borrowing costs include interest, amortisation 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. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(m) **Foreign Currency Transactions:**

Initial recognition: Transactions in foreign currencies entered into by Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date: Foreign currency monetary items of Group outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of Group are carried at historical cost.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

(n) **Employee Benefits:**

Employee benefits include employee state insurance scheme, provident fund, superannuation fund, gratuity fund, and compensated absences.

Defined contribution plans:

Group's contribution to employee state insurance scheme, provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus - the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

- i) Employee Benefit in the form of Provident Fund and Pension Scheme whether in pursuance of law or otherwise which are defined contributions are accounted on accrual basis and charged to Statement of Profit & Loss.
- ii) Gratuity:
In BFUL, 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 as at the date of the Balance Sheet and the shortfall in the fair value of the Plan Assets is recognized as an obligation.
- iii) Superannuation:
In BFUL, defined contribution to Life Insurance Corporation of India for employees covered under Superannuation scheme are accounted at the rate of 15% of such employee's annual salary.
- iv) Privilege Leave Benefits:
The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term and short term compensated absences are provided for based on the actuarial valuation using the projected unit credit method and estimates at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss.
- (o) **Taxation:**
Provision for taxation is made on the basis of taxable profits computed on current year profit in accordance with Income Tax Act, 1961. Deferred Tax resulting from timing differences is accounted for at the applicable rate of tax to the extent the timing differences are expected to crystallize, after ignoring deferred tax adjustments originating and reversing during tax holiday period, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Asset can be realized.
- (p) **Provisions:**
Necessary Provisions are made for present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed in notes.
- (q) **Inventory:**
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, as per guidance note issued by ICAI dated 11 February 2012. 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.
Refer unique accounting policies for inventory valuation of subsidiaries.
- (r) **Leases:**
- i) Where the Group as a lessor,
Leased assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.
Leased assets under operating lease, lease income from such lease is recognised in the statement of profit and loss account on straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the use of leases asset is diminished.
- ii) Where the Group is the lessee,
Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(s) **Earnings per share (EPS):**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, occurred during the reporting period, 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 for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

(t) **Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrences or non occurrences of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that can not be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

(u) **Domestic transfer pricing:**

The Group enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 (the 'Regulations'). The pricing of such domestic transactions will need to comply with the arm's length principle under the Regulations. These Regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income Tax authorities.

The Group has undertaken necessary steps to comply with the Regulations. The Management is of the opinion that the domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

(v) **Segment reporting:**

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation 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 Group. 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 Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

2 Share Capital :

Particulars	As at 30th September, 2015		As at 30th September, 2014	
	No. of Shares	Rs.	No. of Shares	Rs.
<u>Authorised</u>				
Equity Shares of Rs. 5/- each.	60,000,000	300,000,000	60,000,000	300,000,000
<u>Issued, Subscribed & fully paid up</u>				
Equity shares of Rs. 5/- each fully paid up	37,667,628	188,338,140	37,667,628	188,338,140
Total		188,338,140		188,338,140

2 (a) Reconciliation of Shares outstanding at the beginning and at the end of the Year

Particulars	As at 30th September, 2015		As at 30th September, 2014	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	37,667,628	188,338,140	37,667,628	188,338,140
Issued / reduction if any during the year	-	-	-	-
Outstanding at the end of the year	37,667,628	188,338,140	37,667,628	188,338,140

2 (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.

2(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

2(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.

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

Name of the Shareholder*	Equity Shares			
	As at 30th September, 2015		As at 30th September, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ajinkya Investment & Trading Company	10,292,103	27.32	10,292,103	27.32
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 TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

3 Reserves & Surplus :

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
a) Securities Premium account		
Balance as per last Financial Statements	359,395,376	359,395,376
Closing balance	359 395 376	359 395 376
b) Special reserve account under section 80-IA (6) of Income Tax Act, 1961		
Balance as per last Financial Statements	118,757,185	-
Add : Transferred to Surplus in Statement of profit and loss (See note below)	(74,957,185)	118,757,185
Closing balance	43 800 000	118 757 185
c) Foreign currency monetary items translation difference account		
Balance as per last Financial Statements	-	-
Effect of foreign exchange rate variation during the year	(34,373,791)	-
Less : Amortisation for the year	298,902	-
Closing balance	(34,074,889)	-
d) Surplus in statement of profit & loss :		
Balance as per last Financial Statements	(3,474,601,480)	(2,835,141,522)
Add / (Less): Net profit / (net loss) for the year	614,654,267	(520,702,773)
Add / (Less): Deferred tax adjustments relating to subsidiaries	(58,736,837)	-
Add / (Less): Transferred to Special reserve account under section 80IA (6) of income tax Act, 1961 (See note below)	74,957,185	(118,757,185)
	(2,843,726,865)	(3,474,601,480)
e) Reserve fund		
Balance as per last Financial Statements	3,572,000	3,572,000
Closing balance	3,572,000	3,572,000
Total	(2,471,034,378)	(2,992,876,919)

Note: During the previous year, NECE had transferred a sum of Rs.74,957,185/- to special reserve account created under section 80-IA (6) of the Income tax Act, 1961. However, the mentioned reserves were not claimed as deduction in the income tax computation for the assessment year 2014-15. In the current year, NECE has reversed such special reserve by crediting deficit in statement of profit and loss.

4 Long Term Borrowings

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Secured		
Term Loan from Banks (See notes 4 (b),(c))	7,919,879,816	4,240,039,816
Term loan from others (See notes 4 (a),(b), (e))	8,684,373,791	12,576,516,166
(A)	16,604,253,607	16,816,555,982
Unsecured :		
Deferred payment liabilities		
Sales tax deferral obligation collected under Government of Maharashtra package scheme of incentive by a beneficiary under an arrangement (See note no. 4 (d))	388,743,506	502,226,676
Others (See note no. 4 (e))	1,190,520,067	1,190,520,067
(B)	1,579,263,573	1,692,746,743
Total (A) + (B)	18,183,517,180	18,509,302,725

4(a) In respect of BF Utilities (BFUL)

Rupee Term loan from others was secured by : Corporate Guarantee issued by KSL Holdings Private Limited. This loan was repayable on completion of 24 months from the date of disbursement i.e. from 25 March, 2014. This loan carried an interest linked to Lender's Corporate Prime Lending Rate. Interest at Base rate of 8% was payable quarterly and balance on repayment of loan. The loan has been fully repaid during the year and satisfaction of charge filed accordingly.

4(b) In respect of Nandi Highway Developers Ltd. (NHDL)

(i) Term Loans from Banks :

Rupee Term Loans from Banks of Rs. 600,000,000/- and Rs. 275,000,000/- are in terms of the Term Loan Agreements executed by NHDL on 29 September, 2004 and 25 October, 2004 respectively.

Repayment:

The above Term Loans are to be repaid in 138 unequal monthly installments commencing from April 30, 2005 and ending on 30 September, 2016.

Security:

The repayment of the principal amount of the above Term Loans, payment of all interest, fees, costs, charges, expenses and other monies payable by NHDL in respect thereof shall be secured by a first mortgage and charge on NHDL's immovable properties being Flat No. 16 admeasuring approximately 500 Square feet on the third floor of Building A-1 on land bearing S.No. 49/12 situate at village Ghorpadi within the limits of Pune city in the State of Maharashtra and first charge by way of hypothecation on all the movable properties and the other assets of NHDL, including without limitation, all Receivables, General Assets and on NHDL's rights under any Projects Documents and all bank accounts of the Company, both present and future.

Collateral Security:

The above Term Loans are further secured in the form of Collateral Security from M/s. Bharat Forge Ltd. to the extent of Rs. 140,000,000/- by way of Corporate Guarantee and to the extent of Rs. 300,000,000/- by way of hypothecation of movable assets and equitable mortgage of fixed assets pertaining to wind mill project of BF Utilities Ltd (Holding Company) located in village Boposhi & Maloshi, Dist Satara. The collateral security as aforementioned has been created in favour of the Bank.

(ii) Term Loans from Others :

(i) Rupee Term Loan from TATA Capital Ltd, Mumbai (TCFSL)

The Term Loans of Rs. 28,59,55,233/- disbursed by TATA Capital Ltd. are in terms of the Term Loan Agreements executed by NHDL on 27 June, 2013.

The above Term Loan is to be repaid in 06 unequal Quarterly installments commencing from March 01, 2014 and ending on 01 June, 2018.

Interest to be paid on monthly basis during moratorium period and also during the tenure of the facility.

Security:

Second charge on project current assets i.e. Toll Receivables of NHDL, Pledge of 26% shares of the Borrower to TCFSL by BF Utilities Ltd and NICCL. Unconditional and Irrevocable Corporate guarantee of BF Investments Ltd.

The above Term Loan has been repaid directly through Kotak Mahindra Investment Ltd., Mumbai on 01 January, 2015.

(ii) Rupee Term Loan from Kotak Mahindra Investment Ltd., Mumbai (KMIL)

The Term Loans of Rs. 300,000,000/- disbursed by KMIL are in terms of the Term Loan Agreements executed by NHDL on 17 December, 2014.

The above Term Loan is to be repaid in 36 monthly installments of equal amount (Rs. 8.333 Million) starting from 1 November, 2016 and ending on 1 November, 2019.

Interest to be paid on monthly basis during moratorium period and also during the tenure of the facility.

Security:

Second charge on project current assets i.e. Toll Receivables of NHDL, Pledge of 26% shares of the Borrower to KMIL by BF Utilities Ltd. and NICCL. Unconditional and Irrevocable Corporate guarantee of Kalyani Investment Company Ltd.

Purpose : Closure of existing term loan availed from TCFSL and General Purpose.

4(c) In respect of Nandi Economic Corridor Enterprises Ltd. (NECE)

Term loans from banks and others (together referred to as Senior Lenders): During the current year, on the request from NECE, the Senior Lenders of the above long term loans have refinanced the respective loan / provided to NECE. Post refinancing, the total term loans taken by NECE has been split into 4 Facilities and the balance as at 31 March, 2015 is given below:

Facility 1 - Rs. 9,980,000,000, repayable in 50 unequal quarterly instalments from June 2017 to September 2029. Interest Rate -11% till 5 February, 2017, later, base rate + spread of respective Senior Lenders.

Facility 2 - Rs. 2,419,800,000, repayable in one single payment on September 2029. Interest Rate -11.50% till 5 February, 2017, later base rate + spread of respective Senior Lenders.

Facility 3 - Rs. 2,034,373,791, a dollar denominated loan, repayable in 38 unequal instalments from June 2022 to September 2031, Interest Rate ranging from 6 months Libor (ML) + 3.00% to 6 ML + 5.50% with a minimum assured yield of 6 ML + 5.50%. This facility can also be converted to a rupee denominated loan after 5 years from February 2014. Interest is payable on half yearly basis (June and December)

Facility 4 - Rs.1,600,000,000, repayable in 38 unequal instalments from June 2022 to September 2031. Interest rates are ranging from 3.28% to 331.40% with an assured yield of 12% over the tenure of the loan.

Note:(i) In addition to above fund based long-term borrowings, NECE has been sanctioned a non-funded based bank guarantee under Facility 4 above to the extent of Rs. 400,000,000, which has been taken to meet the requirements of the Debt Service Reserve Account to be maintained under the loan agreement

Security:

Term loan from banks and from others is secured by a first charge:

- 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.

4(d) Sales tax deferral

Balance outstanding Rs. 502,226,830 (Previous year 615,101,574)

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

Repayment schedule

Year	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
2014-15	-	112,874,744
2015-16 (See note no. 10)	113,483,329	113,483,329
2016-17	110,924,344	110,924,344
2017-18	102,845,364	102,845,364
2018-19	77,566,386	77,566,386
2019-20	52,287,407	52,287,407
2020-21	31,920,000	31,920,000
2021-22	13,200,000	13,200,000
Total	502,226,830	615,101,574

4(e) In respect of Nandi Economic Corridor Enterprises Ltd. (NECE)

Unsecured loans from others :

Unsecured loan from BF Investments Limited is repayable once the fund position of NECE permits the same. The unsecured loan shall not be repayable unless the secured term loans are repaid in full and exit is provided to the holders of 0.01% CCCPS. As per the terms and conditions agreed with the "Senior Lenders", interest on unsecured loan is payable when Debt Service Coverage Ratio (DSCR) is equal to or more than 1.2 times.

With effect from 1 April, 2013, interest on unsecured loan is completely waived-off by the lenders. Balance of interest accrued amounting Rs. 249,675,937 as at 31 March, 2013 has been disclosed as 'Interest accrued but not due' in note 5 of the financial statements since the DSCR for current and previous year is less than 1.2 times.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

4.1 In respect of Nandi Economic Corridor Enterprises Ltd. (NECE)

Overdue amount as at 31 March, 2015 is NIL and as at 31 March, 2014, overdue amounts are as follows:

Particulars	31-03-2014	
	Period overdues were outstanding	Overdue amount
<u>Term loans from banks:</u>		
Principal	75 days	40,000,000
Interest	1 day	45,279,743
Interest	31 days	40,547,468
Interest	59 days	44,434,165
<u>Term loans from others:</u>		
Principal	75 days	40,000,000
Interest	1 day	55,934,613
Interest	16 days	90,427,997
Interest	31 days	50,520,114
Interest	44 days	74,276,394
Interest	59 days	8,086,390
Aggregate overdue as at 31 March,2014		489,506,884

5 Other long-term liabilities

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Interest accrued but not due on borrowings (Refer note no. 4 (e))	270,220,402	249,675,937
Other payables	81,092,579	91,234,099
Total	351,312,981	340,910,036

6 Long-term provisions

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Provision for employee benefits :		
- Provision for compensated absences	13,949,593	9,116,047
- Other provisions including Gratuity (See note no 31 D)	19,509,358	-
Total	33,458,951	9,116,047

7 Deferred tax liabilities (net)

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
I Deferred tax liabilities :		
On account of timing difference		
a) Depreciation (See note no. 7 (a) below)	170,584,127	90,524,763
Total	170,584,127	90,524,763
II Deferred tax assets :		
On account of timing difference		
a) Disallowance u/s 43B of Income Tax Act, 1961	33,946,673	29,694,741
Total	33,946,673	29,694,741
Deferred tax liability (Net) (I - II)	136,637,454	60,830,022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

7(a) As required by and in accordance with Accounting Standard 22 - 'Taxes on Income' prescribed by Companies (Accounts) Rules, 2014, the Company recognises deferred tax which result from timing differences after ignoring deferred tax adjustments originating and reversing during the tax holiday period. The deferred tax adjustments reversing outside the tax holiday period have been recomputed consequent to the company's claim of determining the tax holiday period with reference to the date of each phase of implementation as against the earlier intended period with reference to a single date of implementation as applicable.

8 Short term borrowings

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Loan repayable on demand		
Unsecured		
from related parties (See note no. 32)	221,000,000	140,000,000
Rate of interest 8% & 10%p.a.		
From other parties - interest free	30,700,000	12,100,000
Total	251,700,000	152,100,000

9 Trade payable

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Total outstanding dues other than micro & small enterprises	116,892,815	88,771,353
Capital creditors	10,101,246	10,101,246
Total	126,994,061	98,872,599

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 covered under above mentioned Act.

10 Other current liabilities

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Current maturities of long term borrowings (See note no. (i) below)	113,483,324	687,874,898
Statutory dues payable including tax deducted at source	32,733,885	21,013,055
Interest free security deposit received from related party (See note no. 32)	210,000,000	210,000,000
Interest accrued but not due on borrowings	12,036,367	11,499,417
Interest accrued and due on borrowings	53,598,538	464,200,814
Security deposits received	2,457,000	2,075,155
Retention money payable	5,807,476	14,705,623
Other payables		
- Advance Received (Refer note no. (ii) below)	1,007,065,938	1,146,062,500
- payable on purchase / construction of fixed assets	2,615,441	10,071,809
- others	4,153,458	6,921,903
Total	1,443,951,427	2,574,425,174

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

Notes:

- (i) Current maturities of long-term debt (Refer note 4- Long term borrowings for details of security):

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Secured term loans from:		
- Banks	-	160 000 000
- Others	-	415 000 000
Unsecured term loans from:		
- Sales tax deferral obligation (See note no. 4 (d))	113 483 324	112 874 898
Total	113 483 324	687 874 898

- (ii) Advances are received from parties (a) who have evinced interest to develop lands of NECE on Joint Development basis and (b) for purchase of land from NECE prior to the investments in NECE by the CCCPS holders.

Post issue of the CCCPS, NECE is not pursuing Agreements for sale of land and monies received as advances under such Agreements would be adjusted against amounts receivable in respect of the joint development arrangements that NECE is pursuing with such parties and have accordingly not been considered as deposit under Section 73 to 76 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014

11 Short term provisions

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Provision for employee benefits :		
Leave encashment	2,472,035	1,738,495
Gratuity (See note no. 31 A)	25,900,975	34,623,178
Provident fund : - BFUL Staff Provident Fund Trust (See note no. 31 C)	91,281	42,482
Other provisions :		
Electricity duty (See note no. 33)	97,328,031	90,969,374
Wheeling & transmission charges (See note no. 33)	93,835,353	92,822,421
Total	219,627,675	220,195,950

12 Fixed Assets

Amounts in Rupees

Particulars	Gross Block				Depreciation				Net Block	
	As At 1/10/2014	Additions during the year	Deductions during the year	As At 30/09/2015	Up to 1/10/2014	On Deductions & Adjustments	For the Year	Up to 30/09/2015	As At 30/09/2015	As At 30/09/2014
Tangible assets :										
Land	32,932,614	-	-	32,932,614	-	-	-	-	32,932,614	32,932,614
Building	106,189,094	-	-	106,189,094	12,908,105	-	12,329,016	25,237,121	80,951,973	93,280,989
Plant & Machinery	1,236,498,590	53,541	327,821	1,236,224,310	928,164,686	175,692	41,306,112	969,295,106	266,929,204	308,333,904
Electrical Installation	14,042,201	2,988,480	335,982	16,694,699	3,256,690	127,118	2,119,370	5,248,942	11,445,757	10,785,511
Laboratory Equipments	6,379,089	-	273,258	6,105,831	1,558,135	248,489	1,137,542	2,447,188	3,658,643	4,820,954
Towers	5,326,717	-	12,800	5,313,917	803,632	2,853	437,004	1,237,783	4,076,134	4,523,085
Furniture & Fixtures	44,970,428	34,970,345	424,840	79,515,933	26,502,028	235,875	24,974,783	51,240,936	28,274,997	18,468,400
Office Equipments	63,266,193	1,316,164	3,748,717	60,833,640	25,554,655	3,296,407	28,066,911	50,325,159	10,508,481	37,711,538
Vehicles	104,987,879	-	1,480,943	103,506,936	41,203,423	1,014,675	16,043,245	56,231,993	47,274,943	63,784,456
Total A	1,614,592,805	39,328,530	6,604,361	1,647,316,974	1,039,951,354	5,101,109	126,413,983	1,161,264,228	486,052,746	574,641,451
Previous year Total	1,593,800,621	25,354,070	4,561,886	1,614,592,805	943,704,145	3,475,112	99,722,321	1,039,951,354	574,641,451	650,096,476
Intangible assets :										
Roads										
-Toll road- Section A *	13,096,904,699	-	-	13,096,904,699	1,101,365,758	-	69,133,669	1,170,499,427	11,926,405,272	11,995,538,941
-Toll road	957,825,176	-	-	957,825,176	292,270,789	-	84,230,806	376,501,596	581,323,581	665,554,387
Computer Software	157,010	-	-	157,010	148,487	-	6,340	154,827	2,183	8,523
Total B	14,054,886,885	-	-	14,054,886,885	1,393,785,034	-	153,370,815	1,547,155,850	12,507,731,036	12,661,101,851
Previous year Total	13,071,606,183	983,280,702	-	14,054,886,885	1,256,253,284	-	137,531,750	1,393,785,034	12,661,101,851	11,815,352,899
Grand Total (A+B)	15,669,479,690	39,328,530	6,604,361	15,702,203,859	2,433,736,388	5,101,109	279,784,798	2,708,420,078	12,993,783,782	13,235,743,302
Previous year Grand Total	14,665,406,804	1,008,634,772	4,561,886	15,669,479,690	2,199,957,429	3,475,112	237,254,071	2,433,736,388	13,235,743,302	12,465,449,375
Capital Work in Progress									1,645,101,484	1,590,451,044

* Toll road assets -Section A represents construction and ancillary costs incurred by NECE on the Toll Road and related assets under Build, Own, Operate and transfer ("BOOT") basis.

Note: Refer para II of summary of significant accounting policies referred to in note no. 1.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

13 Other non-current assets

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Unammortised expenses :		
Ancillary borrowing costs	478,229,362	-
	478,229,362	-

14 Non Current Investments

Particulars	Face Value Rs.	As at 30th September, 2015		As at 30th September, 2014	
		Number of Shares	Rs.	Number of Shares	Rs.
A. Trade investments, at cost					
In equity shares - fully paid					
Unquoted instruments					
In associate company :					
# Hospet Bellari Highways Private Ltd. (35% of holding)	10	-	-	3,500	35,000
			-		35,000
B. Other investments, at cost					
In Government Securities & Trust					
National Securities Certificates			5,500		5,500
Indira Vikas Patra			200		200
			5,700		5,700
Unquoted instruments					
Moksha-Yug Access India Pvt. Ltd.	10	608,824	18,310,382	608,824	18,310,382
SKH Metals Ltd.	10	25,000	877,188	25,000	877,188
Nandi Engineering Ltd.	10	6,251	62,510		-
			19,250,080		19,187,570
Total cost			19,255,780		19,228,270
Less : Diminution in value of investments			-		(34,999)
		Total	19,255,780		19,193,271

Ceases to be an associate w.e.f. 17 February 2015

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

15 Long Term Loans & Advances

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Unsecured, considered good (unless otherwise stated)		
Capital advances	143,900,334	157,048,998
Security deposits (See note (i) below)	8,392,924	10,020,404
Capital advances to related parties (See note no.32)	335,962,503	421,758,277
Inter Corporate deposits (See note (ii) below)	150,000,000	150,000,000
Interest accrued on inter corporate deposits	10,793,546	20,678,545
Non current bank balance (See note no.19)	58,434,755	43,404,432
Advance income tax (Net of provisions)	71,130,101	28,841,419
Advance towards land acquisition and projects		
- Unsecured, considered good	2,948,637,542	2,956,123,942
- Doubtful	10,500,000	10,500,000
	2,959,137,542	2,966,623,942
Less : Provision for doubtful advance	10,500,000	10,500,000
	2,948,637,542	2,956,123,942
Advance to suppliers / service providers (See note (iii) below)		
- Unsecured, considered good	59,698,560	36,237,968
- Doubtful	124,978,775	134,892,851
	184,677,335	171,130,819
Less : Provision for doubtful advance	124,978,775	100,564,188
	59,698,560	70,566,631
Total	3,786,950,265	3,858,442,648

Notes :

- (i) This includes amount of Rs. 640,000/- (previous year Rs. 1,964,320) in respect of NICE which are subject to balance confirmation from the parties.
- (ii) The intercorporate deposit has been provided to Nandi Engineering Limited (which is a related party - see note no 32) at an interest rate of 13% p.a. and is secured by the personal guarantee by and immovable property of the MD of NECE. The deposit has been provided to NEL towards general purpose.
- (iii) This includes amount of Rs. 14,485,168/- (previous year Rs. 34,328,663) in respect of NICE which are subject to balance confirmation from the parties.

16 Current Investments (at cost or market value whichever is lower)

Particulars	Face Value Rs.	As at 30th September, 2015		As at 30th September, 2014	
		Number of Shares	Rs.	Number of Shares	Rs.
Non trade investments					
In equity shares-fully paid :					
Quoted					
# Metalyst Forging Ltd. (earlier Ahmednagar Forging Ltd.)	10	300	49,152	300	49,152
MM Forging Ltd.	10	400	36,920	400	36,920
EL Forging Ltd.	10	100	799	100	799
Finolex Industries Ltd.	10	84	4,204	84	4,204
Hindalco Industries Ltd.	1	140	18,160	140	18,160
NIIT Technologies Ltd.	10	112	6,129	112	6,129
ITC Ltd.	1	7,200	595,026	3,600	595,026
Total cost			710,390		710,390
In Debentures : Unquoted					
0% OFCD in DGM Realities Pvt. Ltd. (See note no. 44)			-		296,600,000
Less : Diminution in value of investment (cumulative)			(46,265)		(36,540)
Total			664,125		297,273,850

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

17 Inventories

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Land and related development cost (See note (i) below)	1,719,703,096	1,967,144,650
Stock of renewable energy certificates (RECs) (See note (ii) below)	609,660	690,336
Total	1,720,312,756	1,967,834,986

Note (i) : This includes cost of development of land Rs. 62,222,959 (Previous year Rs. 62,222,959) incurred by NECE on land pertaining to NICE.

Note (ii) : Quantitative details of Stock

Sr. No.	Description	Units	Units
1	No. of RECs held as inventory	22,627	28,549
2	No. of RECs under certification	-	-

18 Trade Receivables

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good*	-	784,483
Unsecured, considered doubtful	-	-
	-	784,483
Less : Provision for doubtful receivables	-	-
	-	784,483
Others		
Unsecured, considered good*	41,140,212	7,889,891
Unsecured, considered doubtful	-	-
	41,140,212	7,889,891
Less : Provision for doubtful receivables	-	-
	41,140,212	7,889,891
Total	41,140,212	8,674,374

*Includes dues from related parties (See note no.32)

19 Cash & Bank Balances

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
i) Cash & cash equivalents #		
Cash on hand	14,796,491	21,870,970
Balances with banks - in current accounts	80,814,582	30,385,297
	95,611,073	52,256,267
ii) Other Bank Balances		
Balance with banks		
Fixed deposits (original maturity more than three months)	69,734,755	54,328,142
Less : Fixed deposits (original maturity more than twelve months) (See note no.15)	(58,434,755)	(43,404,432)
	11,300,000	10,923,710
Total	106,911,073	63,179,977

the balance that meet the definition of Cash and cash equivalent as per AS-3 'Cash flow statement'.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

20 Short Term Loans & Advances

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
<u>Other loans and advances (Unsecured, considered good)</u>		
Advance to related parties (See note no.32)	1,157,007,403	1,124,407,310
Advance towards wheeling & transmission charges (See note no.33 F)	77,641,966	77,641,966
Others	45,828,606	12,573,245
Advance to suppliers / service providers		
- Unsecured, considered good	89,969,236	95,823,327
- Considered doubtful	14,657,870	-
	104,627,106	95,823,327
Provision for doubtful advance	14,657,870	-
	89,969,236	95,823,327
Total	1,370,447,211	1,310,445,848

21 Other current assets

Particulars	As at 30th September, 2015	As at 30th September, 2014
	Rs.	Rs.
Energy credit receivable	168,566,826	145,172,222
Interest receivable		
- on deposits with Bank Interest receivable	186,295	50,878
Other receivable	1,553,236	337,079
Unamortised expenses : Ancillary borrowing costs	35,496,237	-
Excess gratuity fund over defined benefit value of funded obligations	44,105	2,126,215
Total	205,846,699	147,686,394

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

22 Revenue from operations

Particulars	Year ended	Year ended
	30th September, 2015	30th September, 2014
	Rs.	Rs.
Wind power generated (See note no. 38 & 39)	179,440,368	206,325,082
Renewable energy certificate units (REC)	11,298,316	28,349,330
Toll road revenue	2,290,335,962	1,958,541,785
Sale of Land (See note below)	2,706,325,000	187,500,000
Parking fees	1,775,210	1,122,120
Total	5,189,174,856	2,381,838,317

Note: Sale of developed land for previous year includes income from development of land Rs. 34,775,000/- wherein the underlying land belongs to NICE, but the development of which has been carried out by NECE.

23 Other income

Particulars	Year ended	Year ended
	30th September, 2015	30th September, 2014
	Rs.	Rs.
Dividend received	48,192	120,705
Interest on bank fixed deposits	5,391,166	20,315,882
Interest on inter corporate deposits	19,500,000	21,743,836
Profit on sale of investments	1,134,414	9,958,141
Provision no longer required	2,609,536	-
Business auxiliary services	600,000	1,200,000
Rental income	2,402,400	31,770,661
Miscellaneous income	366,586	260,576
Total	32,052,294	85,369,801

24 Cost of sale of land and land development

Particulars	Year ended	Year ended
	30th September, 2015	30th September, 2014
	Rs.	Rs.
Opening stock	1,967,144,650	2,030,453,127
Add: Cost of purchase of land and land development cost incurred (Including interest capitalised)	234,215,509	11,511,195
	2,201,360,159	2,041,964,322
Less : Closing stock	1,719,703,096	1,967,144,650
	481,657,063	74,819,672

Note: Cost of sale of developed land for the year ended 31 March, 2014 includes cost of development of land sold Rs. 27,174,925/- wherein the underlying land belongs to NICE, but the development of which has been carried out by NECE.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

25 Changes in inventories

Particulars	Year ended	Year ended
	30th September, 2015	30th September, 2014
	Rs.	Rs.
(Increase) / decrease in inventory:		
Closing stock of renewable energy certificates (RECs)	609,660	690,336
Opening stock of renewable energy certificates (RECs)	690,336	678,118
Total	80,676	(12,218)

26 Employee benefit expense

Particulars	Year ended	Year ended
	30th September, 2015	30th September, 2014
	Rs.	Rs.
Salaries, allowances etc.	304,177,761	261,318,146
Contribution to provident & other funds	56,178,109	46,172,799
Staff welfare expenses	25,266,344	21,005,905
Total	385,622,214	328,496,850

Note: Employee benefit expense for the current and for the previous year includes, expenses of employees of NICE and of NEL working with NECE on deputation.

27 Finance costs

Particulars	Year ended	Year ended
	30th September, 2015	30th September, 2014
	Rs.	Rs.
Interest on loans (See note no. 8 & 32)	2,277,832,818	2,382,178,353
Interest on electricity duty	4,331,239	4,331,238
Interest on shortfall of advance tax	500,310	977,859
Other borrowing costs and bank charges etc.	31,158,988	13,391,533
Total	2,313,823,355	2,400,878,983

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

28 Other expenses

Particulars	Year ended 30th September, 2015		Year ended 30th September, 2014
	Rs.	Rs.	Rs.
Operating expenses			
Operations, maintenance & CDM expenses- wind mills		35,740,576	43,694,982
Lease rent - land		6,765,376	6,907,017
Insurance		1,033,873	1,018,093
Electricity duty (See Note No. 33)		6,358,657	7,445,910
Wheeling & transmission charges		12,250,522	19,271,417
Overhauling of wind mills		-	19,690,944
Other operating expenses		1,197,604	1,153,464
Road repairs & maintenance (See note below)		112,768,540	86,186,908
Toll road operation expenses		104,040,077	67,306,788
Security charges		59,940,281	34,570,349
Electricity and water charges		13,796,697	9,122,255
(A)		353,892,203	296,368,127
Administrative expenses			
Insurance - others		5,508,361	5,179,599
Rent		407,123	-
Rates & taxes		9,557,223	9,008,472
Repairs & maintenance - Building		2,520,315	786,202
- Plant & Machinery		2,089,275	3,792,410
- others		15,357,362	11,494,875
Director's sitting fees		125,000	155,000
Payment to auditors :			
Audit fee	5,848,888		3,421,779
Tax audit fee	362,360		362,360
		6,211,248	3,784,139
Advertisement and business expenses		3,173,718	5,573,449
Design and engineering		27,611,308	27,967,074
Rehabilitation expenses		50,892	128,021
Provision for doubtful advance		15,627,839	10,906,926
Diminution in value of investments		9,725	34,999
Exchange (gain) / loss (Net)		10,145,326	3,192
Advances not recoverable		2,500,000	-
Loss on sale of asset		852,752	878,172
Travelling and conveyance		38,139,917	41,817,353
Miscellaneous expenses including printing, stationery postage, travelling, telephone etc.		23,639,573	33,126,640
Professional & consultancy expenses		70,992,432	70,606,743
(B)		234,519,389	225,243,266
Total (A)+ (B)		588,411,592	521,611,393

Note: Includes period maintenance cost amounting to Rs. 109,587,988/-, in respect of NHDL for the current year.

29A Earnings per share (EPS)

Particulars	Year ended 30th September, 2015	Year ended 30th September, 2014
Numerator for basic and diluted EPS		
Net profit attributable to shareholders	614,654,267	(520,702,773)
Weighted average number of equity shares	37,667,628	37,667,628
Basic earnings per share of face value of Rs. 5/- each	16.32	(13.82)
Diluted earnings per share of face value of Rs. 5/- each	16.32	(13.82)

29. Significant notes to financial statements of subsidiaries which provide better understanding to these consolidated financial statements:

I. Nandi Economic Corridor Enterprises Ltd (NECE)

a. 1) 0.01% Compulsory Convertible Cumulative Preference Shares (CCCPS)

Fixed Dividend: These CCCPS carry a fixed cumulative dividend of 0.01% and also have the right to participate along with equity shareholders in any dividends declared by NECE on the equity shares without the approval of the CCCPS holders, as if such CCCPS has been converted into equity shares in terms of the agreement with CCCPS holders.

Voting Rights: The voting rights of the CCCPS holders shall be equal to the aggregate equity shares held by the 0.01% CCCPS holders as though all the CCCPS have been converted into equity shares.

Conversion: The CCCPS are convertible into equity shares any time prior to listing of NECE's share on the BSE or NSE, to result in minimum shareholding of 8.33% and maximum shareholding of 16.29% to the CCCPS holders. The CCCPS shall, if not already converted, be mandatorily converted on the 8th anniversary of the closing date (i.e., March 13th, 2019). The Equity Shares issued upon conversion shall, in all respects, rank pari passu with the Equity Shares in issue on the relevant Registration Date.

On liquidation these CCCPS shall rank, with respect to dividend rights and rights on any Winding Up of NECE, senior to the Equity Shares.

Minority Interest in the consolidated financial statements includes Preference share capital issued as aforesaid.

2) 7% Cumulative Redeemable Preference shares (7% CRPS), held by Nandi Engineering Limited (NEL)

Redemption:

Subject to the regulations that may apply, 7% CRPS 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, and
- the exit is provided to the holders of 0.01% Cumulative Compulsorily Convertible Preference Shares as per the shareholders agreement dated December 24, 2010.

Dividend Rights: The payment of dividend shall be subject to availability of funds for making such payments and conditions specified in other finance documents. Non-payment of any dividend to Nandi Engineering Limited (NEL) shall neither constitute any default by NECE nor entitle NEL to have any recourse against NECE.

Minority Interest in the consolidated financial statements includes Preference share capital issued as aforesaid.

b. Details of Leasing Arrangements

NECE 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 NECE. Rent expense debited to Statement of Profit and Loss for above mentioned cancellable operating leases is Rs. 6.16 million (Previous Year Rs.6.23 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

- c. During the year, NECE has not entered into any derivative contract and therefore no disclosure pertaining to the same is applicable for the current year. The year end foreign currency that has not been hedged by derivative instruments - receivables is Rs. Nil (Previous year is Rs. Nil) and payable is Rs. 2,034,373,791 (Previous year: Rs. Nil).

II. Nandi Infrastructure Corridor Enterprise Limited (NICE)

7% Cumulative Redeemable Preference shares (7% CRPS)

NICE had issued 21,000,000 7% cumulative redeemable preference shares of Rs.10 each are to be redeemed after 7 years from the date of allotment, subject to provisions of Companies Act, 1956.

Minority Interest in the consolidated financial statements includes Preference share capital issued as aforesaid.

30. Due to the diversity in the nature of business and business environment the Subsidiaries operate in, the Accounting Policies most appropriate to each, for reporting Financial Statement have been adopted, hence no adjustments have been made to bring about any uniformity in the Accounting Policies in reporting consolidated Financial Statement. However, a statement of unique Accounting Policies followed by each of the entities has been disclosed separately.

31. Employee Benefits:

Defined Benefit Plan

The Group makes Gratuity, Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefit. The contributions payable to those plans by the Group are at rates specified in the rules of the schemes.

A. Gratuity

The Group offers the following benefit plan to its employees. The following tables sets out the funded status of the defined benefit plan and amount recognised in the financial statements.

Particulars	As at 30 Sept, 2015 Rupees	As at 30 Sept, 2014 Rupees
(I) Amount recognised in the Balance Sheet :		
a) Present Value of Funded Obligations	17,111,045	10,958,649
b) Fair Value of Plan Assets	12,977,933	11,373,122
c) Net Liability /(Asset) recognised in the Balance Sheet		
Amounts in Balance Sheet		
Liability	4,133,132	-
Asset	-	(414,473)
Net Liability / (Asset)	4,133,132	(414,473)
(II) Amount to be recognised in the Statement of Profit and Loss :		
a) Current Service Cost	2,448,764	2,272,613
b) Past Service Cost	-	-
c) Interest on Defined Benefit Obligations	1,155,582	895,412
d) Expected Return on Plan Assets	(943,211)	(661,057)
e) Net Actuarial (Gains)/Loss recognised in the year	2,896,715	(1,150,042)
f) Total, included in "Employee Benefit Expense"	5,557,856	1,356,926

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

Particulars	As at 30 Sept, 2015 Rupees	As at 30 Sept, 2014 Rupees
(III) Change in Defined Benefit Obligation and reconciliation thereof		
a) Opening Defined Benefit Obligation	10,859,648	9,190,222
b) Acquisition adjustments	-	-
c) Interest Cost	1,155,582	895,412
d) Past Service Cost	-	-
e) Current Service Cost	2,448,764	2,272,613
f) Settlement Cost (Credit)	-	-
g) Benefits Paid	(327,907)	(514,660)
h) Actuarial Losses/(Gains)	2,875,977	(884,938)
i) Closing Defined Benefit Obligation	17,111,065	10,958,649
(IV) Change in the fair value of Plan Assets and the reconciliation thereof		
a) Fair Value of Plan Assets at the beginning of the year	11,373,122	8,221,492
b) Acquisition adjustments	-	-
c) Expected Return on Plan Assets	943,205	661,058
d) Add : Contributions by employer	1,010,251	2,740,129
e) Assets distributed on Settlement	-	-
f) Less : Benefit Paid	(327,907)	(514,660)
g) Add / (Less) : Actuarial Gains /(Losses) on Plan Assets	(20,738)	207,997
h) Fair Value of Plan Assets at the end of the year	12,977,933	11,373,122
i) Actual Return on Plan assets	205,795	189,785
(V) Principal Actuarial Assumptions (Holding/Subsidiary company):		
Discount Rate	7.80%/7.95%	8.60%/9.00%
Rate of return on Plan Assets (p.a.)	7.50%/8.00%	7.50%/8.00%
Salary Escalation	7.50%/7.00%	7.50%/7.00%

In respect of NECE, attrition rate used for actuarial valuation is as follows:

Age in Year	As at 30 Sept, 2015	As at 30 Sept, 2014
21-30	5.00%	5.00%
31-40	3.00%	3.00%
41-57	2.00%	2.00%

Notes:

- (i) Information disclosed above is related to BFUL and NECE.
- (ii) The above disclosure includes disclosure pertaining to the employees of NECE and does not includes details of the employees of NICE and Nandi Engineering Limited (NEL) who are working with NECE on deputation.
- (iii) NICE does not have any employee therefore there is no requirement for this disclosure.

B. Actuarial Valuation Experience Adjustment:

(Amount in Rupees)

Particulars	As at 30 Sept, 2015	As at 30 Sept, 2014	As at 30 Sept, 2013	As at 30 Sept, 2012	As at 30 Sept, 2011
Present Value of Obligation	17,111,045	10,958,649	91,90,222	(6,223,568)	(3,102,568)
Plan Assets	12,977,933	11,373,122	8,221,492	5,548,928	4,225,030
Surplus / (Deficit)	(4,133,112)	414,473	(968,730)	(674,640)	11,22,902
Experience adjustments on plan liabilities (loss) / gain	1,073,353	746,048	556,115	582,267	(490,204)
Experience adjustments on plan assets (loss) / gain	87,266	265,104	208,356	60,904	74,876

Note:

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The composition of the plan assets held by the funds managed by the insurer is not provided since the information is not available. Details disclosed above are to the extent information available with the Group.

C. Provident Fund

The Provident Fund contribution is made to BFUL Staff Provident Fund Trust (in case of holding company). In terms of guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident Fund Liability based on assumptions listed below. The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are as follows:

Particulars	As at 30 September, 2015	As at 30 September, 2014
Remaining term of maturity	5.22 Years	5.57 Years
Expected guaranteed interest rate	8.75%	8.75%
Discount Rate for the remaining term of maturity of interest portfolio	7.80%	8.60%

Note:

Details disclosed above is to the extent information is available with the Company.

- D.** Based on the actuarial valuation, NECE has made provision for contractual obligations in respect of compensated absences and gratuity for the employees of NICE and of NEL working with NECE on deputation. The details of such provisions is given below:

Particulars	01-April- 2014	Additions	Utilisation	31-March-2015
Provision for gratuity and compensated absence of employees of NICE & NEL (net)	29,213,286 (24,688,136)	12,459,809 (7,043,621)	6,143,480 (2,518,471)	35,524,915 (29,213,286)

Figures in the bracket relates to the previous year.

- E.** NHDL has accounted for the Retirement Benefits based on the premium given by Life Insurance Corporation (LIC). However this is not as per actuarial valuation principles as required by Accounting Standard (AS) 15. Therefore the effect and disclosure of the same could not be given in the consolidated financial statements.

32. Related Parties

Disclosure of transactions with Related Parties as required by the Accounting Standard 18 "Related Party Disclosures" prescribed by Rules, Related Parties as defined under clause 3 of the Accounting Standard have been identified on the basis of the information available with the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

Details of related parties

Description of relationship	Names of related parties
Entities where common control exists	Nandi Engineering Limited (NEL) AKK Developers Private Limited (AKKDPL) AKK Entertainment Limited (AKKEL) Ashok Kheny Production Private Limited (AKPPL) Bonick Developers Private Limited (BDPL) Ashok Kheny Infrastructure Limited (AKIL) Ashok Kheny Motors Private Limited (AKMPL) SAB Engineering Inc., USA (SEI) Bhalchandra Investment Limited * Mundhwa Investment Limited * Forge Investment Limited * Jalakumbhi Invest. & Finance Limited * Jalakamal Invest. & Finance Limited * Bharat Forge Limited BF Investments Limited
Associate	Hospet Bellari Highways Private Limited (Upto 17 February, 2015)
Key Managerial Personnel (KMP)	Mr. Bhalachandra Mitkari, ** Chief Executive Officer & Company Secretary Mr. Sudhindra Joshi, ** Chief Financial Officer Mr. Ashok Kheny, Managing Director of Subsidiaries Mr. Shivkumar Kheny, Managing Director of Subsidiary

* Since merged in BF Investment Limited.

** Appointed as Chief Executive Officer & Chief Financial Officer, respectively w.e.f. 31 March, 2015 in accordance with the provisions of the Companies Act, 2013.

Related Party Disclosures:

Disclosure of Transactions with Related Parties as required by Accounting Standard 18:

(Amount Rupees)

Nature of Transaction	Year	Entries where Control Exists	Key Management Personnel (KMP)	Enterprise over which KMP have significant Influence
A. Transactions				
Sale of Power	2014-15	157,568,241	-	-
	2013-14	61,152,860	-	-
Contractual Billing	2014-15	-	-	231,190,898
	2013-14	-	-	408,980,866
Managerial remuneration	2014-15	-	51,612,299	-
	2013-14	-	62,581,984	-
Interest Expense	2014-15	17,546,796	-	-
	2013-14	5,004,711	-	-
ICD/ Loan taken/(paid)	2014-15	81,000,000	-	-
	2013-14	80,000,000	-	-
Interest Income	2014-15	-	-	19,500,000
	2013-14	-	-	19,500,000
Services Rendered	2014-15	600,000	-	-
	2013-14	1,200,000	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

(Amount Rupees)

Nature of Transaction	Year	Entries where Control Exists	Key Management Personnel (KMP)	Enterprise over which KMP have significant Influence
Rent paid	2014-15	-	1,860,104	-
	2013-14	-	1,764,342	-
Received/(paid) towards advance	2014-15	-	-	-
	2013-14	-	-	(58,375,000)
Employee Deputation	2014-15	1,821,054	-	15,847,275
	2013-14	-	-	-
Reimbursement of Expenses	2014-15	20,549,079	-	-
	2013-14	-	-	-
Expenses	2014-15	-	-	-
	2013-14	30,000,000	-	-
B. Balances				
Amount Payables	2014-15	3,828,878	-	-
	2013-14	3,828,878	-	-
Amounts Receivable	2014-15	418,768,773	-	-
	2013-14	391,318,227	-	-
ICD/ Loans Payable	2014-15	221,000,000	-	-
	2013-14	140,000,000	-	-
ICD Receivable	2014-15	-	-	150,000,000
	2013-14	-	-	150,000,000
Security Deposit	2014-15	210,000,000	-	-
	2013-14	210,000,000	-	-
Advance Outstanding	2014-15	-	-	1,150,454,871
	2013-14	-	-	1,226,054,478
Interest Receivable	2014-15	-	-	10,793,546
	2013-14	-	-	20,678,545
Interest Payable	2014-15	12,036,367	-	-
	2013-14	2,515,856	-	-
Managerial remuneration payable*	2014-15	-	329,072	-
	2013-14	-	-	-
Investment In Equity	2014-15	-	-	-
	2013-14	1	-	-

*Does not include gratuity and leave encashment since the same is considered for all employees of the Company as a whole.

33. A. Consolidated contingent liabilities and commitments:

(Amount in Rupees)

Sr.No.	Particulars	2014-15	2013-14
i)	Claims against the Group not acknowledged as debt	547,615,886	581,452,903
ii)	Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances)	261,320,098	443,198,072
iii)	NECE is required to lay a concreted toll road at a specified time during the toll concession period as part of its obligations under the FWA. As at 31 March, 2015, NECE has completed concretization work on approximately 14.265 KMs of exiting bituminous roads and 36.535 KMs is pending for concretization.	Amount Unascertainable	Amount Unascertainable
iv)	Guarantee given by Group on behalf of Others	600,000,000	300,000,000
v)	Electricity Duty	97,328,031	90,969,374
vi)	Wheeling & Transmission Charges	93,835,353	92,822,421
vii)	7% Dividend on Cumulative Preference Shares issued to Nandi Engineering Limited	302,188,418	259,488,418
viii)	0.01% Dividend on Compulsorily Convertible Preference Shares issued to Airro (Mauritius) Holdings V	2,024,598	1,524,613

B. As on 3 September, 2015 there are various cases pending against the Nandi Economic Corridor Enterprises Ltd. - NECE challenging the execution of the Bangalore-Mysore Infrastructure Corridor Project - BMICP (the 'Project'). NECE has been legally advised that none of these pending litigation or threatened litigation is likely to affect the execution of project. Any costs that may arise out of such pending / threatened litigation will be accounted in the year in which such costs are determinable.

C. The Company as a Promoter of NECE has given an undertaking to Infrastructure Development Finance Co. Ltd. (IDFC) in connection with the loan of Rs. 13,200 million (Previous Year Rs. 13,200 million) advanced to NECE by IDFC, whereby the Company has undertaken to ensure continuance of the project undertaken by NECE, continued Promoters contributions as per the Financial plan, with adequate technical, financial and managerial support at the least until the final settlement date.

Further the Company has committed to meet the shortfall in resources of NECE by way of Promoters contribution in terms of the Financing Plan which can be in the form of Equity / Preference Share Capital and / or granting of interest free unsecured loan until the final settlement date, which together with current contributions would be subordinate to the funds borrowed from IDFC and shall not be repaid until the final settlement date. The Company has further agreed to ensure that the Borrower adheres to the land sale / Development Plan as mentioned in the Common Loan Agreement.

D. The Company and NICE has signed definitive agreements on 24th December 2010, in relation to foreign direct investment of Rs. 5000 million in NECE.

Pursuant to these definitive agreements, NECE has allotted convertible "Securities" to AIRRO (Mauritius) Holdings V (Investor), on the terms and conditions contained in the definitive agreements, whereby the investor would get a shareholding between 8.33% and 16.29% in NECE.

E. A) The Company has given security to Axis Bank Limited to the extent of Rs. 300 million for securing the term loan facility granted by it to NHDL by way of hypothecation of movable assets and equitable mortgage of fixed assets pertaining to Wind Mill project of the Company located in village Boposhi and Maloshi, Dist. Satara.

B) The Company has given security to Kotak Mahindra Investments Limited to the extent of Rs.300 million securing the term loan facility granted by it to NHDL by way of pledge of 12,301,127 (P.Y. 11,071,900) equity shares of Rs. 10 each of NHDL held by the Company.

F. Electricity Duty and Wheeling and Transmission Charges:

Nature of Provisions

A. In terms of various notifications / circulars issued by Government of Maharashtra, electricity duty is payable in respect of wind power sold to third parties. However in absence of clarity on the entire

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

subject and also in view of various other issues, the Company as a matter of prudence and without prejudice to dispute the claim has made a provision for Electricity duty.

- B. All the Wind Power Projects have completed the tenure of wheeling agreement with the distribution licensee viz. Maharashtra State Electricity Distribution Company Limited (MSEDCL). All the projects of wheeling energy are under the open access provisions issued by the Hon' able Maharashtra Electricity Regulatory Commission (MERC). As a matter of prudence and without prejudice the Company has made a provision for Wheeling and Transmission charges under open access.

Expected timing of resulting outflow:

- a. Since the matter is yet to be resolved / clarified in respect of applicability of Electricity duty for Wind Power Generation, the timing of outflow cannot be determined up to December 2011. However, the Company is paying the duty regularly since January 2012.
- b. Short Term Loans & Advances includes Wheeling and Transmission charges Rs. 77.64 million (previous year Rs. 77.64) have been paid to the distribution licensee under protest, as the matter is pending in appeal with the MERC.

34. Foreign currency income & expenditure

	Foreign currency income & expenditure accounted on accrual basis	Year ended 30 September, 2015	Year ended 30 September, 2014
		Rupees	Rupees
A	Expenditure in Foreign Currency :		
	Travelling and Conveyance	7,85,837	1,076,637
	Others - Project Expenses	2,56,10,097	18,898,870
	Total	2,63,95,934	19,975,507
B	Earnings in Foreign Currency	-	-

35. CIF value of imports during the year: Nil (Previous year: Nil)

36. In respect of Nandi Economic Corridor Enterprises Limited (NECE)

A. Basis of preparation

It has been reported in the print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House 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 the NECE. Further, it has also been reported in the print media that the House Committee has been advised to conduct comprehensive enquiry and submit its report and recommendations within 3 months and study the High Court and Supreme Court rulings on the BMIC Project issues and the alleged violations by NICE in the implementation of Framework Agreement.

As on 3 September, 2015, NECE has not received any communication from the aforesaid House Committee regarding the alleged violations. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee will be unconstitutional, illegal, invalid and any findings / report, if given by the aforesaid House Committee would also be illegal and untenable in law. Further, the NECE had faced similar situations in the past, where NECE has received favorable orders from the Hon'ble High Court and the Supreme Court.

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 judgments 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 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.

Based on the above, in the opinion of the Management, the requisite regulatory approvals are expected to be received by NECE in the normal course of business for the township development activities of NECE and hence, there would be no adverse effect on the operations of NECE.

B. Going concern assumption

NECE had been incurring losses in prior years resulting in substantial erosion of its net-worth and had also overdue in repayment of borrowings. In the current year, based on internal accruals, NECE has repaid all its overdue to the Senior Lenders and has also been successful in re-financing its long-term borrowings. However, NECE continues to face shortage of funds required to meet day-to-day business operations.

BFUL and NICE have entered into a Sponsor Support Agreement with the Senior Lenders of NECE, under which they have undertaken to financially support NECE in meeting any shortfall in the Operation and Maintenance of the Integrated Toll Road Project consisting of Toll Road and Township Development, as defined in the Agreement.

NECE believes that with a combination of the following mitigation plans, it would be able to meet all its obligations in the normal course of business:

- (i) the business plans of NECE which, inter alia, considers:
 - a) its internal cash accruals from Toll revenues;
 - b) disposal / development of parcels of land where approvals have been received;
 - c) disposal / development of parcels of land subject to receipt of approvals, which is expected to be received pursuant to the favorable orders of the Hon'ble High Court of Karnataka;
- (ii) legally contesting any matters that may arise consequent to the reported constitution of the Assembly Panel to study the implementation of the Framework Agreement as stated in; and
- (iii) The undertaking provided by BFUL and NICE under the Sponsor Support Agreement with the Senior Lenders of NECE, under which the said companies have undertaken to financially support NECE in meeting any shortfall in the Operation and Maintenance of the Integrated Toll Road Project consisting of Toll Road and Township Development, as defined in the Agreement.

Accordingly, these consolidated financial statements have been prepared on a going concern basis.

- C. NECE has advanced an amount of Rs.1,150,454,871 (Previous Year Rs.1,205,653,553) to Nandi Engineering Limited (NEL) for undertaking development of toll roads and townships and given loans of Rs. 160,793,546 (Previous Year Rs.170,678,545) to NEL [including interest accrued but not due of Rs.10,793,546 (Previous Year Rs.20,678,545)], which remain outstanding till 3 September, 2015 .These have been considered as good and recoverable in these consolidated financial statements by the Management of NECE based on the future additional work that is expected to be contracted to NEL once NECE receives / acquires the requisite land parcels.
- D. Section A of the BMICP includes development of 13 Kms of Expressway. Of the above, NECE has completed 8 Kms till 3 September, 2015 and is awaiting for allotment of land parcels from the GoK in order to complete the balance portion of the Expressway. An amount of Rs. 1,175,308,298, being the cost incurred (including allocation of preoperative expenses and borrowing costs) at the balance sheet date in developing the 8 Kms of bituminous road and related infrastructure has been classified in consolidated financial statements as Capital work in progress. NECE is confident of recovering the above costs through collection of tolls from the utilization of the Expressway, once the requisite land parcels are received from the GoK and the balance portion of the Expressway is completed.

37. 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 financial statements, pending final outcome of the cases.

38. The Company is required to apply for Open Access Permission to Maharashtra State Electricity Distribution Co. Ltd., (MSEDCL) every financial year. Upon receipt of the Open Access Permission, the credit notes are issued by MSEDCL for power generated at the Company's wind farm at Satara which are subsequently adjusted in the power bill of the customer in Pune.

The Company has applied for Open Access Permission to MSEDCL for the financial year 1 April, 2014 to 31 March, 2015 well in time. However, due to certain policy issues at MSEDCL, it has still not granted Open

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2015 :

Access Permission to the Company for the said year and consequently credit notes for this period are awaited from MSEDCL. The Company had preferred an appeal with MERC against this decision of MSEDCL.

Pending issuance of these credit notes, the Company has recognized revenue from power generation during 1 April, 2014 to 31 March, 2015 at the average power tariff base rate at Rs. 5.75 per unit generated.

In case of unfavorable decision by MERC and consequent sale of power to MSEDCL at Rs. 2.52 per unit generated, as per case no 58 of 2008 issued by MSEDCL, the profits of the Company for that year would be lower by about Rs. 40.5 million net of tax.

However the Company has received Open Access Permission for 3 years from 1 April, 2015

39. During the year, the operations of wind farm of the Company were partially affected due to the local issues at the wind farm site and disputes with the service provider. The power generation and corresponding income from operation is lower due to these disturbances. The wind farm has since been functioning normally.
40. Impact, if any, of significant transactions or other events, on the consolidated financial statements, pertaining to the period subsequent to the dates of issue of the respective financial statements of the subsidiaries till the date of issue of these consolidated financial statements, cannot be given due to lack of such information of the subsidiaries for the said period.
41. In the prior year remuneration amounting to Rs. 58,381,984 had been paid to Managing Director of NECE, Mr. Ashok Kheny. The remuneration paid for the period 1 April, 2013 to 30 November, 2013 was within the sanctioned limits of the approval, granted by the Ministry of Corporate Affairs, Government of India (GOI) to NECE. NECE's application for seeking approval from the GOI for the managerial remuneration to be paid for the period 1 December, 2013 until 31 March, 2014 is pending with the GOI for approval.
- Managerial remuneration for the period 1 December, 2013 to 31 March, 2014, to the extent of Rs. 13,333,333 would be adjusted appropriately in accordance with the GOI approval on receipt of the same.
42. Segment information based on consolidated financial statements, as required by Accounting Standard 17 "Segment Reporting" as prescribed by Rules, as amended is set out in a separate statement annexed thereto.
43. Statement of Financials of Subsidiary Companies in terms of Section 129(3) of the Companies Act, 2013 is annexed.
44. Exceptional items includes, profit on sale of 0% OFCD's by the Company held in DGM Realities Pvt Ltd. at a profit of Rs 40.4 million.
45. Previous year's figures have been regrouped and reinstated wherever necessary to correspond with the current year's classification / disclosure.

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

PRAKASH APTE
Partner
Membership No. 033212

Pune, 28 November, 2015

On behalf of the Board of Directors
CIN : L40108PN2000PLC015323

B.B. HATTARKI
Director
DIN : 00145710

S. S. JOSHI
Chief Financial Officer

Pune, 28 November, 2015

A.B. KALYANI
Director
DIN : 00089430

B.S. MITKARI
Chief Executive Officer & Company Secretary

Annexure referred to in Note No. 30 of the Consolidated Financial Statements for the Year ended 30th September, 2015

Unique Accounting Policies followed by the Subsidiary Company :

A. Nandi Economic Corridor Enterprises Limited (NECE)

i) Operating cycle:

The business operations of NECE are classified into a) Toll road and b) Township development. Based on the nature of business operations of NECE and the normal time between acquisition of assets and their realisation in cash or cash equivalents, NECE has determined the operating cycle as 12 months for Toll Road operations and 5 years for Township Development from the date of registration of land in the name of NECE and after getting the required regulatory approval for commencing the development activities.

ii) Depreciation and amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. In respect of tangible fixed assets purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is put to use. Individual assets costing less than Rs. 5,000/- are depreciated in full in the year of purchase.

Toll road assets - Section A, created under Build, Own, Operate and Transfer ('BOOT') is considered as Intangible Asset since the asset will be transferred to GoK at the end of the concession period. Since the concession period is not determinable pending fulfillment of the conditions precedent in the FWA and TCA (as more fully described in Note 1 above), NECE has, as a matter of prudence, commenced amortization of the Toll Road in accordance with Schedule II to the 2013 Act as follows:

- Solely for purposes of amortization of the Toll Road assets - Section A, NECE has considered a period of 40 years (i.e., 10 years of Construction period and 30 years of Concession period) from the Initial Financial Closure achieved in year 2004 (30 years is remaining as at the balance sheet date).
- The amortisation is based on proportion of actual toll road revenues earned during the period over the projected toll revenues estimated over the above mentioned 40 year period.

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1 April, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation / useful life are as follows :

Assets	Previous Depreciation Rate / Useful life	Revised useful life based on SLM
Plant and Equipments	20 years	8 / 12 years
Electrical Items	20 years	10 years
Laboratory Equipments	20 years	10 years
Towers	20 years	13 years
Office Equipments	20 years	5 years
Computer	6 years	6 / 3 years
Furniture and fixtures	15 years	10 years
Vehicles	10 years	8 / 10 years

iii) Share issues expenses:

Share issue expenses are adjusted against the Securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

iv) Inventory valuation:

Stock of Land and related developments are valued at lower of cost or net realisable value. Cost is the aggregate of Land cost and development cost which includes materials, contract works, direct expenses and apportioned borrowing cost.

v) **Service tax input credit:**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

vi) **Revenue recognition:**

- a) Toll Income is recognised on the basis of actual collections.
- b) Income from sale of land is recognised when the possession of land is transferred along with all risks associated with it.

B. Nandi Highway Developers Limited (NHDL)

i) **Fixed assets and depreciation:**

Fixed Assets :

Fixed Assets are carried at Cost of Acquisition (including cost of specific borrowings and expenses during construction period, directly attributable for bringing the assets in working condition) or Construction, less accumulated Depreciation.

Depreciation and Amortisation:

Depreciation has been provided on "Straight Line Method" and "Written Down Method" basis as per the useful life of the Assets prescribed in Schedule II of the Companies Act, 2013 in respect of tangible fixed assets, based on the technical estimates that indicate the useful lives would be comparable with or higher than those arrived at using the life of assets.

In respect of tangible fixed assets purchased during the year, depreciation is provided on pro-rata basis from the date on which such asset is put to use. Individual assets costing less than Rs. 5000/- are depreciated in full in year of purchase.

Toll road assets - Toll Roads Phase I and II, created under Build, Operate and Transfer ('BOT') is considered as Intangible Asset since the asset will be transferred to Government of Karnataka (GoK) at the end of the concession period. NHDL has, as a matter of prudence, commenced amortization of the Toll Road based in accordance with Schedule II to the Companies Act, 2013 as follows:

- Solely for purposes of amortization of the Toll Road assets - NHDL has considered a period of 26 years (i.e., 2 years of Construction period and 24 years of Concession period) from the Initial Financial Closure achieved in year 2000.
- The amortization is based on a proportion of actual toll revenues earned during the period over the projected toll revenues estimated for the balance concession period of 12 years.

ii) **Minimum Alternative Tax (MAT) credit entitlement:**

The MAT entitlement account reflects current year payment as well as previous year payment.

C. Nandi Infrastructure Corridor Enterprise Limited

i) **Fixed assets and depreciation:**

Depreciation on Road and Buildings is being provided on "Straight Line Method" basis in accordance with the provisions of the Companies Act, 2013 in the manner and at the rates specified in Schedule II of the said Act, over the estimated life of the assets.

ii) **Inventory valuation:**

Inventories are valued at cost or market value whichever is less.

Annexure referred to in Note No. 42 of Notes forming part of the Financial Statements.

Disclosure of Segment information as required by AS 17 "Segment Reporting" :

Segment wise Revenue, Results, and Capital Employed based on Consolidated Financial Statements for the Year Ended 30 September, 2015

Sr. No.	Particulars	Year ended	Year ended
		30th Sept, 2015	30th Sept, 2014
		Rs.	Rs.
1	Segment revenue		
	a. Wind energy	191,626,726	250,287,382
	b. Infrastructure	5,028,706,602	2,147,163,905
	Total	5,220,333,328	2,397,451,287
	Less : Inter segment revenue	-	-
	Net sales / income from operations	5,220,333,328	2,397,451,287
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind energy	63,579,298	76,632,056
	b. Infrastructure	3,427,335,693	1,160,182,099
	Total	3,490,914,991	1,236,814,155
	Less : i) Interest and finance charges	2,313,823,355	2,400,878,983
	ii) Other unallocable expenditure net off unallocable income	5,244,184	(68,224,197)
	Profit / (Loss) before tax and Exceptional Items	1,171,847,452	(1,095,840,631)
	Exceptional Items	33,055,000	-
	Total Profit / (Loss) before tax	1,204,902,452	(1,095,840,631)
3	Total carrying amount of segment assets		
	a. Wind energy	569,795,880	570,988,340
	b. Infrastructure	21,633,472,909	21,845,200,960
	c. Others - Unallocable (including temporary deployment in Mutual Funds)	165,373,960	73,471,137
	Total	22,368,642,749	22,489,660,437
4	Total amount of segment liabilities		
	a. Wind energy	470,619,684	488,164,427
	b. Infrastructure	1,585,944,790	2,082,524,660
	c. Others - Unallocable	5,117,297	5,690,562
	Total	2,061,681,771	2,576,379,649
5	Capital employed (Segment assets - Segment liabilities)		
	a. Wind energy	99,176,196	82,823,913
	b. Infrastructure	20,047,528,119	19,762,676,300
	c. Others - Unallocable	160,256,663	67,780,575
	Total	20,306,960,978	19,913,280,788
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	3,065,333	21,925
	b. Infrastructure	45,221,686	1,008,612,847
	c. Others - Unallocable	45,691,951	28,700,213
	Total	93,978,970	1,037,334,985
7	Depreciation & amortisation		
	a. Wind energy	47,899,819	61,148,745
	b. Infrastructure	231,884,979	176,105,326
	Total	279,784,798	237,254,071

Annexure to Note No. 43

Statement showing details relating to subsidiaries as required by the General Circular No. 2/2011 of Central Government.

Amount in Rupees

Sr. No	Particulars	Nandi Infrastructure Corridor Enterprise Ltd.	Nandi Economic Corridor Enterprise Ltd.	Nandi Highway Developers Ltd.
a)	Capital	1,250,936,880	7,149,863,100	375,000,060
b)	Reserves & Surplus	26,060,532	(5,874,931,226)	164,763,179
c)	Total Assets	1,392,416,663	20,512,619,256	1,206,577,640
d)	Total Liabilities	115,419,251	19,237,687,382	666,814,401
e)	Details of Investment (Except in case of investment in susidiaries)	62,710	-	5,500
f)	Turnover	7,013,646	4,610,934,879	417,723,078
g)	Profit before Taxation	(5,211,306)	1,130,362,771	36,822,634
h)	Provision for Taxation	642,115	-	7,637,243
i)	Profit after Taxation	(5,853,421)	1,130,362,771	29,185,391
j)	Proposed Dividend	-	-	-

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BF UTILITIES LIMITED

CIN :L40108PN2000PLC015323

Registered Office : Mundhwa, Pune 411 036

Correspondence Address : Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar, Pune- 411 013

Phone : +91 20 66292550

Email : bfutilitiesltd@vsnl.net Website : www.bfutilities.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of
the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : _____

Registered Address : _____

E-mail Id : _____

Folio No. / DP ID & Client ID : _____

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint :

(1) Name _____ Address _____

E-mail ID _____ Signature _____ or failing him / her

(2) Name _____ Address _____

E-mail ID _____ Signature _____ or failing him / her

(3) Name _____ Address _____

E-mail ID _____ Signature _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Fifteenth Annual General Meeting of the Company, to be held on Wednesday, the 2nd day of March, 2016 at 11.30 a.m. (I.S.T.) at Kalyani Steels Limited, Mundhwa, Pune - 411 036 and at any adjournment thereof in respect of such resolutions as are indicated below :

Item No.	Resolution (For details, refer Notice of Fifteenth Annual General Meeting dated 28 th November, 2015)	Vote *(Optional See Note 4)		
		For	Against	Abstain
1.	Adoption of the Financial Statements of the Company for the year ended 30 th September, 2015 and the reports of the Board of Directors and Auditors thereon.			
2.	Appointment of Mr. A. B. Kalyani, as a Director, who retires by rotation, and being eligible, offers himself for re-appointment			
3.	Ratification of appointment of M/s. Joshi Apte & Co, Chartered Accountants, Pune as Auditor of the Company			
4.	Appointment of Ms. A. A. Sathe as an Independent Director			
5.	Related Party Transactions of the Company with Bharat Forge Limited			

Signed this _____ day of _____ 2016

Signature of member :

Signature of Proxy holder(s) :

Please affix
Revenue
Stamp of
proper value

(Please refer instructions overleaf)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. * It is optional to indicate your preference by placing the tick (✓) mark at the appropriate box. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.

BF UTILITIES LIMITED

CIN :L40108PN2000PLC015323

Registered Office : Mundhwa, Pune 411 036

Correspondence Address : Cyber City, Tower 15, Level 6, Office 602,

Magarpatta City, Hadapsar, Pune- 411 013

Phone : +91 20 66292550

Email : bfutilitiesltd@vsnl.net Website : www.bfutilities.com**BALLOT PAPER**

(In lieu of E-voting)

Sr. No.	Particulars	Details
1	Name of the First Named Shareholder	
2	Postal Address	
3	Registered Folio No. / * DP ID & Client ID	
4	Class of Shares	

(*Applicable to investors holding shares in dematerialised form)

I / We hereby exercise my / our vote in respect of the Ordinary / Special Resolution(s) enumerated below, by recording my/our assent or dissent to the said Resolution(s) in the following manner :

No.	Item Description (For details, refer Notice of Fifteenth Annual General Meeting dated 28 th November, 2015)	No. of Equity Shares held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	Adoption of the Financial Statements of the Company for the year ended 30 th September, 2015 and the reports of the Board of Directors and Auditors thereon.			
2.	Appointment of Mr. A. B. Kalyani, as a Director, who retires by rotation, and being eligible, offers himself for re-appointment			
3.	Ratification of appointment of M/s. Joshi Apte & Co, Chartered Accountants, Pune as Auditor of the Company			
4.	Appointment of Ms. A. A. Sathe as an Independent Director			
5.	Related Party Transactions of the Company with Bharat Forge Limited			

Place : _____

Date : _____

Signature of the Shareholder(s)

(Please refer instructions overleaf)

INSTRUCTIONS

1. Members may fill up the Ballot Paper by placing the tick (✓) mark at the appropriate box above and submit the same in a sealed envelope to the Scrutinizer, Mr.S.V. Deulkar of SVD & Associates, Company Secretaries, C/o BF Utilities Limited, Secretarial Department, Cyber City, Tower 15, Level 6, Office 602, Magarpatta City, Hadapsar, Pune- 411 013 so as to reach not later than 1st March, 2016 by 6:00 p.m. Ballot Paper received thereafter will be treated as invalid.
2. The Company will not be responsible if the envelope containing the Ballot Paper is lost in transit.
3. Unsigned, incomplete or incorrectly ticked Ballot Papers are liable to be rejected and the decision of the Scrutinizer on the validity of the Ballot Papers will be final.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Paper, the votes in the electronic system would be considered and the Ballot Paper would be ignored.
5. The right of voting by this Ballot Paper shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrar & Transfer Agent of the Company. Members are requested to keep the same updated.
7. There will be only one Ballot Paper for every Folio/ DP ID & Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Paper should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Paper signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Paper signed by other joint holders.
9. Where the Ballot Paper has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorisation / Board resolution to vote should accompany the Ballot Paper.
10. Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company.

For Shareholders holding shares in Physical Form only



Date :

To,
Company Secretary
BF Utilities Limited
Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar, Pune- 411 013
Phone: +91-20-6629 2550 / 26

Sub :- Request to send the Notices, Annual Reports etc. of the Company on e-mail in future.

Dear Sir,

I request the Company to send all the Notices, Annual Reports, etc. of the Company in future on the email, as detailed below.

Email ID - _____

Folio No. - _____

- Name of Shareholder 1) _____
- 2) _____
- 3) _____

Thanking you,
Yours faithfully,

Signature of 1 st Shareholder	Signature of 2 nd Shareholder	Signature of 3 rd Shareholder
--	--	--





KALYANI

BF UTILITIES LIMITED

CYBER CITY, TOWER 15, LEVEL 6, OFFICE 602,
MAGARPATTA CITY, HADAPSAR, PUNE 411 013
MAHARASHTRA, INDIA.

website : www.bfutilities.com