

BF UTILITIES LIMITED



KALYANI

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**BOARD OF
DIRECTORS**

B. N. KALYANI
Chairman

A. B. KALYANI

G. K. AGARWAL

B. B. HATTARKI

S. S. VAIDYA

BANKERS

IDBI Bank Limited

ICICI Bank Limited

HDFC Bank Limited

AUDITORS

Joshi Apte & Co., Chartered Accountants

REGISTERED OFFICE

BF Utilities Limited
Mundhwa, Pune Cantonment,
Pune 411 036, Maharashtra, India
E-mail : bfutilitiesltd@vsnl.net

CORRESPONDENCE ADDRESS

Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar, Pune 411013.
Phone : +91-20-66292550/26

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



BF UTILITIES LIMITED

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

CIN : L40108PN2000PLC015323

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of BF Utilities Limited will be held at Kalyani Steels Ltd., at Mundhwa, Pune 411 036 on Monday, 30th Day of March, 2015 at 10.30 a.m. (IST) to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Financial Statements of the Company for the year ended 30th September, 2014, including the audited Balance Sheet as at 30th September, 2014 and the statement of Profit and Loss for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. N. KALYANI (DIN 00089380), who retires by rotation but being eligible, offers himself for re-appointment.
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 retiring Auditor, M/s. Joshi Apte & Co., Chartered Accountants, (Firm Registration No. 104370W), be and is hereby re-appointed as Statutory Auditor of the Company to hold office for the period of 3 (three) years i.e. from the conclusion of this Annual General Meeting until the conclusion of the 17th Annual General Meeting of the Company (subject to ratification of this appointment at every Annual General Meeting to be held hereafter) to be held during the year 2018, 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 :

4. Appointment of Mr. S. S. Vaidya 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, Mr. S. S. Vaidya (DIN 00024245), who has submitted a declaration that he 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years with effect from 30th March, 2015 to 29th March, 2020."

5. Appointment of Mr. B. B. Hattarki 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, Mr. B. B. Hattarki (DIN 00145710), who has submitted a declaration that he 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years with effect from 30th March, 2015 to 29th March, 2020."

6. Payment of Remuneration by way of Commission to Non Whole-time Directors.

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 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby given to the payment and distribution, for each financial year commencing from 1st October, 2014, of a remuneration by way of commission not exceeding (a) 1% (one percent) of the net profits of the Company if there is a managing or whole-time director or manager; (b) 3% (three percent) of the net profits in any other case, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, amongst the directors of the Company or any one or more of them [other than managing director(s) and / or whole-time director(s)] in such proportion and in such manner as may be decided by the Board of Directors of the Company from time to time and such payment shall be made in respect of the profits of the Company for each financial year."

By Order of the Board of Directors
For BF Utilities Limited

Pune
3rd February, 2015

B. S. Mitkari
Sr. VP-Finance & Company Secretary

NOTES :

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

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

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business under Item Nos.4 to 6 of the Notice to be transacted at the Annual General Meeting is annexed hereto.
3. Corporate members are requested to send board resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
4. Members who hold shares in dematerialised form are requested to write their DP ID AND CLIENT ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting to facilitate easy identification of membership at the meeting.
5. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depository Participants and those holding shares in physical form are to intimate the said changes to the Registrar and Transfer Agent of the Company, at their address given below.
6. The Share Transfer Books and the Register of Members of the Company will remain closed on Monday, 30th March, 2015, 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 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 to 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 2013-14 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. Voting through Electronic Means :

- i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Fourteenth Annual General Meeting (AGM) by electronic means and the business shall be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for e-Voting are as under :

- A) Member receiving an e-mail from NSDL (for members whose e-mail IDs are registered with the Company / Depository Participant(s)) :
- a) Open e-mail and open PDF file viz. "BF_Uilities_e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and Password / PIN for e-Voting. Please note that the password is an initial password.
 - b) Launch internet browser by typing the URL : <https://www.evoting.nsdl.com>
 - c) Click on Member Login.
 - d) In case you are already registered with NSDL for e-voting then you can use your existing user ID and password else Put User ID and Password as initial Password / PIN noted in Step (a) above. Click Login.
 - e) 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.
 - f) Home page of e-Voting opens. Click on e-Voting : Active Voting Cycles.
 - g) Select e-Voting Event Number ("EVEN") of BF Utilities Limited.
 - h) Now you are ready for e-Voting as Cast Vote page opens.
 - i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l) 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) Member receiving physical copy of the Notice of AGM (for members whose e-mail IDs are not registered with the Company/ Depository Participant(s) or members requesting physical copy) :

- a) Initial password is provided as below at the bottom of the Attendance Slip for the AGM :

e-Voting Event No.("EVIN")	User ID	Password
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- b) Please follow all steps from Serial No. A(b) to Serial No.A(l) above, to cast vote.
- ii) In case of any queries, you may refer the Frequently asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads sections of www.evoting.nsdl.com
- iii) If you are already registered with NSDL for e-Voting, then you can use your existing User ID and Password for casting your vote.
- iv) 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).
- v) The e-Voting commences on Tuesday, 24th March, 2015 (9.00 a.m.) and ends on Thursday, 26th March, 2015 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date (Record Date) of 6th February, 2015, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- vi) The voting rights of shareholders shall be in proportion to shares held by them as on the cut-off (Record Date) of 6th February, 2015.
- vii) Mr. S. V. Deulkar, of SVD & Associates, Company Secretaries (Membership No. FCS 1321 & CP No. 965) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- viii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour or against, if any, forth with to the Chairman of the Company.

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

Pursuant to Clause 35B of the Listing Agreement, 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, Mundhwa, Pune - 411036 so as to reach not later than 26th March, 2015 by 6:00 p.m. Ballot Paper received thereafter will be treated as invalid.

13. A member shall opt for only one mode of voting i.e either through e-voting or by Ballot Paper. If the member casts vote through both the modes, the votes in the electronic system would be considered and the Ballot Paper would be ignored.
14. The results of voting along with the Scrutinizer's Report shall be placed on the Company's website <http://www.bfutilities.com> and on the website of NSDL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and shall be communicated to the Stock Exchanges.
15. 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. B. N. Kalyani	7204
2	Mr. B. B. Hattarki	Nil
3	Mr. S. S. Vaidya	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

ANNEXURE TO THE NOTICE

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

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out, the material facts relating to Special Business mentioned under Item Nos.4 to 6 in the accompanying Notice dated 3rd February, 2015

ITEM NOS.4 and 5

The Company is having two Non-executive Independent Directors viz. Mr. S. S. Vaidya and Mr. B. B. Hattarki, on the Board of the Company liable to retire by rotation.

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, it is proposed to appoint these Directors as Independent Directors of the Company for a term of 5 (five) consecutive years from 30th March, 2015 to 29th March, 2020.

The Company has received a declaration in writing from all the aforesaid Directors that they meet the criteria of independence as provided in sub-Section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board, the aforesaid Directors fulfill the criteria specified in the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement, for their appointments as an Independent Directors of the Company. The Board also considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of all of them as an Independent Directors on the Board of the Company.

The Company has received notices in writing from members along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidatures of aforesaid Directors of the Company.

Accordingly, the Board recommends the resolutions set out at Item Nos.4 and 5 of the Notice, for the approval of the members of the Company.

Profiles of these Directors, as required by the Corporate Governance Code (Clause 49 of the Listing Agreement), are provided in the report on Corporate Governance.

Except Mr. S. S. Vaidya and Mr. B. B. Hattarki, being appointees, to their respective appointments, none of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolutions set out at Item Nos. 4 and 5 of the Notice.

ITEM NO.6

The Members are aware that the Directors of the Company have over the years contributed significantly towards the steady growth of the Company and they provide to the Company the benefits of their varied experience in business, industry and allied subjects and make useful contribution through the Board Meetings and Meetings of the various Committees thereof and otherwise.

To compensate for these contributions the board may consider the payment of commission to non whole-time directors. Accordingly in view of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013, coming into effect from 1st April, 2014 and taking into consideration the roles and responsibilities of the directors, it is proposed that the directors other than Managing Director and the Whole-time Directors be paid for each financial year of the Company commencing from 1st October, 2014, remuneration not exceeding (a) 1% (one percent) of the net profits of the Company, if there is managing or whole-time director or manager; (b) 3% (three percent) of the net profits in any other case, computed in accordance with the provisions of Section 198 of the Companies Act, 2013. The remuneration shall be distributed amongst all or some of the Directors in accordance with the directions of the Board of Directors. This remuneration shall be in addition to fee payable to the Directors for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, approval of the members is sought under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Directors other than Managing Director and Whole-time Directors, as set out in the Resolution at Item No.6 of the Notice.

All the Directors, are concerned or interested in the resolution to the extent of the remuneration that may be received by them. None of the Key Managerial Personnel of the Company/ their or director's relatives is in any way concerned or interested in the resolution.

By Order of the Board of Directors
For BF Utilities Limited

Pune
3rd February, 2015

B. S. Mitkari
Sr. VP-Finance & Company Secretary

Management Discussion And Analysis

Wind Power Development - International Scenario

The year 2014 brought a new record in wind power installations, more than 50 GW of capacity were added during the year 2014, bringing the total wind power capacity close to 370 GW. The top twelve countries alone installed 44.8 GW of new wind power projects, half of them setting new national records.

For the first time since 2009, the speed of growth was faster than in the previous year. The global installed wind capacity grew by 16% compared with the year 2013, significantly higher than the previous 12.8%. Wind power is now an undisputed pillar of the electricity supply in many parts of the world. 370 GW of wind power installed worldwide can now contribute close to 5% of the global electricity demand. Several countries, including Denmark, Spain, Portugal, Ireland, the UK and Germany, have now reached 10% or more of their power coming from wind.

Wind Power Development - Domestic Scenario

Annual capacity addition in India during the current FY is expected to improve to about 2,200-2,300 MW, implying growth of about 10% over the previous year which is supported by reintroduction of Accelerated Depreciation (AD) benefit by Government of India since July 2014 & sizeable investments under implementation by large players in independent power producer (IPP) segment. Historically, AD benefit has been a key driver for capacity addition by corporate & financial investors (i.e. non-IPP segment) and with the reintroduction of AD benefit in July 2014, incremental annual demand of about 800 MW is expected from such investors.

Performance of Company's Windmill Projects

The operations of wind mills were affected because of local disputes last year.

Realisations of power sales were held up due to changes in Open Access Permission procedures during the second half of the year.

Cautionary Statement

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

CORPORATE GOVERNANCE

BF Utilities is committed to the highest level of transparency, in all facets of its operations and interaction with its stakeholders. This report on Corporate Governance is to fulfill this commitment.

The SEBI code on Corporate Governance has been incorporated in the Listing Agreement of Stock Exchanges, with whom BF Utilities's Equity Shares are listed. Certain provisions in the Companies Act, 1956 also deal with Corporate Governance.

This Chapter of the report, plus the information given under 'Management Discussion and Analysis' and 'Shareholder Information' constitutes the report on Corporate Governance for 2013-2014.

BOARD LEVEL ISSUES :

Composition of the Board

As on 30th September, 2014 the Board of Directors of BF Utilities is composed of five Directors. The Board of Directors of Company comprises the Chairman, who is promoter non-executive director and other four non-executive directors, of whom two are independent. In respect of compliance with Corporate Governance norms i.e. Clause-49 with respect to Independent Directors, the Company is in the process of complying the same. Details are given in Table 1.

Number of Board Meetings

During the year, Seven Board meetings were held. These were on 27th November, 2013, 11th February, 2014, 20th March, 2014, 13th May, 2014, 17th May, 2014, 3rd June, 2014 and 13th August, 2014. The maximum gap between any two Board Meetings was less than four months.

Directors' Attendance Record and Directorships

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

Table 1 - Details about Board of Directors of the Company							
Name of Director	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships in other Indian Public companies as on September 30, 2014 **		
		Number of Board Meeting		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
B. N. KALYANI (Chairman)	Promoter, Non- executive	7	7	Yes	12	4	3
A. B. KALYANI	Non- executive	7	5	Yes	11	4	2
G. K. AGARWAL	Non- executive	7	6	Yes	1	Nil	Nil
B. B. HATTARKI	Non- executive Independent *	7	6	Yes	8	3	4
S. S. VAIDYA	Non- executive Independent *	7	7	Yes	7	4	5

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

** Other directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. In accordance with Clause 49 of the Listing Agreement, Memberships/ Chairmanships of only the Audit Committee and Shareholders'/Investors' Grievances Committee in all public limited companies (excluding BF Utilities Limited) have been considered.

As mandated by Clause 49 of the Listing Agreement, the Independent Directors on BF Utilities Limited's Board:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Holding Company, its Subsidiaries and Associates, which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.

- Are not Partners or Executives or were not Partners or Executives during the preceding three financial years of the:
 - a) Statutory Audit Firm or the Internal Audit Firm that is associated with the Company.
 - b) Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
- Are not substantial shareholders of the Company, i.e. do not own 2% or more of block of voting shares.
- Are not less than 21 years of age.

None of the Directors is a member of more than ten Board-level committees of public companies in which they are Directors, nor is chairman of more than five such committees.

Information Supplied to the Board

Among others, information supplied to the Board includes:

- Annual operating plans of businesses and budgets and any update thereof.
- Quarterly results for the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences.
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Making of loans and investment of surplus funds.
- General notices of interests of Directors.
- Formation / Reconstitution of Board Committees.
- Appointment, remuneration and resignation of Directors.
- Dividend declaration
- Significant changes in accounting policies and internal controls.
- Details of any joint venture or collaboration agreements.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Sale of material nature of investments, subsidiaries.
- Compliance of regulatory, statutory nature or listing requirements and shareholders' service.
- Declaration of Independent Directors at the time of appointment/ annually.
- Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee.
- Annual financial results of the Company, Auditors' report and the Report of the Board of Directors.
- Compliance Certificates for all the laws as applicable to the Company.

BF Utilities Limited's Board is presented with detailed notes, alongwith the agenda papers, well in advance of the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with the specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.

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 during the year 2013-14.

Disclosure of Accounting Treatment in preparation of Financial Statements

In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed under the Companies (Accounting Standard) Rules, 2006, as applicable. The Accounting Policies followed by the Company, to the extent relevant, are set out elsewhere in this Annual Report. There were no public issue, right issues, preferential issues, bonus issues etc. during the year.

CFO Certification

The Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Director and the Chief Financial Officer also give quarterly certification on financial results, while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company. The code has been circulated to all the members of the Board and Senior Management.

The Board members and Senior Management personnel have affirmed their compliance with the code.

COMMITTEES OF THE BOARD

As on date the Company has Audit Committee, Shareholders'/Investors' Grievances Committee, Remuneration Committee, CSR Committee and Risk Management Committee. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board meeting for perusal and noting. The Company Secretary acts as the secretary of all Committees.

AUDIT COMMITTEE

The Company's Audit Committee comprises three members; headed by Mr. S. S. Vaidya and has Mr. A. B. Kalyani and Mr. B. B. Hattarki as its members. Mr. B. N. Kalyani is Permanent Invitee.

All the members of the Audit Committee possess accounting, economic and financial management expertise. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Annual General Meeting (AGM) held on Monday, March 24, 2014 was attended by the Chairman of the Committee, Mr. S. S. Vaidya, to answer shareholders' queries.

The Audit Committee assists the Board in its responsibility to oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the appointment, independence, performance and remuneration of the Statutory Auditors, and the performance of Internal Auditors of the Company.

The Committee met 4 (Four) times on November 27, 2013, February 11, 2014, May 13, 2014 and August 13, 2014.

Name of the Director	Category	Status	No. of meetings	
			Held	Attended
Mr. S. S. Vaidya	Independent	Chairman	4	4
Mr. A. B. Kalyani	Non-Executive	Member	4	3
Mr. B. B. Hattarki	Independent	Member	4	3

The meetings of the Audit Committee are also attended by the Directors, Chief Financial Officer, Statutory Auditors and other Management representatives as special invitees.

Powers of the Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers Necessary.

Role of the audit committee inter alia includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors, scope and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards; and
- Carrying out such other functions, as may be specifically referred to the Committee by the Board of Directors and/ or other Committees of Directors of the Company.

Review of information by the Audit Committee :

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions.
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- Internal audit reports relating to internal control weaknesses, if any.
- The appointment, removal and terms of remuneration of the Internal Auditors.
- Details of material individual transactions with related parties, which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not arm's length basis, along with management's justification for the same; and
- review and monitor the auditor's independence and performance effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary; and
- evaluation of internal financial controls and risk management systems.

NOMINATION AND REMUNERATION COMMITTEE

The composition of the committee is as under:

1. Mr. B. B. Hattarki, Independent Director, Chairman
2. Mr. S. S. Vaidya, Independent Director
3. Mr. A. B. Kalyani, Non-Executive Director

Terms of Reference

- To identify qualified persons to become directors and senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; and
- To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee.

Meetings:

During the year, the meeting of Remuneration Committee was not held

REMUNERATION OF DIRECTORS

Information on remuneration of Directors for the year ended September 30, 2014, is set forth in Table 3 below.

Name of Director	Relationship with other Directors	Sitting Fees (in Rs.)	Salaries and perquisites (in Rs.)	Commissions (in Rs.)	Total (in Rs.)
B. N. KALYANI (Chairman)	*	35,000	Nil	Nil	35,000
A. B. KALYANI	*	25,000	Nil	Nil	25,000
G. K. AGARWAL	None	30,000	Nil	Nil	30,000
B. B. HATTARKI	None	30,000	Nil	Nil	30,000
S. S. VAIDYA	None	35,000	Nil	Nil	35,000

Notes:

None of the employees is related to any of the Directors of the Company except Mr. A. B. Kalyani, son of Mr. B. N. Kalyani, Chairman of the Company.

No stock options have been issued to any of the Directors of the Company. No Director is holding any convertible instruments of the Company.

Details of equity shares of the Company held by the Directors as on September 30, 2014 are given below in Table 4:

Name of the Director	No of equity shares held of Rs. 5 each
Mr. Amit B. Kalyani	28270
Mr. B. N. Kalyani	7204
Mr. G. K. Agarwal	455

Other Directors do not hold any equity shares of the Company.

DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS.

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, following information is furnished about the Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting

- Mr. B. N. Kalyani retires by rotation and being eligible offers himself for reappointment.

Mr. B. N. Kalyani is Chairman and Managing Director of Bharat Forge Limited. Born on 7th January, 1949, Mr. Kalyani is a Mechanical Engineer from the Birla Institute of Technology, Pilani. He also has a M.S. from the Massachusetts Institute of Technology, U.S.A.

	Other Directorship	Committee Membership
	Name of the Company	Name of Committee
1	Bharat Forge Limited	Stakeholders' Relationship Committee - Member
2	BF Investment Limited	-
3	Hikal Limited	-
4	Kalyani Hyes Lemmerz Limited	-
5	Kalyani Carpenter Special Steels Limited	Audit Committee - Chairman
6	Kalyani Steels Limited	Audit Committee - Member
7	Automotive Axles Limited	Stakeholders' Relationship Committee - Chairman Nomination & Remuneration Committee - Chairman
8	Meritor HVS (India) Limited	-
9	BF-NTPC Energy Systems Limited	-
10	Kalyani ALSTOM Power Limited	Audit Committee - Member Nomination & Remuneration Committee - Member
11	ALSTOM Bharat Forge Power Limited	-
12	Impact Automotive Solutions Limited	-

Mr. B. N. Kalyani is Promoter, Chairman holds 7204 equity shares of Rs.5 each of the Company as on September 30, 2014.

Two Directors - Mr. S. S. Vaidya and Mr. B. B. Hattarki are proposed to be appointed as Independent Directors. Their details are given below :

- Mr. S. S. Vaidya born on 9th August, 1955 is a Chartered Accountant. He is a Partner of M/s. Kunte & Vaidya, Chartered Accountants, Pune. He has been in practice for over 27 years and has vast experience in Corporate & Legal field, Tax Laws, Company Law, Foreign Exchange Laws etc.

	Other Directorship	Committee Membership
	Name of the Company	Name of Committee
1	Bosch Chassis Systems India Limited	Audit Committee - Chairman Share Transfer Committee - Chairman
2	Sahyadri Hospitals Limited	Audit Committee - Member
3	Nandi Infrastructure Corridor Enterprise Limited	Directors' Allotment Committee - Member
4	Kalyani Steels Limited	Audit Committee - Chairman
5	Kalyani Investment Company Limited	Audit Committee - Member
6	Foundation Brake Manufacturing Limited	-
7	Sharp India Limited	Audit Committee - Chairman Remuneration Committee - Member Shareholders & Investors Grievance Committee - Member

Mr. S. S. Vaidya is not related to any other director of the Company. He does not hold any Equity Shares of the Company as on September 30, 2014.

- Mr. B. B. Hattarki is a Metallurgy and Mechanical Engineer, born on 10th October, 1941.

	Other Directorship	Committee Membership
	Name of the Company	Name of Committee
1	Kalyani Steels Limited	Audit Committee - Member Shareholders & Investors Grievance Committee - Member
2	Kalyani International Limited	-
3	Hospet Steels Limited	-

	Other Directorship	Committee Membership
	Name of the Company	Name of Committee
4	Kalyani Mukund Limited	-
5	Automotive Axles Limited	Audit Committee - Chairman
6	Khed Developers Limited	-
7	BF Investment Limited	Audit Committee - Chairman Shareholders & Investors Grievance Committee - Member
8	Kalyani Investment Company Limited	Audit Committee - Chairman Shareholders & Investors Grievance Committee - Chairman

Mr. B. B. Hattarki is not related to any other director of the Company. He does not hold any Equity Shares of the Company as on September 30, 2014.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee's composition and the terms of reference meet with the requirements under the provisions of Section 178(5) of the Companies Act, 2013 and of Clause 49 of the Listing Agreement.

Composition of the Committee

1. Mr. B. B. Hattarki (Independent, Non-Executive Director) - Committee Chairman
2. Mr. B. N. Kalyani (Chairman) and Member
3. Mr. S. S. Vaidya (Independent Director)

Terms of Reference inter alia include the following:

- To specifically look into the redressal of grievances of shareholders;
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee.

Compliance Officer :

Mr. B. S. Mitkari, Sr. Vice President Finance and Company Secretary is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

Table 5 below gives details about the nature of complaints received and resolved by the Company to the satisfaction of investors during the year under review:

Nature of complaint	No. of complaints	
	Received	Redressed
Non-receipt of shares lodged for transfer/ transmission	7	7
Non-receipt of Annual Report	0	0
Change of address	0	0

There are no outstanding complaints, as on September 30, 2014.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web based complaints redressed system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaints and its current status.

Designated Exclusive Email-ID

The Company has also designated the email-id: bfutilitiesltd@vsnl.net exclusively for investor servicing.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Considering the requirements of the Companies Act, 2013, the Board has constituted 'Corporate Social Responsibility

Committee' (CSR) Committee with composition as under:

1. Mr. B. B. Hattarki, Independent Director, Committee Chairman
2. Mr. B. N. Kalyani, Chairman and
3. Mr. Amit B. Kalyani, Independent Director

Terms of reference inter alia includes the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy in terms of Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of CSR Policy. The Board on recommendation of CSR committee, has approved CSR policy for the Company.

GENERAL BODY MEETINGS

Annual General Meeting

Date, time and venue for the last three Annual General Meetings are given in Table 6 below:

Financial Year	Date	Time	Venue
2010-11	13 th February, 2012	10.30 A. M.	Kalyani Steels Limited.
2011-12 (EGM)	5 th January, 2013	11.00 A. M.	Kalyani Steels Limited.
2011-12	30 th March, 2013	10.30 A. M.	Kalyani Steels Limited.
2012-13	24 th March, 2014	10.30 A. M.	Kalyani Steels Limited.
2013-14	14 th July, 2014	10.30 A. M.	Kalyani Steels Limited.

Postal Ballot

No resolution was passed through Postal Ballot during the year 2013-14.

At present, no special resolution is proposed to be passed through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution conducted through Postal Ballot.

Subsidiary Companies

BF Utilities has 2 direct subsidiaries, and one step down subsidiary.

The details of these subsidiaries are reported elsewhere in this report.

DISCLOSURES

Related Party Transactions

Disclosure on materially significant related party transactions, i.e. transactions of the Company of material nature, with its Promoters, the Directors and the Management, their relatives, of subsidiaries etc. that may have potential conflict with interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosure set out in Notes to Financial Statements-Schedule-forming part of the Annual Report.

The related party transactions are entered into based on consideration of various business exigencies, such as synergy in operation, sectorial specification and the Company's long-term strategy for sectorial investments, profitability, legal requirements, liquidity and capital resources

Management Discussion and Analysis

This Annual Report has a detailed chapter on Management Discussion and Analysis and includes discussion on various matters specified under Clause 49(IV) (F) of the Listing Agreement.

Disclosure by Management to the Board

Disclosures relating to financial and commercial transactions where senior management may have personal interest that might have been in potential conflict with the interest of the Company are provided to the Board.

Details of non-compliance

BF Utilities has complied with all the requirements of regulatory authorities. There has been no instance of noncompliance by the Company on any matter related to capital market during the last three years and hence, no penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last three years.

Whistle Blower Policy

The Board has formulated a Whistle Blower Policy for directors and employees of the Company. The policy comprehensively provides an opportunity for an employee/ Director to report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and / or laws applicable to the Company and seek redressal. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The policy has been communicated to the employees. The Whistle Blower Policy complies with the requirements of Vigil mechanism as stipulated under Section 177 of the Companies Act, 2013. The details of establishment of Whistle Blower Policy/ Vigil Mechanism have been disclosed to all concerned.

COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company has complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement, except for the independent directors, which the Company is in the process of complying.

The Board

The tenure and other criteria for Independent Directors are now being followed as prescribed under the provisions of the Companies Act, 2013.

Remuneration Committee

The Company has now constituted 'Nomination and Remuneration Committee' to meet the requirements of Clause 49 of the Listing Agreement and of the Companies Act, 2013.

Shareholder Rights

Half yearly financial results are forwarded to the Stock Exchanges and uploaded on the website of the Company like Quarterly results.

Audit Qualification

The Company is in the regime of unqualified financial statements.

Training of Board Members

The Board members are provided with necessary documents/ brochures and reports to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company and business strategy. Certain training programmes will suitably be arranged for directors during the current FY.

Mechanism for evaluating non-executive Board Members

Suitable mechanism for performance evaluation of nonexecutive Directors would be devised in terms of the new provisions of the Companies Act, 2013.

Whistle Blower Policy

The Company has now adopted Whistle Blower Policy to meet the requirements of the Companies Act, 2013, wherein the employees/directors of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct or violation of laws applicable to the Company.

MEANS OF COMMUNICATION

BF Utilities puts forth quarterly results and communication to investors on Company's website: www.bfutilities.com, for the benefit of the public at large.

During the year, the quarterly results of the Company's performance have been published in leading newspapers, such as Financial Express (All India Editions), and Loksatta, Pune.

Website

The Company's website contains a separate dedicated section titled "Investors". The basic information about the Company, as called for in terms of Clause 54 of the Listing Agreement with the Stock Exchanges, is provided on the Company's website: www.bfutilities.com and the same is updated from time to time.

NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web-based application designed by NSE for Corporates. All periodical compliance filings, like the Shareholding pattern, Corporate Governance Report, etc. are also filed electronically on NEAPS.

SHAREHOLDERS

Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Independent Auditors' Report and other important information, is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website: www.bfutilities.com.

Support Green Initiative of MCA

The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a 'Green Initiative' in the Corporate Governance by allowing paperless compliances by companies vide General Circular 17/2011 dated April 21, 2011, in terms of which a Company has been forwarding such documents through electronic mode. Company requests shareholders to provide their e-mail addresses to enable Company to forward the notices/documents through e-mail, to the maximum possible extent in order to support more to green initiative. Members are once again requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants and members who hold shares in physical form with the Company at Pune@linkintime.co.in or bfutilitiesltd@vsnl.net or at its Correspondence Address : Cyber City, Tower 15, Level 6, Office 602, Magarpatta City, Hadapsar, Pune, Maharashtra, India - 411 013 Phone: +91-20-6629 2550 / 26

GENERAL SHAREHOLDER INFORMATION

Company registration details

The company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40108PN2000PLC015323.

ANNUAL GENERAL MEETING

Day : Monday

Date : March 30, 2015

Time : 10:30 a.m.

Venue : Kalyani Steels Limited, Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India.

FINANCIAL YEAR

October 1, 2013 to September 30, 2014

For the year ended September 30, 2014, results were announced on:

February 11, 2014 : First quarter

May 13, 2014 : Half yearly

August 13, 2014 : Third quarter

November 28, 2014 : Annual

All results of the Company are published in Financial Express (all India editions) and Loksatta (Pune) and are displayed on the Company's website: www.bfutilities.com

Key financial reporting dates for the financial year 2014-15

Quarter ending December 31, 2014 : on or before February 15, 2015

Quarter ending March 31, 2015 : on or before May 15, 2015

Quarter ending June 30, 2015 : on or before August 15, 2015

Audited results for the financial year 2014-15 : on or before November 30, 2015

BOOK CLOSURE

The books will be closed on 30th March, 2015 as annual closure for the purpose of AGM

LISTING

Equity

Equity Shares of BF Utilities Limited are listed on the BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai

BSE Script Code - 532430

NSE Trading Symbol - BFUTILITIE

Equity ISIN : INE243D01012

STOCK DATA

Table 7 below gives the monthly high and low prices and volumes of BF Utilities Limited (BF Utilities) Equity Shares at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE) during the year 2013-14.

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
Oct-13	326.00	132.50	9798154	326.90	132.50	25063709
Nov-13	393.70	309.50	4928214	394.00	308.75	11241191
Dec-13	599.65	288.50	1046036	598.15	288.00	1244709
Jan-14	669.70	500.50	2057355	670.00	490.00	763758
Feb-14	600.00	493.05	342766	599.00	490.80	468761
Mar-14	674.60	434.00	3279822	675.50	431.35	6972001
Apr-14	682.10	583.00	1286838	682.05	581.00	2671892
May-14	754.90	542.75	2330100	755.00	542.15	3883991
Jun-14	811.20	667.85	1033780	810.50	664.95	2156207
Jul-14	817.95	588.00	2106794	817.00	586.10	4630794
Aug-14	695.65	584.00	911441	695.30	582.70	1690126
Sep-14	689.90	546.00	1774801	690.50	545.00	3719102

Share Transfer Agents and Share Transfer System

M/s. Link Intime India Private Limited, 202, Akshay Complex, Near Ganesh Mandir, Dhole Patil Road, Pune 411 001 are the Registrar and Transfer Agents of the Company. They carry out the transfer, transmission, consolidation, sub-division, issue of duplicate certificates and requests of dematerialisation of Company's shares on behalf of the Company. BF Utilities's equity shares are traded on the Stock Exchanges compulsorily in Demat mode. The complaints received from shareholders, investors etc., are redressed promptly. During the year under report, seven complaints were received from the shareholders, all of which were resolved

Secretarial Audit for reconciliation of capital

In compliance with the requirements of SEBI, the Company has, at the end of every quarter, submitted a certificate of Reconciliation of Share Capital reconciling for the total shares held by both the depositories NSDL and CDSL and in physical form, duly certified by Practicing Chartered Accountant to the stock exchanges where the Company's securities are listed within 30 days of the end of each quarter and the certificate is also placed periodically before the Board of Directors of the Company at its Board Meetings. As of the date of this report, there are no legal proceedings against the Company on any share transfer matter.

Code of Conduct for Prevention of Insider Trading Practices

In accordance with the guidelines specified under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has formulated a comprehensive code of conduct for Prevention of Insider Trading in the securities of the Company ("Code of Conduct " or "Code") to its Directors and Designated Employees.

SHAREHOLDING PATTERN

Tables 8 and 9 below give the pattern of shareholding by ownership and share class, respectively as on 30th September, 2014.

Table 8 : Pattern of shareholding by ownership as on 30 September, 2014

Company	No. of Shareholders	No. of shares held	Shareholding %
Promoters	23	24724432	65.64
Financial Institutions	0	0	0.00
Mutual Funds	9	30752	0.08
Nationalised Banks	16	32317	0.09
Insurance Companies	1	31549	0.08
Foreign Institutional Investors/ Foreign Banks	12	283336	0.75
Private Corporate Bodies	805	4007440	10.64
Indian Public	36862	8425417	22.37
NRIs	302	132385	0.35
TOTAL	38030	37667628	100

Table 9 : Pattern of shareholding by share class as on 30 September, 2014

Shareholding class	No. of shareholders	No. of shares held of Rs.5 each	Shareholding %
Up to 5000	37778	5595356	14.85
5001 to 10000	123	889515	2.36
10001 to 20000	55	775918	2.06
20001 to 30000	15	366790	0.97
30001 to 40000	11	394974	1.05
40001 to 50000	11	503517	1.34
50001 to 100000	13	998597	2.65
100001 and above	24	28142961	74.71
TOTAL	38030	37667628	100.00

Dematerialisation

The Company's Equity Shares are under compulsory demat trading. As on September 30, 2014, dematerialised shares accounted for 93.68% of total Equity share capital. The details of dematerialisation are given in Table 10 below.

Table 10: Dematerialisation of Shares as on September 30, 2014

Sr.No.	Mode of holding	%
1	NSDL	85.24
2	CDSL	8.44
3	Physical	6.32
	Total	100.00

Details of Public Funding Obtained in the Last three Years and its Implications on paid up Equity Share Capital.

(Please refer to Table 11 below)

Table 11: Details of public funding obtained in the last three years and its implication on paid up Equity Share Capital

Financial Year	Amount raised through public funding	Effect on Paid up Equity Share Capital
2013-14	NIL	NIL
2012-13	NIL	NIL
2011-12	NIL	NIL

Site Location

The Company's Wind Farm is located at Village Maloshi, Boposhi and Kadve Khurd, Taluka Patan, District Satara, in the state of Maharashtra, India.

Investors Correspondence Address

1. Correspondence Address :

Secretarial Department
BF Utilities Ltd.,
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

2. Registered Office :

BF Utilities Ltd.,
Mundhwa, Pune Cantonment, Pune - 411 036 Maharashtra, India.
E-mail : bfutilitiesltd@vsnl.net

Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. Joshi Apte & Co, confirming compliance with the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is attached.

Disclosure under Clause 5 All of the Listing Agreement in respect of Unclaimed Shares

In compliance with the Clause 5A of the Equity Listing Agreement, to deal with the unclaimed shares in physical form, the Company had earlier sent reminders to such shareholders, whose share certificates remained unclaimed, by requesting them to update correct details viz. postal addresses, PAN details etc. registered with the Company in order to avoid transfer of such unclaimed shares to the Unclaimed Suspense Account. The Company would forward the share certificates to those shareholders who claim their respective shares in response to above reminders.

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I, B. N. Kalyani, Chairman of BF Utilities Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended September 30, 2014 compliance with the Code of Conduct of the company laid down for them.

Pune : February 14, 2015

B. N. Kalyani
Chairman

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, 2014, 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, **except that the composition of independent directors is below 50% of the Board of Directors.**

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

Place : Pune
Date : 14 February, 2015

Prakash Apte
Partner
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 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 2013-14 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 2013-14 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 : February 3, 2015

B. S. MITKARI
Chief Financial Officer

A. B. KALYANI
Director

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER, 2014

To,

The Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 30th September, 2014.

1. FINANCIAL HIGHLIGHTS :

	(Rs. in Million)	
	Year ended 30 th Sept., 2014	Year ended 30 th Sept., 2013
Sales	234.67	279.32
Other Income	17.27	16.80
Profit before Interest and Depreciation	129.93	164.59
Less : Interest	55.04	40.25
Depreciation	61.15	61.27
Profit/(Loss) before tax	13.74	63.07
Provision for Taxation		
a) Current Tax	4.50	15.20
b) Deferred Tax	(3.67)	(0.78)
Net Profit/(Loss)	12.91	48.65
Surplus retained in Profit & Loss Account	542.67	529.76

A cash flow statement for the year 2013-14 is attached to the Balance sheet.

For the year ended 30th September, 2014, your Company achieved a total sales of Rs. 234.67 Million (previous year Rs. 279.32 Million) and earned a profit of Rs. 13.74 Million (previous year profit of Rs. 63.07 Million).

2. DIVIDEND :

Your Directors do not recommend any dividend on the equity shares for the year ended 30th September, 2014.

3. CONSOLIDATED FINANCIAL STATEMENTS :

Consolidated Financial Statements in accordance with Accounting Standard-21 issued by The Institute of Chartered Accountants of India have been provided in the Annual Report. These Consolidated Financial Statements provide financial information about your Company and its subsidiaries as a single economic entity. The Consolidated Financial Statements form a part of the Annual Report.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report (MD&A) for the year under review, as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, is presented in a separate section forming part of the Annual Report.

5. SUBSIDIARY COMPANIES ACCOUNTS

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached to the Balance Sheet of the Company. The Company will make available the Annual Accounts of its subsidiary companies and related information to the member of the Company who may be interested in obtaining the same. The annual accounts of its subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of subsidiary companies including the step-down subsidiary.

Accordingly, Company has not attached the Balance Sheet and other documents required to be attached under Section 212(1) of the Companies Act, 1956 of its subsidiary companies including the step-down subsidiary, namely:

- i) Nandi Infrastructure Corridor Enterprises Limited
- ii) Nandi Economic Corridor Enterprises Limited
- iii) Nandi Highway Developers Limited

A gist of the financial performance of the subsidiaries is given in the Annual Report

6. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the Annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act 1956, the Annual Report excluding the aforesaid information is being sent to all the members and others entitled thereto. Any member interested in obtaining such particulars, may write to the Company Secretary at the Registered Office of the Company.

During the year under review, pursuant to the new legislation "Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act 2013" introduced by the Government of India, which came into effect from December 9, 2013, the Company has framed a Policy on Prevention of Sexual Harassment at Workplace.

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

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

I. CONSERVATION OF ENERGY : Since the Company is in the business of Generation of Power through non-conventional sources, this part is not applicable.

II. TECHNOLOGY ABSORPTION :

1. Research and Development (R&D) :

The company continuously conducts R&D activities in-house using the existing manpower and other resources on continuous basis. The capital and recurring expenses on R&D activities is not separately identified.

2. Technology Absorption, Adaptation and Innovation :

The Company has not imported any technology.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Total Foreign Exchange Used and Earned :

Used : Rs.18,898,870/-.

Earned : NIL

8. FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year.

9. CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act, 2013 alongwith the Rules thereunder and revised Schedule VII to the Act, concerning Corporate Social Responsibility (CSR), have been effective from April 1, 2014. The Company being covered under the provisions of the said section, has taken necessary initial steps in this regard. A committee of the Directors, titled 'Corporate Social Responsibility Committee', has been formed by the Board in its meeting held on May 13, 2014, consisting of the following Directors:

Mr. B. B. Hattarki, Independent Director, Chairman

Mr. B. N. Kalyani, Member

Mr. Amit Kalyani, Member

The Committee has formulated CSR policy for the Company and is in the process of finalisation of its implementation plan.

The said Section being enacted with effect from April 1, 2014, necessary details as prescribed under the said Section shall be presented to the members in the Annual Report for the year 2014-15.

10. WHISTLE BLOWER POLICY

The Company has now adopted Whistle Blower Policy to meet the requirements of the Companies Act, 2013, wherein the employees/directors of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. This mechanism provides safeguards against victimization of employees, who avail of the mechanism.

11. DIRECTORS

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. B. N. Kalyani, Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

Pursuant to Sections 149 and 152 of the Companies Act, 2013 and in terms of Clause 49 of the Listing Agreement, the Board of Directors has, at its meeting held on February 3, 2015, appointed the existing Independent Directors Mr. S. S. Vaidya and Mr. B. B. Hattarki as Independent Directors for a term of 5 consecutive years with effect from the date of ensuing Annual General Meeting, subject to approval of shareholders. The requisite resolutions for approval of their appointment as Independent Directors, are being proposed in the notice of the ensuing Annual General Meeting for the approval of the members.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with 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.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the information on the particulars of Directors proposed for appointment/ re-appointment has been given in the Report on Corporate Governance.

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the financial year ended September 30, 2014, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at September 30, 2014 and of the profit of the Company for the year under review;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors had prepared the annual accounts for the financial year ended on September 30, 2014 on a 'going concern' basis.

13. AUDITORS AND AUDITORS' REPORT

M/s. Joshi Apte & Co. Chartered Accountants are holding office as Auditors from the conclusion of 13th Annual General Meeting held on March 24, 2014 prior to the commencement of the Companies Act, 2013 ("the Act"). In terms of the provisions of the Act and the related rules thereunder, in respect of rotation of auditors, M/s. Joshi Apte & Co. Chartered Accountants are eligible for re-appointment. The Directors, based on the recommendation of the Audit Committee, propose the appointment of M/s. Joshi Apte & Co. Chartered Accountants, Pune - as Statutory Auditors for the period from the conclusion of the ensuing 14th Annual General Meeting till the conclusion of the 17th Annual General Meeting to be held in the year 2018 and seek authority for fixation of their remuneration for the year 2014-15.

The observations and comments given by the Statutory Auditors in their report read together with notes thereon are self-explanatory and hence, do not call for any further comments under Section 217 of the Companies Act, 1956.

14. CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Policies and Code of Conduct which has set out the systems, processes and policy conforming to the best standards. The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of the Annual Report.

A Certificate from the Statutory Auditors of the Company, M/s. Joshi Apte & Co. Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

15. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder and based on the recommendation from the Audit Committee, M/s SVD & Associates, Company Secretaries has been appointed to conduct a secretarial audit of Company's Secretarial and related records for the year ending on September 30, 2015. The Secretarial standards issued by the Institute of Company Secretaries of India from time to time are currently recommendatory in nature. The Company is, however, complying with the most of them.

16. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation of the positive co-operation received from the Central Government, the Government of Maharashtra, Financial Institutions and the Bankers. The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all staff of the Company.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders. The Directors express their special thanks to Mr. B. N. Kalyani, Chairman, for his untiring efforts for the progress of the Company.

For and on behalf of the
Board of Directors

PUNE
Dated : February 14, 2015

B. N. KALYANI
Chairman

INDEPENDENT AUDITORS' REPORT

To
The Members
BF Utilities Limited,
Pune.

Report on the financial statements

We have audited the accompanying financial statements of BF Utilities Limited ("the Company"), which comprise the Balance Sheet as at 30th September 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the 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 the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th September 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- 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, to the accompanying 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 September 2014 to MSEDCL, the profits of the Company for the accounting year ended on 30th September, 2014 would be lower by Rs.34.69 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 1st April 2014 to 31st 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 FY 2014-15. Consequently credit notes for the period starting from 1st April, 2014 are awaited.

Pending issuance of these credit notes and based on earlier years experience, the Company has recognized revenue from power generation during 1st April, 2014 to 30th September, 2014 at the average power tariff rate of the previous year.

In an unlikely event of non-receipt of the Open Access Permission and consequent sale of power to MSEDCL, as per case no. 58 of 2008 issued by MSEDCL, the profits of the Company for the accounting year ended 30th September, 2014 would be lower by about Rs. 34.69 Million (net of tax).

- c) As stated in Note No. 38, to the accompanying financial statements, Consolidated Financial Statements have not been prepared.

Note No. 38

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.

- d) As stated in Note No. 39, to the accompanying financial statements, diminution other than temporary, if any, in the value of investment in the subsidiaries viz. Nandi Infrastructure Corridor Enterprise Ltd (NICE) and Nandi Economic Corridor Enterprise Ltd (NECE) could not be tested due to non-availability of accounts of NICE and NECE for the financial year ended 31st March, 2014.

Note 39-

Diminution other than temporary, if any, in the value of investment in Nandi Infrastructure Corridor Enterprise Ltd (NICE) and Nandi Economic Corridor Enterprise Ltd (NECE) could not be tested due to non-availability of accounts of NICE and NECE for the financial year ended 31st March, 2014, as explained in Note no. 38. The Company has recorded these investments at cost as on as on 30th September, 2014.

Our opinion is not qualified in respect of these above matters.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- iii) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- iv) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- v) on the basis of written representations received from the directors as on 30th September, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 30th September 2014 from being appointed as a director in terms of clause (g) of sub-section (1) section 274 of the Act.

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

Pune
28th November, 2014

Prakash Apte
Partner
Membership Number: 033212

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1, under the heading "Report on other legal and regulatory requirements" of our Auditors' Report of even date to the members of BF Utilities Limited on the financial statements for the year ended 30th September 2014

1. In respect of its fixed assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the Management according to a phased program designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. The Company does not hold any inventory and accordingly provisions of the clause 4(ii) (a) to (c) of the order are not applicable to the Company and hence not commented upon.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for 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 and according to the information and explanations given to us, we have not observed any major weakness in such internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956; accordingly paragraph 4 (v) (b) of the Order is not applicable to the Company.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products, where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9.
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales-tax, service tax, customs duty, cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, customs duty, cess which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses as at 30th September 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name or are in the process of transfer in its name, except to the extent of the exemption granted under Section 49 of the Act.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the

year, are not prejudicial to the interest of the Company. The Company has also given an undertaking for loans taken/to be taken from financial institutions on behalf of the subsidiary, which considering the Company is a parent promoter and being informed by the management that the undertaking is given to ensure financial and operational continuance of the project undertaken by it as detailed in Note no 27 to the Financial Statements, It is not at present prejudicial to the interest of the Company.

16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. In our opinion and according to the information and explanations given to us, the Company has not issued any debentures and hence the Company has not created any security or charge in respect thereof.
20. The Company has not raised any money by public issues during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Prakash Apte
Partner
Membership Number: 033212

Pune
28th November, 2014

Balance Sheet as at 30th September, 2014

Particulars	Note No.	As at 30th	As at 30th
		September, 2014	September, 2013
		Rs.	Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	188,338,140	188,338,140
(b) Reserves and Surplus	3	542,672,449	529,764,873
		<u>731,010,589</u>	<u>718,103,013</u>
2 Non-current liabilities			
(a) Long-term borrowings	4	802,226,676	615,101,571
(b) Deferred tax liabilities (net)	5	60,830,022	64,500,746
		<u>863,056,698</u>	<u>679,602,317</u>
3 Current liabilities			
(a) Short-term borrowings	6	122,100,000	60,000,000
(b) Trade payables	7	49,891,568	37,944,896
(c) Other current liabilities	8	366,161,864	507,999,297
(d) Short-term provisions	9	190,676,455	184,106,297
		<u>728,829,887</u>	<u>790,050,490</u>
TOTAL		<u><u>2,322,897,174</u></u>	<u><u>2,187,755,820</u></u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		318,975,269	380,111,226
(ii) Intangible assets		-	-
(iii) Capital Work-in-progress		-	-
(iv) Intangible assets under development		28,700,213	-
(b) Non-current investments	11	1,055,597,691	1,055,632,690
(c) Long-term loans and advances	12	370,000,000	370,000,000
		<u>1,773,273,173</u>	<u>1,805,743,916</u>
2 Current Assets			
(a) Current investments	13	297,273,850	673,850
(b) Inventories	14	690,336	678,118
(c) Trade receivables	15	784,483	43,719,275
(d) Cash and bank balance	16	24,480,802	10,667,225
(e) Short-term loans and advances	17	80,834,350	274,968,428
(f) Other current assets	18	145,560,180	51,305,008
		<u>549,624,001</u>	<u>382,011,904</u>
TOTAL		<u><u>2,322,897,174</u></u>	<u><u>2,187,755,820</u></u>
Summary of Significant accounting policies followed by the Company	1		

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

On behalf of the Board of Directors
CIN : L40108PN2000PLC015323

PRAKASH APTE
Partner
Membership No. 033212
Pune, 28 November, 2014

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 28 November, 2014

B.B. HATTARKI
Director

A.B. KALYANI
Director

Statement of Profit and loss for the year ended 30 September 2014

Particulars	Note No.	Year ended 30th	Year ended 30th
		September, 2014	September, 2013
		Rs.	Rs.
I. Revenue from operations (net)	19	234,674,412	279,324,096
II. Other income	20	17,267,510	16,801,732
III. Total Revenue (I + II)		251,941,922	296,125,828
IV. Expenses :			
Changes in Inventories	21	(12,218)	(678,118)
Employee benefits expense	22	10,163,799	18,257,707
Finance costs	23	58,426,827	40,254,772
Depreciation and Amortization expense	10	61,148,745	61,274,213
Other expenses	24	108,477,917	113,945,840
Total expenses		238,205,070	233,054,414
V. Profit/(Loss) before tax (III-IV)		13,736,852	63,071,414
VI. Tax expense :			
(a) Current tax		4,500,000	15,200,000
(b) Deferred tax (See Note No. 5)		(3,670,724)	(782,274)
		829,276	14,417,726
VII. Profit /(Loss) for the year after taxation (V-VI)		12,907,576	48,653,688
VIII. Adjustments relating to earlier years :			
Excess / (Short) Provision for Taxation and tax payments		-	258,139
IX Profit /(Loss) for the year after taxation and adjustments relating to earlier years (VII-VIII)		12,907,576	48,911,827
X Earning per equity share:			
(a) Basic & Diluted	25	0.34	1.30
Summary of Significant accounting policies followed by the Company	1		

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

On behalf of the Board of Directors
CIN : L40108PN2000PLC015323

PRAKASH APTE
Partner
Membership No. 033212
Pune, 28 November, 2014

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 28 November, 2014

B.B. HATTARKI
Director

A.B. KALYANI
Director

Cash Flow Statement For The Year Ended 30th September, 2014

Particulars	Year ended 30th Sept., 2014		Year ended 30th Sept., 2013	
	Rs.	Rs.	Rs.	Rs.
A Cash Flow From Operating Activities				
Profit/ (Loss) before taxation		13,736,852		63,071,414
Add Interest / Depreciation / Other Non Cash Expenses				
Depreciation	61,148,745		61,274,213	
Finance Cost	57,448,943		37,930,309	
Loss on sale of fixed assets	435		-	
Diminution in Value of Investments	34,999		28,039	
CERs Written off	-		9,863,404	
RECs Written off	-		17,406,757	
Exchange (Gain)/Loss	3,192		-	
		<u>118,636,314</u>		<u>126,502,722</u>
Less Interest / Dividend / Other Adjustments				
Profit on sale of Fixed Assets	-		-	
Provision no longer required	-		1,04,451	
Dividend	116,966		2,669	
Interest	15,612,970		1,51,11,096	
Profit on sale of Investments	216,628		9,424	
		<u>(15,946,564)</u>		<u>(15,227,640)</u>
Operating Profit before Working Capital Changes :		<u>116,426,602</u>		<u>174,346,496</u>
(Increase) / Decrease Working Capital				
(Increase) / Decrease in Current Assets :				
(Increase) / Decrease in Inventories	(12,218)		(678,118)	
(Increase) / Decrease in Sundry Debtors	42,934,792		18,227,825	
(Increase) / Decrease in Other current assets and loans and advances	(101,569,298)		(45,528,286)	
	<u>(58,646,724)</u>		<u>(27,978,579)</u>	
Increase / (Decrease) in Current Liabilities : Liabilities				
	29,350,359		17,217,645	
	<u>29,350,359</u>		<u>17,217,645</u>	
		<u>(29,296,365)</u>		<u>(10,760,934)</u>
Cash Generated from operations		<u>87,130,237</u>		<u>163,585,562</u>
Direct taxes paid		<u>(19,037,786)</u>		<u>(25,835,246)</u>
Net Cash Flow from Operating Activities		<u>68,092,451</u>		<u>137,750,316</u>
B Cash Flow from Investing Activities				
Additions to Fixed Assets / Other Adjustments				
Investments		(307,523,710)		52,178,352
Inter Corporate Deposit		200,000,000		(200,000,000)
Additions to Fixed Assets		(28,722,138)		(100,000)
Sales proceeds of assets		8,702		90,851
Non Operating Income				
Dividend	116,966		2,669	
Interest	17,057,982		14,509,447	
Profit on sale of Investments	216,628		9,424	
		<u>17,391,576</u>		<u>14,521,540</u>
Net Cash Flow from Investing Activities		<u>(118,845,570)</u>		<u>(133,309,257)</u>
C Cash Flow from Financing Activities				
Secured loans (Net of Repayment)		100,000,000		-
Unsecured Loans		(407,488)		(73,028,509)
Finance Cost paid		(45,949,526)		(37,930,309)
Net Cash from Finance Activities		<u>53,642,986</u>		<u>(110,958,818)</u>
Net changes in cash and cash equivalents (A+B+C)		<u>2,889,867</u>		<u>(106,517,759)</u>
Cash and cash equivalents at the beginning of the year*		10,667,225		117,184,984
Cash and cash equivalents at the end of the year*		13,557,092		10,667,225

* Refer Note No. 16 for Cash and Cash Equivalents

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

On behalf of the Board of Directors
CIN : L40108PN2000PLC015323

PRAKASH APTE
Partner
Membership No. 033212
Pune, 28 November, 2014

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 28 November, 2014

B.B. HATTARKI
Director

A.B. KALYANI
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

1 Summary of significant Accounting Policies followed by the Company :

Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).

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

Current-Non Current classification :

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

Operating Cycle :

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

I System of Accounting :

- i) The Company 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 accompanying 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 accompanying financial statements. Any revisions to accounting estimates are recognized prospectively in current and future periods.

II Fixed Assets and depreciation :

- A. Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets. Fixed Assets are shown net of accumulated depreciation (except free hold land).

- B. 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. Depreciation:

Tangible Assets:

Fixed Assets:

- i Depreciation on Buildings, Plant & Machinery, Electrical Installations, and Office Equipments is being provided on "Straight Line Method" basis in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956, in the manner and at the rates specified in Schedule XIV to the said Act.
- ii Depreciation in respect of Furniture & Fittings and Vehicles is being provided on "Written down value" basis in accordance with the provisions of Section 205(2)(a) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to the said Act.
- iii Depreciation on additions to assets during the year is being provided at their respective rates on pro-rata basis from the date of acquisition/installation.
- iv 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

- v 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.

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

Such capitalized expenditure is reflected as intangible under development.

- iii) 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.

III Impairment of Assets :

The Company tests for impairments at the close of the accounting period, if and only if, there are indications that suggest a possible reduction in the recoverable value of an asset. If the recoverable value amount of an Asset, i.e. the net realisable value or the economic value in use of a cash generating unit, is lower than the carrying amount of the Asset, the difference is provided for as impairment. However, if subsequently, the position reverses and the recoverable amount becomes higher than the carrying value, then the provision to the extent of the difference is reversed, but not higher than the amount provided for.

IV Investments :

- i) Non-Current Investments : Investments are valued at cost of acquisition. Trade and Other investments made by the Company are of a long Term nature and hence diminution in the value of investments are generally not considered to be of other than temporary nature. However where, in the opinion of the management, considering the facts and circumstances prevailing at the balance sheet date, diminution, if any, is determined to be other than temporary, provision for the same is made and investments are stated net of such provisions.
- ii) Current Investment : Current Investments are stated at cost less provision for diminution, as necessary, if any.

V 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).

VI 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

VII 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 units (CERs) and Renewable Energy Certificates (RECs) is recognised in the year of its actual sales.

VIII Borrowing Cost :

Interest on borrowings is recognised in the Statement of Profit & Loss except interest incurred on borrowings specifically received for projects are capitalized to the cost of asset until such time the asset is ready to be put to use for intended purpose.

Borrowing Costs include foreign exchange differences on the long term foreign currency loan to the extent they are attributable to interests differential on the said loans.

IX Foreign Currency Transactions :

Foreign Currency transactions are recognised on the basis of foreign exchange rate on the date of transaction.

Foreign Currency Conversions :

Current Assets and other liabilities in foreign currency and foreign currency exposure in respect of foreign currency loans other than for financing fixed assets outstanding at the close of the financial year are valued at the contracted and/or appropriate exchange rates at the close of the year. The loss or gain due to fluctuation of exchange rates is charged to Statement of Profit and Loss.

X Employee Benefits :

- 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 :

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 :

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 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 as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

- v)
 - a. Defined contribution plans The Company'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.
 - b. Defined benefit plans For defined benefit plans in the form of gratuity fund and post-employment

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

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.

XI Taxation :

Provision for taxation is made on the basis of taxable profits computed on current year profit in accordance with Income Tax Act. 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.

XII 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.

XIII Inventories :

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.

XIV Leases :

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.

XV Earning 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.

XVI 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.

XVII 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

2 Share Capital :

Particulars	As at 30 September 2014		As at 30 September 2013	
	No. of Shares	Rs.	No. of Shares	Rs.
Authorised				
Equity Shares of Rs. 5/- each.	60,000,000	300,000,000	60,000,000	300,000,000
Issued, Subscribed & fully paid up				
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 30 September 2014		As at 30 September 2013	
	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. Equity Shares are parri passu in all respect and each equity shareholder 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) Details of Shareholder holding more than 5% shares in the Company

Name of the Shareholder	Equity Shares			
	As at 30th September 2014		As at 30th September 2013	
	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.	6,062,342	16.09	6,062,342	16.09
iii) KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472	11.56

3 Reserves & Surplus :

Particulars	As at 30th September 2014 Rs.	As at 30th September 2013 Rs.
Surplus in statement of Profit & Loss :		
As per last Account	529,764,873	480,853,046
Add / (Less) Net Profit / (net Loss) for the year	12,907,576	48,911,827
Total	542,672,449	529,764,873

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

4 Long Term Borrowings

Particulars	Non-Current		Current maturities	
	As at 30th September, 2014 Rs.	As at 30th September, 2013 Rs.	As at 30th September, 2014 Rs.	As at 30th September, 2013 Rs.
Secured :				
Term Loan from Bank				
Rupee Term Loan from Axis Bank Ltd. (See Note No. 4(a))	-	-	-	200,000,000
Term Loan from Other				
Rupee Term Loan from HDFC Ltd. (See Note No. 4(b))	300,000,000	-	-	-
	300,000,000	-	-	200,000,000
Less : Shown Under "Other current liabilities" (See Note No. 8)	-	-	-	200,000,000
	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 (c))	502,226,676	615,101,571	112,874,898	92,507,491
	502,226,676	615,101,571	112,874,898	92,507,491
Less : Shown Under "Other current liabilities" (See Note No. 8)	-	-	112,874,898	92,507,491
	502,226,676	615,101,571	-	-
Total	802,226,676	615,101,571	-	-

4 (a) Rupee Term Loan from Axis Bank Ltd.

Loan from Axis Bank was secured by first charge on the movable and immovable assets of Wind Mill Project located at village Boposhi and Maloshi, Dt. Satara.

Repaid during the year on completion of 36 months from the date of first disbursement i.e. from 28 July, 2011 and Interest paid at Base rate + 4.25% p.a., Charge satisfied.

4 (b) Rupee Term Loan from HDFC Ltd.

Above loan from HDFC Ltd is secured by : Corporate Guarantee issued by KSL Holdings Private Limited, Bullet repayment on completion of 24 months from the date of first disbursement i.e. from 25 March, 2014. Interest is linked to HDFC Ltd's Corporate Prime Lending Rate. Present Rate of interest is 13.5% payable quarterly.

4 (c) Sales Tax deferral

Balance outstanding Rs. 615,101,574 (Previous year 707,609,064)

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

Repayment Schedule

Year	As at 30th September 2014	As at 30th September 2013
	Rs.	Rs.
2013-14	-	92,507,491
2014-15	112,874,898	112,874,898
2015-16	113,483,324	113,483,324
2016-17	110,924,345	110,924,345
2017-18	102,845,366	102,845,366
2018-19	77,566,387	77,566,386
2019-20	52,287,250	52,287,250
2020-21	31,920,000	31,920,000
2021-22	13,200,004	13,200,004
Total	615,101,574	707,609,064

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

5 Deferred Tax Liabilities (net)		
Particulars	As at 30th September 2014	As at 30th September 2013
	Rs.	Rs.
I Deferred Tax Liabilities :		
On account of timing difference :		
a) Depreciation (See Note No. 5 (a) below)	90,524,763	92,324,317
Total	90,524,763	92,324,317
II Deferred Tax Assets :		
On account of timing difference :		
a) Disallowance u/s 43B	29,694,741	27,823,571
Total	29,694,741	27,823,571
Deferred Tax liability (Net) (I - II)	60,830,022	64,500,746

5 (a) As required by and in accordance with Accounting Standard 22 - 'Taxes on Income' prescribed by Companies (Accounting Standards) Rules, 2006, as amended 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 September 2014	As at 30th September 2013
	Rs.	Rs.
Unsecured		
Loan Repayable on demand		
from other parties - interest free	12,100,000	-
from other parties	110,000,000	60,000,000
Rate of interest 8% p.a.		
Total	122,100,000	60,000,000

7 Trade Payable

Particulars	As at 30th September 2014	As at 30th September 2013
	Rs.	Rs.
Total outstanding dues other than Micro & Small Enterprises	39,790,322	27,843,650
Capital Creditors	10,101,246	10,101,246
Total	49,891,568	37,944,896

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 30 SEPTEMBER, 2014:

8 Other Current Liabilities

Particulars	As at 30th September 2014	As at 30th September 2013
	Rs.	Rs.
a. Current maturities of Long term borrowings (See Note No. 4)	112,874,898	292,507,491
b. Statutory dues payable including Tax deducted at source	1,137,928	1,257,032
c. Interest free Security Deposit received from Related party	240,000,000	210,000,000
d. Interest payable	11,499,417	-
e. Others	649,621	4,234,774
Total	366,161,864	507,999,297

9 Short Term Provisions

Particulars	As at 30th September 2014	As at 30th September 2013
	Rs.	Rs.
Provision for employee benefits :		
Leave encashment (See Note No. 33 D)	553,946	639,583
Gratuity (See Note No. 33 A)	597,670	737,044
Provident Fund : - BFUL Staff Provident Fund Trust (See Note No. 33 C)	42,482	-
Other Provisions :		
Tax Provision (Net of Advance Tax Rs. 8,82,12,296 (P.Y. Rs.6,68,92,028)	5,690,562	20,228,348
Electricity Duty (See Note No. 32)	90,969,374	88,950,318
Wheeling & Transmission Charges (See Note No. 32)	92,822,421	73,551,004
Total	190,676,455	184,106,297

10 Fixed Assets

Amounts in Rupees

Sr. No.	Particulars	Gross Block			Depreciation				Net Block		
		As At 30/09/2013	Additions during the year	Deductions during the year	As At 30/09/2014	Up to 30/09/2013	On Deductions & Adjustments	For the Year	Up to 30/09/2014	As At 30/09/2014	As At 30/09/2013
	Tangible Assets :										
1	Land	15,199,252	-	-	15,199,252	-	-	-	-	15,199,252	15,199,252
2	Building	13,108,730	-	-	13,108,730	2,860,750	-	213,673	3,074,423	10,034,307	10,247,980
3	Plant & Machinery	1,144,688,812	-	-	1,144,688,812	791,970,801	-	60,439,569	852,410,370	292,278,442	352,718,011
4	Electrical Installation	652,688	-	-	652,688	210,330	-	127,738	338,068	314,620	442,358
5	Furniture & Fixtures	125,000	-	-	125,000	35,588	-	16,183	51,771	73,229	89,412
6	Office Equipments	1,135,799	21,925	20,000	1,137,724	861,186	10,863	56,539	906,862	230,862	274,613
7	Vehicles	1,934,032	-	-	1,934,032	794,432	-	295,043	1,089,475	844,557	1,139,600
	Total A	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
	Previous year Total	1,177,152,739	100,000	408,426	1,176,844,313	735,776,449	317,575	61,274,213	796,733,087	380,111,226	441,376,290
	Intangible Assets :										
1	Intangible Asset	-	-	-	-	-	-	-	-	-	-
	Total B	-	-	-	-	-	-	-	-	-	-
	Previous year Total	-	-	-	-	-	-	-	-	-	-
	Capital Work In Progress :										
1	Tangible Asset	-	-	-	-	-	-	-	-	-	-
	Total C	-	-	-	-	-	-	-	-	-	-
	Intangible assets under development :										
1	Intangible Asset	-	28,700,213	-	28,700,213	-	-	-	-	28,700,213	-
	Total D	-	28,700,213	-	28,700,213	-	-	-	-	28,700,213	-
	Previous year Total	-	-	-	-	-	-	-	-	-	-
	Grand Total (A + B + C + D)	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
	Previous year Grand Total	1,177,152,739	100,000	408,426	1,176,844,313	735,776,449	317,575	61,274,213	796,733,087	380,111,226	441,376,290

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

11 Non Current Investments

Particulars	Face Value Rs.	As at 30th September 2014		As at 30th September 2013	
		No. of Shares	Rs.	No. of Shares	Rs.
Trade Investments, at cost					
In equity shares - fully paid					
Unquoted Instruments					
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 Development 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
In Associate Company :					
Hospet Bellari Highways Private Ltd. (35% of holding)	10	3,500	35,000	3,500	35,000
			35,000		35,000
Other Investments, at cost					
Mokshayoug 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			1,055,632,690		1,055,632,690
Less : Diminution in Value of Investments			(34,999)		-
Total			1,055,597,691		1,055,632,690

* 11,071,900 (P.Y. 11,071,900) shares pledged with Banks for loans taken by Related Party.

12 Long Term Loans & Advances

Particulars	As at 30th September 2014	As at 30th September 2013
	Rs.	Rs.
Unsecured, considered good (unless otherwise stated)		
Loans and Advances to Related Parties (See Note No. 34)		
- 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 30 SEPTEMBER, 2014:

13 Current Investments

Particulars	Face Value Rs.	As at 30th September 2014		As at 30th September 2013	
		Number	Rs.	Number	Rs.
In equity shares - fully paid, at Cost or Market value whichever is lower					
Quoted :					
#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					
0% OFCD in DGM Realities Pvt. Ltd.			296,600,000		-
Less : Diminution in value of investment			(36,540)		(36,540)
Total			297,273,850		673,850
		Book Value		Market Value	
		As at 30th September 2014	As at 30th September 2013	As at 30th September 2014	As at 30th September 2013
QUOTED		673,850	673,850	3,063,976	1,115,094
UNQUOTED		1,352,197,691	1,055,632,690	NA	NA
TOTAL		1,352,871,541	1,056,306,540	3,063,976	1,115,094

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

14 Inventories

Particulars	As at 30th September 2014	As at 30th September 2013
	Rs.	Rs.
Stock of Renewable Energy Certificates (RECs) (Refer note below)	690,336	678,118
Total	690,336	678,118

Note:

Sr. No.	Description	Units	Units
1	No. of RECs held as inventory	28,549	37,278
2	No. of RECs under certification	-	2,923
3	No. of CERs under certification	-	-

15 Trade Receivables

Particulars	As at 30th September 2014	As at 30th September 2013
	Rs.	Rs.
Unsecured, considered good unless stated otherwise :		
Outstanding for the period exceeding 6 months from date they are due for payment.	-	-
Others	784,483	43,719,275
Total	784,483	43,719,275

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

16 Cash & bank balance :

Particulars	As at 30th September 2014		As at 30th September 2013
	Rs.	Rs.	Rs.
i) Cash & Cash Equivalents #			
a) Cash on Hand		9,681	7,244
b) Balances with Banks - in Current Accounts	13,547,411		10,659,981
in Fixed Deposits (Less than three months maturity)	-		-
		13,547,411	10,659,981
		13,557,092	10,667,225
ii) Other Bank Balances			
Balances with banks			
Fixed Deposits (Maturity more than three months but less than twelve months)		10,923,710	-
Total		24,480,802	10,667,225

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 2014		As at 30th September 2013
	Rs.	Rs.	Rs.
Loans & advances to related parties		-	-
Inter Corporate Deposit#		-	200,000,000
Advance towards Wheeling & Transmission Charges (See Note No. 32 E)		77,641,966	71,970,241
Others		3,192,384	2,998,187
Total		80,834,350	274,968,428

Inter corporate deposits are placed for a period of 21 days carrying interest rate of 13% p.a.

18 Other Current Assets

Particulars	As at 30th September 2014		As at 30th September 2013
	Rs.	Rs.	Rs.
a) Energy Credit Receivable	145,172,222		49,472,038
b) Interest Receivable	50,878		1,495,890
c) Other Income Receivable	337,080		337,080
Total	145,560,180		51,305,008

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

19 Revenue from Operations

Particulars	Year ended	Year ended
	30th September 2014	30th September 2013
	Rs.	Rs.
a) Wind Power Generated	206,325,082	242,702,495
b) Certified Emission Reduction Units (CER)	-	19,553,198
c) Renewable Energy Certificate Units (REC)	28,349,330	17,068,403
Total	234,674,412	279,324,096

20 Other income

Particulars	Year ended	Year ended
	30th September 2014	30th September 2013
	Rs.	Rs.
Dividend Received	116,966	2,669
Interest on Bank Fixed Deposits	15,612,970	13,615,206
Interest on Inter Corporate Deposits	-	1,495,890
Profit on Sale of Investments	216,628	9,424
Provision no longer required	-	104,451
Exchange Gain /Loss (net)	-	361,217
Business Auxiliary Services	1,200,000	1,200,000
Miscellaneous Income	120,946	12,875
Total	17,267,510	16,801,732

21 Changes in Inventories

Particulars	Year ended	Year ended
	30th September 2014	30th September 2013
	Rs.	Rs.
(Increase) / Decrease in Inventory:		
Closing Stock of Renewable Energy Certificates (RECs)	690,336	678,118
Opening Stock of Renewable Energy Certificates (RECs)	678,118	-
Total	(12,218)	(678,118)

22 Employee Benefits Expense

Particulars	Year ended	Year ended
	30th September 2014	30th September 2013
	Rs.	Rs.
Salaries, allowances etc.	9,424,092	17,385,564
Contribution to Provident & other funds	692,011	821,874
Staff Welfare	47,696	50,269
Total	10,163,799	18,257,707

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

23 Finance Cost

Particulars	Year ended	Year ended
	30th September 2014	30th September 2013
	Rs.	Rs.
Interest on Loans	49,735,854	33,581,064
Interest on electricity duty	4,331,238	4,331,237
Interest on shortfall of advance tax	977,859	2,314,817
Interest on Service Tax	-	9,646
Loan Processing fees & Bank charges etc.	3,381,876	18,008
Total	58,426,827	40,254,772

24 Other Expense

Particulars	Year ended		Year ended
	30th September 2014		30th September 2013
	Rs.	Rs.	Rs.
Operating Expenses			
Operations, Maintenance & CDM Expenses - Wind Mills		43,694,982	34,669,369
Lease Rent - Land		678,872	717,339
Insurance		1,018,093	1,036,224
Electricity Duty (See Note No. 32)		7,445,910	7,800,423
Wheeling & Transmission Charges (See Note No.32)		19,271,417	20,594,193
Overhauling of Wind Mills		19,690,944	-
Other Operating Expenses		1,153,464	1,885,350
CERs Written off		-	9,863,404
RECs Written off		-	17,406,757
		92,953,682	93,973,059
Administrative Expenses			
Insurance - others		119,535	131,181
Rates & Taxes		806,047	869,859
Repairs & Maintenance (others)		26,593	31,371
Director's sitting fees		155,000	170,000
Payment to Auditors :			
Audit Fee	786,520		1,011,240
Tax Audit fee	112,360		112,360
for Review of Quarterly Results, Financial Statements and Certification Work.	449,440		449,440
Reimbursement of expenses	28,878		20,744
		1,377,198	1,593,784
Diminution in value of investments		34,999	28,039
Exchange (Gain) / Loss, net		3,192	-
Loss on sale of asset		435	-
Miscellaneous Expenses including Printing, Stationery Postage, Travelling, Telephone, Bank Charges, etc.		6,824,653	6,928,882
Professional & Consultancy Expenses		6,176,583	10,219,665
Total		15,524,235	19,972,781
Total		108,477,917	113,945,840

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

25 Earning Per Equity Share

Particulars		Year ended 30th September 2014	Year ended 30th September 2013
Earning per Share : (Face Value of Rs. 5/-)			
Net Profit after Taxation	Rs.	12,907,576	48,653,688
Add / (Less) Prior Period Adjustments	Rs.	-	258,139
Net Profit after Prior Period Adjustments	Rs.	12,907,576	48,911,827
Number of Shares Issued and Subscribed	Nos.	37,667,628	37,667,628
Basic and Diluted	Rs.	0.34	1.30

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

Particulars of Contingent liabilities	As at 30th September 2014	As at 30th September 2013
	Rupees	Rupees
26. Contingent Liabilities not provided for in respect of		
a) Claims against the Company not acknowledged as debt.	106,592,832	59,858,522
b) Guarantee given by the Company on behalf of other Company (See Note No 28)	300,000,000	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 24th 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. 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 (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.

29. Foreign currency income & expenditure accounted on accrual basis	Year ended 30th September 2014	Year ended 30th September 2013
	Rupees	Rupees
A Expenditure in Foreign Currency :		
Project Expenses	18,898,870	591,223
Others	-	223,713
Total	18,898,870	814,936
B Earnings in Foreign Currency Certified Emission Reduction (Carbon Credits)	-	19,553,198

30. Segment information as required by Accounting Standard 17 "Segment Reporting" as prescribed by Companies (Accounting Standards) Rules 2006, as amended is set out in a separate statement annexed thereto.

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 Companies (Accounting Standards) Rules, 2006, in respect of which the disclosures have been made, have been identified and taken on record by the Board.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

32. The disclosures required by Accounting Standard 29 "Provision, Contingent Liabilities and Contingent Assets" prescribed by Companies (Accounting Standards) Rules, 2006, as amended are as follows.

	Class of Provision	Carrying amount as on 1 October, 2013	Provision made / Increase (Decrease) in Provision	Amounts used during the year	Amount reversed during the year	Carrying amount as on 30th September, 2014
		Rs.	Rs.	Rs.	Rs.	Rs.
A.	Electricity Duty	88,950,318	7,445,910	5,426,854	-	90,969,374
	(Previous Year)	90,081,761	7,800,423	8,931,866	-	88,950,318
B.	Wheeling & Transmission Charges	73,551,004	19,271,417	-	-	92,822,421
	(Previous Year)	52,956,811	20,594,193	-	-	73,551,004
	Total (A + B)	162,501,322	26,717,327	5,426,854		183,791,795
	(Previous year)	143,038,572	28,394,616	8,931,866	-	162,501,322

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. 71,970,241/-) have been paid to the distribution licensee under protest, as the matter is pending in appeal with the MERC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

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 Companies (Accounting Standards) Rules, 2006, as amended the details of which are as hereunder:

A Funded Scheme (Gratuity)

(Amount in Rupees)

		As at 30th Sept, 2014	As at 30th Sept, 2013
	Particulars		
(I)	Amount Recognised in the Balance Sheet :		
	a) Present Value of Funded Obligations	2,892,962	2,931,061
	b) Fair Value of Plan Assets	2,295,292	2,194,017
	c) Net Liability /(Asset) recognised in the Balance Sheet		
	Amounts in Balance Sheet		
	Liability	597,670	737,044
	Asset	-	-
	Net Liability	597,670	737,044
(II)	Amount to be Recognised in the Statement of Profit and Loss :		
	a) Current Service Cost	168,438	229,591
	b) Past Service Cost	-	-
	c) Interest Cost	239,522	214,248
	d) Expected Return on Plan Assets	(161,232)	(146,517)
	e) Net Actuarial (Gains)/Loss recognised in the year	(248,298)	(151,572)
	f) Total, included in "Employee Benefit Expense"	(1,570)	145,750
(III)	Change in Defined Benefit Obligation and reconciliation thereof		
	a) Opening Defined Benefit Obligation	2,931,061	2,612,776
	b) Acquisition adjustments	-	-
	c) Interest Cost	239,522	214,248
	d) Past Service Cost	-	-
	e) Current Service Cost	168,438	229,591
	f) Settlement Cost (Credit)	-	-
	g) Benefits Paid	(226,314)	-
	h) Actuarial Losses/(Gains)	(219,745)	(125,554)
	i) Closing Defined Benefit Obligation	2,892,962	2,931,061
(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	2,194,017	1,885,630
	b) Acquisition adjustments	-	-
	c) Expected Return on Plan Assets	161,232	146,517
	d) Add : Contributions by employer	137,804	135,852
	e) Assets distributed on Settlement	-	-
	f) Less : Benefit Paid	(226,314)	-
	g) Add / (Less) : Actuarial Gains /(Losses) on Plan Assets	(28,553)	26,018
	h) Fair Value of Plan Assets at the end of the year	2,295,292	2,194,017
	i) Actual Return on Plan assets	189,785	172,535
(V)	Principal Actuarial Assumptions :		
	Discount Rate	8.60%	8.50%
	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)	5.57	5.91

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

B Experience History

(Amount in Rupees)

Particulars	As at 30th Sept, 2014	As at 30th Sept, 2013	As at 30th Sept, 2012	As at 30th Sept, 2011	As at 30th Sept, 2010
Present Value of Obligation	2,892,962	2,931,061	2,612,776	1,108,101	640,701
Plan Assets	2,295,292	2,194,017	1,885,630	868,825	663,653
Surplus / (Deficit)	(597,670)	(737,044)	(727,146)	(239,276)	22,952
Experience adjustments on plan liabilities (loss) / gain	210,085	92,054	40,232	(324,243)	118,634
Experience adjustments on plan assets (loss) / gain	28,553	26,018	(4,420)	74,876	74,932

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, 2014	As at 30 Sept, 2013
Remaining term of maturity	5.57 Years	5.91 Years
Expected guaranteed interest rate	8.75%	8.55%
Discount Rate for the remaining term of maturity of interest portfolio	8.60%	8.10%

D Unfunded Scheme (Compensated Absences - Leave Encashment)

Particulars	As at 30 Sept, 2014	As at 30 Sept, 2013
Present Value of unfunded obligations	553,946	639,583
Expenses recognised in Profit and Loss Account	-	-
Discount Rate	8.60%	8.50%
Salary Escalation Rate	7.50%	7.50%

34. Advance for purchase of land is given to Nandi Economic Corridor Enterprises Limited (NECE), Subsidiary Company. Land is yet to be transferred in the name of the Company.
35. Certain litigations by and against the Company and subsidiaries of the Company are pending in various courts and the matter is subjudice. No cognizance thereof is taken in the preparation of financial statement, 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.

The Company has applied for Open Access Permission to MSEDCL for the financial year 1st April 2014 to 31st 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 FY 2014-15. Consequently credit notes for the period starting from 1st April, 2014 are awaited.

Pending issuance of these credit notes and based on earlier years experience, the Company has recognized revenue from power generation during 1st April, 2014 to 30th September, 2014 at the average power tariff rate of the previous year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014:

In the event of non-receipt of the Open Access Permission and consequent sale of power to MSEDCL, as per case no. 58 of 2008 issued by MSEDCL, the profits of the Company for the accounting year ended 30th September, 2014 would be lower by about Rs. 34.69 Million net of tax.

38. 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.

39. Diminution other than temporary, if any, in the value of investment in Nandi Infrastructure Corridor Enterprise Ltd (NICE) and Nandi Economic Corridor Enterprise Ltd (NECE) could not be tested due to non-availability of accounts of NICE and NECE for the financial year ended 31st March, 2014, as explained in Note no. 38. The Company has recorded these investments at cost as on 30th September, 2014.
40. The Company has reclassified previous figures to confirm to this year's classification.

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

On behalf of the Board of Directors
CIN : L40108PN2000PLC015323

PRAKASH APTE
Partner
Membership No. 033212
Pune, 28 November, 2014

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 28 November, 2014

B.B. HATTARKI
Director

A.B. KALYANI
Director

Annexure referred to in Note No. 30 of Notes forming part of the Financial Statements.

Segment Reporting as required by Accounting Standard 17 for the Year ended 30 September, 2014

Sr. No.	Particulars	Year ended 30th Sept, 2014	Year ended 30th Sept, 2013
		Rs.	Rs.
1	Segment Revenue		
	a. Wind Energy	250,287,382	294,913,735
	b. Infrastructure	-	-
	Total	250,287,382	294,913,735
	Less : Inter segment revenue	-	-
	Net sales / income from operations	250,287,382	294,913,735
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind Energy	76,632,056	113,099,810
	b. Infrastructure	(4,590,284)	(9,193,894)
	Total	72,041,772	103,905,916
	Less : i) Interest	58,426,827	40,254,772
	ii) Other unallocable expenditure net off unallocable income	(121,907)	579,730
	Total Profit / (Loss) before tax	13,736,852	63,071,414
3	Total Carrying Amount of Segment Assets		
	a. Wind Energy	570,988,340	761,112,200
	b. Infrastructure	1,703,010,121	1,406,445,120
	c. Others - Unallocables	48,898,713	20,198,500
	Total	2,322,897,174	2,187,755,820
4	Total Amount of Segment Liabilities		
	a. Wind Energy	488,164,427	417,314,651
	b. Infrastructure	-	-
	c. Others - Unallocables	5,690,562	20,228,348
	Total	493,854,989	437,542,999
5	Capital Employed (Segment Assets - Segment Liabilities)		
	a. Wind Energy	82,823,913	343,797,549
	b. Infrastructure	1,703,010,121	1,406,445,120
	c. Others - Unallocables	43,208,151	(29,848)
	Total	1,829,042,185	1,750,212,821
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	28,722,138	100,000
	b. Infrastructure	-	-
	Total	28,722,138	100,000
7	Depreciation & Amortisation		
	a. Wind Energy	61,148,745	61,274,213
	b. Infrastructure	-	-
	Total	61,148,745	61,274,213

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

Disclosure of Related Parties as required by Accounting Standard 18 :

Sr No	Name of Related Party	Nature of Relationship
1	Nandi Infrastructure Corridor Enterprise Ltd.	Subsidiary Company
2	Nandi Highway Developers Ltd.	Subsidiary Company
3	Nandi Economic Corridor Enterprises Ltd.	Subsidiary Company
4	Bharat Forge Limited	Common Control
5	BF Investment Limited	Common Control
6	Hospet Bellari Highways Pvt. Ltd.	Associate

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

Sr No	Name of Related Party	Nature of Relationship	Nature of Transaction	2013-14		2012-13	
				Transaction Value Paid/ (Received)	Outstanding amount carried in Balance Sheet (Payable)/ Receivable	Transaction Value Paid/ (Received)	Outstanding amount carried in Balance Sheet (Payable)/ Receivable
				Rs.	Rs.	Rs.	Rs.
1	Nandi Infrastructure Corridor Enterprise Ltd.	Subsidiary Company	Investment in Equity	-	775,691,110	-	775,691,110
2	Nandi Highway Developers Ltd.	Subsidiary Company	Investment in Equity	-	260,719,010	-	260,719,010
3	Nandi Economic Corridor Enterprises Ltd.	Subsidiary Company	Advance for Purchase of Land	-	370,000,000	-	370,000,000
4	Bharat Forge Limited	Common Control	Sale of Power	(61,152,860)	784,483	(242,702,495)	43,719,275
			Security Deposit	(30,000,000)	(240,000,000)	(10,000,000)	(210,000,000)
5	BF Investment Limited	Common Control	Interest paid	5,004,711	(2,515,856)	5,022,159	-
			Services Rendered	(1,200,000)	337,080	(1,200,000)	337,080
			Loan payable	(50,000,000)	(110,000,000)	5,800,000	(60,000,000)
6	Hospet Bellari Highways Pvt. Ltd.	Associate	Investment in Equity	-	1	-	35,000

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. 14	Maximum Balance outstanding during the year	Amount Outstanding as at 30th Sept. 14
	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	-
Associates			
Hospet Bellari Highways Private Ltd.	-	-	1

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 Board of Directors
BF Utilities Limited, Pune

We have audited the attached consolidated financial statements of BF Utilities Limited ("the Company") and its subsidiaries; hereinafter referred to as the "Group" (Refer note 1 to the attached consolidated financial statements), which includes consolidated Balance Sheet as at 30th September 2014, the consolidated statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the 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 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 Company's preparation and presentation 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

As stated in note no. 36 C accompanying consolidated financial statements, Nandi Economic Corridor Enterprises Limited (NECE) has given advances aggregating to Rs. 1,205,653,553 to Nandi Engineering Limited (NEL) for undertaking development of toll roads and townships and loans of Rs. 150,000,000 given to NEL (including interest accrued but not due of Rs. 20,678,545), which remain outstanding at the balance sheet date of NECE, 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.

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:

- in the case of the consolidated Balance Sheet, of the states of affairs of the Group as at 30th September 2014;
- in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- 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 attention to Note no.36A to the accompanying consolidated financial statements regarding the reported constitution of an Assembly Panel consisting of member of the Karnataka Legislative Assembly, to study alleged violations in implementation of the Framework Agreement ('FWA') in the constitution of Peripheral Road, development of Township and Utilities undertaken by NECE as a 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 implementation of 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 contested laws have been adhered to in implementing the BMIC project. Accordingly, NECE intends to legally contest any matter that may arise consequently to the reported constitution of the Assembly

Panel to study the implementation of 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 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 has also been reported in the print media that the Committee Panel 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 December 19, 2014, NECE has not received any communication from the aforesaid Committee regarding its constitution, its mandate or 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 Committee would also be illegal and untenable in law. 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.

Based on the aforesaid legal opinion, the Management of the 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 the 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 the 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. We draw attention to Note no.36 B to the accompanying consolidated financial statements with regard to the Basis of preparation of the financial statements. As mentioned therein, the accumulated losses of NECE have substantially eroded its net worth as at March 31,2014 and it has overdue interest and principal payments on the term loan from the banks/others. These conditions along with other matters as set forth in the said Note, indicate the existence of a material uncertainty that may cast a significant doubt about its ability to continue as a going concern. However, the financial statements have been prepared on the assumption that it 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) achievement of the successful closure of the ongoing discussions by NECE with the Senior lenders for an amicable solution to meet its payment obligations under the term loans availed, (iii) It'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 3 above and (iv) the consideration of the undertaking provided by the holding company and the ultimate holding company to extend financial support to NECE to meet its obligations. 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

As at March 31, 2014, the accumulated losses of NECE have substantially eroded the net-worth of NECE as at March 31, 2014 and as mentioned in Note 4.1 to these Consolidated Financial Statements, NECE has overdue interest payments and repayment of principal on term loans taken from banks/others amounting to Rs. 409,506,975/- and Rs. 80,000,000/-, respectively. While these over dues have been paid subsequently, NECE has overdue principal and interest aggregating to approximately Rs. 974,777,279/- as on date of issue of the financial statements of NECE (i.e. December 19, 2014)

Notwithstanding the above, NECE continues to operate the Toll Road and also pursue the Township development activities.

During the year ended March 31, 2014 and subsequently as well, NECE received favorable orders from the Hon'ble High Court of Karnataka directing Bangalore Mysore Infrastructure Corridor Area Planning Authority to approve the plotted development for certain parcels of land and consider the applications pending before it within the stipulated time, specifically upholding development rights of NECE.

NECE is also pursuing various options to raise funds, not limited to negotiating with the Senior Lenders, to refinance the term loans and entering into agreements for disposal of developed land parcels / development of land parcels on joint development basis, after obtaining the requisite approvals, which are as yet, in process. Such negotiations are currently at advanced stages of finalization and when concluded, would involve infusion

of large amounts of funds for the continued viability of the project and enabling NECE to meet its financial obligations.

BFUL and NICE have provided an undertaking to the Senior Lenders of NECE, wherein, they have undertaken to financially support NECE in meeting any shortfall in resources by way of arranging fresh equity or preference capital and/or granting of unsecured interest free loans or subordinated debt for completing the Project.

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) achievement of successful closure of the ongoing discussions by NECE with the Senior lenders for an amicable solution to meet its payment obligations under the term loans availed;*
- (iii) 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*
- (iv) The undertaking provided by the Ultimate Holding Company and the Holding Company, to the Senior Lenders of NECE to financially support the Company in meeting any shortfall in resources by way of arranging fresh equity or preference capital and/or granting of unsecured interest free loans or subordinated debt for completing the Project.*

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

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

3. We draw attention to Note no. 37 of the financial statements, in respect of certain litigations by and against the subsidiaries of the Company 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 2014.

Note no.37

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

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

4. We draw attention to Note no.38 to the accompanying consolidated 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 September 2014 to MSEDCL, the profits of the Company for the accounting year ended on 30th September, 2014 would be lower by Rs.34.69 Million (net of tax).

Note no. 38

The Company(BFUL) 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 1st April 2014 to 31st 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 FY 2014-15. Consequently credit notes for the period starting from 1st April, 2014 are awaited.

Pending issuance of these credit notes and based on earlier years' experience, the Company has recognized revenue from power generation during 1st April, 2014 to 30th September, 2014 at the average power tariff rate of the previous year.

In an unlikely event of non-receipt of the Open Access Permission and consequent sale of power to MSEDCL, as per case no. 58 of 2008 issued by MSEDCL, the profits of the Company for the accounting year ended 30th September, 2014 would be lower by about Rs. 34.69 Million net of tax.

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

5. We draw attention to Note no.39 to the accompanying consolidated financial statements 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. 39

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. We draw attention to Note no. 40 to the accompanying consolidated financial statements regarding the managerial remuneration paid by NECE for the period December 1, 2013 to March 31, 2014 amounting to Rs. 13,333,333 which is subject to the approval by the Government of India and the Shareholders of NECE.

Note no. 40

In respect of Nandi Economic Corridor Limited (NECE) the remuneration paid to Managing Director of NECE, Mr. Ashok Kheny, from 1st April, 2013 to November 30, 2013 is within the sanctioned limits of the approval, granted by the Ministry of Corporate Affairs, Government of India (GOI) to the NECE. The managerial remuneration with effect from December 1, 2013 and amounting to Rs. 13,333,333 is pending to be approved by GOI and by the shareholders of the NECE.

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

7. We did not audit the financial statements of following Subsidiaries, whose 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 of Subsidiary	Extent of Share in		
	Revenue	Assets	Cash flows
Nandi Highway Developers Limited	376,661,029	1,272,882,092	(13,024,403)
Nandi Economic Corridor Enterprises Limited	1,827,763,792	20,293,017,714	(567,180,303)
Nandi Infrastructure Corridor Enterprises Limited	52,500,005	1,412,162,063	(1,367,539)

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 is not qualified in respect of the above matter.

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

Pune
February 14, 2015

Prakash Apte
Partner
Membership Number: 033212

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet as at 30th September, 2014

Particulars	Note No.	As at 30th September, 2014 Rs.	As at 30th September, 2013 Rs.
A. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	188,338,140	188,338,140
(b) Reserves and surplus	3	<u>(2,992,864,557)</u>	<u>(2,472,174,146)</u>
		<u>(2,804,526,417)</u>	<u>(2,283,836,006)</u>
2 Minority Interest		3,337,699,560	3,928,802,963
3 Non-current liabilities			
(a) Long-term borrowings	4	18,509,302,725	18,630,661,454
(b) Other long term liabilities	5	253,056,322	254,591,694
(c) Long term provisions	6	9,116,047	7,865,234
(d) Deferred tax liabilities (net)	7	<u>60,830,022</u>	<u>64,500,746</u>
		<u>18,832,305,116</u>	<u>18,957,619,128</u>
4 Current liabilities			
(a) Short-term borrowings	8	122,100,000	60,000,000
(b) Trade payables	9	186,726,313	185,910,238
(c) Other current liabilities	10	2,595,159,915	1,512,270,732
(d) Short-term provisions	11	<u>220,195,950</u>	<u>198,683,503</u>
		<u>3,124,182,178</u>	<u>1,956,864,473</u>
TOTAL		<u><u>22,489,660,437</u></u>	<u><u>22,559,450,558</u></u>
B. ASSETS			
1 Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		574,641,451	650,096,476
(ii) Intangible assets		12,661,101,851	11,815,352,899
(iii) Capital work-in-progress		1,590,451,044	2,102,434,070
(b) Non-current investments	13	19,193,271	19,228,270
(c) Long-term loans and advances	14	<u>3,809,091,267</u>	<u>3,802,976,106</u>
		<u>18,654,478,884</u>	<u>18,390,087,821</u>
2 Current Assets			
(a) Current investments	15	297,273,850	350,706,993
(b) Inventories	16	1,967,834,986	2,032,806,245
(c) Trade receivables	17	2,374,374	45,048,967
(d) Cash and bank balance	18	63,179,977	334,041,872
(e) Short-term loans and advances	19	1,356,831,971	1,348,797,774
(f) Other current assets	20	<u>147,686,395</u>	<u>57,960,886</u>
		<u>3,835,181,553</u>	<u>4,169,362,737</u>
TOTAL		<u><u>22,489,660,437</u></u>	<u><u>22,559,450,558</u></u>
Summary of significant accounting policies	1		

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

On behalf of the Board of Directors
CIN : L40108PN2000PLC015323

PRAKASH APTE
Partner
Membership No. 033212
Pune, 14 February, 2015

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 14 February, 2015

A.B. KALYANI
Director

B.B. HATTARKI
Director

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Consolidated Profit and loss for the year ended 30 September, 2014

Particulars	Note No.	Year ended 30th	Year ended 30th
		September, 2014	September, 2013
		Rs.	Rs.
I. Revenue from operations (net)	21	2,381,838,317	1,974,780,489
II. Other income	22	85,369,801	98,137,421
III. Total Revenue (I + II)		2,467,208,118	2,072,917,910
IV. Expenses			
Cost of sale of land	23	74,819,672	-
Changes in inventories	24	(12,218)	(678,118)
Employee benefits expense	25	328,496,850	303,198,762
Finance costs	26	2,400,878,983	2,030,256,032
Depreciation and amortization expense	12	237,254,071	205,441,014
Other expenses	27	521,611,391	583,740,316
Total expenses		3,563,048,749	3,121,958,006
V. Profit/(Loss) before tax (III-IV)		(1,095,840,631)	(1,049,040,096)
VI. Tax expense :			
(a) Current tax		16,334,316	40,068,040
(b) Deferred tax (Refer note no. 7)		(3,670,724)	(782,274)
		12,663,592	39,285,766
VII. Profit /(Loss) for the year after taxation (V-VI)		(1,108,504,223)	(1,088,325,862)
VIII. Adjustments relating to earlier years :			
Excess /(Short) provision for taxation		(3,289,591)	(4,241,488)
		(1,111,793,814)	(1,092,567,350)
IX. Minority Interest		(591,103,403)	(608,418,465)
X. Profit /(Loss) for the year after taxation and adjustments relating to earlier years (VII-VIII)		(520,690,411)	(484,148,885)
XI. Earning per equity share:			
Basic & Diluted	28	(13.82)	(12.85)
Summary of significant accounting policies	1		

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

On behalf of the Board of Directors
CIN : L40108PN2000PLC015323

PRAKASH APTE
Partner
Membership No. 033212
Pune, 14 February, 2015

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 14 February, 2015

A.B. KALYANI
Director

B.B. HATTARKI
Director

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement For The Year Ended 30th September, 2014

Particulars	Year ended 30th Sept., 2014		Year ended 30th Sept., 2013	
	Rs.	Rs.	Rs.	Rs.
A Cash Flow From Operating Activities				
Profit/ (Loss) before taxation		(1,095,840,631)		(1,049,040,096)
Add Interest / Depreciation / Other Non Cash Expenses				
Depreciation	237,254,071		205,441,014	
Preliminary & Pre-operative Expenses write off	-		3,381,792	
Interest	2,399,901,124		2,028,074,487	
Loss on sale of fixed assets	878,172		-	
Diminution in value of investments	34,999		28,039	
Provision for doubtful advances	10,906,926		10,500,000	
Exchange (Gain) / Loss	3,192		-	
CERs Written off	-		9,863,404	
RECs Written off	-		17,406,757	
		2,648,978,484		2,274,695,493
Less Interest / Dividend / Other Adjustments				
Provision no longer required	-		8,139,835	
Interest	42,059,718		30,505,694	
Dividend	120,705		2,808,410	
Profit on sale of Investments	9,958,141		54,094,379	
		(52,138,564)		(95,548,318)
Operating Profit before Working Capital Changes:		1,500,999,289		1,130,107,079
(Increase) / Decrease Working Capital				
(Increase) / Decrease in Current Assets :				
(Increase) / Decrease in Inventory	64,971,259		(396,051,168)	
(Increase) / Decrease in Sundry Debtors	42,674,593		17,842,652	
(Increase) / Decrease in Other current assets and loans and advances	(327,504,391)		(1,421,332,431)	
	(219,858,539)		(1,799,540,947)	
Increase / (Decrease) in Current Liabilities : Liabilities				
	465,807,083		34,388,448	
	465,807,083		34,388,448	
		245,948,544		(1,765,152,499)
Cash Generated from operations		1,746,947,833		(635,045,420)
Direct taxes paid		(41,900,586)		(45,361,820)
Net Cash Flow from Operating Activities		1,705,047,247		(680,407,240)
B Cash Flow from Investing Activities				
Additions to Fixed Assets / Other Adjustments				
(Increase)/Decrease in Investment, net		285,028,711		18,833,946
Additions to Fixed Assets		(496,651,746)		(923,456,737)
Sales proceeds of assets		208,602		90,851
Non Operating Income				
Interest	42,059,718		25,401,344	
Dividend	120,705		2,808,410	
Profit on sale of Investments	9,958,141		54,094,379	
		52,138,564		82,304,133
Net Cash Flow from Investing Activities		(159,275,869)		(822,227,807)
C Cash Flow from Financing Activities				
Secured loans (Net of Repayment)		191,883,573		3,210,248,592
Unsecured Loans		(20,774,895)		(33,912,779)
Interest Paid		(1,987,741,951)		(1,973,353,930)
Net Cash from Finance Activities		(1,816,633,273)		1,202,981,883
Net changes in cash and cash equivalents (A+B+C)		(270,861,895)		(299,653,164)
Cash and cash equivalents at the beginning of the year*		334,041,872		633,695,036
Cash and cash equivalents at the end of the year*		63,179,977		334,041,872

* Refer Note No. 18 for Cash and Cash Equivalents

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

On behalf of the Board of Directors
CIN : L40108PN2000PLC015323

PRAKASH APTE
Partner
Membership No. 033212
Pune, 14 February, 2015

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 14 February, 2015

A.B. KALYANI
Director

B.B. HATTARKI
Director

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.

B. Principles of consolidation:

The consolidated financial statements of Group, its subsidiaries and the associate company (the "Group") are prepared in accordance with generally accepted accounting principles applicable in India, and the Accounting Standard (AS)-21 on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules 2006, as amended to the extent possible in the same format as that adopted by Group for its separate financial statements.

The financial statements in respect of all subsidiary companies are drawn for the year ended on 31 March 2014 whereas the financial statements for BF Utilities Ltd. (BFUL) are drawn for the year ended on 30 September 2014. The effect of significant transaction and other events that occur between 1 April 2014 and 30 September 2014 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. 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
		30-09-2014	30-09-2013	
a. Nandi Infrastructure Corridor Enterprises Ltd.	India	74.52%	74.52%	31-03-2014
b. Nandi Highway Developers Ltd.	India	69.53%	69.53%	31-03-2014
c. Nandi Economic Corridor Enterprises Ltd.	India	48.27%	48.27%	31-03-2014

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
		30-09-2014	30-09-2013	
Hospet Bellari Highways Pvt. Ltd	India	35.00%	35.00%	31-03-2014

C. Basis of preparation:

These financial statements of the Group have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

D 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 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 Revised Schedule VI to the Companies Act, 1956.
- (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.1. **In respect of BF Utilities Ltd.**

- i) Depreciation on Buildings, Plant & Machinery, Electrical Installations, and Office Equipments is being provided on "Straight Line Method" basis in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956, in the manner and at the rates specified in Schedule XIV to the said Act.
- ii) Depreciation in respect of Furniture & Fittings and Vehicles is being provided on "Written down value" basis in accordance with the provisions of Section 205(2)(a) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to the said Act.
- iii) 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.

- iv 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.
- v 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.

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 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:**

- i) **Non-Current Investments :** Investments are valued at cost of acquisition. Trade and Strategic investments made by the Group are of a long Term nature and hence diminution in the value of investments are generally not considered to be of a permanent nature. However where, in the opinion of the management, considering the facts and circumstances prevailing at the balance sheet date, diminution, if any, is determined to be of a non temporary nature, provision for the same is made and investments are stated net of such provisions.
- ii) **Current Investment :** Current Investments are stated at cost less provision for diminution, as necessary, if any.

(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).

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) **Earning 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 30 SEPTEMBER, 2014 :

2 Share Capital :

Particulars	As at 30 September, 2014		As at 30 September, 2013	
	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 30 September, 2014		As at 30 September, 2013	
	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. Equity Shares are parri passu in all respect and each equity shareholder 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) Details of Shareholder holding more than 5% shares in the Company

Name of the Shareholder	Equity Shares			
	As at 30th September, 2014		As at 30th September, 2013	
	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.	6,062,342	16.09	6,062,342	16.09
iii) KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472	11.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

3 Reserves & Surplus :

Particulars	As at 30th September, 2014 Rs.	As at 30th September, 2013 Rs.
a) Securities premium account		
Opening balance	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		
Opening balance	-	-
Add : Profit from sale of land transferred from deficit in Statement of Profit and Loss	118,757,185	-
	118,757,185	-
c) Surplus in statement of Profit & Loss		
As per last Account	(2,835,141,522)	(2,349,082,637)
Add / (Less) Net Profit / (net Loss) for the year	(520,690,411)	(484,148,885)
Less : Transfer to Reserve Funds	-	1,910,000
Less : Transfer to Special Reserve U/s 80IA	118,757,185	-
	(3,474,589,118)	(2,835,141,522)
d) Reserve fund		
Opening Balance	3,572,000	1,662,000
Add : Current Year Transfer	-	1,910,000
Less : Written Back in Current Year	-	-
	3,572,000	3,572,000
Total	(2,992,864,557)	(2,472,174,146)

4 Long Term Borrowings

Particulars	As at 30th September, 2014 Rs.	As at 30th September, 2013 Rs.
Secured :		
Term Loan from Banks		
Rupee Term Loan from Axis Bank Ltd. (Refer note no. 4(a))	400,039,816	520,039,816
Rupee Term Loan from The Jammu & Kashmir Bank Ltd. (Refer note no. 4(b))	960,000,000	990,000,000
Rupee Term Loan from The Bank of India (Refer note no. 4(b))	2,880,000,000	2,970,000,000
	4,240,039,816	4,480,039,816
Term Loan from Others		
Rupee Term Loan from HDFC Ltd. (Refer note no. 4(c))	4,140,000,000	3,960,000,000
Rupee Term Loan from IDFC Ltd.	7,488,000,000	7,722,000,000
Rupee Term Loan from Aditya Birla Finance Ltd.	672,000,000	693,000,000
Rupee Term Loan from Tata Capital Ltd. (Refer note no. 4(d))	276,516,166	-
	12,576,516,166	12,375,000,000
(A)	16,816,555,982	16,855,039,816
Unsecured :		
Deferred payment liabilities		
Sales tax deferral obligation collected under Government of Maharashtra package scheme of incentive by a beneficiary under an arrangement (Refer note no. 4 (e))	502,226,676	615,101,571
Others (Refer note no. 4 (f))	1,190,520,067	1,160,520,067
(B)	1,692,746,743	1,775,621,638
Total (A)+(B)	18,509,302,725	18,630,661,454

4 (a) Rupee Term Loan from Axis Bank Ltd.

(i) In respect of BF Utilities (BFUL)

Loan from Axis Bank was secured by first charge on the movable and immovable assets of Wind Mill Project located at village Boposhi and Maloshi, Dt. Satara.

Repaid during the year on completion of 36 months from the date of first disbursement i.e. from 28 July, 2011 and Interest paid at Base rate + 4.25% p.a., Charge satisfied.

(ii) In respect of Nandi Highway Developers Ltd. (NHDL)

Term Loans:

The Term Loans of Rs. 600,000,000/- and Rs. 275,000,000/- disbursed by UTI Bank Ltd. are in terms of the Term Loan Agreements executed by NHDL on September 29, 2004 and October 25, 2004 respectively.

Repayment:

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

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

Term loan from banks and from others (together referred to as 'Senior Lenders') 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. The term loan from the senior lenders are repayable in 45 unequal quarterly installments commencing from January 2014 to January 2025. Interest rates on the above mentioned secured term loans varies between 11.22% to 13.75% p.a.

4 (c) Rupee Term Loan from HDFC Ltd.

In respect of BF Utilities (BFUL)

Above loan from HDFC Ltd is secured by : Corporate Guarantee issued by KSL Holdings Private Limited.

Bullet repayment on completion of 24 months from the date of first disbursement i.e. from 25 March, 2014. Interest is linked to HDFC Ltd's Corporate Prime Lending Rate. Present Rate of interest is 13.5% p.a. payable quarterly.

4 (d) Rupee Term Loan from TATA Capital Ltd., Mumbai

In respect of Nandi Highway Developers Ltd. (NHDL)

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 June 27, 2013.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

4 (e) Sales tax deferral

Balance outstanding Rs. 615,101,574 (Previous year Rs. 707,609,064)

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

Repayment Schedule

Year	As at 30th	As at 30th
	September, 2014	September, 2013
	Rs.	Rs.
2013-14	-	92,507,491
2014-15	112,874,898	112,874,898
2015-16	113,483,324	113,483,324
2016-17	110,924,345	110,924,345
2017-18	102,845,366	102,845,366
2018-19	77,566,387	77,566,386
2019-20	52,287,250	52,287,250
2020-21	31,920,000	31,920,000
2021-22	13,200,004	13,200,004
Total	615,101,574	707,609,064

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

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 April 1, 2013, interest on unsecured loan is completely waived-off by the lenders. Balance of interest accrued amounting Rs. 249,675,937 as at March 31, 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.

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

As at March 31, 2014 NECE had overdues aggregating to Rs. 489,506,884, the details of which 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
		489,506,884

Note: There was no overdue amount as at March 31, 2013.

4.2 In the "event of default" (as defined under the term loan arrangements), the lenders have right to accelerate the obligations of the Borrower by declaring the amounts to be forthwith due. However, since such rights have not been exercised by the lenders on the date of issue of the financial statements of NECE (i.e., December 19, 2014), the classification of borrowings at March 31, 2014 into current and non-current continues to be based on the existing repayment schedule as per the terms of borrowings sanctioned.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

5 Other long-term liabilities

Particulars	As at 30th September, 2014	As at 30th September, 2013
	Rs.	Rs.
Interest accrued but not due on borrowings (Refer note no. 4(f))	249,675,937	249,675,937
Others	3,380,385	4,915,757
Total	253,056,322	254,591,694

6 Long-term provisions

Particulars	As at 30th September, 2014	As at 30th September, 2013
	Rs.	Rs.
Provision for employee benefits:		
- Provision for compensated absences	9,116,047	7,865,234
Total	9,116,047	7,865,234

7 Deferred tax liabilities (net)

Particulars	As at 30th September, 2014	As at 30th September, 2013
	Rs.	Rs.
I Deferred tax liabilities :		
On account of timing difference :		
a) Depreciation (Refer note no. 7 (a))	90,524,763	92,324,317
Total	90,524,763	92,324,317
II Deferred tax assets :		
On account of timing difference :		
a) Disallowance u/s 43B	29,694,741	27,823,571
Total	29,694,741	27,823,571
Deferred Tax liability (Net) (I - II)	60,830,022	64,500,746

7 (a) As required by and in accordance with Accounting Standard 22 - 'Taxes on Income' prescribed by Companies (Accounting Standards) Rules, 2006, as amended 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.

8 Short term borrowings

Particulars	As at 30th September, 2014	As at 30th September, 2013
	Rs.	Rs.
Unsecured		
Loan repayable on demand		
From other parties - interest free	12,100,000	-
From other parties - rate of interest 8% p.a.	110,000,000	60,000,000
Total	122,100,000	60,000,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

9 Trade payable

Particulars	As at 30th September, 2014	As at 30th September, 2013
	Rs.	Rs.
Total outstanding dues other than Micro & Small Enterprises	176,625,067	175,808,992
Capital creditors	10,101,246	10,101,246
Total	186,726,313	185,910,238

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, 2014	As at 30th September, 2013
	Rs.	Rs.
Current maturities of Long term borrowings (Refer note no.(i) below)	687,874,898	457,507,491
Statutory dues payable including tax deducted at source	11,747,796	22,939,258
Interest free security deposit received from related party	240,000,000	210,000,000
Interest accrued but not due on borrowings	66,193,256	63,541,058
Interest accrued and due on borrowings	409,506,975	-
Income received in advance	-	8,411,428
Security deposits received	2,075,155	1,055,155
Retention money payable	14,705,623	13,513,239
Other payables		
- Advance received (Refer note no.(ii) below)	1,146,062,500	720,625,000
- Provision for Gratuity	-	231,686
- Payable on purchase / construction of fixed assets	10,071,809	9,859,834
- Others	6,921,903	4,586,583
Total	2,595,159,915	1,512,270,732

Notes:

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

Particulars	As at 30th September, 2014	As at 30th September, 2013
	Rs.	Rs.
Secured term loans from:		
- Banks	160,000,000	240,000,000
- Others	415,000,000	125,000,000
Unsecured term loans from:		
- Sales tax deferral obligation	112,874,898	92,507,491
Total	687,874,898	457,507,491

(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 either be refunded to the parties or such amounts would be adjusted against amounts receivable in respect of the joint development arrangements that NECE is pursuing with such parties.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

11 Short term provisions

Particulars	As at 30th September, 2014	As at 30th September, 2013
	Rs.	Rs.
Provision for employee benefits :		
Leave encashment	1,738,495	1,591,261
Gratuity (Refer note no.31 A)	34,623,178	27,900,812
Provident fund : - BFUL staff Provident fund trust (Refer note no.31 C)	42,482	-
Tax provision	-	6,690,108
Electricity duty (Refer note no.33 G)	90,969,374	88,950,318
Wheeling & Transmission charges (Refer note no.33 G)	92,822,421	73,551,004
Total	220,195,950	198,683,503

12 Fixed Assets

Amounts in Rupees

Particulars	Gross Block				Depreciation				Net Block	
	As At 30/09/2013	Additions during the year	Deductions during the year	As At 30/09/2014	Up to 30/09/2013	On Deductions & Adjustments	For the Year	Up to 30/09/2014	As At 30/09/2014	As At 30/09/2013
Tangible Assets :										
Land	32,932,614	-	-	32,932,614	-	-	-	-	32,932,614	32,932,614
Building	106,189,094	-	-	106,189,094	11,171,906	-	1,736,199	12,908,105	93,280,989	95,017,188
Plant & Machinery	1,241,174,476	2,135,078	-	1,243,309,554	866,547,938	-	63,130,110	929,678,048	313,631,506	374,626,538
Electrical Installation	652,688	-	-	652,688	210,330	-	127,738	338,068	314,620	442,358
Furniture & Fixtures	25,118,382	20,057,637	205,591	44,970,428	9,274,577	155,455	17,382,906	26,502,028	18,468,400	15,843,805
Office Equipments	82,985,695	2,372,164	3,807,311	81,550,548	24,966,358	2,941,162	7,296,486	29,321,682	52,228,866	58,019,337
Vehicles	104,747,672	789,191	548,984	104,987,879	31,533,036	378,495	10,048,882	41,203,423	63,784,456	73,214,636
Total A	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
Previous year Total	1,553,716,271	40,492,776	408,426	1,593,800,621	859,250,137	317,575	84,771,583	943,704,145	650,096,476	694,466,131
Intangible Assets :										
Roads	13,071,449,173	983,280,702	-	14,054,729,875	1,256,110,478	-	137,526,069	1,393,636,547	12,661,093,328	11,815,338,695
Computer software	157,010	-	-	157,010	142,806	-	5,681	148,487	8,523	14,204
Total B	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
Previous year Total	12,864,841,366	206,764,817	-	13,071,606,183	1,135,583,852	-	120,669,431	1,256,253,284	11,815,352,899	11,729,257,513
Grand Total (A+B)	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
Previous year Grand Total	14,418,557,637	247,257,593	408,426	14,665,406,804	1,994,833,990	317,575	205,441,014	2,199,957,429	12,465,449,375	12,423,723,647
Capital work in progress									1,590,451,044	2,102,434,070

Note: Refer note no. 29 (I) (d) and 29 (III)

13 Non Current Investments

Particulars	Face Value Rs.	As at 30th September, 2014		As at 30th September, 2013	
		Number of Shares	Rs.	Number of Shares	Rs.
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	3,500	35,000
			35,000		35,000
Other Investments, at cost					
In Government Securities & Trust					
National Securities Certificate			5,500		5,500
Indira Vikas Patra			200		200
			5,700		5,700
Unquoted Investments					
In equity shares - fully paid					
Mokshayoug 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			19,228,270		19,228,270
Less: Diminution in Value of Investments			(34,999)		-
Total			19,193,271		19,228,270

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

14 Long Term Loans & Advances

Particulars	As at 30th	As at 30th
	September, 2014	September, 2013
	Rs.	Rs.
Unsecured, considered good (unless otherwise stated)		
Capital advances	157,048,998	161,600,400
Security deposits	8,056,084	7,732,951
Capital Advances to related parties	421,758,277	706,325,977
Inter Corporate deposits	150,000,000	-
Interest accrued on inter corporate deposits	20,678,545	-
Rental Deposits	1,964,320	1,901,260
Non current bank balance (Refer note no. 18)	43,404,432	-
Advance Income Tax (Net of Provisions)	18,876,162	-
Advance towards land acquisition and projects		
- Unsecured, considered good	2,956,123,942	2,911,361,442
- Doubtful	10,500,000	10,500,000
	2,966,623,942	2,921,861,442
Less: Provision for doubtful advance	10,500,000	10,500,000
	2,956,123,942	2,911,361,442
Advance to Suppliers / service providers		
- Unsecured, considered good	31,180,507	14,054,076
- Doubtful	61,178,064	91,244,588
	92,358,571	105,298,664
Less : Provision for doubtful advance	61,178,064	91,244,588
	31,180,507	14,054,076
Total	3,809,091,267	3,802,976,106

15 Current Investments

Particulars	Face Value Rs.	As at 30th September, 2014		As at 30th September, 2013	
		Number of Shares	Rs.	Number of Shares	Rs.
In equity shares - fully paid, at Cost or Market value whichever is lower					
Quoted :					
# 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					
0% FCD in DGM Realities Pvt.Ltd.			296,600,000		-
In Mutual Funds - Quoted			-		350,033,143
Total Cost (A+B+C)			297,310,390		350,743,533
Less : Diminution in value of investment			(36,540)		(36,540)
Total			297,273,850		350,706,993

	As at 30 September, 2014	As at 30 September, 2013		As at 30 September, 2014	As at 30 September, 2013
Book Value	Rs.	Rs.	Market Value	Rs.	Rs.
QUOTED	673,850	673,850	QUOTED	3,063,976	1,340,955
UNQUOTED	315,793,271	369,261,413	Mutual Fund	-	356,060,751
TOTAL	316,467,121	369,935,263	TOTAL	3,063,976	357,401,706

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

16 Inventory

Particulars	As at 30th	As at 30th
	September, 2014	September, 2013
	Rs.	Rs.
Land and related development cost	1,967,144,650	2,032,128,127
Stock of Renewable Energy Certificates (RECs) (Refer note below)	690,336	678,118
Total	1,967,834,986	2,032,806,245

Note:

Sr. No.	Description	Units	Units
1	No. of RECs held as inventory	28,549	37,278
2	No. of RECs under certification	-	2,923
3	No. of CERs under certification	-	-

17 Trade Receivables

Particulars	As at 30th	As at 30th
	September, 2014	September, 2013
	Rs.	Rs.
Unsecured, considered good unless stated otherwise :		
Outstanding for the period exceeding 6 months from date they are due for payment	-	-
Others	2,374,374	45,048,967
Total	2,374,374	45,048,967

18 Cash & Bank Balances

Particulars	As at 30th	
	September, 2014	September, 2013
	Rs.	Rs.
i) Cash & Cash Equivalents #		
a) Cash on hand	21,870,970	15,167,444
b) Balances with Banks		
- in Current accounts	30,385,297	214,656,788
- in Fixed deposits (Less than three months maturity)	-	45,000,000
	30,385,297	259,656,788
	52,256,267	274,824,232
ii) Other Bank Balances		
Balances with banks		
Fixed Deposits (Maturity more than three months but less than twelve months)	54,328,142	59,217,640
Less: Amount disclosed under non current assets (Refer note no.14)	(43,404,432)	-
# the balance that meet the definition of Cash and Cash Equivalent as per AS-3 'Cash Flow Statement'.	Total	334,041,872
	63,179,977	334,041,872

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

19 Short Term Loans & Advances

Particulars	As at 30th September, 2014	As at 30th September, 2013
	Rs.	Rs.
Loans & advances		
Advance to related parties	783,895,275	749,963,007
Inter corporate deposit #	-	425,000,000
Advance towards Wheeling & Transmission Charges (Refer note no.33 G)	77,641,966	71,970,241
Others	353,785,279	10,687,178
Advance to suppliers / service providers		
- Unsecured, considered good	141,509,451	91,177,348
- Considered doubtful	-	-
	141,509,451	91,177,348
Provision for doubtful advance	-	-
	141,509,451	91,177,348
Total	1,356,831,971	1,348,797,774

Inter corporate deposits are placed for a period of 21 days carrying interest rate of 13% p.a.

20 Other Current Assets

Particulars	As at 30th September, 2014	As at 30th September, 2013
	Rs.	Rs.
Energy credit receivable	145,172,222	49,472,038
Interest receivable		
- on deposits with Banks Interest Receivable	50,878	1,596,229
- on Inter Corporate Deposits	-	5,724,985
Other income receivable	337,080	337,080
Excess of gratuity fund over defined benefit value of funded obligations	2,126,215	830,554
Total	147,686,395	57,960,886

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

Particulars	Year ended	Year ended
	30th September, 2014	30th September, 2013
	Rs.	Rs.
21 Revenue from Operations		
Wind power generated	206,325,082	242,702,495
Certified Emission Reduction Units (CER)	-	19,553,198
Renewable Energy Certificate Units (REC)	28,349,330	17,068,403
Toll road revenue	1,958,541,785	1,694,347,773
Sale of land	187,500,000	-
Parking fees	1,122,120	1,108,620
Total	2,381,838,317	1,974,780,489
22 Other income		
Dividend received	120,705	2,808,410
Interest on bank fixed deposits	20,315,882	22,648,709
Interest on inter corporate deposits	21,743,836	7,856,985
Profit on sale of investments	9,958,141	54,094,379
Provisions no longer required	-	8,139,835
Exchange Gain /(Loss) (net)	-	361,217
Business auxiliary services	1,200,000	1,200,000
Rental income	31,770,661	845,951
Miscellaneous income	260,576	181,935
Total	85,369,801	98,137,421
23 Cost of sale of land and land development		
Opening stock	2,030,453,127	1,610,787,347
Add: Cost of purchase of land and land development cost incurred (Including Interest capitalised)	11,511,195	419,665,780
	2,041,964,322	2,030,453,127
Less: Closing stock	1,967,144,650	2,030,453,127
Total	74,819,672	-
24 Changes in inventories		
(Increase) / Decrease in Inventory:		
Closing Stock of Renewable Energy Certificates (RECs)	690,336	678,118
Opening Sock of Renewable Energy Certificates (RECs)	678,118	-
Total	(12,218)	(678,118)
25 Employee benefit expense		
Salaries, allowances etc.	274,702,588	255,583,369
Contribution to Provident & other funds	32,788,357	30,754,897
Staff welfare	21,005,905	16,860,496
Total	328,496,850	303,198,762
26 Finance costs		
Interest on loans	2,382,178,353	2,015,092,281
Interest on electricity duty	4,331,238	4,331,237
Interest on shortfall of advance tax	977,859	2,314,817
Interest on service tax	-	9,646
Other borrowing costs and bank charges etc.	13,391,533	8,508,051
Total	2,400,878,983	2,030,256,032

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

27 Other Expenses

Particulars	Year ended		Year ended
	Rs.	Rs.	Rs.
Operating expenses			
Operations, Maintenance & CDM Expenses - Wind Mills		43,694,982	34,669,369
Lease Rent - Land		6,907,017	6,734,879
Insurance		1,018,093	1,036,224
Electricity duty (Refer note no.33 G)		7,445,910	7,800,423
Wheeling & Transmission Charges (Refer note no.33 G)		19,271,417	20,594,193
Overhauling of wind mills		19,690,944	-
Other operating expenses		1,153,464	1,885,350
CERs written off		-	9,863,404
RECs written off		-	17,406,757
Road repairs & maintenance		86,186,908	73,668,816
Toll road operation expense		67,306,788	95,203,884
Security charges		29,185,863	29,623,983
Electricity and water charges		9,122,255	9,619,932
	(A)	290,983,641	308,107,214
Administrative Expenses			
Insurance - others		5,179,599	4,932,182
Rates & Taxes		9,008,472	6,703,159
Repairs & Maintenance - Building		786,202	1,575,908
- Plant & Machinery		3,792,410	5,782,953
- Others		11,494,875	16,643,640
Director's sitting fees		155,000	170,000
Payment to Auditors :			
Audit fee	2,733,341		2,864,162
Tax audit fee	362,360		312,360
For Review of Quarterly Results, Financial Statements and Certification Work.	659,560		653,380
Reimbursement of expenses	28,878		20,744
		3,784,139	3,850,646
Advertisement and business promotion		5,573,449	25,787,829
Design and engineering		27,967,074	2,968,208
Rehabilitation expenses		128,021	3,916,839
Provision for doubtful advances		10,906,926	10,500,000
Diminution in value of investments		34,999	28,039
Amortisation of preliminary and share issue expenses		-	3,381,792
Exchange (Gain) / Loss (net)		3,192	-
Loss on sale of asset		878,172	-
Travelling and conveyance		41,839,943	55,839,786
Miscellaneous expenses including Printing, Stationery, Postage, Telephone, etc.		38,488,534	37,016,281
Professional & consultancy expenses		70,606,743	96,535,840
	(B)	230,627,750	275,633,102
Total (A)+(B)		521,611,391	583,740,316

28 Earning Per Equity Share

Particulars		Year ended 30th September, 2014	Year ended 30th September, 2013
Earning per share : (Face Value of Rs.5/-)			
Net profit after taxation	Rs.	(1,108,504,223)	(1,088,325,862)
Add /(Less) prior period adjustments	Rs.	(3,289,591)	(4,241,488)
Minority interest	Rs.	591,103,403	608,418,465
Net Profit/ (loss) after prior period adjustments	Rs.	(520,690,411)	(484,148,885)
Number of shares issued and subscribed	Nos.	37,667,628	37,667,628
Basic and Diluted	Rs.	(13.82)	(12.85)

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

I. Nandi Economic Corridor Enterprises Ltd (NECE)

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

During the year ended 31st March 2011 the NECE had allotted 49,998,531 0.01% Compulsory Convertible Cumulative Preference Shares (CCCPS) of Rs.100 each amounting Rs.499.98 Million to AIRRO (Mauritius) Holding V (Investor) in terms of the Shareholders Agreement between the Sponsors, Promoters, the NECE and the Investors (Agreement) specifying their respective rights, duties and obligations.

These CCCPS carry a Fix Cumulative dividend of @0.01% and also have a right to participate along with Equity shareholders in any dividends declared by the 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.

The CCCPS are convertible into equity shares any time prior to listing of the NECE's shares on the BSE or NSE, in terms of the agreement, to result in a minimum shareholding of 8.33% or maximum shareholding of 16.29% to the investor. The CCCPS shall, if not already converted, be mandatorily converted on the 8th Anniversary of the closing date i.e., 13th March, 2019.

In event of failure to initiate and conclude an Initial Public Offering (IPO) within the agreement time frame, the CCCPS holders have rights and remedies as specified in the Agreement.

Minority Interest in the consolidated financial statements includes Preference share capital issued as aforesaid and cumulative dividend there on.

2) 7% Cumulative Redeemable Preference shares (7% CRPS)

Redemption:

7% CRPS are not redeemable until the entire "Senior Loan" (i.e. The aggregate principal 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 those sums under the "Common Loan Agreement" have been paid in full 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.

Minority Interest in the consolidated financial statements includes Preference share capital issued as aforesaid and cumulative dividend there on.

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. 6.22 Million (Previous Year Rs.6.01 Million).

- c. i) As on 31st March, 2014 the NECE has received advances for sale of land / joint development in terms of agreements entered with various parties.**
- ii) Security Deposits represents amount received in terms of agreements for sale of land / joint**

development etc.

These deposits are from parties with whom the NECE has entered / likely to enter into definitive agreements for sale of land / joint development etc.

In case the delay in sale of land / joint development, the same would be settled mutually in terms of the said agreements.

d. **Depreciation on toll road assets:**

The Ministry of Corporate Affairs vide gazette notification dated April 17, 2012, has amended the Schedule XIV of the Companies Act, 1956 (the 'Act') and a new entry is inserted for Intangible Assets in the nature of toll road which is created under Build, Operate and Transfer (BOT), Build, Own, Operate and Transfer (BOOT) or any other form of Public Partnership Route. Effective from the beginning of this year i.e. April 1, 2012, the NECE has revised its policy for amortization of the intangible asset "Toll Road" as per the amended Schedule XIV. Refer unique accounting policies for the amended policy for amortisation.

II. **Nandi Infrastructure Corridor Enterprise Limited (NICE)**

7% Cumulative Redeemable Preference shares (7% CRPS)

The NICE had issued 21,000,000 7% cumulative redeemable preference shares of Rs.10 each on, are to be redeemable after 7 years from the date of allotment.

Minority Interest in the consolidated financial statements includes Preference share capital issued as aforesaid and cumulative dividend there on.

III. **Nandi Highway Developers Limited (NHDL)**

Depreciation on toll road assets:

The Ministry of Corporate Affairs vide gazette notification dated April 17, 2012, has amended the Schedule XIV of the Companies Act, 1956 (the 'Act') and a new entry is inserted for Intangible Assets in the nature of toll road which is created under Build, Operate and Transfer (BOT), Build, Own, Operate and Transfer (BOOT) or any other form of Public Partnership Route. Effective from the beginning of this year i.e. April 1, 2012, the NHDL has revised its policy for amortization of the intangible asset "Toll Road" as per the amended Schedule XIV. Refer unique accounting policies for the amended policy for amortisation.

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, 2014 Rupees	As at 30 Sept, 2013 Rupees
(I) Amount recognised in the Balance Sheet :		
a) Present Value of Funded Obligations	10,958,649	91,90,222
b) Fair Value of Plan Assets	11,373,122	8,221,492
c) Net Liability /(Asset) recognised in the Balance Sheet		
Amounts in Balance Sheet		
Liability	-	968,730
Asset	(414,473)	-
Net Liability / (Asset)	(414,473)	968,730

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

Particulars	As at 30 Sept, 2014 Rupees	As at 30 Sept, 2013 Rupees
(II) Amount to be recognised in the Statement of Profit and Loss :		
a) Current Service Cost	2,272,613	1,592,511
b) Past Service Cost	-	-
c) Interest on Defined Benefit Obligations	895,412	634,275
d) Expected Return on Plan Assets	(661,057)	(467,598)
e) Net Actuarial (Gains)/Loss recognised in the year	(1,150,042)	584,415
f) Total, included in "Employee Benefit Expense"	1,356,926	2,343,603
(III) Change in Defined Benefit Obligation and reconciliation thereof		
a) Opening Defined Benefit Obligation	9,190,222	6,223,568
b) Acquisition adjustments	-	-
c) Interest Cost	895,412	634,275
d) Past Service Cost	-	-
e) Current Service Cost	2,272,613	1,592,511
f) Settlement Cost (Credit)	-	-
g) Benefits Paid	(514,660)	(52,903)
h) Actuarial Losses/(Gains)	(884,938)	792,771
i) Closing Defined Benefit Obligation	10,958,649	9,190,222
(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	8,221,492	5,548,928
b) Acquisition adjustments	-	-
c) Expected Return on Plan Assets	661,058	467,598
d) Add : Contributions by employer	2,740,129	2,049,513
e) Assets distributed on Settlement	-	-
f) Less : Benefit Paid	(514,660)	(52,903)
g) Add / (Less) : Actuarial Gains /(Losses) on Plan Assets	207,997	156,320
h) Fair Value of Plan Assets at the end of the year	11,373,122	8,221,492
i) Actual Return on Plan assets	189,785	172,535
(V) Principal Actuarial Assumptions (Holding/Subsidiary company):		
Discount Rate	8.60%/9.00%	8.50%/7.95%
Rate of return on Plan Assets (p.a.)	7.50%/8.00%	7.50%/7.50%
Salary Escalation	7.50%/7.00%	7.50%/7.00%

Note:

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

B. Actuarial Valuation Experience Adjustment:

(Amount in Rupees)

Particulars	As at 30 Sept, 2014	As at 30 Sept, 2013	As at 30 Sept, 2012	As at 30 Sept, 2011	As at 30 Sept, 2010
Present Value of Obligation	10,958,649	91,90,222	(6,223,568)	(3,102,568)	(1,847,163)
Plan Assets	11,373,122	8,221,492	5,548,928	4,225,030	1,551,363
Surplus / (Deficit)	414,473	(968,730)	(674,640)	11,22,902	(295,810)
Experience adjustments on plan liabilities (loss) / gain	746,048	556,115	582,267	(490,204)	187,848
Experience adjustments on plan assets (loss) / gain	265,104	208,356	60,904	74,876	74,932

Note:

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 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 is to the extent information is 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, 2014	As at 30 September, 2013
Remaining term of maturity	5.57 Years	5.91 Years
Expected guaranteed interest rate	8.75 %	8.55 %
Discount Rate for the remaining term of maturity of interest portfolio	8.60 %	8.10 %

Note:

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

32. Related Parties

Disclosure of transactions with Related Parties as required by the Accounting Standard 18 "Related Party Disclosures" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, 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 30 SEPTEMBER 2014 :

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 Hospet Bellari Highways Private Limited
Key Managerial Personnel (KMP)	Mr. Ashok Kheny, Managing Director of Subsidiaries Mr. ShivkumarKheny, Managing Director of Subsidiaries

* Since merged in BF Investment Limited.

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				
Purchase of Goods	2013-14	-	-	-
	2012-13	12,044,656	-	-
Sale of Power	2013-14	61,152,860	-	-
	2012-13	242,702,495	-	-
Contractual Billing	2013-14	-	-	408,980,866
	2012-13	-	-	854,435,497
Managerial remuneration	2013-14	-	62,581,984	-
	2012-13	-	59,641,984	-
Interest (paid)	2013-14	5,004,711	-	-
	2012-13	5,022,159	-	-
Loan taken/(paid)	2013-14	110,000,000	-	-
	2012-13	(5,800,000)	-	-
Interest Income	2013-14	-	-	19,500,000
	2012-13	-	-	78,476,163

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

(Amount Rupees)

Nature of Transaction	Year	Entries where Control Exists	Key Management Personnel (KMP)	Enterprise over which KMP have significant Influence
Services Rendered	2013-14	1,200,000	-	-
	2012-13	1,200,000	-	-
ICD given	2013-14	-	-	-
	2012-13	-	-	150,000,000
Rent paid	2013-14	-	1,764,342	-
	2012-13	-	1,673,589	-
Received/(paid) towards advance	2013-14	-	-	(58,375,000)
	2012-13	-	-	39,145,511
Security Deposit Received	2013-14	30,000,000	-	-
	2012-13	10,000,000	-	-
Expenses	2013-14	30,000,000	-	-
	2012-13	-	-	-
B. Balances				
Amt. Payables	2013-14	3,828,878	-	-
	2012-13	1,564,250	-	-
Loans Payable	2013-14	110,000,000	-	-
	2012-13	60,000,000	-	-
Receivable as on	2013-14	391,318,227	-	-
	2012-13	77,748,407	-	-
Security Deposit	2013-14	240,000,000	-	-
	2012-13	210,000,000	-	-
Advance Outstanding	2013-14	-	-	1,226,054,478
	2012-13	-	-	1,535,064,909
Investment In Equity	2013-14	1	-	-
	2012-13	35,000	-	-
Interest Receivable	2013-14	-	-	-
	2012-13	-	-	3,128,546
Interest Payable	2013-14	(2,515,856)	-	-
	2012-13	-	-	-

33. A. Consolidated contingent liabilities and commitments:

(Amount in Rupees)

Sr.No.	Particulars	2013-14	2012-13
i)	Claims against the Group not acknowledged as debt	581,452,903	131,534,171
ii)	Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances)	443,198,072	628,353,580
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 March 31, 2014, NECE has completed concretization work on approximately 14.265 kms of exiting bituminous roads.	Amount Unascertainable	Amount Unascertainable
iv)	Guarantee given by Group on behalf of Others	300,000,000	300,000,000
v)	Electricity Duty	90,969,374	88,950,318
vi)	Wheeling & Transmission Charges	92,822,421	73,551,004

B. As on the Balance Sheet date, 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'). The NECE has been 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 NECE is required to lay a Concreted Toll Road at a specified time during the Toll concession period as part of obligations under the Frame Work Agreement (FWA).

D. BFUL 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 advanced to NECE by IDFC, whereby BFUL 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 BFUL 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. BFUL has further agreed to ensure that the Borrower adheres to the land sale / Development Plan as mentioned in the Common Loan Agreement.

E. BFUL as a promoter and indirect holding company of Nandi Economic Corridor Enterprises Ltd. (NECE) 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.

F. 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 (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.

G. 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 subject and also in view of various other issues, BFUL as a matter of prudence and without prejudice 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 BFUL 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.
- b. Short Term Loans & Advances includes Wheeling and Transmission charges Rs. 76.95 Million (previous year Rs. 71.97 Million) 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, 2014	Year ended 30 September, 2013
		Rupees	Rupees
A	Expenditure in Foreign Currency :		
	Travelling and Conveyance	1,076,637	3,989,779
	Others - Project Expenses	18,898,870	591,223
	Total	19,975,507	4,581,002
B	Earnings in Foreign Currency		
	Certified Emission Reduction (Carbon Credits)	-	19,553,198

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

36. In respect of Nandi Economic Corridor 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 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 Committee Panel 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 December 19, 2014, NECE has not received any communication from the aforesaid Committee regarding its constitution, its mandate or the alleged violations. The 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 Committee would also be illegal and untenable in law. Further, the NECE had faced similar situations in the past, where the NECE has received favorable orders from the Hon'ble High Court and the Supreme Court.

Based on the aforesaid legal opinion, the Management of the 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/the NECE in implementing the BMIC Project as per FWA, the Management of the NECE is of the view that the 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, the NECE intends to legally contest any matters that may arise in this regard to safeguard its interests.

The 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 the NECE in the normal course of business for the Township development activities of the NECE and hence, there would be no adverse effect on the operations of the NECE.

B. Going concern assumption

As at March 31, 2014, the accumulated losses of the NECE have substantially eroded the net-worth of NECE as at March 31, 2014 and as mentioned in Note 4.1 to these Consolidated Financial Statements, the NECE has overdue interest payments and repayment of principal on term loans taken from banks/others amounting to Rs. 409,506,975/- and Rs. 80,000,000/-, respectively. While these over dues have been paid subsequently, the NECE has overdue principal and interest aggregating to approximately Rs. 974,777,279/- as on date of issue of the financial statements of NECE (i.e. December 19, 2014)

Notwithstanding the above, the NECE continues to operate the Toll Road and also pursue the Township development activities.

During the year ended March 31, 2014 and subsequently as well, NECE received favorable orders from the Hon'ble High Court of Karnataka directing Bangalore Mysore Infrastructure Corridor Area Planning Authority to approve the plotted development for certain parcels of land and consider the applications pending before it within the stipulated time, specifically upholding development rights of NECE.

NECE is also pursuing various options to raise funds, not limited to negotiating with the Senior Lenders, to refinance the term loans and entering into agreements for disposal of developed land parcels / development of land parcels on joint development basis, after obtaining the requisite approvals, which are as yet, in process. Such negotiations are currently at advanced stages of finalization and when concluded, would involve infusion of large amounts of funds for the continued viability of the project and enabling NECE to meet its financial obligations.

BFUL and NICE have provided an undertaking to the Senior Lenders of NECE, wherein, they have undertaken to financially support NECE in meeting any shortfall in resources by way of arranging fresh equity or preference capital and/or granting of unsecured interest free loans or subordinated debt for completing the Project.

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) achievement of successful closure of the ongoing discussions by NECE with the Senior lenders for an amicable solution to meet its payment obligations under the term loans availed;
- (iii) 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
- (iv) The undertaking provided by the Ultimate Holding Company and the Holding Company, to the Senior Lenders of NECE to financially support the Company in meeting any shortfall in resources by way of arranging fresh equity or preference capital and/or granting of unsecured interest free loans or subordinated debt for completing the Project.

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

- c. NECE has advanced an amount of Rs 1,205,653,553 to Nandi Engineering Limited (NEL) for undertaking development of toll roads and townships and given loans of Rs. 150,000,000 to NEL (excluding interest accrued but not due of Rs. 20,678,545), which remain outstanding at the balance sheet date. These have been considered as good and recoverable in these 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.

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

38. The Company (BFUL) 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 1st April 2014 to 31st 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 FY 2014-15. Consequently credit notes for the period starting from 1st April,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER, 2014 :

2014 are awaited.

Pending issuance of these credit notes and based on earlier years' experience, the Company has recognized revenue from power generation during 1st April, 2014 to 30th September, 2014 at the average power tariff rate of the previous year.

In the event of non-receipt of the Open Access Permission and consequent sale of power to MSEDCL, as per case no. 58 of 2008 issued by MSEDCL, the profits of the Company for the accounting year ended 30th September, 2014 would be lower by about Rs. 34.69 Million net of tax.

39. 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.
40. In respect of Nandi Economic Corridor Limited (NECE) the remuneration paid to Managing Director of NECE, Mr. Ashok Kheny, from 1st April, 2013 to November 30, 2013 is within the sanctioned limits of the approval, granted by the Ministry of Corporate Affairs, Government of India (GOI) to the NECE. The managerial remuneration with effect from December 1, 2013 and amounting to Rs. 13,333,333 is pending to be approved by GOI and by the shareholders of the NECE.
41. Segment information based on Consolidated Financial Statements, as required by Accounting Standard 17 "Segment Reporting" as prescribed by Companies (Accounting Standards) Rules 2006, as amended is set out in a separate statement annexed thereto.
42. In BFUL, till the accounting year ended 30th September, 2012, the Company accounted for the income from Carbon Credits (CERs) and Renewable Energy Certificates (RECs) in the year in which it was entitled to receive the CERs and RECs. Consequent to the Guidance Note issued by ICAI on the accounting of CERs and RECs, which is effective from the accounting year commencing on or after 1st April, 2012, the income from CERs and RECs is to be recognized in the year of its actual sales. Necessary written off adjustments have been made in the accounts to give effect to the aforesaid Guidance Note in financial year 2012-13.
43. Statement of Financials of Subsidiary Companies in terms of Section 212(8) of the Companies Act, 1956 is annexed.
44. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

On behalf of the Board of Directors
CIN : L40108PN2000PLC015323

PRAKASH APTE
Partner
Membership No. 033212
Pune, 14 February, 2015

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 14 February, 2015

A.B. KALYANI
Director

B.B. HATTARKI
Director

Annexure referred to in Note No. 30 of the Consolidated Financial Statements for the Year ended 30th September, 2014

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:

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 in respect of tangible fixed assets, based on technical estimates that indicate the useful lives would be comparable with or higher than those arrived at using these rates.

Toll Road asset: Toll Road assets are carried at cost less accumulated Amortisation. Cost includes land acquisition cost, direct and indirect expenses incurred on procurement / construction of roads, bridges, culverts, including toll plazas, other equipment and Utilities.

Toll road assets, created under Build, Own, Operate and Transfer ('BOOT') is considered as Intangible Asset since the asset will be transferred to Government of Karnataka (GoK) at the end of the concession period. Since the concession period is not determinable pending fulfilment of the conditions precedent in the FWA and TCA, NECE has, as a matter of prudence, commenced amortization of the Toll Road based in accordance with Schedule XIV to the Companies Act, 1956 as follows:

- Solely for purposes of amortization of the Toll Road assets - Stage 1, 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,
- The amortization is based on a proportion of Actual toll revenues earned during the period over the Projected toll revenues over the projected toll revenues estimated over the above mentioned 40 year period.

iii) Share issues expenses:

Share issue expenses and redemption premium are adjusted against the Securities premium account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.

iv) Inventory valuation:

Costs of inventory i.e. Land has been computed to include all costs of purchase and other related costs. 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:

Depreciation on Road and Buildings is being provided on "Straight Line Method" basis in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV of the said Act.

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 XIV to the Companies Act, 1956 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 Section 205(2)(b) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV of the said Act.

ii) **Inventory valuation:**

Costs of inventory i.e. Land has been computed to include all costs of purchase and other related costs. 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.

Annexure referred to in Note No. 41 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 30th September, 2014

Sr. No.	Particulars	Year ended	Year ended
		30th Sept, 2014	30th Sept, 2013
		Rs.	Rs.
1	Segment Revenue		
	a. Wind energy	250,287,382	294,913,735
	b. Infrastructure	2,147,163,905	1,695,456,393
	Total	2,397,451,287	1,990,370,128
	Less : Inter segment revenue	-	-
	Net sales / income from operations	2,397,451,287	1,990,370,128
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind energy	76,632,056	113,099,810
	b. Infrastructure	1,160,182,099	787,493,440
	Total	1,236,814,155	900,593,250
	Less : i) Interest and finance charges	2,400,878,983	2,030,389,304
	ii) Other unallocable expenditure net off unallocable income	(68,224,197)	(80,755,958)
	Total Profit / (Loss) before tax	(1,095,840,631)	(1,049,040,096)
3	Total carrying amount of segment assets		
	a. Wind energy	570,988,340	761,112,200
	b. Infrastructure	21,845,200,960	21,427,270,461
	c. Others - Unallocable (including temporary deployment in Mutual Funds)	73,471,137	370,237,343
	Total	22,489,660,437	22,558,620,004
4	Total amount of segment liabilities		
	a. Wind energy	488,164,427	417,314,651
	b. Infrastructure	2,082,524,660	1,134,420,307
	c. Others - Unallocable	5,690,562	51,178,406
	Total	2,576,379,649	1,602,913,364
5	Capital employed (Segment assets - Segment liabilities)		
	a. Wind energy	82,823,913	343,797,549
	b. Infrastructure	19,762,676,300	20,292,850,154
	c. Others - Unallocable	67,780,575	319,058,937
	Total	19,913,280,788	20,955,706,640
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	28,722,138	100,000
	b. Infrastructure	1,008,612,847	247,157,593
	Total	1,037,334,985	247,257,593
7	Depreciation & amortisation		
	a. Wind energy	61,148,745	61,274,213
	b. Infrastructure	176,105,326	144,166,801
	Total	237,254,071	205,441,014

Annexure to Note No. 43

Statement showing details relating to subsidiaries as required by the General Circular No. 2/2011 of Central Government, pursuant to Section 212 of the Companies Act, 1956.

Rupees

Sr. No	Particulars	Name of Subsidiary		
		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	31,913,953	(6,971,219,108)	135,577,788
c)	Total Assets	1,412,162,063	20,293,017,714	1,272,882,092
d)	Total Liabilities	129,311,230	20,114,373,722	762,304,244
e)	Details of Investment (Except in case of investment in susidiaries)	200	-	5,500
f)	Turnover	52,500,005	1,827,763,792	376,661,029
g)	Profit before Taxation	(40,480,866)	(1,167,190,130)	51,543,409
h)	Provision for Taxation	1,156,492	539,489	10,677,824
i)	Profit after Taxation	(41,637,358)	(1,167,729,619)	40,865,585
j)	Proposed Dividend	-	-	-

BF UTILITIESLIMITED

CIN :L40108PN2000PLC015323

Registered Office :Mundhwa, Pune 411 036

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

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 Fourteenth Annual General Meeting of the Company, to be held on Monday, the 30th day of March, 2015 at 10.30 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 Fourteenth Annual General Meeting dated 3 rd February, 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, 2014 and the reports of the Board of Directors and Auditors thereon.			
2.	Appointment of Mr. B. N. Kalyani, as a Director, who retires by rotation, and being eligible, offers himself for re-appointment			
3.	Appointment of M/s. Joshi Apte & Co, Chartered Accountants, Pune as Auditor of the Company			
4.	Appointment of Mr.S.S. Vaidya as an Independent Director			
5.	Appointment of Mr.B. B. Hattarki as an Independent Director			
6.	Payment of Commission to Non Whole-time Directors			

Signed this _____ day of _____ 2015

Please affix
Revenue
Stamp of
proper value

Signature of member :

Signature of Proxy holder(s) :

(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

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 Fourteenth Annual General Meeting dated 3 rd February, 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, 2014 and the reports of the Board of Directors and Auditors thereon.			
2.	Appointment of Mr. B. N. Kalyani, as a Director, who retires by rotation, and being eligible, offers himself for re-appointment			
3.	Appointment of M/s. Joshi Apte & Co, Chartered Accountants, Pune as Auditor of the Company			
4.	Appointment of Mr.S.S. Vaidya as an Independent Director			
5.	Appointment of Mr.B. B. Hattarki as an Independent Director			
6.	Payment of Commission to Non Whole-time Directors			

Place : _____

Date : _____

Signature of the Shareholder(s)

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 26thMarch, 2015 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
--	--	--






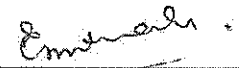
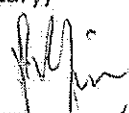

KALYANI

BF UTILITIES LIMITED

CYBER CITY, TOWER 15, LEVEL 6, OFFICE 602,
MAGARPATTA CITY, HADAPSAR, PUNE 411 013
MAHARASHTRA, INDIA.

FORM B

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

1.	Name of the Company:	BF UTILITIES LIMITED
2.	Annual financial statements for the year ended	30 th September, 2014
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	first time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	As per the Basis for Qualified Opinion and Qualified Opinion of Consolidated Audit Report (Refer page number 54 in the annual report)
6.	Additional comments from the board/audit committee chair:	Refer Note No.36 C of Consolidated Financial Statements
7.	To be signed by-	
	a) CEO/Managing Director :	 A. B. Kalyani (Director)
	b) CFO :	 B. S. Mitkari (Sr.V.P. Finance & Company Secretary)
	c) Auditor of the company :	 Joshi Apte & Co. (Statutory Auditor)
	d) Audit Committee Chairman :	 Mr. S. S. Vaidya (Audit Committee Chairman)