

# BF UTILITIES

BFUL/NSE/BSE/

May 30, 2018

The Manager,  
Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (E),  
Mumbai – 400 051  
SYMBOL – BFUTILITIE

The General Manager  
Corporate Relationship Department,  
BSE Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street, Fort,  
Mumbai – 400 001.  
Scrip Code – 532430

Dear Sirs,

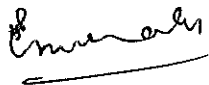
**Re: Consolidated Audited Financial Results for the year ended 31<sup>st</sup> March, 2018.**

Please find enclosed herewith the copy of Consolidated Audited Financial Results for the year ended 31<sup>st</sup> March, 2018.

The Board meeting started at 11.45 and concluded at 13.30.

Thanking You,

Yours Faithfully,  
For BF Utilities Limited



B. S. Mitkari  
Company Secretary

Encl : As Above



**Correspondence Address:**  
Cyber City, Tower 15, Level 6, Office 602,  
Magarpatta City, Hadapsar, Pune 411013.  
Phone: +91-20-6629 2550/26

**CIN:L40108PN2000PLC015323** KALYANI  
GROUP COMPANY

BF UTILITIES LIMITED, MUNDHWA, PUNE CANTONMENT, PUNE 411 036, MAHARASHTRA, INDIA  
Phone : +91-20- 26822552, 26702777 Fax : +91-20- 26823061  
Email: bfutilitiesltd@vsnl.net Website : www.bfutilities.com

**BF UTILITIES LIMITED**  
 Regd. Office : Mundhwa, Pune Cantonment, Pune 411 036  
 CIN : L40108PN2000PLC015323

		Rs. In Lakhs	
<b>STATEMENT OF AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31ST MARCH, 2018</b>			
Sr. No.	Particulars	Year Ended	
		31/03/2018	31/03/2017
		(Audited)	(Audited)
1	Revenue from operations	40,097.97	33,627.28
2	Other income	1,070.32	809.41
3	<b>Total revenue (1+2)</b>	<b>41,168.29</b>	<b>34,436.69</b>
4	<b>Expenses</b>		
	Cost of sale of land and land development	-	70.28
	Changes in inventories	12.05	(20.39)
	Operational expenses	419.33	479.01
	Employee benefit expenses	4,718.77	4,117.26
	Finance costs	20,843.71	22,246.31
	Depreciation and amortization expense	6,259.87	5,976.91
	Other expenses	4,814.88	3,903.99
	<b>Total expenses</b>	<b>37,068.61</b>	<b>36,773.37</b>
5	<b>Profit / (Loss) before tax and exceptional items (3-4)</b>	<b>4,099.68</b>	<b>(2,336.68)</b>
6	(Expenditure)/ income Exceptional and Extra ordinary items (net)	-	-
7	<b>Profit / (Loss) before tax (5 + 6)</b>	<b>4,099.68</b>	<b>(2,336.68)</b>
8	<b>Tax expense :</b>		
	a) Current tax		
	- pertaining to profit for the year	1031.15	752.83
	- MAT Credit utilised in relation to earlier years	-121.8	-
	Tax for the year	909.35	752.83
	b) Deferred tax	(380.69)	(160.91)
		528.66	591.92
9	<b>Profit / (Loss) for the year after taxation (7-8)</b>	<b>3,571.02</b>	<b>(2,928.60)</b>
10	Adjustments relating to earlier years :		
	Excess / (Short) provision for taxation and tax payments	33.03	(2.66)
11	<b>Net Profit / (Loss) for the year (9+10)</b>	<b>3,604.05</b>	<b>(2,931.26)</b>
13	<b>Other Comprehensive Income for the period (net of tax)</b>		
	(a) Items that will not be reclassified to Profit or Loss :		
	Remeasurement of the defined benefit plans (net off tax)	(213.75)	(148.04)
	Remeasurement of financial instruments (net off tax)	8.92	9.39
	(b) Items that will be reclassified to Profit or Loss	-	-
		(204.83)	(138.65)
14	<b>Total comprehensive income</b>	<b>3,399.22</b>	<b>(3,069.91)</b>
	a) Total comprehensive income above attributable to		
	Owners of the parent	2,348.43	256.40
	Non-controlling interest	1,050.79	(3,326.31)
	b) Of the total comprehensive income above, profit for the year attributable to		
	Owners of the parent	2,404.33	332.46
	Non-controlling interest	1,199.72	(3,263.72)
	c) Of the total comprehensive income above, other comprehensive income for the year attributable to		
	Owners of the parent	(55.90)	(76.06)
	Non-controlling interest	(148.93)	(62.59)
15	<b>Earnings per share:</b>		
	(Face value of Rs. 5 each)		
	Basic & Diluted	9.57	(7.78)
	Paid-up Equity Share Capital (Face value of Rs. 5 each)	1,883.38	1,883.38
	Reserves excluding Revaluation Reserve		
	Other equity	(31,117.82)	(33,430.71)

Place : Pune  
 Date : 30 May, 2018



For BF UTILITIES LIMITED

DIRECTOR

*B.B. Hattarki*  
 B.B. Hattarki  
 DIN: 00145710

**BF Utilities Limited**

**Consolidated Segmentwise Revenue, Results, and Capital Employed for the  
Year Ended 31 March, 2018**

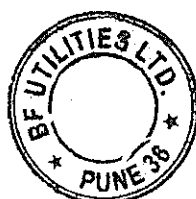
(Rs. In Lakhs)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
	(Audited)	(Audited)
<b>Segment Revenue</b>		
a. Wind Mills	1,487.31	2,129.06
b. Infrastructure	38,612.63	31,579.84
Total	40,099.94	33,708.90
Less : Inter segment revenue	-	-
Net sales / income from operations	40,099.94	33,708.90
<b>Segment results</b>		
Profit / (Loss) (before tax and interest from each segment)		
a. Wind Mills	132.56	1,134.37
b. Infrastructure	23,771.80	17,985.02
Total	23,904.36	19,119.39
Less : i) Interest and Finance Charges	20,843.70	22,246.33
ii) Other unallocable expenditure net off unallocable income	(1,039.02)	(790.26)
Total Profit / (Loss) before tax and Exceptional Items	4,099.68	(2,336.68)
Exceptional Item	-	-
Total Profit / (Loss) before tax	4,099.68	(2,336.68)
<b>Capital Employed</b>		
<b>Segment Assets</b>		
a. Wind Mills	5,064.19	4,768.85
b. Infrastructure	1,75,359.58	1,79,188.59
c. Unallocable	1,253.38	3,447.44
Total	1,81,677.15	1,87,404.88
<b>Segment Liabilities</b>		
a. Wind Mills	4,289.62	3,952.71
b. Infrastructure	22,934.27	22,938.16
c. Unallocable	50.86	526.45
Total	27,274.75	27,417.32
Capital employed (Segment Assets - Segment Liabilities)		
a. Wind Mills	774.57	816.14
b. Infrastructure	1,52,425.31	1,56,250.43
c. Other - Unallocable	1,202.52	2,920.99
Total	1,54,402.40	1,59,987.56

FOR BF UTILITIES LIMITED

Pune

Dated : 30 May, 2018



DIRECTOR

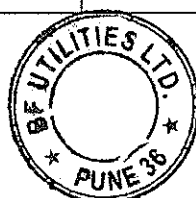
B. B. Hattarki

DIN : 00145710

BF UTILITIES LIMITED  
Consolidated Statement of Assets and Liabilities

(Rs. In Lakhs)

	Consolidated As At		
	31-Mar-2018	31-Mar-2017	1-Apr-2016
	Audited	Audited	Audited
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	3,519.58	4,080.50	4,705.34
(b) Capital Work in Progress	3,535.20	3,540.10	14,305.91
(c) Investment Property	10.39	10.39	10.39
(d) Goodwill	635.09	635.09	635.09
(e) Other Intangible Assets	1,11,374.25	1,16,972.26	1,11,393.37
(f) Intangible assets - under development	1,092.24	1,969.06	1,631.52
(g) Intangible Assets	-	-	-
(h) Financial assets			
(i) Investments	19.01	19.01	202.02
(ii) Loans	282.53	606.16	1,072.86
(iii) Other financial assets	-	-	-
(i) Income tax assets (net)	707.00	85.28	623.32
(j) Deferred Tax Asset	10.87	-	-
(k) Other Non Current Assets	29,283.62	29,649.23	29,894.21
	1,50,469.78	1,57,567.08	1,64,474.03
<b>II Current assets</b>			
(a) Inventories	17,150.13	17,162.18	17,212.07
(b) Financial assets			
(i) Investments	866.31	2,318.93	2,686.06
(ii) Trade receivables	212.79	950.73	96.91
(iii) Cash and cash equivalents	2,408.96	3,205.48	2,478.86
(iv) Other bank balances	4,451.73	-	-
(v) Loans	1,243.85	1,406.07	1,530.46
(vi) Other current financial assets	315.07	95.41	1,765.55
(c) Current Tax Assets	-	-	-
(d) Other Current Assets	4,569.40	4,699.00	4,461.53
	31,218.24	29,837.80	30,231.44
<b>Total assets</b>	<b>1,81,688.02</b>	<b>1,87,404.88</b>	<b>1,94,705.47</b>
<b>A. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	1,883.38	1,883.38	1,883.38
(b) Other Equity	(31,117.82)	(33,430.71)	(45,252.94)
(c) Non Controlling Interest	19,363.12	18,979.00	1,985.35
<b>Total equity</b>	<b>(9,871.32)</b>	<b>(12,568.33)</b>	<b>(41,384.21)</b>
<b>I Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	1,58,029.15	1,67,739.55	2,04,523.27
other financial liabilities	8,566.53	6,843.62	5,890.80
(b) Provisions	281.65	57.69	43.35
(c) Deferred tax liabilities	-	225.10	307.96
(d) Other non-current liabilities	8,921.16	9,149.95	9,416.63
<b>Total Non-Current liabilities</b>	<b>1,75,798.49</b>	<b>1,84,015.91</b>	<b>2,20,182.01</b>
<b>II Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	6,255.45	4,591.24	4,301.83
(ii) Trade payables	2,561.27	2,020.06	1,964.61
(iii) Other financial liabilities	4,228.33	5,965.95	3,546.19
(b) Other current liabilities	710.02	504.09	541.96
(c) Provisions	2,005.78	2,875.96	5,553.08
(d) Current tax liabilities (net)	-	-	-
<b>Total Current liabilities</b>	<b>15,760.85</b>	<b>15,957.30</b>	<b>15,907.67</b>
<b>Total Liabilities</b>	<b>1,91,559.34</b>	<b>1,99,973.21</b>	<b>2,36,089.68</b>
<b>Total equity and liabilities</b>	<b>1,81,688.02</b>	<b>1,87,404.88</b>	<b>1,94,705.47</b>
	-	-	-



For BF UTILITIES LIMITED

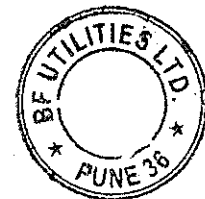
DIRECTOR

B. B. Hattarki  
Dist. No. 00145710

Notes:

- 1 The above Consolidated results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 30<sup>th</sup> May, 2018.
- 2 First time adoption of Ind AS : The Group adopted Indian Accounting Standards ("Ind AS") from 1 April, 2017 and accordingly, the transition was carried out, from the Accounting Principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), in accordance with Ind AS-101 "First time adoption of Indian Accounting Standards". Accordingly, the impact on transition has been recorded in opening reserves as at 1 April, 2016 and the periods presented have been restated / reclassified.
- 3 Reconciliation of net profit after tax for the corresponding year ended 31 March, 2017 between previous GAAP and Ind AS is as under:

(Rs. in Lakhs)		
Sr No	Particulars	Year ended 31 March, 2017
A	Net profit after tax for the period as per previous GAAP	(513.85)
B	<b>Effects of transition to Ind-AS on statement of profit and loss :</b>	
	Impact of financial assets and liabilities carried at fair value	(7.84)
	Impact of financial assets and liabilities carried at amortised cost	648.85
	Impact of change in amortization policy	(3252.05)
	Remeasurement gain \loss employee benefit scheme	148.04
	Tax effect	1.55
	Deferred tax	44.03
	Sub total (B)	(2417.42)
C	Net profit after tax for the period as per IND AS	(2931.27)
	Remeasurement gain \loss employee benefit scheme	(148.04)
	Others	9.39
C	Total comprehensive income (A+B)	(3069.92)



Reconciliation of Equity under Ind-AS and reported under previous GAAP are summarized as follows

		(Rs. in Lakhs)	
	Description	March 31, 2017	April 1, 2016
a)	Total Equity as per previous GAAP	16,358.00	16,286.24
b)	<b>Ind-AS Adjustments [Increase in Equity / (Decrease in Equity)]</b>		
i)	Impact of Financial Assets & Liabilities carried at Fair Value	35.87	(30,950.21)
ii)	Impact of Financial Assets & Liabilities carried at Amortised cost	(1,206.66)	(2,242.35)
iii)	Change in Amortisation policy	(15,428.57)	(12,184.94)
iv)	Provision for advances to Related parties	(12,272.43)	(12,272.43)
v)	Capital W.I.P. written off	(141.83)	(141.83)
vi)	Deferred tax impact on Ind-AS adjustments	87.29	121.31
	<b>Total Ind-AS adjustments</b>	<b>(28,926.33)</b>	<b>(57,670.45)</b>
c)	<b>Total Equity as per Ind-AS</b>	<b>(12,568.33)</b>	<b>(41,384.21)</b>

Notes for point 3 and 4 above—

**Cumulative compulsorily convertible preference shares:**

The group had issued Cumulative compulsorily convertible preference shares which carried fixed cumulative dividend. Under Indian GAAP, these were classified as equity and dividend payable thereon was disclosed as Contingent liability. Under Ind AS, these Cumulative compulsorily convertible preference shares are classified as a financial liability and are measured at fair value with changes in fair value being recognized in profit or loss for the year.

**Cumulative redeemable preference shares:**

The group had issued Cumulative redeemable preference shares which carried fixed cumulative dividend. Under Indian GAAP, these were classified as equity and dividend payable thereon was disclosed as Contingent liability. Under Ind AS, these cumulative redeemable preference shares are classified as a financial liability. Interest on liability component is recognised using the effective interest method. Accordingly, equity is reduced with a corresponding increase in borrowings as financial liability component.

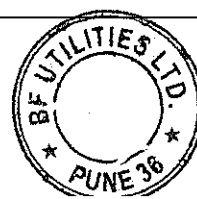
The group has capitalized the interest arising on account of the above adjustment up to the date all the activities necessary to prepare the qualifying asset for its intended use was substantially complete, which has resulted in a change in the carrying value of the intangible assets and consequential amortization of intangible asset.

**Investment in Quoted Debt Instruments:**

The group has made Investments in quoted debt instruments which have been measured at fair value through profit or loss (FVTPL) as against lower of cost or fair value, under the previous GAAP. The difference between the fair value and previous GAAP carrying value on transition date has been recognized as an adjustment to opening retained earnings. Subsequent fair value changes have been recorded in the statement of profit and loss.

**Investment in Quoted Equity Instruments:**

The group has classified Investments in quoted equity instruments at "Fair Value through Other comprehensive Income (FVTOCI)" through an irrevocable election at the date of transition as against lower of cost and fair value as per previous GAAP. The difference between the fair value and previous GAAP carrying value on transition date has been recognized as an adjustment to opening retained earnings. Subsequent fair value changes have been recorded in OCI.



**Unsecured loans:**

Interest-free unsecured loans from related parties were recognized at transaction value with interest being recorded at coupon rate under previous GAAP. However under Ind AS, they are required to be recognized at fair value. Accordingly, The group has recognized these unsecured loans at fair value and subsequently measured them at amortized cost. Difference between the fair value and transaction value has been recognized as credit to equity.

**Advances received:**

Under the previous GAAP, advances received towards joint development (that are refundable in cash) were recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognized at fair value. Accordingly, The group has recognized these advances received at fair value and subsequently measured them at amortized cost. Difference between the fair value and transaction value of the advances received has been recognized as deferred land revenue which would be recognized as revenue when revenue recognition criteria is met.

**Contractual obligations to maintain or restore toll road:**

Under the previous GAAP, provisions are not recognized based on constructive obligations. However under Ind AS, provision is recognized when a past event has created a constructive obligation, provision is recognized and measured at net present value of the amounts expected to be paid to settle the obligation at the balance sheet date. Unwinding of discount has been treated as finance cost.

**Defined benefit liabilities:**

Both under previous GAAP and Ind AS, The group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI.

**Amortization of intangible assets:**

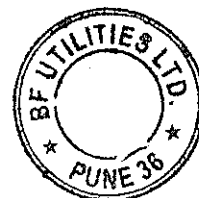
Under previous GAAP, The group used revenue-based model for amortization of toll road assets. Under Ind AS, Intangible asset is required to be amortized over its useful life and it prohibits use of revenue-based amortization method. Accordingly, The group has changed the method of amortization to straight line basis. Differential amount of depreciation as per the previous GAAP and Ind AS has been adjusted to opening retained earnings and in Statement of profit and loss for comparative period.

**Provision for advance to related parties and capital work in progress**

The group has written off certain advances relating to periods prior to 31 March , 2016 in opening retained earnings.

**Government Grant**

The group has been accounted for Interest free Sales tax deferral Govt loan as Govt grant resulting into Loan amount restated at discounted value. Unwinding of Interest on such loan has been debited to revenue accounts (under Finance costs) with matching Govt Grant recognised as Income (under other income). As such impact is revenue neutral.

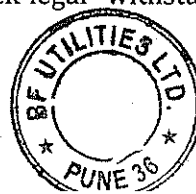


<b>Deferred tax:</b>
Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.
<b>Other comprehensive income</b>
Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.
<b>Retained earnings</b>
Retained earnings as at 1 April 2016 and 31 March 2017 has been adjusted consequent to the above Ind AS transition adjustments.

- 5 The Ind-AS consolidated financial results and financial information for the year ended 31<sup>st</sup> March, 2017 have been compiled by the respective managements after making necessary adjustments to give a true and fair view of the results.
- 6 Certain litigations by and against the Company are pending in various Courts, and the matter is subjudice. No cognizance thereof is taken in the above results, pending final outcome of the cases.

During the year due to disputes with the service provider the Company's windmills were partly non-operational thereby adversely affecting power generation. The management has taken all possible steps to restore the operations.

- 7 **In respect of Nandi Economic Corridor Enterprises Limited (NECE)**
- a. It had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House of Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by NECE. Further, it had also been reported in the print media that the House Committee tabled its report during November 2016 in the Karnataka Legislative Assembly, wherein NECE had various departments of GoK have been accused of violations of several terms of FWA and recommendations have been made to initiate appropriate actions which include recovery of excess land given for the project, recovery of illegal toll collected by NECE and further probe by national agencies such as the Central Bureau of Investigation (CBI), Enforcement of Directorate, central vigilance commission or investigative agencies of equal standing. While NECE has still not been provided with any notice of the formation of the committee or its reports, the Management of NECE has assessed the findings of the said Committee reported in the print media and is of the opinion that the allegations made therein are baseless, politically motivated and hence lack legal withstanding. Further, NECE had





faced similar situations in the past, where NECE has received favourable orders from the Hon'ble High Court and the Supreme Court. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee itself is unconstitutional, illegal, and invalid and any findings/report, given by the aforesaid House Committee would also be illegal and untenable in law.

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

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

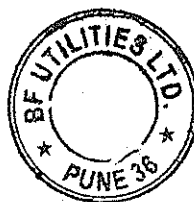
The Management of NECE is of the opinion that the requisite regulatory approvals would be received by NECE in the normal course of business for the township development activities; various litigations would be decided in the favor of NECE and, hence, there would be no adverse effect on the operations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

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

8 During the year the Company assigned an intangible asset under development and surplus on the assignment is included under the head Other Income.

9 The Company has reclassified previous period's / year's figures to confirm to current year's classification.

For BF Utilities Ltd.



Director  
Pune - 30 May, 2018.

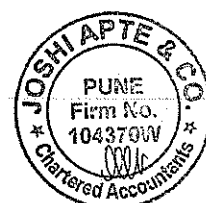
B. B. Hattarki  
DIN : 00145710

**Independent Auditor's Report on Consolidated Year to Date Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

To  
The Board of Directors of  
**BF UTILITIES LIMITED**

1. We **Joshi Apte & Co.** Chartered Accountants have audited the accompanying Statement of Consolidated Financial Results of **BF UTILITIES LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the year ended 31 March 2018 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The consolidated financial results for the year ended March 31, 2018 have been prepared on the basis of the audited annual consolidated Ind AS financial statement as at and for the year ended March 31, 2018 and the relevant requirements of the regulation and circular, which are the responsibility of the Company's Management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018 which was prepared in accordance with the applicable accounting standards and other accounting principles generally accepted in India and the relevant requirements of the Regulation and Circular.
2. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether Statement is free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Auditors Report on consolidated financial results of the Company Pursuant to regulation 33 of SEBI Guidelines – BF UTILITIES LTD. for the year end 31 March 2018**

3. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements of subsidiaries, these consolidated financial results for the year:

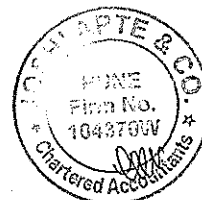
i. Include the year to date results of the following entities as detailed:

- a. BF Utilities Ltd
- b. Avichal Resources Private Limited
- c. Nandi Highway Developers Limited ("NHDL")
- d. Nandi Infrastructure Corridor Enterprise Limited ("NICE")
- e. Nandi Economic Corridor Enterprises Limited ("NECE")

ii. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

iii. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Group for the year ended March 31, 2018.

4. We did not audit the financial statements and other financial information of 3 (three) subsidiaries and 1 (one) step down subsidiary included in the consolidated financial results, whose Ind AS financial statements reflect total assets of Rs. 1,76,712.02 Lacs as at March 31, 2018, total revenues of Rs. 39,347.74 Lacs, total net profit after tax of Rs. 3,412.30 Lacs and total comprehensive income of Rs. 3,195.57 Lacs for the year ended on that date, as considered in the consolidated financial results. These Ind AS financial statements and other financial information have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.



**Auditors Report on consolidated financial results of the Company Pursuant to regulation 33 of SEBI Guidelines – BF UTILITIES LTD. for the year end 31 March 2018**

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**5. Emphasis of Matter**

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

- (a) We draw attention to Note No.6 of the Statement. As mentioned therein there are certain litigations by and against the Company that are yet to be decided by various courts and the matter is subjudice. No cognizance thereof is taken in the preparation of the financial statements, pending the final outcome of these cases. The operations of windfarm were partially affected due to local issues at windfarm site and dispute with service provider, thereby adversely affecting power generation.

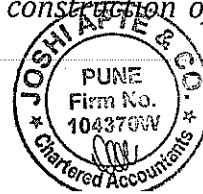
*Note No. 6-*

*Certain litigations by and against the Company are pending in various Courts, and the matter is subjudice. No cognizance thereof is taken in the above results, pending final outcome of the cases. During the year due to disputes with the service provider the Company's windmills were partly non-operational thereby adversely affecting power generation. The management has taken all possible steps to restore the operations.*

- (b) We draw attention to Note No. 7 (a) of the Statement regarding the reported constitution of an House Committee consisting of members of the Karnataka Legislative Assembly, and its findings on the alleged violations in implementation of the Framework Agreement ('FWA') in the construction of Peripheral Road, development of Townships and Utilities undertaken by NECE as part of the Bangalore Mysore Infrastructure Corridor Project ('BMIC Project'). As explained in the said Note, based on the legal opinion obtained by NECE in this regard, the Management of NECE has evaluated the above development and, in their assessment, since every aspect of the implementation of the BMIC Project has been judicially scrutinized in earlier instances by the Hon'ble High Court of Karnataka and Hon'ble Supreme Court of India and the Hon'ble Courts have pronounced detailed favorable judgments regarding the same, including upholding the process adopted by NECE in implementing the BMIC Project as per FWA, they are of the view that NECE has followed the FWA in letter and spirit and that all concerned laws have been adhered to in implementing the BMIC Project. Accordingly, NECE intends to legally contest any matter that may arise consequent to the reported findings of the Assembly Panel.

*Note No.7(a)-*

*It had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House of Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road,*



**Auditors Report on consolidated financial results of the Company Pursuant to regulation 33 of SEBI Guidelines – BF UTILITIES LTD. for the year end 31 March 2018**

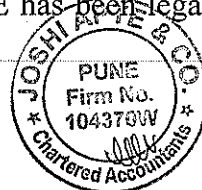
*development of townships and utilities undertaken by NECE. Further, it had also been reported in the print media that the House Committee tabled its report during November 2016 in the Karnataka Legislative Assembly, wherein NECE had various departments of GoK have been accused of violations of several terms of FWA and recommendations have been made to initiate appropriate actions which include recovery of excess land given for the project, recovery of illegal toll collected by NECE and further probe by national agencies such as the Central Bureau of Investigation (CBI), Enforcement of Directorate, central vigilance commission or investigative agencies of equal standing. While NECE has still not been provided with any notice of the formation of the committee or its reports, the Management of NECE has assessed the findings of the said Committee reported in the print media and is of the opinion that the allegations made therein are baseless, politically motivated and hence lack legal withstanding. Further, NECE had faced similar situations in the past, where NECE has received favorable orders from the Hon'ble High Court and the Supreme Court. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee itself is unconstitutional, illegal, and invalid and any findings/report, given by the aforesaid House Committee would also be illegal and untenable in law.*

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

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

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

- (c) We draw attention to Note No. 7 (b) of the Statement. As mentioned therein, As at the Balance sheet date, there are various cases pending against the NECE challenging the execution of the BMICP (the 'Project') which can be categorized under the following broad heads: a) Land acquisition and allotment related b) Litigation against layout approvals c) Enhanced compensation. NECE has been legally advised that none of these



**Auditors Report on consolidated financial results of the Company Pursuant to regulation 33 of SEBI Guidelines – BF UTILITIES LTD. for the year end 31 March 2018**

pending litigations or threatened litigation is likely to affect the execution of the Project. The Management of NECE believes that aforesaid litigations will not have any material impact upon the financial statements.

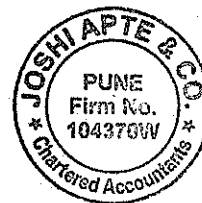
*Note No.7(b)-*

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

**FOR JOSHI APTE & CO.**

Chartered Accountants

ICAI Firm Registration No. 104370W



A handwritten signature in black ink, appearing to be "C. K. Joshi".

**C. K. Joshi**

Partner

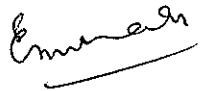
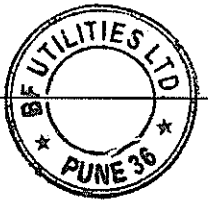
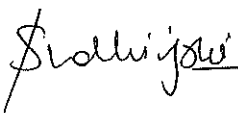
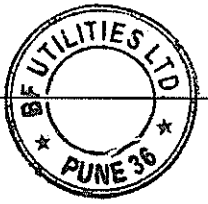

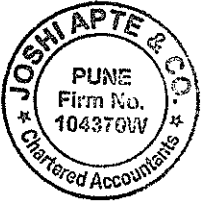
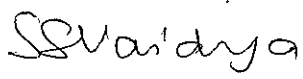
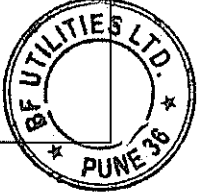
Membership no.: 030428

Place: Pune

Date: May 30,2018

Compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

FORM A (for audit report with unmodified opinion)

1.	Name of the company	BF UTILITIES LIMITED
2.	Annual consolidated financial statements for the year ended	31 March 2018
3.	Type of Audit observation	Un Modified Opinion - Emphasis of Matter referred in paragraph 5 of Auditor's Report
4.	Frequency of observation	<p>Following points are appearing under the 'Emphasis of Matter' paragraph 5 of the Auditor's Report.</p> <p>1) Point No. (a) 5<sup>th</sup> time repetitive since September 2014.</p> <p>2) Point No. (b) 4<sup>th</sup> time repetitive since September 2015.</p> <p>3) Point No. (c) – 1<sup>st</sup> time in March 31, 2018.</p>
5.	To be signed by –	
	<ul style="list-style-type: none"> <li>Mr. B.S. Mitkari CEO &amp; Company Secretary</li> </ul>	 
	<ul style="list-style-type: none"> <li>Mr. S.S. Joshi CFO</li> </ul>	 
	<ul style="list-style-type: none"> <li>Mr. C. K. Joshi Partner Membership No. 030428 For Joshi Apte &amp; CO. Chartered Accountants ICAI Firm Registration No. 104370W (Statutory Auditors)</li> </ul>	 
<ul style="list-style-type: none"> <li>Mr. S. S. Vaidya Audit committee Chairman</li> </ul>	 	

Date: May 30, 2018

Place: Pune