BF UTILITIES LIMITED



KALYANI

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Annual Report for the year ended on 31st March, 2017

BOARD OF DIRECTORS

Mr. B. N. Kalyani	Chairman
Mr. A. B. Kalyani	Non-Executive Director
Mr. B. B. Hattarki	Non-Executive Independent Director
Mr. S. S. Vaidya	Non-Executive Independent Director
Ms. A. A. Sathe	Non-Executive Independent Director

CHIEF EXECUTIVE OFFICER / COMPANY SECRETARY

Mr. B.S. Mitkari

CHIEF FINANCIAL OFFICER

Mr. S. S. Joshi

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

SVD & Associates Company Secretaries

BANKERS

HDFC Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
'Akshay' Complex, Block No. 202, 2nd Floor,
Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001
Tel.: +91 (20) 2616 1629 / 2616 0084 Fax: +91 (20) 2616 3503;
Email: pune@linkintime.co.in

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

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

INFORMATION FOR SHAREHOLDERS

Annual General Meeting
Day & Date : Monday, 6th November, 2017
Time : 11.00 a.m.
Venue : Kalyani Steels Ltd. Mundhwa, Pune - 411 036
Date of Book Closure : 6th November, 2017

BF UTILITIES LIMITED

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

CIN : L40108PN2000PLC015323

N O T I C E

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of BF Utilities Limited will be held at Kalyani Steels Ltd at Mundhwa, Pune 411 036 on Monday, the 6th day of November, 2017 at 11.00 a.m. (IST), to transact the following business

ORDINARY BUSINESS :

ITEM NO.1:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO.2:

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

ITEM NO.3:

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

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable rules, if any, M/s. Joshi Apte & Co., Chartered Accountant, Pune (Firm Registration No.104370W), be and is hereby re-appointed as the Statutory Auditors of the Company, to hold the office for a period of four (4) consecutive years commencing from the conclusion of this Annual General meeting (AGM) till the conclusion of the 21st AGM of the Company to be held in the year 2021 (subject to ratification of their appointment at every AGM) on such remuneration plus Service Tax and/or such other tax(es) as may be applicable and reimbursement of out of pocket and travelling expenses etc. on progressive billing basis as may be mutually agreed between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee".

By Order of the Board of Directors
For BF Utilities Limited

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

Pune 411 036
2nd September, 2017

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. 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.

3. 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.

4. 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.

5. The Share Transfer Books and the Register of Members of the Company will remain closed on Monday, 6th November, 2017, as an Annual Closure for Annual General Meeting.

6. 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.

7. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, herein after called "Regulations, 2015", are provided in the Report on Corporate Governance forming part of the Annual Report.

8. 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.

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

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

   The Notice of the Annual General Meeting along with the Annual Report 2016-17 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.

10. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.

11. All documents referred to in the Notice or in the accompanying Statement are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10.00 a.m. to 12.00 noon, prior to the date of the Annual General Meeting and also available for inspection at the meeting.

12. Pursuant to Section 72 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. SH - 13 in duplicate (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.

13. Voting through electronic means

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and 'Regulations 2015', the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Seventeenth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Polling Paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on Friday, 3rd November, 2017 (9:00 am) and ends on Sunday, 5th November, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 30th October, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:

(i) Open email and open PDF file viz; "BF_utilities_e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "BF Utilities Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sridhar@clcindia.net with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the Seventeenth AGM :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday, 30th October, 2017.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 30th October, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or pune@linkintime.co.in .

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.

XIII. Mr. S. V. Deulkar (Membership No. FCS 1321 & CP No. 965) / Mr.Sridhar G. Mudaliar (Membership No. FCS 6156 & CP No. 2664) of SVD & Associates, Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the Seventeenth AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.bfutilities.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, Mumbai.

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

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

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

Name of the Company	Board position held	Name of the Committees	Chairman/ Member
Bharat Forge Limited	Executive Director	Corporate Social Responsibility Committee	Member
Kalyani Steels Limited	Director	Nomination and Remuneration Committee	Member
BF Investment Limited	Director	Corporate Social Responsibility Committee	Member
		Nomination and Remuneration Committee	Member
Kalyani Investment Co. Limited	Chairman	Nomination and Remuneration Committee	Member
BF-NTPC Energy Systems Limited	Director	-	-
Hikal Limited	Director	-	-

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

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

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

16. Disclosure of Shareholding of Directors recommended by the Board of Directors for Appointment / Re-appointment at the Annual General Meeting :

Sr. No.	Name of Director	No. of Shares held
1	Mr. A. B. Kalyani	28,270
2	Mr. B. N. Kalyani	7,204

By Order of the Board of Directors
For BF Utilities Limited

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

Pune 411 036
2nd September, 2017

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

Wind Power : International Scenario

As per the report released by the Global Wind Energy Council (GWEC), more than 54 GW of renewable wind power was installed across the global market in 2016, which now comprises more than 90 countries, including 9 with more than 10,000 MW installed, and 29 which have now passed the 1,000 MW mark. Cumulative capacity grew by 12.6% to reach a total of 486.8 GW.

Wind power penetration levels continue to increase, led by Denmark pushing 40%, followed by Uruguay, Portugal and Ireland with well over 20%, Spain and Cyprus around 20%, Germany at 16%; and the big markets of China, the US and Canada get 4%, 5.5%, and 6% of their power from wind, respectively. GWEC's rolling five year forecast sees almost 60 GW of new wind installations in 2017, rising to an annual market of about 75 GW by 2021, to bring cumulative installed capacity of over 800 GW by the end of 2021.

Growth will be led by Asia: China will continue to lead all markets, but India set a new record for installations this past year and has a real shot to meet the government's very ambitious targets for the sector; and there are a number of exciting new markets in the region with great potential.

As the technology continues to improve, prices continue to go down and the call for clean, renewable power to reduce emissions, clean our air and create new jobs and new industries only gets stronger with each passing year.

Wind Power : Domestic Scenario

Wind power capacity in the country could be ramped up to 185GW - an eight-fold increase over 15 years from 2015. This would require $42 billion worth of investment before 2030,

Additionally, power generated by renewable sources is expected to increase by 137TWh a year to 595TWh, with wind power making up 345TWh of this.

Ministry of New and Renewable Energy (MNRE) officially announced the government's target of 175GW installed renewable energy capacity by 2022 - including 60GW from wind - in its 2015-16 annual report.

India is projected to have approximately 32.6GW of wind power installed by this yearend.

Increasing renewable energy deployment could save India's economy 12 times more than its costs by the year 2030. This would also create jobs, reduce carbon dioxide emissions and ensure cleaner air and water, with savings on health-related costs.

Furthermore, increased renewables capacity would lower the demand for coal and oil products by 17-23% by 2030.

Company's Performance :

The operations were disturbed during the year due to problem at the service provider.

The Company has taken various steps to restart the machines with alternate means.

CORPORATE GOVERNANCE

Report on Corporate Governance

(Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, herein after called "Regulations, 2015")

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

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

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

2. Board of Directors

a. Composition of the Board

As at 31st March, 2017, the Board comprised of five Directors. The Composition of the Board is as under:

Category of Directors	No. of Directors
Promoter	1
Executive	Nil
Non-Executive and Independent	3
Non-Executive and Non-Independent	1
Total	5

b. Number of Board Meetings

During, the Financial Year under review, Four Board Meetings were held on 16th May, 2016, 6th August, 2016, 10th November, 2016 and 7th February, 2017.

c. Directors' attendance record and directorships held

The information on composition and category of the Board of Directors as at 31st March, 2017, attendance of each Director at Board Meetings held during the Financial Year 2016-17 and the Annual General Meeting (AGM) held on 30th September, 2016, Directorships and Committee positions in other public companies of which the Director is a Member / Chairman and the shareholding of Non-Executive Directors is as follows:

Sr. No.	Name of Director	No. of shares held by Non-Executive Directors	No. of Directorships in other public companies #	No. of Committee positions held in other public companies***		No. of Board Meetings held	Attendance at the meetings	
				Chairman	Member		Board	AGM
	Executive Director	NA	NA	NA	NA	NA	NA	NA
	Non-Executive Directors							
1	Mr. B. N. Kalyani @	7204	6	2	1	4	3	1
2	Mr. A. B. Kalyani	28270	6	0	1	4	4	1
	Independent and Non-Executive Directors							
3	Mr. B. B. Hattarki	0	7	4	3	4	4	1
4	Mr. S. S. Vaidya	0	4	3	3	4	4	1
5	Ms. A. A. Sathe	0	1	0	1	4	3	1

Note:

@ Promoters within the meaning of Securities Exchange Board of India (SEBI) (Substantial Acquisition of Shares & Takeover) Regulations, 2011.

Other Directorships exclude directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

*** For this purpose only Audit and Stakeholders' Relationship Committees of the Public Limited Companies have been considered.

d. Criteria for performance evaluation

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of all Directors. The annual evaluation of Directors is made on the following criteria:

i. Attendance for the meetings and participation during the meetings;

ii. Interaction with the Company's management team;

iii. Area of expertise; and

iv. Knowledge and proficiency in various subjects.

e. Meeting of Independent Directors

The meeting of Independent Directors was held on Tuesday, 7th February, 2017 to

(a) review the performance of non-independent Directors and the Board of Directors as a whole;

(b) review the performance of the Chairperson of the listed entity;

(c) access the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

f. Familiarization program for Independent Directors

The Independent Directors are given the MIS presentation on the operation of the Company. The quarterly and annual accounts are discussed and explained in details.

Information is given on regular basis concerning the areas of operation of the Company.

For details refer to our website at http://www.bfutilities.com

g. Code of Conduct

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. The Code of Conduct is available on the Company's website viz., http://www.bfutilities.com. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the CEO forms part to this Report.

h. Information supplied to the Board

1. Annual operating plans and budgets, capital budgets, updates.

2. Quarterly results of the company.

3. Minutes of meetings of committees.

4. Compliance of any regulatory, statutory nature or listing requirements and shareholder services

The Board is presented with detailed notes along with the agenda papers.

e. Directors with materially pecuniary or business relationship with the Company

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and / or independent Directors for the period under report.

3. Audit Committee

a. Composition

As at 31st March, 2017, the Audit Committee comprised of three Non-Executive Directors, majority of whom are Independent. The Company Secretary acts as the Secretary to the Committee. The representatives of Statutory Auditors are also invited to the meetings.

During the Financial Year under review, four Meetings of the Committee were held on 16th May, 2016, 6th August, 2016, 10th November, 2016 and 7th February, 2017.

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

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

b. Terms of Reference

The terms of reference of the Audit Committee include the matters specified under Regulations, 2015. Some of these are listed as under :

i. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

iii. Examination of the financial statements and the auditors' report thereon;

iv. Approval or any subsequent modification of transactions of the company with related parties;

v. Scrutiny of inter-corporate loans and investments;

vi. Valuation of undertakings or assets of the company, wherever it is necessary;

vii. Evaluation of internal financial controls and risk management systems;

viii. Monitoring the end use of funds raised through public offers and related matters

ix. Reviewing of the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;

x. Reviewing with management the annual financial statements before submission to the Board;

xi. Reviewing with the management, external auditors and internal auditor, the adequacy of internal control systems;

xii. Discussing with internal auditor any significant finding and follow up on such issues;

xiii. Discussing with the external auditors before the audit commences on the nature and scope of audit, as well as having post audit discussion to ascertain any areas of concern;

xiv. Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards;

xv. Reviewing details of related party transactions exceeding 1% of last year's turnover;

xvi. Reviewing the Company's financial and risk management policies;

c. Powers of Audit Committee

a. To investigate any activity within its terms of reference;

b. To seek information from any employee;

c. To obtain outside legal or other professional advice;

d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. Nomination and Remuneration Committee

a. Composition

The Nomination and Remuneration Committee comprises of three Non-Executive Directors, majority of whom are Independent. The composition is in conformity with the Companies Act, 2013 and Regulations, 2015.

During the Financial Year under review, Two Meetings of the Committee were held on 6th August, 2016 and 27th October, 2016

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

Sr. No.	Name of the Member	Category	Number of meetings attended
1.	Mr. B. B. Hattarki -Chairman	Independent Director	2
2.	Mr. S. S. Vaidya	Independent Director	2
3.	Mr. A. B. Kalyani	Non-Executive Director	NIL

b. Terms of Reference

The terms of reference of the Nomination and Remuneration Committee include the matters specified under Regulations, 2015 as well as those in Section 178 of the Companies Act, 2013 and *inter-alia* include the following:

i. Formulate the criteria for determining qualifications, positive attributes and independence of the director.

ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management position in accordance with the criteria laid down in this Policy.

iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

c. **Remuneration to Directors**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

Details of the remuneration paid to the Directors during Financial Year 2016-17:

Information on remuneration of Directors for the year 1st April, 2016 to 31st March, 2017.

Name of the Director	Relationship with other Directors	Sitting Fees	Salary and Perquisites	Commission	Total
Mr. B. N. Kalyani	Father of Mr. A. B. Kalyani	15000	N.A.	N.A.	15000
Mr. A. B. Kalyani	Son of Mr. B. N. Kalyani	20000	N.A.	N.A.	20000
Mr. B. B. Hattarki	None	20000	N.A.	N.A.	20000
Mr. S. S. Vaidya	None	20000	N.A.	N.A.	20000
Ms. A. A. Sathe	None	15000	N.A.	N.A.	15000

d. **BOARD DIVERSITY AND REMUNERATION POLICY**

The Board Diversity and Remuneration Policy is available on the Company's website http://www.bfutilities.com. The Policy provides for criteria for determining qualifications, positive attributes & independence of director as well as remuneration policy for directors, key managerial personnel and other employees.

In terms of the said Policy, a director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices. An Independent director should also meet the requirements of the Companies Act, 2013 and Regulations, 2015 concerning independence of directors.

Remuneration to Non-Executive Directors

The Non-Executive Directors are entitled to remuneration in the form of commission, upto an aggregate amount not exceeding 1% of the net profits of the Company for the year, as may be decided by the Board of Directors from time to time.

The Non-Executive Directors are paid sitting fees for attending the Board Meeting.

Remuneration to Key Managerial Personnel and other Employees

Remuneration to Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals. The Remuneration will be such, so as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

5. **Share Transfers Cum Shareholders' / Investors' Grievance and Stake Holders' Relationship Committee**

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

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

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

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

The Company has designated exclusive e-mail id for the investors as bfutilitiesltd@vsnl.net to register their grievances, if any. This has been initiated by the Company to resolve such Investors' Grievances immediately. The Company has displayed the said e-mail id on its website for the use of investors.

Number and nature of complaints received and redressed during the year 2016-17

Nature of Complaints	No of complaints		No of pending complaints as on 31st March, 2017
	received	redressed	
Non-receipt of shares lodged for transfer/ transmission	1	1	0
Non-receipt of annual report	NIL	NIL	NIL
Change of Address	NIL	NIL	NIL

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Considering the requirement of the Companies Act, 2013, the Board constituted 'Corporate Social Responsibility (CSR) Committee'. The Committee comprises of Mr. B. B. Hattarki, Chairman, Mr. B. N. Kalyani and Mr. A. B. Kalyani, Non-Executive Directors.

During the Financial Year under review, One Meeting of the Committee was held on 10th November, 2016

Role of CSR Committee :

Formulation and recommendation to the Board, Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

Recommend the amount of expenditure to be incurred on the activities referred above.

Monitor Corporate Social Responsibility Policy of the Company from time to time.

The Committee's core responsibility is to assist the Board in discharging its social responsibility by formulating and monitoring implementation of the framework of the CSR Policy. CSR Policy for the Company and the same is available on the Company's website http://www.bfutilities.com

Particulars relating to the attendance at the CSR Committee meetings held during the year are given below :

Name of the Director	Category	No. of meetings held	No. of meetings attended
Mr. B. B. Hattarki	Independent	1	1
Mr. B. N. Kalyani	Non-Executive	0	0
Mr. A. B. Kalyani	Non-Executive	1	1

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

RISK MANAGEMENT COMMITTEE

The Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company has formulated Risk Management Policy to identify and then manage threats / risks that could have impact on the goals and objectives of the Company.

Considering the requirement of the Companies Act, 2013, Risk Management Committee was formed to identify, monitor and minimise risks as also to identify business opportunities. Within the framework of the Risk Management Policy, the Committee reviews risks trends, exposure, potential impact analysis and mitigation plan. The Committee comprises of Mr. B. B. Hattarki, Independent Director ñ Chairman, Mr. S. S. Vaidya Independent Director and Mr. Amit B. Kalyani, Non-Executive Directors of the Company. No meeting of the Committee was held during the year.

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

6. General Body Meeting

Previous General Meetings of the shareholders of the Company were held as under:

Financial Year	Date	Type of Meeting	Venue	Time
2013-14	14th July, 2014	Extra Ordinary General Meeting	Kalyani Steels Ltd., Pune 411036	10.30 A.M .
2013-14	30th March, 2015	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	10.30 A.M.
2014-15	2nd March, 2016	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	11.30 A.M.
2015-16	30th September, 2016	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	11.00 A.M.

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

In the AGM held on 2nd March, 2016, special Resolution was passed for related party transactions upto Rs.50 Crores per annuam.

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

During the year, Company has not conducted any Postal Ballot process. At present, no resolution is proposed to be passed by postal ballot at the ensuing Annual General Meeting.

7. DISCLOSURES

i. Mandatory Requirements

The Company has complied with the mandatory requirements of Regulations, 2015.

a. Related Party Transactions

During the Financial Year under review, there was no materially significant related party transaction made by the Company, as defined in Regulations, 2015, that may have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Note no. 31 to the Financial Statements in the Annual Report.

b. Details of capital market non-compliance, if any

There have been no instances of non-compliances by the Company on any matters related to capital markets, during the last three years. Neither penalties have been imposed nor any strictures imposed on the Company by the Stock Exchanges, the Securities Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets.

c. Whistle Blower Policy

The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism. This has provided a mechanism for Directors and Employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The aforesaid policy has also been uploaded on the Company's website at http://www.bfutilities.com.

d. Policy for determining 'material' subsidiaries

As required under Regulations, 2015, the Company has formulated a policy for determining 'material' subsidiaries, which has been put up on the website of the Company at http://www.bfutilities.com.

e. Related Party Transactions Policy

As required under Regulations, 2015, the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at http://www.bfutilities.com.

f. Disclosure by Management to the Board

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

ii. Non-Mandatory Requirements

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

a. Shareholders' Rights

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

b. Statutory Auditors' qualifications

There are no qualifications on the Standalone Financial Statements of the Company for the year ended 31st March 2017, made by the Statutory Auditors in their Audit Report.

iii. Other Requirements

Disclosure in respect of unclaimed shares

The Company sends communications to shareholders to update their communication address with the company so as to dispatch the unclaimed share certificates.

As on 31st March, 2017, the total unclaimed equity shares are 71,714 the share certificates of which have been returned undelivered.

8. PARTICULARS OF RE-APPOINTMENT OF DIRECTORS

The brief resumes and other details relating to the Directors who are proposed to be re-appointed, as required to be disclosed under Regulations, 2015, are as under :

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

Mr. A. B. Kalyani, aged 42 years, is a Mechanical Engineer from Bucknell University, Pennsylvania, USA and has been on the Board of BF Utilities Limited since 2005. Mr. A.B. Kalyani is Executive Director of Bharat Forge Limited.

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

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

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

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

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

Name of the Company	Board position held	Name of the Committees	Chairman/ Member
Bharat Forge Limited	Executive Director	CSR Committee	Member
Kalyani Steels Limited	Director	Nomination & Remuneration Committee	Member
BF Investment Limited	Chairman	Nomination & Remuneration Committee	Member
Kalyani Investment Co. Limited	Chairman	Nomination & Remuneration Committee	Member
BF-NTPC Energy Systems Limited	Director	-	-
Hikal Limited	Director	-	-

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

9. MEANS OF COMMUNICATION

a. Quarterly results

The Extracts of Quarterly and Year to date results are published in national and local newspapers, namely The Financial Express (English) and Loksatta (Marathi), having wide circulation.

The Company's Results and official news releases are displayed on the Company's website namely http://www.bfutilities.com. Since the Results of the Company are displayed on Company's Website and Stock Exchanges, half yearly reports are not sent individually to the shareholders.

b. The NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Corporate Compliance and Listing Centre (the 'Listing Centre') of the BSE Ltd. (BSE)

The NEAPS and the Listing Centre of BSE are web based application designed by NSE and BSE respectively for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Quarterly Results, etc. are filed electronically on NEAPS and the Listing Centre of BSE.

c. MANAGEMENT DISCUSSION AND ANALYSIS

The para on Management Discussion and Analysis in the Directors' Report forms part of this Report on Corporate Governance.

10. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Corporate Identification Number (CIN)	L40108PN2000PLC015323
Annual General Meeting	Date : Monday, 6th November, 2017 Time : 11.00 a.m. Venue: Kalyani Steels Ltd., Mundhwa, Pune - 411 036, Maharashtra, India
Book Closure	Monday, 6th November, 2017 as annual closure for the AGM.
Last date of receipt of proxy forms	4th November, 2017 upto 11.00 a.m.
Financial Year 2016-17	During the year the financial results were announced as under: First Quarter : 6th August, 2016 Second Quarter : 10th November, 2016 Third Quarter : 7th February, 2017 Annual : 25th May, 2017
International Security Identification Number (ISIN)	INE243D01012
Bombay Stock Exchange Limited (BSE)	532430
National Stock Exchange of India Limited, (NSE)	BFUTILITIE
Designated E-mail address for investor services	bfutilitiesltd@vsnl.net
Correspondence Address	Cyber City, Tower 15, Level 6, Office 602, Magarpatta City, Hadapsar Pune 411 013

b. Listing Fees

The annual listing fees for the year under review have been paid to the Stock Exchanges, where your Company's shares are listed.

Save and except as disclosed elsewhere in the Annual Report, your Company has complied with all requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets. There were no penalties imposed or strictures passed against your Company by the statutory authorities in this regard.

c. Shareholding Pattern as on 31st March, 2017.

Category	No. of Shares	% of Shareholding
1. Promoter and Promoter Group	21,081,215	55.97
2. Mutual Funds / UTI	1,709	0.00
3. Financial Institutions / Banks	248,606	0.66
4. Bodies Corporate	4,729,624	12.56
5. Foreign Portfolio Investors	276,583	0.73
6. Clearing Members	1,091,257	2.90
7. Non Resident Indians	170,558	0.45
8. General Public	10,068,076	26.73
Total	**37,667,628**	**100.00**

d. Distribution of Shareholding as on 31st March, 2017.

Pattern of shareholding by share class as on 31st March, 2017			
Shareholding class	No. of shareholders	No. of shares Held	Shareholding %
Up to 5,000	48814	7939443	21.08
5,001 to 10,000	147	1048595	2.78
10,001 to 20,000	74	1072428	2.85
20,001 to 30,000	27	646858	1.72
30,001 to 40,000	19	677083	1.80
40,001 to 50,000	13	625511	1.66
50,001 to 100,000	19	1443378	3.83
100,001 and above	22	24214332	64.28
TOTAL	**49135**	**37,667,628**	**100.00**

Dematerialisation of shares and liquidity (as on 31st March, 2017)	**35,358,261** (representing 93.87% of the total issued share capital)
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs / ADRs / Warrants or any Convertible instruments.

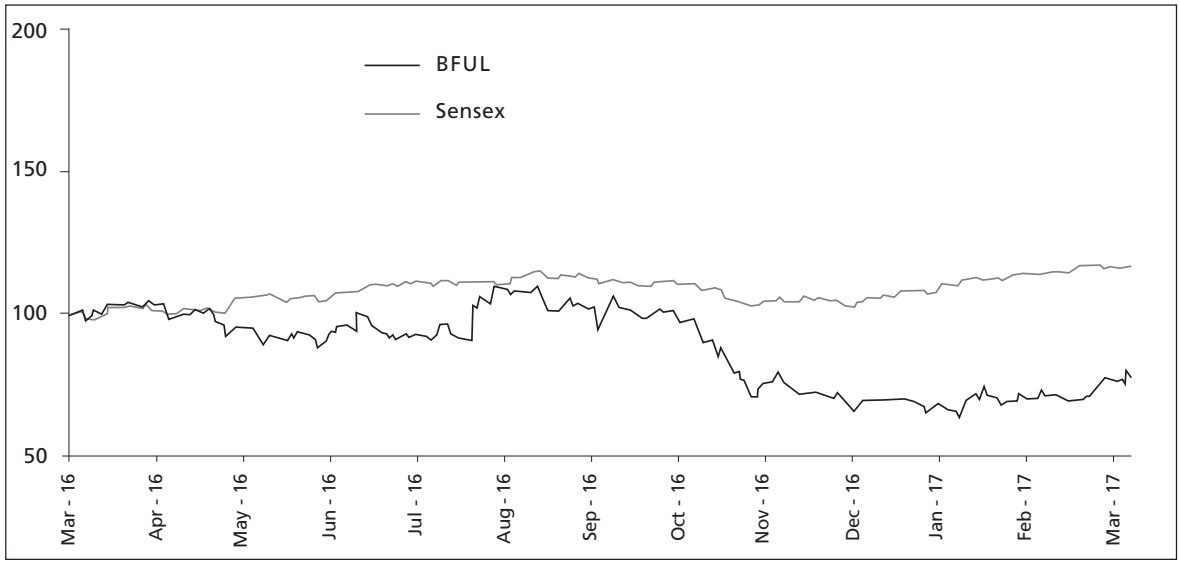
e. Market Price Data

Monthly high / low during April 1, 2016 to March 31, 2017 on the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) are as under:

Stock Exchange	BSE			NSE		
Month	High Rs.	Low Rs.	Traded Volume	High Rs.	Low Rs.	Traded Volume
Apr-16	613.50	549.75	3405687	614.30	548.30	12528275
May-16	590.00	518.95	2514107	589.95	518.05	9103872
Jun-16	554.75	481.80	2362098	554.45	481.25	7862289
Jul-16	578.00	512.20	2796832	578.90	512.65	9215204
Aug-16	643.70	509.30	6744509	643.95	509.60	27082068
Sep-16	639.25	526.15	3555440	639.55	525.60	13229542
Oct-16	618.25	547.00	1904706	618.10	546.30	6858707
Nov-16	566.90	390.80	1655226	566.05	390.40	4456776
Dec-16	454.05	363.95	2257959	454.90	363.45	7912176
Jan-17	407.90	356.30	2400095	407.70	355.55	8767310
Feb-17	432.00	357.50	3601679	431.80	356.60	13279442
Mar-17	461.90	390.60	5799545	461.80	390.00	23521561

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

Quotes on BSE Sensex Index



g. Share Transfer System

I. The applications for transfer of shares lodged at the Company's Registrar and Share Transfer Agents in physical form are processed within 15 days of receipt of valid and complete documents in all respects. After such processing, the Registrar and Share Transfer Agent will issue share certificate to the concerned shareholder within 15 days of receipt of certificate for transfer. Shares under objection are returned within a stipulated period of time. The transfer applications are approved periodically by the senior management of the Company.

II. A certificate on half yearly basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.

III. Registrar and Share Transfer Agent (R&T Agent)

The entire work of the Company, relating to processing of transfer of shares has been given to an outside agency i.e., Link Intime India Private Limited being a SEBI Registered R & T Agent. The contact details are as follows -

Link Intime India Private Limited
Registrar & Transfer Agent
Block No.202, 2nd Floor, Akshay Complex,
Off Dhole Patil Road,
Pune 411 001.
Phone No.: 020-26161629 Fax No.020-26163503
Email : pune@linkintime.co.in

h. SEBI Complaints redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redressed system. The sailent features of this system include centralized database of all complaints, online upload of Action Taken Report (ATRs) by the concerned companies and online viewing by investors of action taken on the complaints and its current status.

i. Site location

The Company's Wind Farm is located at Village Padekar Wadi, Ghatewadi, Pawan Gaon, Maloshi and Kadve Khurd, Taluka Patan, Dist- Satara, in the state of Maharashtra, India.

IV. Shareholder References

(a) Permanent Account Number (PAN)

Shareholders holding shares in the physical form are informed that as per SEBI's Guidelines, it is mandatory to furnish copy of PAN Card in the following cases:

i. Transferees' PAN Cards for transfer of shares,

ii. Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,

iii. Legal heirs' PAN Cards for transmission of shares,

iv. Joint holders' PAN Cards for transposition of shares.

(b) Email Address

In order to enable us to further extend our support towards paperless compliance as a part of Green Initiative in the Corporate Governance, which was introduced by the Ministry of Corporate Affairs (MCA) in the year 2011, the shareholders who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

In respect of shares held in physical form, shareholders are requested to register their e-mail addresses with the Company / R & T Agent (with Depository Participants in case of shares held in dematerialized form).

(c) Dematerialization of shares

Shareholders are requested to dematerialize their physical share holdings through any of the nearest Depository Participants (DPs) in order to avoid hassles involved with physical shares such as possibility of loss / mutilation of share certificate(s), and to ensure safe and speedy transaction in securities.

(d) Register Your National Electronic Clearing Services (NECS) Mandate

The Reserve Bank of India (RBI) has initiated NECS for credit of Dividend directly to the Bank Account of shareholders. Shareholders holding shares in electronic mode are requested to register their latest Bank Account details with their Depository Participant and in physical form with the Company's R & T Agent viz. Link Intime India Private Limited.

(e) Address for correspondence

Shareholders' correspondence should be addressed to Link Intime India Private Limited, Registrar and Share Transfer Agent, at the address mentioned above. Shareholders can also email their queries / grievances to the following email address: bfutilitiesltd@vsnl.net.

(f) Director, CEO / CFO Certification

The Director Certificate of Mr. B. B. Hattarki, CEO Certificate signed by Mr. B. S. Mitkari and CFO Certificate signed by Mr. S. S. Joshi, was placed before the meeting of the Board of Directors held on 2nd September, 2017.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

For BF Utilities Limited

	B. B. Hattarki	S. S. Vaidya
Place: Pune	Director	Director
Date: 2nd September, 2017	DIN: 00145710	DIN: 00024245

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of BF Utilities Limited

Pursuant to Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, We hereby declare that all the Board Members and Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board as made effective from 26th March, 2016.

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

For BF Utilities Limited

Place: Pune
Date: 2nd September, 2017

B. S. Mitkari
Chief Executive Officer

S. S. Joshi
Chief Financial Officer

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

INDEPENDENT AUDITOR'S COMPLIANCE CERTIFICATE

To the Members of ***BF Utilities Limited***

We have examined the compliance of conditions of Corporate Governance by BF Utilities Limited ('the company') for the year ended on 31 March 2017, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C,D and E of Schedule V of the Listing Regulations, as applicable, ***except in case of placement of minutes of subsidiary companies before board meeting of the Company as required under Regulation 24 of the Listing Regulations.***

We further 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.
Chartered Accountants
Firm's Registration Number: 104370W

per Varad Waman Joshi
Partner
Membership Number: 137763

Place : Pune
Date : 2nd September, 2017

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

(under Regulation 17 read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We the undersigned, in our respective capacities as Director, Chief Executive Officer and Chief Financial Officer, of BF Utilities Limited, ("the Company") to the best of our knowledge and belief certify that :

a) we have reviewed the standalone financial statements and the cash flow statements of BF Utilities Ltd. for the year 2016-17 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by BF Utilities Ltd. during the year 2016-17 which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting of BF Utilities Ltd. and that we have evaluated the effectiveness of the internal control systems of BF Utilities Ltd. pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee, with respect to BF Utilities Ltd.,:

   i) significant changes in internal control over financial reporting during the year;

   ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and

   iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	B.B. Hattarki	B.S. MITKARI	S.S. JOSHI
Pune	Director	Chief Executive Officer &	Chief Financial Officer
2nd September, 2017	DIN: 00145710	Company Secretary	

DIRECTORS' REPORT

FOR THE YEAR ENDED 31st March, 2017

To,

The Members,

Your Directors have pleasure in presenting their Seventeenth Annual Report on the business and operations of the Company together with Audited Statement of Accounts for the year ended 31st March, 2017 (To fall in line with the provisions of the Companies Act, 2013, the Company had closed previous financial year for a period from 1st October, 2015 to 31st March, 2016.)

1. FINANCIAL PERFORMANCE

(Rs. in Million)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Total Income	214.43	52.50
Total Expenditure	131.27	59.83
Profit before taxation	83.16	(7.33)
Provision for tax (including Deferred Tax)	9.41	2.77
Net Profit / (Loss)	73.75	(10.10)
Adjustments relating to earlier years : Excess provision for taxation and tax payments	(0.26)	-
Balance of Profit/(Loss) from previous year	585.70	595.80
Add Profit for the year	73.49	(10.10)
Balance available for appropriation	659.19	585.70
Appropriations :	Nil	Nil
Balance carried to Balance Sheet	659.19	585.70

2. SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2017 stood at Rs.188.34 Million. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

3. DIVIDEND

Your Directors do not recommend any dividend on the equity shares for the year ended 31st March, 2017.

4. MANAGEMENT DISCUSSION AND ANALYSIS

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

5. COMPANY PERFORMANCE

During the Financial Year under review, your Company earned total income of Rs.21.44 Crores (previous years Rs.5.25 Crores). The net Profit / Loss after tax is Rs.7.34 Crores (previous year's Loss of Rs.1.01 Crores). These numbers are not comparable since, the previous financial year is for a period of six months.

6. OPERATIONS OF THE COMPANY

The operations at Wind Farm site were affected due to labour problems and some other local issues. Despite such problems, the Company was able to generate 24.47 Million (Net) Units of power.

7. HUMAN RESOURCES

As on 31st March, 2017, the Company has 9 employees. The relations with Company's employees are cordial.

8. CONCERNS AND THREATS

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

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems to ensure operational efficiency and accuracy in financial reporting and compliance of various laws and regulations.

The internal control system is supported by the internal audit process. The internal audit is conducted by a Chartered Accountant in practice. The Audit Committee of the Board reviews the Internal Audit process and the adequacy and effectiveness of internal audit and controls periodically.

10. CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

11. SUBSIDIARY COMPANIES

The Company has four subsidiary companies as on 31st March, 2017.

The details are given in **Annexure 'I'**

12. PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS)

RULES, 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The details are given in **Annexure 'II'**

13. EXTRACT OF ANNUAL RETURN

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

14. NUMBER OF MEETINGS OF THE BOARD

During the year under review, four Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations 2015 hereinafter called "Regulations, 2015".

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, in respect of Directors' Responsibility Statement, your Directors' state that:

a) in the preparation of the Annual Financial Statements for the year ended 31st March 2017, the applicable accounting standards have been followed along with the proper explanation relating to material departures;

b) accounting policies as mentioned in Note - 1 to the Financial Statements have been selected and applied consistently. Further judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that date;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Annual Financial Statements have been prepared on a going concern basis;

e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and

f) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

16. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and 'Regulations 2015'.

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

Director's appointment and remuneration is done as per the policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The policy is appended as **Annexure 'IV'** to this Report.

18. ACCOUNTS AND AUDIT

a. Statutory Auditors

The Board of Directors has recommended re-appointment of M/s. Joshi Apte & Co., Chartered Accountant, Pune (Firm Registration No.104370W), as Statutory Auditors of the Company for a period of four (4) years from the conclusion of ensuing Annual General Meeting (AGM) till the conclusion of 21st AGM.

b. Secretarial Audit

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

c. CONSOLIDATED ACCOUNTS

The Consolidated Accounts of the Company, with its subsidiaries for the year ended 31st March, 2017 are enclosed. The Auditors, in their report have qualified the Consolidated Accounts. The Boards explanation to the same is enclosed below.

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

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

Auditors Qualifications	Boards' explanation
A) Financial Audit -	
Consolidated Financial Statements **Basis of Qualified Opinion**	
1. Based on the audit procedures carried out by us, the work of the other auditors' of Nandi Highway Developers Limited (NHDL) and Nandi Infrastructure Corridor Enterprise Limited (NICE) cannot be used with respect to certain required statutory disclosures in their respective audited financial statements; and since we have not been able to perform sufficient additional procedures regarding the financial information of the component audited by the other auditors', we qualify our opinion and we are unable to quantify the effect of the inadequate disclosures on the Consolidated Financial Statements of the Company with respect to NHDL and NICE.	The Company has requested the Managements of NHDL and NICE to take appropriate corrective measures.
2. As stated in Note No. 36 C, Nandi Economic Corridor Enterprises Limited (NECE) has advanced an amount aggregating to Rs. 1,227,682,883 as on 31 March 2017 (Rs. 1,227,243,251 as at 31 March 2016) to Nandi Engineering Limited (NEL) for carring out the development of toll roads and townships and has given Inter-corporate deposits of Rs. 58,250,000 as on 31 March 2017 (Rs. 98,422,294 as at 31 March 2016) to NEL (including interest accrued but not due thereon of Rs. Nil as on 31 March 2017 (As at 31 March 2016 Rs. 11,678,748). These have been considered as good and recoverable by the Management of NECE based on the future additional work expected to be contracted to NEL. In the absence of sufficient appropriate audit evidence to assess the recoverability of these advances and inter-corporate deposits, we are unable to form an opinion on the recoverability of the carrying value of these balances and consequent adjustment that may be required on the consolidated financial statements. This matter was also qualified in our report on the consolidated financial statements for the year/period ended March 31,2016.	Nandi Economic Corridor Enterprises Limited (NECE) has advanced an amount aggregating to Rs. 1,227,682,883 as on 31 March 2017 (Rs. 1,227,243,251 as at 31 March 2016) to Nandi Engineering Limited (NEL) for carring out the development of toll roads and townships and has given Inter-corporate deposits of Rs. 58,250,000 as on 31 March 2017 (Rs. 98,422,294 as at 31 March 2016) to NEL (including interest accrued but not due thereon of Rs. Nil as on 31 March 2017 (As at 31 March 2016 Rs. 11,678,748). These have been considered as good and recoverable by the Management of NECE based on the future additional work expected to be contracted to NEL once NECE receives / acquires the requisite land parcels.
Qualified Opinion In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters 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 standards and accounting principles generally accepted in India	
B) Secretarial Audit -	
1. *The Company has failed to file Consolidated financial results of the Company within 60 days of the close of the Financial year with the Stock Exchange as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*	Nandi Highway Developers Ltd. (NHDL), Nandi Infrastructure Corridor Enterprises Ltd. (NICE) and Nandi Economic Corridor Enterprises Ltd. (NECE), which are the subsidiaries of the Company, were in the process of finalising their accounts for the financial year ended 31st March, 2017 and hence, they had not submitted the said audited financials to the Company, within the stipulated time.. However subsequently the Company has prepared consolidated financials, after the audited accounts of all the above mentioned subsidiaries were made available to the Company and filed with the Stock Exchanges.
2. *The Company has not expended any amount for Corporate Social Responsibility activities as per Section 135 of the Act for the year 2016-17.*	The Corporate Social Responsibility (CSR) Committee is examining various areas, especially on education for CSR spend. The amount will be spent as per CSR Committees recommendations.
3. *Minutes of subsidiary companies were not placed before the Board Meeting of the Company as required under Regulation 24 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*	Will be placed before the Board in future.

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

During the year, the Company has not made any investments, other than the Current Investments. The closing balances of investments which would be covered under Section 186 of the Companies Act, 2013, are disclosed in the Schedule of Non-Current Investments in the Financial Statements. The company has not granted any loans and issued corporate guarantees during the year.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

Pursuant to the provisions of Section 134 of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Particulars are being provided in Form AOC - 2 in **Annexure 'VI'** Related Party Disclosures as per AS -18 have been provided in to Note No.31 to the Financial Statements.

22. STATE OF COMPANY'S AFFAIRS

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

23. AMOUNTS PROPOSED TO BE CARRIED TO RESERVES

Particulars of the amounts proposed to be carried to reserves have been covered as part of the financial performance of the Company.

24. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report, except as disclosed elsewhere in this report.

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

Conservation of Energy and Technology Absorption

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

26. RISK MANAGEMENT POLICY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The details of the CSR Policy and initiatives taken by the Company towards CSR during the year are annexed as **Annexure 'VIII'** to this Report.

28. BOARD EVALUATION

Pursuant to provisions of the Companies Act, 2013, Rules thereunder and 'Regulations 2015', the Board has carried out evaluation of its own performance and that of its Committees and individual Directors.

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

The details are given in **Annexure 'I'**

30. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

31. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Directors appointed during the year

Name of Director	Designation	Term of appointment
Mr. B. N. Kalyani	Director	Re-appointed with effect from 30th September, 2016, subject to retirement by rotation

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub section (6) of Section 149 of the Companies Act, 2013 and 'Regulations 2015'.

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

NIL

33. Directors and KMP's resigned during the year

None of the Directors and KMPs resigned during the year ended 31st March, 2017.

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

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

The brief resumes and other details relating to Director who is proposed to be re-appointed, as required to be disclosed under 'Regulations 2015', form part of the Notes and Statement setting out material facts annexed to the Notice of the Annual General Meeting.

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

N.A.

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

None.

37. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

The Company has neither received nor is aware of any such order from Regulators, Courts or Tribunals during the year.

38. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has suitable internal control system comprising of proper checks and balances, policies and procedures. This includes code of conduct, whistle blower policy, MIS and internal audit mechanism.

The Audit Committee along with Management review the internal audit and internal controls on a regular basis.

39. COMPOSITION OF AUDIT COMMITTEE

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

40. VIGIL MECHANISM

The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism. This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The aforesaid policy has also been uploaded on the Company's website.

41. CASH FLOW

A Cash Flow Statement for the year ended 31st March 2017 is attached to the Balance Sheet.

42. CORPORATE GOVERNANCE

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

43. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

44. ACKNOWLEDGMENTS

Your Directors wish to place on record, their appreciation for the contribution made and support provided to the Company by the shareholders, employees and bankers, during the year under the report.

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

	B.B. Hattarki	S.S. Vaidya
Pune	Director	Director
2nd September, 2017	DIN:00145710	DIN:00024245

ANNEXURE I TO THE DIRECTORS' REPORT

SUBSIDIARY COMPANIES

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES FOR THE YEAR 1st APRIL, 2016 TO 31st MARCH, 2017 :

Name and Registered Office of the Subsidiary Company	% Holding	Particulars	Amount (Rs. in lakhs)
Nandi Infrastructure Corridor Enterprises Limited No 1,Midford House, Midford Gardens, Off M.G. Road, Bangalore Karnataka- 560001	74.52	Total Income Total Expenditure Profit / (Loss) before exceptional items and taxation Exceptional items Profit / (Loss) before taxation Provision for tax (including Deferred Tax) Net Profit / (Loss) Balance of Profit / (Loss) from previous year Less: Proposed Dividend Less : Dividend Distribution Tax Less : Transferred to General Reserve Balance carried to Balance Sheet * Special Reserve of Rs. 438 Lacs written back during the year.	70.24 51.55 18.69 - 18.69 5.58 13.10 (201.16) - - - *249.94
Nandi Economic Corridor Enterprises Limited No.1, Midford House, Midford Gardens, Off M.G. Road, Bangalore, Karnataka - 560001	40.41	Total Income Total Expenditure Profit / (Loss) before exceptional items & taxation Exceptional Items Profit (Loss) before taxation Provision for tax (including Deferred Tax) Net Profit / (Loss) Balance of Profit / (Loss) from previous year Less: Proposed Dividend Less: Dividend Distribution Tax Balance carried to Balance Sheet	26417.61 29659.01 (3241.40) - (3241.40) - (3241.40) (66406.37) - - (69647.78)
Nandi Highway Developers Limited No.1,Midford House, Midford Garden, Off M.G. Road, Bangalore, Karnataka - 560001	69.53	Total Income Total Expenditure Profit / (Loss) before exceptional items & taxation Exceptional Items Profit (Loss) before taxation Provision for tax (including Deferred Tax) Net Profit / (Loss) Balance of Profit / (Loss) from previous year Less: Transfer to General Reserve Less: Proposed Dividend Less: Dividend Distribution Tax Balance carried to Balance Sheet	5456.34 2944.75 2511.59 - 2511.59 535.80 1975.70 2611.91 - - - 4587.61
Avichal Resources Private Limited Cyber City, Tower No.15, Level 6, Office No.602, Magarpatta City, Hadapsar Pune - 411013	100	Total Income Total Expenditure Profit / (Loss) before taxation Provision for tax (including Deferred Tax) Net Profit / (Loss) Balance of Profit / (Loss) from previous year Less: Proposed Dividend Less : Dividend Distribution Tax Less : Transferred to General Reserve Balance carried to Balance Sheet	6.00 0.17 5.83 1.93 3.90 15.26 - - - 19.16

For further details refer Note No. 40 of Consolidated Financial Statements.

ANNEXURE II TO THE DIRECTORS' REPORT

INFORMATION FORMING PART OF THE DIRECTORS' REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Particulars	Name of Director	Ratio
I.	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	N.A. as no remuneration except sitting fee is paid to any Director	
II.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Name of Director / KMP**	**Percentage +/(-) in the remuneration**
		Mr. B.S. Mitkari - CEO & Company Secretary	+7.40%
		Mr. S.S. Joshi - CFO	+11.13%
III.	The percentage increase in the median remuneration of employees in the financial year	10%	
IV.	The number of permanent employees on the rolls of Company	9	
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	10% The increase in remunrarion is as per the industry practice.	
VI.	Affirmation	The Board affirms that the remuneration is as per the Nomination and Remuneration policy of the Company.	
VII.	Statement showing the names of the top ten employees interms of remuneration drawn and the names of every employee who - (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore Two Lakhs Rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakhs Fifty Thousand Rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.	No employee falls in this category.	

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

	B.B. Hattarki	S.S.Vaidya
	Director	Director
Pune	DIN:00145710	DIN:00024245
2nd September, 2017		

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MGT - 9

(as at Financial Year ended 31st March, 2017)

EXTRACT OF ANNUAL RETURN

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	CIN	L40108PN2000PLC015323
ii	Registration Date	15th September 2000
iii	Name of the Company	BF Utilities Limited
iv	Category / Sub-Category of the Company	Company limited by shares
v	Address of the Registered Office and contact details	**Registered Office :** Mundhwa, Pune Cantonment, Pune 411 036, Maharashtra, India. **Administrative Office:** Cyber City, Tower 15, Level 6, Office 602, Magarpatta City, Hadapsar, Pune- 411 013 Phone : (020) 66292550 E-mail : bfutilitiesltd@vsnl.net Website : www.bfutilities.com
vi	Whether listed company	Yes
vii	Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited "Akshay" Complex, Block No. 202, 2nd Floor, Near Ganesh Temple, Off. Dhole Patil Road, Pune 411 001 Tel: +91(20) 2616 1629 / 2616 0084 Fax: +91(20) 2616 3503 Email: pune@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company stated below:

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Wind Power Generation	-	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	Nandi Infrastructure Corridor Enterprises Ltd. No.1, Midforsd House, Midford Gardens, Off. M. G. Road, Bangalore - 560 001	U85110KA1996PLC019619	Subsidiary	74.52	2(6)
2.	Nandi Economic Corridor Enterprises Ltd. No.1, Midforsd House, Midford Gardens, Off. M. G. Road, Bangalore - 560 001	U85110KA2000PLC026939	Subsidiary	40.41	2(6)
3.	Nandi Highway Developers Ltd. No.1, Midforsd House, Midford Gardens, Off. M. G. Road, Bangalore - 560 001	U85110KA1996PLC019621	Subsidiary	69.53	2(6)
4.	Avichal Resources Private Ltd. Cyber City, Tower No.15, Level 6, Office No.602 Magarpatta City, Hadapsar Pune - 411013	U70101MH1998PTC114605	Subsidiary	100	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No.of Shares held at the beginning of the year i.e. 31st March, 2016				No.of shares held at the end of the year i.e. 31st March, 2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a. Individual									
a) Individuals / Hindu Undivided Family	103025	8	103033	0.27	103025	8	103033	0.27	0.00
b) Central Government / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	24621399	0	24621399	65.36	20978182	0	20978182	55.69	-9.67
d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(1)	**24724424**	**8**	**24724432**	**65.64**	**21081207**	**8**	**21081215**	**55.97**	**-9.67**
(2) Foreign									
a) Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**24724424**	**8**	**24724432**	**65.64**	**21081207**	**8**	**21081215**	**55.97**	**-9.67**
(B) Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	1905	170	2075	0.01	1539	170	1709	0.00	0.00
b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
c) Alternate Investment Funds	0	0	0	0	0	0	0	0	0
d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investor	174619	0	174619	0.46	276583	0	276583	0.73	0.27
f) Financial Institutions / Banks	53087	1704	54791	0.15	246902	1704	248606	0.66	0.51
g) Insurance Companies	31549	0	31549	0.08	31549	0	31549	0.08	0.00
h) Provident Fund / Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)	**261160**	**1874**	**263034**	**0.70**	**556573**	**1874**	**558447**	**1.48**	**0.78**
(2) Central Government/ state Government / President of India	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(3) Non-Institutions									
a) Individuals									
I) Individuals -i. Individual shareholders holding nominal share capital up to Rs.2 lakh	5922966	750104	6373070	16.92	7536234	722655	8258889	21.93	5.01

Category of Shareholders	No.of Shares held at the beginning of the year i.e. 31st March, 2016				No.of shares held at the end of the year i.e. 31st March, 2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
II) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	1152326	0	1152326	3.06	1112774	0	1112774	2.95	-0.11
b) NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
c) Employee Trusts	0	0	0	0	0	0	0	0	0.00
d) Overseas Depositories (holding DRs)(balancing figure)	0	0	0	0	0	0	0	0	0.00
e) Any Others (Specify)	0	0	0	0	0	0	0	0	0.00
- Trusts	1570	0	1570	0.00	5570	0	5570	0.01	0.01
- Foreign Nationals	190	0	190	0.00	190	0	190	0.00	0.00
- Hindu Undivided Family	437681	0	437681	1.16	658754	0	658754	1.75	0.59
- Non Resident Indian (Non Repat)	41548	3154	44702	0.12	43377	3154	46531	0.12	0.00
- Non Resident Indian (Repat)	101588	1841	103429	0.27	122186	1841	124027	0.33	0.05
- Overseas Bodies Corporates	350	0	350	0.00	350	0	350	0.00	0.00
- Clearing Members	434632	0	434632	1.15	1091257	0	1091257	2.90	1.74
- Bodies Corporate	2552377	1579835	4132212	10.97	3149789	1579835	4729624	12.56	1.59
Sub-Total (B)(3)	**10345228**	**2334934**	**12680162**	**33.66**	**13720481**	**2307485**	**16027966**	**42.55**	**8.89**
(B) Total Public Shareholding (B)= (B)(1)+(B)(2) +(B)(3)	**10606388**	**2336808**	**12943196**	**34.36**	**14277054**	**2309359**	**16586413**	**44.03**	**9.67**
Total (A)+(B)	**35330812**	**2336816**	**37667628**	**100**	**35358261**	**2309367**	**37667628**	**100**	**0**
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
(1) Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
(2) Public	0	0	0	0	0	0	0	0	0
Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GRAND TOTAL (A)+(B)+(C)	**35330812**	**2336816**	**37667628**	**100**	**35358261**	**2309367**	**37667628**	**100**	**0**

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1/4/2016)			Shareholding at the end of the year (31/3/2017)			% change in shareholding during the year
		No.of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No.of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Babasaheb Neelkanth Kalyani - Promoter	7204	0.02	0.00	7204	0.02	0.00	0.00
2	Ajinkya Investment & Trading Company	10292103	27.32	0.00	6648886	17.65	0.00	-9.67
3	Kalyani Investment Company Limited	6195046	16.45	0.00	6195046	16.45	0.00	0.00
4	KSL Holdings Pvt Limited	4353472	11.56	0.00	4353472	11.56	0.00	0.00
5	PIH Finvest Company Limited	1424885	3.78	0.00	1424885	3.78	0.00	0.00
6	BF Investment Limited	1187903	3.15	0.00	1187903	3.15	0.00	0.00
7	Jannhavi Investment Pvt Limited	458514	1.22	0.00	458514	1.22	0.00	0.00

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1/4/2016)			Shareholding at the end of the year (31/3/2017)			% change in shareholding during the year
		No.of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No.of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
8	Sundaram Trading & Investment Private Limited	211103	0.56	0.00	211103	0.56	0.00	0.00
9	Rajgad Trading Co Pvt Limited	151674	0.40	0.00	151674	0.40	0.00	0.00
10	Kalyani Consultants Pvt Limited	149500	0.40	0.00	149500	0.40	0.00	0.00
11	Dandakaranya Investment & Trading Pvt Limited	93700	0.25	0.00	93700	0.25	0.00	0.00
12	Campanula Investment & Finance Pvt Limited	56189	0.15	0.00	56189	0.15	0.00	0.00
13	Cornflower Investment & Finance Pvt Limited	39600	0.11	0.00	39600	0.11	0.00	0.00
14	Hastinapur Investment & Trading Pvt Limited	4567	0.01	0.00	4567	0.01	0.00	0.00
15	Dronacharya Investment & Trading Pvt Limited	3143	0.01	0.00	3143	0.01	0.00	0.00
16	Gaurishankar Neelkanth Kalyani	63779	0.17	0.00	63779	0.17	0.00	0.00
17	Amit Babasaheb Kalyani	28270	0.08	0.00	28270	0.08	0.00	0.00
18	Rohini Gaurishankar Kalyani	2000	0.01	0.00	2000	0.01	0.00	0.00
19	Dr Meera Kheny	700	0.00	0.00	700	0.00	0.00	0.00
20	Ashok Kumar Kheny	672	0.00	0.00	672	0.00	0.00	0.00
21	Sugandha Jai Hiremath	400	0.00	0.00	400	0.00	0.00	0.00
22	Sulochana Neelkanth Kalyani Jointly Mr.B. N. Kalyani	8	0.00	0.00	8	0.00	0.00	0.00
	TOTAL	24724432	65.64	0.00	21081215	55.97	0.00	-9.67

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

Sr. No.	Particulars	Shareholding at the beginning of the year i.e.01/4/2016		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	Sale	24724432	65.64	21081215	55.97

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

Sr. No.	Particulars	Shareholding at the beginning of the year i.e.01/4/2016		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the Beginning of the year	3124369	8.29		
1	Krutadnya Management And Trading Services LLP	1568600	4.16	-	-
2	Nerul Impex Pvt Ltd	328673	0.87	-	-
3	Nimesh Arvind Doshi	180000	0.48	-	-
4	Finolex Cables Limited	168750	0.45	-	-
5	Hitesh Satishchandra Doshi	161196	0.43	-	-
6	Nemish S Shah	150000	0.40	-	-
7	Ketan S Shah	150000	0.40	-	-

Sr. No.	Particulars	Shareholding at the beginning of the year i.e.01/4/2016		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
8	Kalyani Exports & Investments Pvt.Ltd.	145250	0.39	-	-
9	Aboli Investment Pvt Ltd	136900	0.36	-	-
10	Anuj Anantrai Sheth	135000	0.36	-	-
	At the end of the year (or on the date of seperation, if seperated during the year)				
1	Krutadnya Management And Trading Services LLP	-	-	1568600	4.16
2	Nerul Impex Pvt Ltd	-	-	328673	0.87
3	Nimesh Arvind Doshi	-	-	280000	0.74
4	Finolex Cables Ltd.	-	-	168750	0.45
5	Edelweiss Custodial Services Ltd	-	-	165845	0.44
6	Nemish S Shah	-	-	150000	0.40
7	Kalyani Exports & Investments Pvt.Ltd.	-	-	145250	0.39
8	Aboli Investment Pvt Ltd	-	-	136900	0.36
9	Icici Bank Limited	-	-	135097	0.36
10	Anuj Anantrai Sheth	-	-	135000	0.36
	At the end of the year			**3214115**	**8.53**

Note:

1. In case of joint holding, the names of first holder is considered.
2. The shareholding details given above are based on the legal ownership and not beneficial ownership and is derived on the folio number listing provided by the Registrar and share Transfer agent of the Company.
3. Since the shareholding of top ten shareholders are held in electronic form, it is not feasible to provide date-wise increase or decrease in the shareholding pattern of top ten shareholders during the Financial Year.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year i.e.01/04/2016		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the Beginning of the year	**35474**	**0.10**		
1	Mr. B. N. Kalyani	7204	0.02	-	-
2	Mr. A. B. Kalyani	28270	0.08	-	-
3	Mr. B. B. Hattarki	0	0.00	-	-
4	Mr. S. S. Vaidya	0	0.00	-	-
5	Ms. A. A. Sathe	0	0.00	-	-
6	Mr. B. S. Mitkari	0	0.00	-	-
7	Mr. S. S. Joshi	0	0.00		
	At the end of the year				
1	Mr. B. N. Kalyani	-	-	7204	0.02
2	Mr. A. B. Kalyani	-	-	28270	0.08
3	Mr. B. B. Hattarki	-	-	0	0.00
4	Mr. S. S. Vaidya	-	-	0	0.00
5	Ms. A. A. Sathe	-	-	0	0.00
6	Mr. B. S. Mitkari	-	-	0	0.00
7	Mr. S. S. Joshi	-	-	0	0.00
	At the end of the year			**35474**	**0.10**

V. INDEBTEDNESS

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

(Rs. in Million)

		Secured Loans excluding deposits	Unsecured Loans	Sales Tax Deferral	Total Indebtedness
	Indebtedness as at 1st April, 2016				
i)	Principal Amount	-	316.70	502.23	818.93
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	6.23	-	6.23
	Total (i+ii+iii)	-	322.93	502.23	825.16
	Change in Indebtedness during the financial year				
	Addition	-	-	-	-
	(Reduction)	-	-	113.48	113.48
	Net Change	-	-	-	-
	Indebtedness as at 31st March, 2017				
i)	Principal Amount	-	316.70	388.75	705.45
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	21.40	-	21.40
	Total (i+ii+iii)	-	338.10	388.75	726.85

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

N.A.

B. Remuneration to other Directors:

Details of the remuneration paid to the Directors during Financial Year 2016-17:

Information on remuneration of Directors for the year ended 31st March, 2017

Name of the Director	Relationship with other Directors	Sitting Fees	Salary and Perquisites	Commission	Total
Mr. B. N. Kalyani	Father of Mr. A. B. Kalyani	15000	N.A.	N.A.	15000
Mr. A. B. Kalyani	Son of Mr. B. N. Kalyani	20000	N.A.	N.A.	20000
Mr. B. B. Hattarki	None	20000	N.A.	N.A.	20000
Mr. S. S. Vaidya	None	20000	N.A.	N.A.	20000
Ms. A. A. Sathe	None	15000	N.A.	N.A.	15000

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

Amount in Rupees

Particulars of Remuneration	Mr. B.S. Mitkari CEO & Company Secretary	Mr. S. S. Joshi CFO	Total Amount
1. Gross Salary			
a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	8399469	1203165	9602634
b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	39373	-	39373
c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2. Stock Option	-	-	-
3. Sweat Equity	-	-	-
4. Commission			
- As % profit			
- Others, specify ...	-	-	-
5. Others, please specify (Company's contribution towards Provident Fund and Superannuation)	243000	42185	285185
Total	8681842	1245350	9927192

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

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

B.B. Hattarki
Director
DIN:00145710

S.S. Vaidya
Director
DIN:00024245

Pune
2nd September, 2017

ANNEXURE IV TO THE DIRECTORS' REPORT

THE NOMINATION AND REMUNERATION POLICY

(As recommended by Nomination and Remuneration Committee and approved by Board)

The Board of Directors of BF Utilities Limited ("the Company") constituted the "Nomination and Remuneration Committee" ("Committee") at the Meeting held on November 28, 2014 with immediate effect, consisting of Three (3) Non-Executive Director of which majority are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, as amended from time to time, read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (hereinafter referred to as "KMP") and Senior Management.

1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board,

1.3. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.

1.4. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

1.5. To retain, motivate the promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

1.6. To devise a policy on Board diversity.

1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

2.1. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2. Board means Board of Directors of the Company.

2.3. Directors mean Directors of the Company.

2.4. Key Managerial Personnel (KMP) means

2.4.1. Any Director

2.4.2. CEO;

2.4.3. Chief Financial Officer; and

2.4.4. Company Secretary;

2.5. Listing Agreement means Agreement, as amended from time to time, executed with Stock Exchanges for Listing of Securities of the Company.

2.6. Senior Management means personnel of the Company who are members of its core management team being functional heads,

3. ROLE OF COMMITTEE

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee.

The Committee Shall;

3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of the director.

3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management position in accordance with the criteria laid down in this Policy.

3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.1.4. * Formulate the criteria for evaluation of performance of Independent Directors and Board of Directors.

3.1.5. * Determine whether to extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

* Added vide Board Resolution dated 13th February, 2016.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indication the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure

a) Managing Director / Whole-time Director :

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director :

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

3.2.3. Evaluation

The Committee shall carry out yearly evaluation of performance of every Director, KMP and Senior Management Personnel.

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. General :

a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employee for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such reason is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

e) In case any difficulty or doubt arises in the interpretation or implementation of this Policy, the decision of the Chairman of the Company shall be final. In exceptional circumstances, the Chairman shall be authorised to exercise functions vested in the committee in so far as these relate to Key Managerial Personnel covered under clauses 2.4.3, 2.4.4 and the Senior Management; provided however that such actions taken by the Chairman shall be placed before the Committee for ratification in the succeeding meeting.

3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel :

a) Fixed pay :

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approval by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board / the Person authorised by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration :

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, approval of the Central Government.

c) Provisions for excess remuneration :

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non-Executive / Independent Director;

a) Remuneration / Commission :

The remuneration / Commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees :

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs.1,00,000/- (Rupees One Lac only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission :

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

4. MEMBERSHIP

4.1. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

4.2. Minimum two (2) members shall constitute a quorum for the Committee Meeting.

4.3. Membership of the Committee shall be disclosed in the Annual Report.

4.4. Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

5.1. Chairperson of the Committee shall be an Independent Director.

5.2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

7.1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

9.1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and nay such decision shall for all purposes be deemed a decision of the Committee.

9.2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include :

10.1. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

10.2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

10.3. Identifying and recommending directors who are to be put forward for retirement by rotation.

10.4. Determining the appropriate size, diversity and composition of the Board;

10.5. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

10.6. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

10.7. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

10.8. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

10.9. Delegating any of its powers to one or more of its members or the Secretary of the Committee;

10.10. Recommend any necessary changes to the Board; and

10.11. Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include :

11.1. To consider and determine the Remuneration Policy, based on the Performance and also being in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

11.2. To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

11.3. To delegate any of its powers to one or more of its members or the Secretary of the Committee.

11.4. To consider any other matters as may be requested by the Board.

11.5. Professional indemnity and liability insurance for Directors and Senior Management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee Meeting.

For BF Utilities Limited

February 13, 2016
Pune

A.B. Kalyani
Director

ANNEXURE V TO THE DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
BF Utilities Limited,
Mundhawa, Pune- 411036

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BF Utilities Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder **(in so far as they are made applicable)**;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable **(not applicable to the company during the Audit Period)**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable to the company during the Audit Period);**

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(not applicable to the Company during the Audit Period);**

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable to the company during the Audit Period)**;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client to the extent of the securities issued; **(not applicable to the company during the Audit Period)**;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the company during the Audit Period)**; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the company during the Audit Period)**.

(vi) The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/ industry are:

  a) Electricity Act, 2003;

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

(i) The Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with Stock Exchange pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. *The Company has failed to file Consolidated financial results of the Company within 60 days of the close of the Financial year with the Stock Exchange as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

2. *The Company has not expended any amount for Corporate Social Responsibility activities as per Section 135 of the Act for the year 2016-17.*

3. *Minutes of subsidiary companies were not placed before the Board Meeting of the Company as required under Regulation 24 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

We further report that

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

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

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

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

We further report that during the audit period the Company:

a. has passed a Special Resolution u/s 180 (1) (a) of the Companies Act 2013, for giving the power to the Board to mortgage, hypothecate, create charge, pledge and/or also to create liens, floating charges and all other encumbrances of whatsoever nature on all or any of the Company's immovable and movable properties wherever situate, present and future, in such form and in such manner as the board may think fit and proper, in favour of any of the banks/Financial institutions/other lenders/trustees of the holders of securities, aggregating to a nominal value not exceeding Rs.15,000,000,000.

b. has passed a Special Resolution u/s 180(1)(c) of the Companies Act 2013, for giving the power to the Board to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.15,000,000,000 (Rupees Fifteen Billion) over and above the aggregate of the paid up share capital and free reserves of the Company."

FOR SVD & ASSOCIATES
Company Secretaries

Sridhar G. Mudaliar
PARTNER
FCS No: 6156
C P No: 2664

Place: Pune
Date: 24th May, 2017

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

'ANNEXURE A'

To,

The Members,
BF Utilities Limited
Mundhawa, Pune- 411036

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR SVD & ASSOCIATES
Company Secretaries

Sridhar G. Mudaliar
PARTNER
FCS No: 6156
C P No: 2664

Place: Pune
Date: 24th May, 2017

ANNEXURE VI TO THE DIRECTORS' REPORT

Form No. AOC-2

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

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

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

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

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

a.	Name(s) of the related party and nature of relationship	Bharat Forge Limited
b.	Nature of contracts / arrangements / transactions	Sale of Wind Power
c.	Duration of the contracts / arrangements / transactions	On going basis from April 1, 2015
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	In tune with market parameters, Estimated annual value of Rs.500 Million
e.	Date(s) of approval by the board, if any	N.A.
f.	Amount paid as advances, if any	Nil

For BF Utilities Limited

B.B. Hattarki
Director
DIN:00145710

S.S. Vaidya
Director
DIN:00024245

Pune
2nd September, 2017

ANNEXURE VII TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2017.

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

A. Conservation of Energy and Technology Absorption

i) Steps taken for Conservation of Energy :

The operations of the Company do not consume much energy

ii) Steps taken for utilizing alternate source of energy ;

The Company is in the business of generating wind energy.

iii) The Capital Investment on energy conservation equipment :

Nil during the year under reference.

B. Technology Absorption :

i) Efforts made towards technology absorption : Documentation in process.

ii) The benefits derived like product improvement, cost reduction, product development, import substitution : N.A.

iii) In case imported technology (imported during the last 3 years reckoned from the beginning of the financial year) :

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

iv) Expenditure on Research and Development : NIL.

C. Foreign Exchange Earning and Outgo :

(a) Activities relating to Exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : N.A.

(b) Total foreign exchange earnings and outgo for the financial year is as follows:

i) Total Foreign Exchange earning : NIL

ii) Total Foreign Exchange outgo : NIL

ANNEXURE VIII TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013 and Rule 8(1) of the Companies (CSR Policy) Rules, 2014)

1. **A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   Corporate Social Responsibility (CSR) activities are based on the CSR Policy. The Company's main focus is on provision of educational facilities.

   CSR policy is available on the website of the Company http://www.bfutilities.com

2. **The Composition of the CSR Committee:**

   Mr. B. B. Hattarki - Chairman

   Mr. B. N. Kalyani - Committee Member

   Mr. A. B. Kalyani - Committee Member

3. **Average net profit of the company for last three financial years : Rs.18,646,769.**

4. **Prescribed CSR Expenditure (two percentage of the amount as in item 3 above) : Rs.372,935.**

5. **Details of CSR spent during the Financial Year:**

   (a) Total amount to be spent for the financial year : **Rs.372,935**.

   (b) Amount unspent , if any; : **Rs.372,935.**

   (c) Manner in which the amount spent during the Financial Year is detailed below:

(Amount in Rs.)

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity Identified	Sector in which the Project is covered	Projects or Programme (1) Local area of other (2) Specify the State and district where project or programme was undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programme sub heads L (1) Direct expenditure on projects or programmes (2) overheads	Cumulative expenditure upto the reporting period	Amount spent director or through implementing agency
N.A.							

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report : ***The Company has identified the areas and the projects for spending the amounts allocated for CSR activities. The same will be spent in due course of time.***

7. CSR Committee has hereby confirmed that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and Policy of the Company.

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

B.B. Hattarki
Director
DIN:00145710

S.S. Vaidya
Director
DIN:00024245

Pune
2nd September, 2017

BUSINESS RESPONSIBILITY REPORT

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN)	:	L40108PN2000PLC015323
2.	Name of the Company	:	BF Utilities Limited
3.	Registered address	:	Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India
4.	Website	:	www.bfutilities.com
5.	E-mail id	:	bfutilitiesltd@vsnl.net
6.	Financial Year reported	:	2016 -17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	BF Utilities Limited is in the business of Wind Power Generation and Infrastructure

*Industrial Group	Description
N.A.	Wind Power Generation

8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	:	Sr. No.	Name and Description of main products/services
			1	Wind Power
9.	Total number of locations where business activity is undertaken by the Company	:		
	(a) Number of International Locations (Provide details of major 5)	:	NIL	
	(b) Number of National Locations	:	Padekarwadi, Ghatewadi, Pawangaon, Maloshi and Kadve Khurd Dist- Satara, Maharashtra State.	
10.	Markets served by the Company - Local/State/National/ International	:	Local market in India.	

SECTION B : FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	:	Rs.18.83 Crores
2.	Total Turnover	:	Rs.21.44 Crores
3.	Total Profit after Taxes	:	Rs.7.35 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	Company is in the process of undertaking CSR Activities.
5.	List of activities in which expenditure in 4 above has been incurred	:	N.A.

SECTION C : OTHER DETAILS

1. **Subsidiary Company/Companies**

   Yes, the Company has 4 (Four) direct and indirect subsidiary companies as on March 31, 2017.

2. **Participation of Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).**

   Given the current size and scale of operations, subsidiary companies, as of now, are not engaged in BR initiatives process of the Company.

3. **Participation of any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   No, other entities with whom the Company does business with viz. suppliers, distributors etc. do not participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

DIN : 00089430

Name : Mr. A. B. Kalyani

Designation : Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN	00089430
2	Name	Mr. A. B. Kalyani
3	Designation	Director
4	Telephone Number	+91 20 66292550
5	E-mail Id	bfutilitiesltd@vsnl.net

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

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

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

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

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

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

P5 - Businesses should respect and promote human rights.

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

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

P8 - Businesses should support inclusive growth and equitable development.

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

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

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholders Engagement and CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	NA	Y	N	N	N	N	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	N	NA	NA	NA	NA	N	NA
3	Does the policy conform to any national/ international standards? If yes, specify?	The policies are in line with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board of Directors?	The mandatory Polices under Indian laws and regulations have been adopted by the Board and signed by the Director.								

Sr. No.	Questions	
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to ensure implementation of various policies. We review the implementation of polices through our internal audit, risk management process, monitoring of KPI's in-line with established Policies.
6	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Insider Trading Policy, Code of Conduct are available on Company's website. All other policies are available at the Registered Office.
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Polices are communicated to internal stakeholders and the same are available at the Registered Office. Wherever required, the Polices are also communicated to our external stakeholders and are made available on Company's website.
8	Does the Company have in-house structure to implement the policy/policies?	Yes. We have an in-house structure with clearly defined roles and responsibilities which periodically reviews implementation of various policies under the aegis of Internal Risk Management Framework, Internal Audits and review of KPI's at various levels of management.
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes. Each of the Policies formulated by the Company have an in-built grievance and redressal mechanism.
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments where ever required.

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

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	This clause is not applicable considering nature of business.				-	The Company is always responsive to its customer needs.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR Performance of the Company. Within3 months, 3-6 months, Annually, more than 1 year.

Annually.

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

No.

SECTION E : PRINCIPLE-WISE PERFORMANCE

Principle1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

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

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

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

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

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

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

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

2. **For each such product, provide the following details inrespect of resource use (energy, water, raw materialetc.) per unit of product (optional):**

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

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

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

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

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

   Considering nature of business, these clauses are not applicable

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

1. Please indicate the total number of employees

   Total number of employees: 9

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

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

3. Please indicate the number of permanent women employees:

   Number of permanent women employees: 2

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

   Number of permanent employees with disabilities: NIL

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

   No.

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

   N.A.

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

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

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

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

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

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

   Yes

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

   NIL

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

   NIL

Principle 5 : Businesses should respect and promote human rights

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

   The Company does not have a stated Human Rights Policy.

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

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

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

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

   N.A.

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

   The Company generates Wind Energy and thereby addresses these issues.

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

   No

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

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

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

   No.

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

   N.A.

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

   NIL

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

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

   The Company is member of Indian Wind Power Association

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

   No.

Principle 8 : Businesses should support inclusive growth and equitable development

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

   The Company has CSR Policy

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

   The Company is in the process of undertaking such programmes.

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

   No.

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

   The Company is evaluating various areas/projects.

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

   N.A.

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

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

   NIL

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

   N.A.

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

   No.

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

   No.

INDEPENDENT AUDITORS' REPORT

To
The Members
BF Utilities Limited,
Pune.

Report on the Standalone Financial Statements

We Joshi Apte & Co., Chartered Accountants have audited the accompanying standalone financial statements of **BF UTILITIES LIMITED** ("the Company") which comprise the Balance Sheet as at 31 March 2017, 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' Responsibility for the Standalone Financial Statements

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year then ended on that date.

Emphasis of Matters

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

(a) We draw attention to Note No.35 to the accompanying financial results. 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. During the year, due to dispute with the service provider, Company's windmills were partly non-operational there by adversely affecting power generation. The management has taken all possible steps to restore the operations.

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

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

Note 38-

Nandi Highway Developers Ltd. (NHDL), Nandi Infrastructure Corridor Enterprises Ltd. (NICE) and Nandi Economic Corridor Enterprises Ltd. (NECE), which are the subsidiaries of the Company, are in the process of finalising their accounts for the financial year ended 31st March, 2017 and hence, they have not yet submitted the said audited financials to the Company.

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

(c) As stated in Note No.39, to the accompanying financial statements, diminution other than temporary, if any, in the value of investment in Nandi Highway Developers Ltd (NHDL), Nandi Infrastructure Corridor Enterprise Ltd (NICE) and Nandi Economic Corridor Enterprise Ltd (NECE) could not be tested pending finalisation of accounts of NHDL, NICE and NECE for the financial year ended 31 March 2017, as explained in Note no. 38. The Company has recorded these investments at cost as on the date of Balance Sheet.

Note 39-

Diminution other than temporary, if any, in the value of investment in Nandi Highway Developers Ltd. (NHDL), Nandi Infrastructure Corridor Enterprise Ltd (NICE) and Nandi Economic Corridor Enterprise Ltd (NECE) could not be tested pending finalisation of accounts of NHDL, NICE and NECE for the financial year ended 31st March, 2017, as explained in Note no. 38. The Company has recorded these investments at cost as on the date of Balance Sheet.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Companies Act, 2013, based on our audit we report, to the extent applicable that:

   (i) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (iii) The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by us in the Report are in agreement with the relevant books of account.

   (iv) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.

   (v) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has, in accordance with generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 26 & 27 to the financial statement;

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) The Company had provided requisite disclosures in its standalone financial statements as regards holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 08 November 2016 of the Ministry of Finance, during the period from 08 November 2016 to 30 December 2016; and such disclosures are in accordance with the books of accounts maintained by the Company ñ Refer note no. 44.

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

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

per Varad Waman Joshi
Partner
Membership Number: 137763

Pune
25 May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of BF Utilities Limited ("the Company") as of 31 March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Varad Waman Joshi
Partner
Membership Number: 137763

Pune
25 May, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

Re: BF Utilities Limited ("the Company")

i. In respect of the Company's fixed assets:

(a) The Company ismaintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) There is a regular programme of verification which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets.No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of registered documents provided to us, we report that, the title deeds comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

As explained to us, inventories of Certified Emission Reduction (CER) and Renewable Energy Certificate (REC) were verified electronically during theyear by the management at reasonable intervals, since the same is not physically verifiable and no material discrepancies were noticed.

iii. During the year, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us,the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.

vi. The provisions of clause (3) (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, value added tax, cess and any other statutory dues to the appropriate authorities and there are no arrears ofoutstanding statutory dues as at the last day of financial yearconcerned for a period of more than six months from the date they became payable, ***except in case of electricity duty payable for the period 1 April 2014 to 31 August 2016total amounting Rs. 17,856,207***.

(b) According to the information and explanations given to us, there were no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited as at 31March 2017 on account of disputes.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans from the government. The Company has not taken any loans or borrowingsfrom financial institution and bankand has not issued debentures during the year.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during theyear.

xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hencereporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section177 and 188 of Companies Act, 2013, where applicable, for all the transactions with the related parties and the details of related party transactions havebeen disclosed in the standalone Financial Statements etc., as required by the applicableaccounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the yearthe Company has not entered into any non-cash transactions with any directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Varad Waman Joshi
Partner
Membership Number: 137763

Pune
25 May, 2017

Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	**188,338,140**	188,338,140
(b) Reserves and surplus	3	**659,189,172**	585,705,180
		847,527,312	774,043,320
2 Non-current liabilities			
(a) Long-term borrowings	4	**277,819,157**	388,743,506
(b) Deferred tax liabilities (Net)	5	**31,238,723**	42,927,157
		309,057,880	431,670,663
3 Current liabilities			
(a) Short-term borrowings	6	**298,300,000**	316,700,000
(b) Trade payables	7		
Dues to micro & small enterprises		-	-
Dues to others		**62,558,402**	67,175,373
(c) Other current liabilities	8	**375,689,926**	330,119,041
(d) Short-term provisions	9	**120,591,476**	133,953,054
		857,139,804	847,947,468
TOTAL		**2,013,724,996**	2,053,661,451
B. ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets (PPE)		**216,182,539**	254,751,406
(ii) Intangible assets under development		**111,905,900**	78,152,438
(b) Non-current investments	11	**1,102,459,808**	1,120,770,190
(c) Long-term loans and advances	12	**370,000,000**	370,000,000
		1,800,548,247	1,823,674,034
2 Current assets			
(a) Current investments	13	**18,115,524**	19,191,299
(b) Inventories	14	**2,810,215**	771,398
(c) Trade receivables	15	**90,629,262**	7,010,938
(d) Cash and bank balance	16	**88,419,714**	22,879,924
(e) Short-term loans and advances	17	**3,487,768**	3,579,018
(f) Other current assets	18	**9,714,266**	176,554,840
		213,176,749	229,987,417
TOTAL		**2,013,724,996**	2,053,661,451
Summary of significant accounting policies	1.C		

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

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

VARAD WAMAN JOSHI
Partner
Membership No. 137763

Pune, 25 May, 2017

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

B.B. HATTARKI
Director
DIN : 00145710

A.B. KALYANI
Director
DIN : 00089430

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 25 May, 2017

Statement of Profit and loss for the period ended 31st March 2017

Particulars	Note No.	Year ended 31st March, 2017 Rs.	Period ended 31th March, 2016 Rs.
Income			
I. Revenue from operations	19	**212,481,566**	52,061,238
II. Other income	20	**1,952,265**	437,159
III. **Total revenue (I + II)**		**214,433,831**	52,498,397
IV. **Expenses**			
Changes in inventories	21	**(2,038,817)**	(161,738)
Employee benefit expenses	22	**13,861,656**	7,460,163
Finance costs	23	**26,325,040**	4,094,019
Depreciation and amortization expense	10	**38,662,098**	19,404,340
Other expenses	24	**54,461,986**	29,029,203
Total expenses		**131,271,963**	59,825,987
V. **Profit / (Loss) before tax and exceptional items (III-IV)**		**83,161,868**	(7,327,590)
VI. Exceptional items		**-**	-
VII. **Profit / (Loss) before tax (V + VI)**		**83,161,868**	(7,327,590)
VIII. Tax expense :			
(a) Current tax		**21,100,000**	12,000,000
(b) Deferred tax		**(11,688,434)**	(9,233,327)
		9,411,566	2,766,673
IX. **Profit / (Loss) for the year after taxation (VII-VIII)**		**73,750,302**	(10,094,263)
X. Adjustments relating to earlier years :			
Excess / (Short) provision for taxation and tax payments		**(266,310)**	-
XI. **Profit / (Loss) for the year after taxation and adjustments relating to earlier years (IX+X)**		**73,483,992**	(10,094,263)
XII. **Earnings per share:**			
Basic & Diluted	25	**1.95**	(0.27)
Summary of significant accounting policies	1.C		

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

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

VARAD WAMAN JOSHI
Partner
Membership No. 137763

Pune, 25 May, 2017

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

B.B. HATTARKI
Director
DIN : 00145710

A.B. KALYANI
Director
DIN : 00089430

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 25 May, 2017

Cash Flow Statement For The Year Ended 31st March, 2017

	Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
		Rs.	Rs.	Rs.	Rs.
A	**Cash Flow From Operating Activities**				
	Profit/ (Loss) before taxation		83,161,868		(7,327,590)
	Add: Interest / depreciation / other non cash expenses				
	Depreciation	38,662,098		19,404,340	
	Finance Cost	26,325,040		4,094,019	
	Amortisation of premium on Bonds	8,399		-	
	Diminution in value of investments	2,884		3,120	
			64,998,421		23,501,479
	Less: Interest / dividend / other adjustments				
	Provision no longer required	410,483		2,429	
	Dividend	65,380		1,368	
	Interest	835,180		403,068	
	Profit on sale of investments	627,172		30,294	
			(1,938,215)		(437,159)
	Operating profit before working capital changes :		146,222,074		15,736,730
	(Increase) / decrease working capital				
	(Increase) / decrease in current assets :				
	(Increase) / decrease in inventories	(2,038,817)		(161,738)	
	(Increase) / decrease in sundry debtors	(83,618,324)		18,668,576	
	(Increase) / decrease in other current assets and loans and advances	167,309,928		71,864,454	
		81,652,787		90,371,292	
	Increase / (decrease) in current liabilities :				
	Increase / (decrease) in Trade payables	(4,206,488)		8,660,733	
	Increase / (decrease) in other current liabilities	32,965,927		(1,811,016)	
	Increase / (decrease) in Short term provisions other current liabilities	(11,981,971)		(76,290,998)	
		16,777,468		(69,441,281)	
			98,430,255		20,930,011
	Cash generated from operations		244,652,329		36,666,741
	Direct taxes paid		(22,745,917)		(313,616)
	Net cash flow from operating activities		221,906,412		36,353,125
B	**Cash flow from investing activities**				
	Additions to fixed assets / other adjustments				
	Investments in Subsidiary companies		-		(65,172,500)
	Investments in others		(49,035,701)		(18,811,320)
	Additions to fixed assets		(33,846,693)		(3,775,237)
	Non operating income				
	Dividend	65,380		1,368	
	Interest	448,677		407,636	
	Profit on sale of investments	627,172		30,294	
			1,141,229		439,298
	Net cash flow from investing activities		(81,741,165)		(87,319,759)
C	**Cash flow from financing activities**				
	Secured loans (Net of repayment)		-		-
	Unsecured loans		(131,883,324)		65,000,000
	Finance cost paid		(11,161,107)		(8,797,511)
	Net cash from finance activities		(143,044,431)		56,202,489
	Net changes in cash and cash equivalents (A+B+C)		(2,879,184)		5,235,855
	Cash and cash equivalents at the beginning of the year*		11,298,898		6,063,043
	Cash and cash equivalents at the end of the year*		8,419,714		11,298,898

* See note no. 16 for Cash and cash equivalents

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

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

VARAD WAMAN JOSHI
Partner
Membership No. 137763

Pune, 25 May, 2017

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

B.B. HATTARKI
Director
DIN : 00145710

A.B. KALYANI
Director
DIN : 00089430

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 25 May, 2017

Notes Forming Part of The Financial Statements for the Year ended 31st March, 2017 :

1 A. Corporate Information:

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

In Previous Year, the Company has changed its Financial Year as under.

Earlier Financial Year was 1st October to 30th September to New Financial year -1st April to 31st March, every year.

Accordingly, the Company has closed its Financial year on 31st March, 2016 for the broken period of 1st Ocotber, 2015 to 31st March, 2016. Therefore previous period's figures are for six months only.

This change in Financial year is made to align the Financial year of the Company with the provisions of the Companies Act, 2013.

1 B. Basis of preparation:

The financial statements of the Company for the year ended 31st March, 2017 have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. These financial statements are prepared on an accrual basis and under the historical cost convention except financial instruments which have been measured at fair value. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous period.The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.The accounting policies adopted in the prepararion of the financial statements are consistent with those of previous period.

1 C. Summary of significant accounting policies:

a) Use of estimates:

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

b) Tangible fixed assets (Property, Plant and Equipment):

Tangible fixed assets (Property, Plant and Equipment) are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company has adopted the provisions of para 46A of AS 11 "The Effects of Changes in Foreign Exchange Rates", accordingly, exchange difference arising on settlement of long term foreign currency borrowing relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Capital work-in-progress includes cost of fixed assets that are not ready to be put to use.Subsequent expenditure related to an item of fixed asset (Property, Plant and Equipment) is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year/ period during which such expenses are incurred.Gains or losses arising from disposal of fixed assets (Property, Plant and Equipment) 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.

c) Intangible assets:

(i) Acquired intangible assets

Intangible assets acquired separately are measured on the initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

(ii) Research and development cost

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

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

Such capitalized expenditure is reflected as intangible under development.

Expenditure on New Projects and Expenditure during Construction etc. on Tangible and Intangible Assets :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.

d) Capital work-in-progress:

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

e) Depreciation and amortization:

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

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

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

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

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

Depreciation on additions to assets during the year/ period is being provided on pro-rate basis from the date of acquisition/ installation.Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rate basis upto the date on which such assets are sold, discarded or demolished.

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

f) Impairment of tangible and intangible assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.Recoverable amount of intangible under development that is not yet available for use is estimated at least at each year/ period end even if there is no indication that the asset is impaired. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present

value using an appropriate discount factor that reflects current market assessments of the time value of money and risks specific to the asset.When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

g) Investments:

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value, determined on category of investment basis. Long-term investments presented in the financial statements are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary decline, in the value of investments.On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) Inventory:

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

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

Costs are determined on unsold Certified Emmision 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 11th 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.

i) Cash and cash equivalents:

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

j) Cash flow statement:

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

k) Borrowing Cost:

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

l) Leases:

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

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

m) Revenue Recognition:

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

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

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

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

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

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

n) Foreign currency translation:

Foreign currency transactions and balances:

Initial recognition

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

Conversion

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

o) Retirement and other employee benefits:

(i) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specific percentage of the covered employee's salary. The Company contributes a part of the contributions to the "BFUL Staff Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The guidance note on implementation of AS-15 (revised 2005) "Employee Benefits", states that benefits involving employer established provident funds, which requires interest shortfalls to be provided, are to be considered as defined benefit plans. On and From 1st March, 2017 Company deposit the required contribution to the Government Provident Fund.

(ii) Gratuity

Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully cover the same under cash accumulation policy of the Life Insurance Corporation of India. The employee's gratuity is a defined benefit funded plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected unit credit method as at the date of the Balance Sheet and the shortfall in the fair value of the Plan Assets is recognized as an obligation.

(iii) Superannuation

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

(iv) Privilege Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.The Company presents the entire leave encashment liability as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

p) Income taxes:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India

and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current reporting period and reversal of timing differences of earlier reporting periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

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

q) Provisions:

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

r) Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year/ period attributable to equity shareholders by weighted average number of equity shares outstanding during the year/ period. 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/ period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year/ period, are adjusted for the effects of all dilutive potential equity shares.

s) Contingent liabilities:

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

t) Domestic transfer pricing:

The Company enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 (the 'Regulations'). The pricing of such domestic transactions will need to comply with the arm's length principle under the Regulations. These Regulations,

inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income Tax authorities. The Company has undertaken necessary steps to comply with the Regulations. The Management is of the opinion that the domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

u) Segment reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses/ assets / liabilities".

Notes Forming Part of The Financial Statements for the Year ended 31st March, 2017 :

2 Share Capital :

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	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 31st March, 2017		As at 31st March, 2016	
	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 Period / year	-	-	-	-
Outstanding at the end of the Period / year	37,667,628	188,338,140	37,667,628	188,338,140

2 (b) Terms / rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend, as and when proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except in case of interim dividend.

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

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

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

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

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

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

Name of the Shareholder *	Equity Shares			
	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
i) Ajinkya Investment & Trading Company	6,648,886	17.65	10,292,103	27.32
ii) Kalyani Investment Company Ltd.	6,195,046	16.45	6,195,046	16.45
iii) KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472	11.56

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

Notes Forming Part of The Financial Statements for the Year ended 31st March, 2017 :

3 Reserves & Surplus :

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Surplus in statement of Profit & Loss :		
As per last financial statement	585,705,180	595,799,443
Add / (less): Net profit / (net loss) for the year / period	73,483,992	(10,094,263)
Total	659,189,172	585,705,180

4 Long Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
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 (a))	388,743,506	502,226,830
	388,743,506	502,226,830
Less : Shown under "Other current liabilities" (See note no. 8)	110,924,349	113,483,324
	277,819,157	388,743,506
Total	277,819,157	388,743,506

4(a) Sales tax deferral

Balance outstanding Rs. 388,743,506 (Previous Period- Rs.502,226,830)

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

Repayment schedule

Year	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
2016-17	-	113,483,324
2017-18	110,924,349	110,924,349
2018-19	102,845,364	102,845,364
2019-20	77,566,386	77,566,386
2020-21	52,287,407	52,287,407
2021-22	31,920,000	31,920,000
2022-23	13,200,000	13,200,000
Total	388,743,506	502,226,830

5 Deferred tax liabilities (Net)

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
I Deferred tax liabilities :		
On account of timing difference		
a) Depreciation (See note no. 5 (a) below)	67,426,468	75,469,820
Total	67,426,468	75,469,820
II Deferred tax assets :		
On account of timing difference		
a) Disallowance u/s 43B of Income Tax Act, 1961	36,187,745	32,542,663
Total	36,187,745	32,542,663
Deferred tax liability (Net) (I - II)	31,238,723	42,927,157

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

6 Short term borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Loan repayable on demand		
Unsecured		
from related parties (See note no. 31)	286,000,000	286,000,000
Rate of interest 8% & 10%p.a.		
from other parties - interest free	12,300,000	30,700,000
Total	298,300,000	316,700,000

7 Trade payable

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Total outstanding dues other than micro & small enterprises	52,457,156	57,074,127
Capital creditors	10,101,246	10,101,246
Total	62,558,402	67,175,373

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.

8 Other current liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Current maturities of long term borrowings (See note no. 4)	110,924,349	113,483,324
Statutory dues payable including tax deducted at source	2,688,689	373,842
Advance received from Customers	-	-
Interest free security deposit received from related party (See note no. 31)	240,000,000	210,000,000
Interest accrued on borrowings	21,396,808	6,232,875
Other payables	680,080	29,000
Total	375,689,926	330,119,041

9 Short term provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Provision for employee benefits :		
Leave encashment (See note no. 33 D)	785,185	730,396
Gratuity (See note no. 33 A)	288,501	1,014,390
Provident fund : - BFUL Staff Provident Fund Trust (See note no. 33 C)	-	91,841
Other provisions :		
Tax provision (Net of advance tax Rs. 52,483,101, P.Y. Rs.48,303,494)	15,894,758	17,274,365
Electricity duty (See note no. 32)	103,490,997	98,464,945
Wheeling & transmission charges (See note no. 32)	132,035	16,377,117
Total	120,591,476	133,953,054

10 Fixed Assets

Amounts in Rupees

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As At 01/04/2016	Additions during the year	Deductions during the year	As At 31/03/2017	Up to 1/04/2016	On Deductions & Adjustments	For the year	Up to 31/03/2017	As At 31/03/2017	As At 31/03/2016
	Tangible assets [Property, Plant, Equipment (PPE)] :										
1	Land	15,199,252	-	-	15,199,252	-	-	-	-	15,199,252	15,199,252
2	Building	13,108,730	-	-	13,108,730	11,942,585	-	27,624	11,970,209	1,138,521	1,166,145
3	Plant & Machinery	1,144,688,812	-	-	1,144,688,812	909,292,470	-	37,886,799	947,179,269	197,509,543	235,396,342
4	Electrical Installation	3,641,168	-	-	3,641,168	782,881	-	639,837	1,422,718	2,218,450	2,858,287
5	Tools & Equipments	-	93,231	-	93,231	-	-	11,303	11,303	81,928	-
6	Furniture & Fixtures	201,853	-	-	201,853	168,572	-	22,659	191,231	10,622	33,281
7	Office Equipments	1,152,687	-	-	1,152,687	1,104,597	-	29,427	1,134,024	18,663	48,090
8	Vehicles	1,934,032	-	-	1,934,032	1,884,023	-	44,449	1,928,472	5,560	50,009
	Total A	1,179,926,534	93,231	-	1,180,019,765	925,175,128	-	38,662,098	963,837,226	216,182,539	254,751,406
	Previous period Total	1,179,911,571	14,963	-	1,179,926,534	905,770,788	-	19,404,340	925,175,128	254,751,406	274,140,783
	Intangible assets under development :										
1	Intangible Asset	78,152,438	33,753,462	-	111,905,900	-	-	-	-	111,905,900	78,152,438
	Total B	78,152,438	33,753,462	-	111,905,900	-	-	-	-	111,905,900	78,152,438
	Previous period Total	74,392,164	3,760,274	-	78,152,438	-	-	-	-	78,152,438	74,392,164
	Grand Total (A+B)	1,258,078,972	33,846,693	-	1,291,925,665	925,175,128	-	38,662,098	963,837,226	328,088,439	332,903,844
	Previous period Grand Total	1,254,303,735	3,775,237	-	1,258,078,972	905,770,788	-	19,404,340	925,175,128	332,903,844	348,532,947

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

Notes Forming Part of The Financial Statements for the Year ended 31st March, 2017 :

11 Non Current Investments

Particulars	Face Value Rs.	As at 31st March, 2017		As at 31st March, 2016	
		No. of Shares	Rs.	No. of Shares	Rs.
A. Trade investments, at cost					
In equity shares - fully paid					
Unquoted instruments					
i. In subsidiary companies :					
Nandi Infrastructure Corridor Enterprises Ltd. (74.52% of holding)	10	**77,569,111**	**775,691,110**	77,569,111	775,691,110
Nandi Highway Development Ltd.* (69.53% of holding)	10	**26,071,902**	**260,719,010**	26,071,902	260,719,010
Avichal Resources Pvt. Ltd.# (100% of holding)	10	**10,200**	**65,172,500**	10,200	65,172,500
Total A			**1,101,582,620**		1,101,582,620
B. Other investments, at cost					
Unquoted instruments					
Moksha-Yug Access India Pvt. Ltd.		-	-	608,824	18,310,382
SKH Metals Ltd.	10	**25,000**	**877,188**	25,000	877,188
Total B			**877,188**		19,187,570
Total (A + B)			**1,102,459,808**		1,120,770,190

* 12,301,127 (previous period- 12,301,127) shares pledged with Banks for loans taken by related party.(See note no. 28 B)

\# Subsidiary w.e.f. 16 March, 2016

12 Long Term Loans & Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Unsecured, considered good (unless otherwise stated)		
Loans and advances to related parties (See note No. 31)		
- Advances for purchase of land	**370,000,000**	370,000,000
Total	**370,000,000**	370,000,000

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

Particulars	Face Value Rs.	As at 31st March, 2017		As at 31st March, 2016	
		Number	Rs.	Number	Rs.
Invstments in Bonds (Refer note no. 31)					
10.70% Tata Motors Finance Ltd. Bonds 2020	500,000	1	500,000	-	-
11.30% IDBI Bank Bonds	1,000,000	1	1,000,000	-	-
11% Power Finance Corporation Bonds	1,000,000	2	2,000,000	-	-
10.40% Vijaya Bank Perpetual Bonds	1,000,000	2	2,000,000	-	-
			5,500,000		-
Investments in Mutual Funds					
Kotak Low Duration Fund Standard Growth Regular Plan		-	-	5,633	10,026,696
Franklin India Ultra Short Bond Fund - Super Institutional plan Gr.	10	301,454	6,147,570	424,194	8,503,598
ICICI Prudential Saving Fund - Growth	100	24,601	5,809,833	-	-
			11,957,403		18,530,294
Non trade investments					
In equity shares-fully paid : Quoted					
# Metalyst Forging Ltd.(earlier Ahmednagar Forging Ltd.)	10	300	49,152	300	49,152
MM Forging Ltd.	10	400	36,920	400	36,920
EL Forge 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	10,800	595,026	7,200	595,026
Total cost			710,390		710,390
Less : Diminution in value of investment (cumulative)			(52,269)		(49,385)
Total			18,115,524		19,191,299

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

	Book Value		Market Value	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Quoted	18,115,524	19,191,299	2,901,559	21,184,531
Unquoted	1,102,459,808	1,120,770,190	NA	NA
Total	1,120,575,332	1,139,961,489	2,901,559	21,184,531

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

14 Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Stock of renewable energy certificates (RECs) (Refer note below)	312,747	771,398
Stock of consumables, stores and spares	2,497,468	-
Total	2,810,215	771,398

Note:Quantitative details of Stock

Sr. No.	Description	Units	Units
1	No. of RECs held as inventory	35,127	41,783
2	No. of RECs under certification	-	-
3	No. of consumables, stores and spares	1,654	-

Notes Forming Part of The Financial Statements for the Year ended 31st March, 2017 :

15 Trade Receivables

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good*	-	-
Others		
Unsecured, considered good*	**90,629,262**	7,010,938
Unsecured, considered doubtful	-	-
	90,629,262	7,010,938
Less : Provision for doubtful receivables	-	-
	90,629,262	7,010,938
Total	**90,629,262**	7,010,938

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

16 Cash & bank balance :

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
i) Cash & cash equivalents #		
Cash on hand	**49,363**	48,323
Balances with banks - in current accounts	**8,370,351**	11,250,575
Fixed Deposits (original maturity less than three months)	**80,000,000**	11,581,026
	88,419,714	22,879,924
ii) Other Bank Balances		
Balance with banks		
Fixed Deposits (original maturity more than three months but less than twelve months)	-	-
Total	**88,419,714**	22,879,924

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 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Other loans and advances (Unsecured, considered good)		
Prepaid expenses	**1,242,292**	1,596,172
Others	**2,245,476**	1,982,846
Total	**3,487,768**	3,579,018

18 Other Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Energy credit receivable	**2,076,374**	171,381,329
Interest receivable	**568,230**	181,727
Other receivable	**6,888,811**	4,991,784
Unamortised Expenses :		
- Premium on Purchase of Bonds	**180,851**	-
Total	**9,714,266**	176,554,840

Notes Forming Part of The Financial Statements for the Year ended 31st March, 2017 :

19 Revenue from Operations

Particulars	Year ended 31st March, 2017	Period ended 31st March, 2016
	Rs.	Rs.
Wind power generated (See note no. 37)	185,231,980	38,847,068
Renewable energy certificate units (REC)	26,789,966	13,214,170
Sale of Traded Goods	459,620	-
Total	212,481,566	52,061,238

20 Other income

Particulars	Year ended 31st March, 2017	Period ended 31st March, 2016
	Rs.	Rs.
Dividend received	65,380	1,368
Interest on bank fixed deposits and bonds	789,380	403,068
Profit on sale of investments	627,172	30,294
Provision no longer required	410,483	2,429
Miscellaneous income	59,850	-
Total	1,952,265	437,159

21 Changes in inventories

Particulars	Year ended 31st March, 2017	Period ended 31st March, 2016
	Rs.	Rs.
(Increase) / decrease in inventory:		
Closing stock of renewable energy certificates (RECs), stores and spares	2,810,215	771,398
Opening sock of renewable energy certificates (RECs), stores and spares	771,398	609,660
Total	(2,038,817)	(161,738)

22 Employee benefit expense

Particulars	Year ended 31st March, 2017	Period ended 31st March, 2016
	Rs.	Rs.
Salaries, allowances etc.	12,949,709	7,045,107
Contribution to provident & other funds	681,988	313,056
Staff welfare expenses	229,959	102,000
Total	13,861,656	7,460,163

23 Finance costs

Particulars	Year ended 31st March, 2017	Period ended 31st March, 2016
	Rs.	Rs.
Interest on loans (See note no. 6 & 31)	14,547,059	-
Interest on electricity duty	10,268,381	2,991,790
Interest on shortfall of advance tax	1,500,200	1,100,000
Bank charges	9,400	2,229
Total	26,325,040	4,094,019

24 Other Expense

Particulars		Year ended 31st March, 2017	Period ended 31st March, 2016
	Rs.	Rs.	Rs.
Operating expenses			
Purchase of Traded Goods		459 620	-
Operations, maintainance & CDM expenses- wind mills		11,657,594	14,848,781
Lease rent - land		600,000	300,000
Insurance		1,071,072	534,068
Electricity duty (See Note No. 32)		8,950,142	1,136,914
Open Access - Wheeling charges		7,608,124	1,355,263
Open Access - Transmission charges		6,562,375	831,791
Other operating expenses		4,210,438	1,437,835
(A)		41,119,365	20,444,652
Administrative expenses			
Insurance - others		98,096	34,409
Rent		552,000	274,800
Rates & taxes		1,685,450	797,900
Repairs & maintenance (Machinery)		17,200	-
Repairs & maintenance (others)		25,119	15,720
Director's sitting fees		90,000	60,000
Payment to auditors :			
Audit fee	1,275,816		764,682
Tax audit fee	115,000		
Reimbursement of expenses	7,544		116,140
		1,398,360	880,822
Diminution in value of investments		2,884	3,120
Amortisation of Premium on Bonds		8,399	-
Printing and stationery		788,217	804,516
Listing and Custodial charges		947,374	580,027
Miscellaneous expenses including postage, travelling, telephone etc.		3,672,567	2,444,879
Professional & consultancy expenses		4,056,955	2,688,358
(B)		13,342,621	8 584 551
Total (A)+ (B)		54,461,986	29,029,203

25 Earning Per Equity Share

Particulars	Year ended 31st March, 2017	Period ended 31st March, 2016
Numerator for basic and diluted EPS		
Net profit attributable to shareholders	**73,483,992**	(10,094,263)
Weighted average number of equity shares	**37,667,628**	37,667,628
Basic earnings per share of face value of Rs. 5/- each	**1.95**	(0.27)
Diluted earnings per share of face value of Rs. 5/- each	**1.95**	(0.27)

26. Contingent Liability and Commitments

Particulars of Contingent liabilities			As at 31st March, 2017	As at 31st March, 2016
			Amount	Amount
I	Estimated amount of Contracts remaining to be executed on capital accounts and not provided for.		**EUR 468,000 INR 32,407,877**	EUR 780,000 INR 58,570,200
II	Contingent Liabilities not provided for in respect of			
	a)	Claims against the Company not acknowledged as debt.	**Rs. 184,658,522**	Rs. 184,658,522
	b)	Guarantee given by the Company on behalf of other Company (See note no. 28)	**Rs. 300,000,000**	Rs. 600,000,000
	c)	Others	**Rs. 98,499**	Nil

27. Commitments:

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

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

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

Pursuant to these definitive agreements, NECE has allotted convertible "Securities" to AIRRO (Mauritius)Holdings V (Investor), on the terms and conditions contained in the definitive agreements, whereby the investor would get a shareholding between 8.33% and 16.29% in NECE. However, during the current year, NECE has allotted Equity Shares upon conversion of the securities to the investor granting him 16.29% shares. Hence, the Company's obligation if any, stands extinguished to that extent.

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

The said term loan has been repaid during the year by NHDL and charge satisfied

B. The Company has given security to Kotak Mahindra Investments Limited to the extent of Rs.300 million securing the term loan facility granted by it to Nandi Highway Developers Limited (NHDL),a subsidiary of the Company, by way of pledge of 12,301,127(previous period- 12,301,127) equity shares of Rs. 10 each of NHDL held by the Company.

29. Foreign currency income & expenditure accounted on accrual basis			Year ended 31st March, 2017	Period ended 31st March, 2016
			Rupees	Rupees
A	Expenditure in Foreign Currency :			
		Project Expenses	**20,371,985**	-
		Others	-	-
		Total	-	-
B	Earnings in Foreign Currency		-	-

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

31. Related party disclosures have been set out in a separate statement annexed to this schedule. The related parties, as defined by Accounting Standard 18 'Related Party Disclosures' prescribed by Rules, in respect of which the disclosures have been made, have been identified and taken on record by the Board.

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

(Amount in Rupees)

	Class of Provision	Carrying amount as on opening date	Provision made Increase / (Decrease) in Provision	Amounts used during the period / year	Amount adjusted during the year / period to payments made under protest	Carrying amount as on Balance Sheet Date
A.	Electricity Duty	**98,464,945**	**5,632,386**	**606,334**	**-**	**103,490,997**
	(Previous Period)	97,328,031	1,136,914	-	-	98,464,945
B.	Wheeling & Transmission Charges	**16,377,117**	**132,035**	**16,377,117**	**-**	**132,035**
	(Previous Period)	93,835,353	183,731	-	77,641,967	16,377,117
	Total (A + B)	**114,842,062**	**5,764,421**	**16,983,451**	**-**	**103,623,032**
	(Previous Period)	191,163,384	1,320,645	-	77,641,967	114,842,062

I. **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).

II. **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 generally paying the duty regularly since January 2012.

B. The opening carrying amount of Wheeling and Transmission charges were pertaining to FY 2014-15 due to Open Access permission was withheld. During the year, on receipt of Open Access permission the Wheeling & Transmission charges have been adjusted in the proceeds received through consumers bills. And current provisions are being paid on due dates.

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

A **Funded Scheme (Gratuity)**

(Amount in Rupees)

	Particulars	As at 31st March, 2017	As at 31st March, 2016
(I)	**Amount Recognised in the Balance Sheet :**		
	a) Present Value of Funded Obligations	**4,254,361**	3,745,022
	b) Fair Value of Plan Assets	**3,965,860**	2,730,632
	c) Net Liability /(Asset) recognised in the Balance Sheet		
	Amounts in Balance Sheet		
	Liability	**288,501**	1,014,390
	Asset	-	-
	Net Liability	**288,501**	1,014,390
(II)	**Amount to be Recognised in the Statement of Profit and Loss :**		
	a) Current Service Cost	**257,013**	263,719
	b) Past Service Cost	-	-
	c) Interest Cost	**288,367**	135,347
	d) Expected Return on Plan Assets	**(264,823)**	(94,175)
	e) Net Actuarial (Gains)/Loss recognised in the year / period	**(47,758)**	(249,604)
	f) Total, included in "Employee Benefit Expense"	**232,799**	55,287
(III)	**Change in Defined Benefit Obligation and reconciliation thereof**		
	a) Opening Defined Benefit Obligation	**3,745,022**	3,470,441
	b) Acquisition adjustments	-	-
	c) Interest Cost	**288,367**	135,347
	d) Past Service Cost	-	-
	e) Current Service Cost	**257,013**	263,719
	f) Settlement Cost (Credit)	-	-
	g) Benefits Paid	-	-
	h) Actuarial Losses/(Gains)	**(36,041)**	(124,485)
	i) Closing Defined Benefit Obligation	**4,254,361**	3,745,022
(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/ period	**2,730,632**	2,511,338
	b) Acquisition adjustments	-	-
	c) Expected Return on Plan Assets	**264,823**	94,175
	d) Add : Contributions by employer	**958,688**	-
	e) Assets distributed on Settlement	-	-
	f) Less : Benefit Paid	-	-
	g) Add / (Less) : Actuarial Gains /(Losses) on Plan Assets	**11,717**	125,119
	h) Fair Value of Plan Assets at the end of the year/ period	**3,965,860**	2,730,632
	i) Actual Return on Plan assets	**276,540**	219,294
(V)	**Principal Actuarial Assumptions :**		
	Discount Rate	**6.80%**	7.70%
	Rate of return on Plan Assets (p.a.)	**8.25%**	7.50%
	Salary Escalation	**7.50%**	7.50%
	Expected Average remaining working lives of employees (Years)	**4.47**	4.90

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

B Experience History of Gratuity Fund

(Amount in Rupees)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 30th Sept, 2015	As at 30th Sept, 2014	As at 30th Sept, 2013
Present Value of Obligation	4,254,361	3,745,022	3,470,441	2,892,962	2,931,061
Plan Assets	3,965,860	2,730,632	2,511,338	2,295,292	2,194,017
Surplus / (Deficit)	(288,501)	(1,014,390)	(959,103)	(597,670)	(737,044)
Experience adjustments on plan liabilities (loss) / gain	(237,785)	137,611	9,003	210,085	92,054
Experience adjustments on plan assets (loss) / gain	12,358	125,119	33,264	28,553	26,018

C Provident Fund

The Provident Fund contribution is made to BFUL Employees 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 31st March, 2017	As at 31st March, 2016
Remaining term of maturity	NA*	4.90 Years
Expected guaranteed interest rate	NA*	8.85%
Discount Rate for the remaining term of maturity of interest portfolio	NA*	7.70%

*On and from 1st March, 2017, Company deposit the required contribution to the Government Provident Fund.

D Unfunded Scheme (Compensated Absences - Leave Encashment)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Present Value of unfunded obligations	785,185	730,396
Expenses recognised in Profit and Loss Account	120,729	16,555
Discount Rate	6.80%	7.70%
Salary Escalation Rate	7.50%	7.50%

34. The Company has advanced amounts aggregating to Rs. 370,000,000 to Nandi Economic Corridor Enterprises Limited (NECE), Subsidiary Company, for purchase of developed parcels of land, which remain outstanding at the balance sheet date. These have been considered as good and recoverable in these financial statements by the Management of the Company based on the balance confirmation received from NECE.

35. Certain litigations by and against the Company and the subsidiaries of the Company are pending in various courts and the matter is subjudice. No cognizance thereof is taken in the preparation of the financial statements, pending final outcome of the cases. During the year, due to dispute with the service provider, Company's windmills were partly non-operational there by adversely affecting power generation. The management has taken all possible steps to restore the operations.

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

37. The Company's appeal no.9/2015 with MERC with respect to issue of Open Access Permission for the period April 2014 to March 2015 was decided in favour of the Company by MERC on February 8, 2016.

During the Current year, MSEDCL has given Credit with respect to the said power (Generated during 2014-15) in the power bills of consumer. Consequent to Final adjustment in the power bill by MSEDCL, the Company, as a normal accounting practice, has recognised the differential revenue based on actual power tariff rate during the current year.

38. Nandi Highway Developers Ltd. (NHDL), Nandi Infrastructure Corridor Enterprises Ltd. (NICE) and Nandi Economic Corridor Enterprises Ltd. (NECE), which are the subsidiaries of the Company, are in the process of finalising their accounts for the financial year ended 31st March, 2017 and hence, they have not yet submitted the said audited financials to the Company.

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

39. Diminution other than temporary, if any, in the value of investment in Nandi Highway Developers Ltd. (NHDL), Nandi Infrastructure Corridor Enterprise Ltd (NICE) and Nandi Economic Corridor Enterprise Ltd (NECE) could not be tested pending finalisation of accounts of NHDL, NICE and NECE for the financial year ended 31st March, 2017, as explained in Note no. 38. The Company has recorded these investments at cost as on the date of Balance Sheet.

40. The operations of wind farm of the Company were partially affected due to the local issues at the wind farm site and disputes with the service provider. The power generation and corresponding income from operation is lower due to these disturbances. The wind farm has since been functioning normally.

41. The Company supplies entire power generated from its Wind Farm located at Thoseghar in Satara to Bharat Forge Ltd. under the long term agreement. Bharat Forge Ltd. has given notice of partial / total suspension of above power purchase from or after 1st March, 2016.

Consequently, the Company and Bharat Forge Ltd. have signed a Revised Power Purchase Agreement, whereby the parties have agreed for Take or Pay mechanism. Under the Take or Pay mechanism, Bharat Forge Ltd. has agreed to pay power tariff to the Company as per the long term agreement for the electricity generated but not supplied to Bharat Forge Ltd. during the partial / total suspension period. If the electricity generated is sold to any third party, the Company shall give credit for the same to Bharat Forge Ltd.

42. On 16th March, 2016, the Company has acquired 100% shareholding in Avichal Resources Pvt. Ltd. ("Avichal"), in all cash deal. With this acquisition, Avichal has become a wholly owned subsidiary of the Company. Avichal is the owner of some of the land required for the Company's existing Wind Farm located at Dist. Satara.

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

(Amount in Rupees)

Particulars	Year ended 31st March, 2017	Period ended 31st March, 2016
Gross amount required to be spent by the Company during the year / period	2,421,749	2,048,814
Amount spent during the year / period	NIL	NIL

44. Disclosure of Specified Bank Notes (SBNs)

During the year, the Company had Specified Bank Notes or other denomination note as defined in the MCA Notification G.S.R 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

The denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rupees)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	35,000	18,151	53,151
(+) Permitted receipts	-	55,350	55,350
(-) Permitted payments	-	35,009	(35,009)
(-) Amount deposited in Banks	35,000	-	(35,000)
Closing cash in hand as on 30-12-2016	-	38,492	38,492

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.".

45. The Company has reclassified previous period's figures to confirm to current year's classification, however, the previous period's figures are not comparable to those of current year, since the previous period's figures are for six months.

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

VARAD WAMAN JOSHI
Partner
Membership No. 137763

Pune, 25 May, 2017

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

B.B. HATTARKI
Director
DIN : 00145710

A.B. KALYANI
Director
DIN : 00089430

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 25 May, 2017

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

Segment Reporting as required by Accounting Standard 17 for the Year ended 31st March, 2017

Sr. No.	Particulars	Year/Period ended 31st March, 2017	Year/Period ended 31st March, 2016
		Rs.	Rs.
1	Segment Revenue		
	a. Wind Energy	212,892,049	52,063,667
	b. Infrastructure	-	-
	Total	212,892,049	52,063,667
	Less : Inter segment revenue	-	
	Net sales / income from operations	212,892,049	52,063,667
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind Energy	112,838,047	(1,095,630)
	b. Infrastructure	(3,393,278)	(1,628,729)
	Total	109,444,769	(2,724,359)
	Less : i) Finance Cost	26,325,040	4,094,019
	ii) Other unallocable expenditure net off unallocable income	(42,139)	509,212
	Total Profit / (Loss) before tax and Exceptional Items	83,161,868	(7,327,590)
	Exceptional Items	-	-
	Total Profit / (Loss) before tax	83,161,868	(7,327,590)
3	Total Carrying Amount of Segment Assets		
	a. Wind Energy	488,192,816	549,250,318
	b. Infrastructure	1,406,410,120	1,406,410,120
	c. Others - Unallocables	119,122,060	98,001,013
	Total	2,013,724,996	2,053,661,451
4	Total Amount of Segment Liabilities		
	a. Wind Energy	394,430,697	393,587,079
	b. Infrastructure	-	-
	c. Others - Unallocables	53,484,758	24,177,065
	Total	447,915,455	417,764,144
5	Capital Employed (Segment Assets - Segment Liabilities)		
	a. Wind Energy	93,762,119	155,663,239
	b. Infrastructure	1,406,410,120	1,406,410,120
	c. Others - Unallocables	65,637,302	73,823,948
	Total	1,565,809,541	1,635,897,307
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	93,231	14,963
	b. Infrastructure	-	-
	c. Others - Unallocables	33,753,462	3,760,274
	Total	33,846,693	3,775,237
7	Depreciation & Amortistion		
	a. Wind Energy	38,662,098	19,404,340
	b. Infrastructure	-	-
	Total	38,662,098	19,404,340

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

For the year ended 31st March, 2017

31 Related party disclosure

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

Related parties where control exist	
Subsidiaries	Nandi Inftrastructure Corridor Enterprise Ltd. (NICE) Nandi Highway Developers Ltd. (NHDL) Avichal Resources Pvt. Ltd. (Avichal) (Subsidiary w.e.f. 16 March, 2016)
Step down subsidiary	Nandi Economic Corridor Enterprise Ltd. (NECE)
Enterprises owned or significantly influenced by key management personnel or their relatives /Enterprises under common control	Bharat Forge Ltd. BF Investment Ltd. BF Utilities Limited Staff Provident Fund Trust
Key management personnel (KMP)	Mr. B.S. Mitkari (CEO & CS) Mr. S.S.Joshi (CFO)

(ii) Related party transactions

(Amount in Rupees)

Nature of transaction	Name of the related party	Year ended 31st March, 2017	Period ended 31st March, 2016
I Income			
a Sale of power	Bharat Forge Ltd.	**138,006,818**	34,292,161
b Compensation received	Bharat Forge Ltd.	**6,362,167**	4,526,228
c Employee deputation cost received (including service tax)	BF Investment Ltd.	**3,333,486**	957,368
II Expenses			
a Reimbursement of expenses paid	Bharat Forge Ltd.	**22,630,914**	4,298,595
b Interest on ICD / Loan	BF Investment Ltd.	**14,547,059**	-
	Bharat Forge Ltd.	**7,500,000**	3,760,274
c Rent	Avichal Resources Pvt. Ltd.	**600,000**	600,000
d Remuneration paid to KMP*		**9,776,560**	5,609,194
III Others			
a Loan/ ICD taken	BF Investment Ltd.	-	70,000,000
	Bharat Forge Ltd.	-	-
b Loan/ICD repaid	BF Investment Ltd.	-	5,000,000
	Bharat Forge Ltd.	-	-
c Advance given	Bharat Forge Ltd.	**200,000**	-
	Avichal Resources Pvt. Ltd.	**100,000**	-
d Purchase of Shares	Avichal Resources Pvt. Ltd.	-	65,172,500
e Security Deposit taken	Bharat Forge Ltd.	**30,000,000**	-
f Purchase of Bonds	BF Utilities Limited Staff Provident Fund Trust	**5,500,000**	-

(iii) Balances outstanding as at the year / period end

(Amount in Rupees)

Nature of transaction	Name of the related party	Year ended 31st March, 2017	Period ended 31st March, 2016
		Receivable / (Payable)	Receivable / (Payable)
1 Balance Receivable	Bharat Forge Ltd.	99,255,396	7,010,938
	BF Investment Ltd.	461,426	436,877
2 Loan / Intercorporate deposit Payable	BF Investment Ltd.	(211,000,000)	(211,000,000)
	Bharat Forge Ltd.	(75,000,000)	(75,000,000)
3 Interest payable	BF Investment Ltd.	(14,646,808)	(4,549,998)
	Bharat Forge Ltd.	(6,750,000)	(1,682,877)
4 Security deposit received	Bharat Forge Ltd.	(240,000,000)	(210,000,000)
5 Advance given	Nandi Economic Corridor Enterprise Ltd.	370,000,000	370,000,000
	Bharat Forge Ltd.	200,000	-
	Avichal Resources Pvt. Ltd.	100,000	-
6 Investment balance	Nandi Inftrastructure Corridor Enterprise Ltd.	775,691,110	775,691,110
	Nandi Highway Developers Ltd.	260,719,010	260,719,010
	Avichal Resources Pvt Ltd.	65,172,500	65,172,500
7 Remuneration payable to KMP *		231,472	-

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

(iv) For Commitments given on behalf of subsidiary- Refer Note No. 27

(v) For Gurantee given on behalf of subsidiary- Refer Note No. 28

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

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

Name of the Company	Year / Period	Loans and Advances Given		Investments	Loan and advance given
		Amount Outstanding as at 31st March, 17	Maximum Balance outstanding during the year / period	Amount Outstanding as at 31st March, 17	Investments by the loanee in the shares of parent company and subsidiary Company as at 31st March, 17
		Rs.	Rs.	Rs.	Rs.
Subsidiaries :					
Nandi Infrastructure Corridor Enterprise Ltd.	2016-17	-	-	775,691,110	-
	2015-16	-	-	775,691,110	-
Nandi Highway Developers Ltd.	2016-17	-	-	260,719,010	-
	2015-16	-	-	260,719,010	-
Avichal Resources Pvt. Ltd.	2016-17	100,000	100,000	65,172,500	-
	2015-16	-	-	65,172,500	-
Nandi Economic Corridor Enterprises Ltd.	2016-17	370,000,000	370,000,000	-	-
	2015-16	370,000,000	370,000,000	-	-

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

Consolidated Financial Statements

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

TO THE MEMBERS OF BF UTILITIES LIMITED

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **BF Utilities Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),which comprise the Consolidated Balance Sheet as at 31 March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements")

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of the requirements of the Companies Act,2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules,2016.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of these consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and the auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

1. Based on the audit procedures carried out by us, the work of the other auditors' of Nandi Highway Developers Limited (NHDL) and Nandi Infrastructure Corridor Enterprise Limited (NICE)cannot be used with respect to certain required statutory disclosuresin their respective audited financial statements; and since we have not been able to perform sufficient additional procedures regarding the financial information of the component audited by the other auditors', we qualify our opinion and we areunable to quantify the effect of the inadequate disclosures on the Consolidated Financial Statements of the Company with respect toNHDL and NICE.

2. As stated in Note No. 36 C, Nandi Economic Corridor Enterprises Limited (NECE) has advanced an amount aggregating to Rs. 1,227,682,883 as on 31 March 2017 (Rs. 1,227,243,251as at 31March 2016) to Nandi Engineering Limited (NEL) for carring outthe development of toll roads and townships and has given Inter-corporate deposits

of Rs. 58,250,000 as on 31 March 2017(Rs. 98,422,294 as at 31 March 2016) to NEL (including interest accrued but not due thereon of Rs. Nil as on 31 March 2017(As at 31 March 2016 Rs. 11,678,748). These have been considered as good and recoverable by the Management of NECE based on the future additional work expected to be contracted to NEL. In the absence of sufficient appropriate audit evidence to assess the recoverability of these advances and inter-corporate deposits, we are unable to form an opinion on the recoverability of the carrying value of these balances and consequent adjustment that may be required on the consolidated financial statements. This matter was also qualified in our report on the consolidated financial statements for the year/ period ended March 31, 2016.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible 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 standards and accounting principles generally accepted in India:

a) in the case of the consolidated Balance Sheet, of the states of affairs of the Group as at 31 March, 2017;

b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and

c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

3. We draw attention to Note No.37 to the accompanying consolidated financial statements, As mentioned therein there are certain litigations by and against the Holding Company and the subsidiaries of the Holding Company that are yet to be decided by various courts and the matter is subjudice. No cognizance thereof is taken in the preparation of the consolidated financial statements, pending the final outcome of these cases. During the year operations of windfarm of the Company were partially affected due to local issues and dispute with service provider, thereby adversely affecting power generation. The management has taken all possible steps to restore the operations.

Note no. 37

Certain litigations by and against the Company and the subsidiaries of the Company are pending in various Courts and the matter is subjudice. No cognizance thereof is taken in the above results, pending final outcome of the cases. During the year operations of windfarm of the Company were partially affected due to local issues and dispute with service provider, thereby adversely affecting power generation. The management has taken all possible steps to restore the operations.

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

4. We draw attention to Note No. 36 A to the accompanying consolidated financial statements regarding the reported constitution of an House Committee consisting of members of the Karnataka Legislative Assembly, and its findings on the alleged violations in implementation of the Framework Agreement ('FWA') in the construction of Peripheral Road, development of Townships and Utilities undertaken by NECE as part of the Bangalore Mysore Infrastructure Corridor Project ('BMIC Project'). As explained in the said Note, based on the legal opinion obtained by NECE in this regard, the Management of NECE has evaluated the above development and, in their assessment, since every aspect of the implementation of the BMIC Project has been judicially scrutinized in earlier instances by the Hon'ble High Court of Karnataka and Hon'ble Supreme Court of India and the Hon'ble Courts have pronounced detailed favourable judgments regarding the same, including upholding the process adopted by NECE in implementing the BMIC Project as per FWA, they are of the view that NECE has followed the FWA in letter and spirit and that all concerned laws have been adhered to in implementing the BMIC Project. Accordingly, NECE intends to legally contest any matter that may arise consequent to the reported findings of the Assembly Panel.

Note no.36 A

In respect of NECE, it had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by NECE. Further, it had also been reported in the print media that the House Committee tabled its report during November 2016 in the Karnataka Legislative Assembly, wherein NECE and various department of GoK (Government of Karnataka) have been accused of violation of several terms of FWA and recommendations have been made to initiate appropriate actions which includes recovery of excess land given for the project, recovery of illegal toll collected by NECE and further probe by National Agencies such as Central Bureau of Investigation (CBI), Enforcement of Directorate, central vigilance commission or investigative agencies of equal standing.

While NECE has still not been provided with any notice of the formation of the committee or its reports, the Management of NECE has assessed the findings of said Committee reported in the print media and is of the

opinion that the allegations made therein are baseless, politically motivated and hence lack legal withstanding. Further, NECE had faced similar situations in the past, where NECE has received favorable orders from the Hon'ble High Court and the Supreme Court. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee itself is unconstitutional, illegal, invalid and any findings / report, given by the aforesaid House Committee would also be illegal and untenable in law.

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

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

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

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

5. We draw attention to Note No. 36 B to the accompanying consolidated financial statements with regard to the basis of preparation of the NECE financials on the basis of going concern. As mentioned therein, NECE had being incurring losses in prior years resulting in substantial erosion of its net-worth. NECE also faces shortage of funds required to meet day-to-day business operations should NECE not receive the necessary approvals for its development activitiesfor its project. The consolidated financial statements have been prepared on the assumption that NECE will continue as a going concern based on the mitigation plans of the Management of NECE which, inter alia, includes (i) the business plans of NECE (which, inter alia, envisage the receipt of requisite approvals for disposal / development of parcels of land), (ii) NECE's intention to legally contest any matter that may arise pursuant to the reported findings of the Assembly Panel to study the implementation of the FWA referred to in above paragraph and (iii) the consideration of the undertaking provided by NICE and BFUL to extend financial support to NECE as stated in the Note No.36 B. The ability of NECE to continue as a going concern is dependent on the successful completion and outcome of the aforesaid mitigation plans.

Note no. 36 B

NECE has been incurring losses in prior years resulting in substantial erosion of its net-worth. NECE also faces shortage of funds required to meet day-to-day business operations should the necessary approvals not be received for its township development activities.

The Company and Nandi Infrastructure Corridor Enterprise Ltd (NICE) have entered into a Sponsor Support Agreement with the Senior Lenders of NECE, under which they have undertaken to financially support NECE in meeting any shortfall in the Operation and Maintenance of the Integrated Toll Road Project consisting of Toll Road and Township Development, as defined in the Agreement.

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

(i) the business plans of NECE which, inter alia, considers:

(a) its internal cash accruals from Toll revenues;

(b) disposal / development of parcels of land where approvals have been received;

(c) disposal / development of parcels of land subject to receipt of approvals, which is expected to be received pursuant to the favorable orders of the Hon'ble High Court of Karnataka;

(ii) legally contesting any matters that may arise consequent to the reported findings of the Assembly Panel

(iii) the undertaking provided by the Company and NICE under the Sponsor Support Agreement with the Senior Lenders of NECE, under which the said companies have undertaken to financially support NECE in meeting any shortfall in the Operation and Maintenance of the Integrated Toll Road Project consisting of Toll Road and Township Development, as defined in the Agreement.

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

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

Other Matter

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

(Amount in Rupees)

Name	Extent of Share in		
	Revenue	Assets	Cash flows
Avichal Resources Private Limited	600,000	2,322,434	480,278
Nandi Highway Developers Limited	545,634,226	1,038,528,135	(41,808,955)
Nandi Economic Corridor Enterprises Limited	2,641,761,044	20,421,787,299	11,646,296
Nandi Infrastructure Corridor Enterprises Limited	7,024,306	1,414,019,807	44,200

These financial statementsand other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to subsidiaries, is based solely on the report of other auditors.

Our opinion on the consolidated financial statements is modified to the extent of qualified opinion stated above; and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters (except for the qualification as stated in the Basis for Qualified Opinion above) with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Matters

1. As required by section 143(3) of the Companies Act, 2013, and except for the matter referred to in paragraphs Basis for Qualified Opinion and Qualified Opinion above, we report, to the extent applicable, that:

   (i) We/ the other auditors whose reports we have relied upon have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   (ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   (iii) The Consolidated Balance Sheet, theConsolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (iv) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules , 2016;

   (v) The matters in number 2 described in the Basis of Qualified Opinion paragraph and in Number 4, 5 of Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of NECE.

   (vi) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiaries, none of the directors of the Group companies is disqualified as on 31 March, 2017respective balance sheet dates of the subsidiaries from being appointed as a director in terms of Section 164 (2) of the Act.

   (vii) In respect of NECE, the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

   (viii) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies. Our report, expresses modified opinion on the adequacy and operating effectiveness of one step down subsidiary's internal financial controls over financial reporting.

   (ix) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer note 33 to the consolidated financial statement;

b) Having regard to explanation given in Note No. 29 I (c) to the consolidated financial statements, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Holding Company and its subsidiaries.

d) The Group have provided requisite disclosures in note no. 46, as regards holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 08 November 2016 of the Ministry of Finance, during the period from 08 November 2016 to 30 December 2016; and such disclosures are in accordance with the books of accounts maintained by the Company.

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

per Prakash Apte
Partner
Membership Number: 033212

Pune
2 September, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Refer to in paragraph 1 to 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of BF Utilities Ltd)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To The Members of

BF Utilities Ltd.

In Conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March, 2017, we have audited the internal financial controls over financial reporting of BF Utilities Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, and solely based on the audit reports of its subsidiary companies, which are companies incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, *except in case of one subsidiary as mentioned below*, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

In case of Nandi Economic Corridor Enterprises Limited (NECE)

Basis for Qualified opinion by the auditor of NECE is as follows:

"According to the information and explanations given to us and based on our audit, the material weakness has been identified as at March 31, 2017 in the NECE relating to inadequate internal financial controls over financial reporting relating to appropriate assessment with sufficient appropriate evidence, the recoverability of contractor advances and inter-corporate deposits given to its sole contractors for toll road development and township development activities of NECE's project.This could potentially result in the Company not identifying such balances as doubtful in the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified opinion by the auditor of NECE is as follows:

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, NECE has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 3 subsidiary companies, one step down subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associate and jointly controlled companies incorporated in India.

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

per Prakash Apte
Partner
Membership Number: 033212

Pune
2 September, 2017

Consolidated Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
A. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	**188,338,140**	188,338,140
(b) Reserves and surplus	3	**1,121,907,731**	(2,465,119,058)
		1,310,245,871	(2,276,780,918)
2 Minority Interest		**325,554,237**	3,905,404,521
3 Non-current liabilities			
(a) Long-term borrowings	4	**17,466,134,583**	18,106,449,076
(b) Other long term liabilities	5	**463,290,262**	375,908,203
(c) Long term provisions	6	**14,794,607**	3,843,836
(d) Deferred tax liabilities (Net)	7	**31,238,723**	42,927,157
		17,975,458,175	18,529,128,272
4 Current liabilities			
(a) Short-term borrowings	8	**298,300,000**	316,700,000
(b) Trade payables	9	**143,204,929**	155,726,349
(c) Other current liabilities	10	**1,775,884,589**	1,603,695,258
(d) Short-term provisions	11	**158,028,048**	164,750,609
		2,375,417,566	2,240,872,216
TOTAL		**21,986,675,849**	22,398,624,091
B. ASSETS			
1 Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets(PPE)		**409,089,381**	471,573,124
(ii) Intangible assets		**13,217,338,722**	12,334,244,180
(iii) Capital work-in-progress		**565,098,449**	1,607,925,880
(b) Goodwill on account of Consolidation		**63,509,091**	63,509,091
(c) Other noncurrent assets	13	**407,430,855**	442,830,108
(d) Non-current investments	14	**945,398**	19,255,780
(e) Long-term loans and advances	15	**3,490,068,163**	3,646,915,546
		18,153,480,059	18,586,253,709
2 Current assets			
(a) Current investments	16	**228,115,524**	265,951,525
(b) Inventories	17	**1,716,218,147**	1,721,207,309
(c) Trade receivables	18	**95,073,652**	9,691,534
(d) Cash and bank balances	19	**239,709,775**	123,821,131
(e) Short-term loans and advances	20	**1,338,511,387**	1,320,264,612
(f) Other current assets	21	**215,567,305**	371,434,271
		3,833,195,790	3,812,370,382
TOTAL		**21,986,675,849**	22,398,624,091
Summary of significant accounting policies	1.D		

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

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

PRAKASH APTE
Partner
Membership No. 033212

Pune, 2 September, 2017

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

B.B. HATTARKI
Director
DIN : 00145710

S.S. VAIDYA
Director
DIN : 00024245

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 2 September, 2017

Statement of Consolidated Profit and loss for the year ended 31st March, 2017

Particulars	Note No.	Year ended 31st March, 2017 Rs.	Year ended 31st March, 2016 Rs.
Income			
I. Revenue from operations (Net)	22	3,352,328,757	3,014,659,780
II. Other income	23	52,473,516	43,501,755
III. **Total revenue (I + II)**		3,404,802,273	3,058,161,535
IV. **Expenses**			
Cost of sale of land and land development	24	7,027,979	38,423,897
Changes in inventories	25	(2,038,817)	(161,738)
Employee benefit expenses	26	426,595,325	351,574,058
Finance costs	27	1,934,493,082	1,941,424,658
Depreciation and amortization expense	12	272,485,874	230,144,898
Other expenses	28	753,606,380	537,362,393
Total expenses		3,392,169,823	3,098,768,166
V. **Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)**		12,632,450	(40,606,631)
VI. Exceptional items (See note no. 36(E))		-	148,855,281
VII. **Profit / (Loss) before extraordinary items and tax (V+VI)**		12,632,450	108,248,650
VIII. Extraordinary items (See note no. 44)		-	(46,576,188)
IX. **Profit / (Loss) before tax (VII + VIII)**		12,632,450	61,672,462
X. **Tax expense :**			
(a) Current tax		75,440,124	38,924,188
(b) Deferred tax		(11,688,434)	(9,233,327)
		63,751,690	29,690,861
XI. **Profit / (Loss) for the year after taxation (IX-X)**		(51,119,240)	31,981,601
XII. Adjustments relating to earlier years :			
Excess / (Short) provision for taxation and tax payments		(266,310)	-
		(51,385,550)	31,981,601
XIII. Minority Interest		(132,638,785)	1,265,263
Profit / (Loss) for the year after taxation and adjustments relating to earlier years (XI + XII - XIII)		81,253,235	30,716,338
Earnings per share:			
Basic & Diluted	28 A	2.16	0.82
Summary of significant accounting policies	1.D		

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

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

PRAKASH APTE
Partner
Membership No. 033212

Pune, 2 September, 2017

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

B.B. HATTARKI
Director
DIN : 00145710

S.S. VAIDYA
Director
DIN : 00024245

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 2 September, 2017

Consolidated Cash Flow Statement For The Year Ended 31st March, 2017

	Particulars	Year ended 31st March, 2017 Rs.	Rs.	Year ended 31st March, 2016 Rs.	Rs.
A	**Cash Flow From Operating Activities**				
	Profit/ (Loss) before taxation		12,632,450		61,672,462
	Add: Interest / depreciation / other non cash expenses				
	Depreciation	272,485,874		230,144,898	
	Finance Cost	1,934,493,082		1,940,324,658	
	Loss on sale of fixed assets	1,488,288		154,561	
	Diminution in value of investments	2,884		3,120	
	Provision for doubtful advance	-		98,530,775	
	Amortisation of Premium on bonds	8,399		-	
	Unrealised Losses / (Gains) on Foreign Exchange Transactions	5,759,041		9,112,050	
			2,214,237,568		2,278,270,062
	Less: Interest / dividend / other adjustments				
	Recoverable of Excess managerial remuneration paid to MD of NECE	-		148,855,281	
	Recovery of Doubtful advance	2,948,866		-	
	Provision no longer required	410,483		2,429	
	Dividend	65,380		1,368	
	Interest	17,438,369		20,528,663	
	Profit on sale of investments	22,058,669		15,882,569	
			(42,921,767)		(185,270,310)
	Operating profit before working capital changes :		2,183,948,251		2,154,672,214
	(Increase) / decrease working capital				
	(Increase) / decrease in current assets :				
	(Increase) / decrease in inventories	4,989,162		(894,553)	
	(Increase) / decrease in sundry debtors	(85,382,118)		18,785,151	
	(Increase) / decrease in Non current assets	35,399,253		35,399,254	
	(Increase) / decrease in other current assets and loans and advances	161,325,262		94,496,241	
		116,331,559		147,786,093	
	Increase / (decrease) in current liabilities :				
	Liabilities	293,650,433		(39,768,925)	
		293,650,433		(39,768,925)	
			409,981,992		108,017,168
	Cash generated from operations		2,593,930,243		2,262,689,382
	Direct taxes paid		(22,619,623)		(31,257,820)
	Net cash flow from operating activities		2,571,310,620		2,231,431,562
B	**Cash flow from investing activities**				
	Additions to fixed assets / other adjustments				
	Investments		59,444,880		(267,944,931)
	Additions to fixed assets		(52,441,528)		(25,625,519)
	Goodwill on account of Consolidation		-		(63,509,091)
	Sales proceeds of assets		684,000		20,468,141
	Non operating income				
	Dividend	65,380		1,368	
	Interest	28,713,980		19,648,029	
	Profit on sale of investments	22,058,669		15,882,569	
			50,838,029		35,531,966
	Net cash flow from investing activities		58,525,381		(301,079,434)
C	**Cash flow from financing activities**				
	Secured loans (Net of repayment)		(476,587,130)		(81,240,000)
	Unsecured loans		(197,023,140)		65,000,000
	Finance cost paid		(1,908,756,061)		(1,898,304,770)
	Adjustment to Networth for newly added Subsidiary		-		821,674
	Net cash from finance activities		(2,582,366,331)		(1,913,723,096)
	Net changes in cash and cash equivalents (A+B+C)		47,469,670		16,629,032
	Cash and cash equivalents at the beginning of the year*		112,240,105		95,611,073
	Cash and cash equivalents at the end of the year*		159,709,775		112,240,105

* See note no. 19 for Cash and cash equivalents

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

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

PRAKASH APTE
Partner
Membership No. 033212

Pune, 2 September, 2017

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

B.B. HATTARKI
Director
DIN : 00145710

S.S. VAIDYA
Director
DIN : 00024245

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 2 September, 2017

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2017 :

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("the Act"). Its shares are listed on National stock exchange and Bombay stock exchange in India. The Company is engaged in the generation of electricity through wind mills. The Company's CIN is L40108PN2000PLC015323.

In the Previous Year, the Company has changed its Financial Year as under.

Earlier Financial Year was 1st October to 30th September to New Financial year -1st April to 31st March, every year.

Accordingly, the Company has closed its Financial year on 31st March, 2016 for the broken period of 1st October, 2015 to 31st March, 2016. Therefore previous period's figures are for six months.

This change in Financial year is made to align the existing Financial year of the Company with the provisions of the Companies Act, 2013.

1 B. **Basis of preparation:**

These consolidated financial statements comprise the financial statements of the Company, its subsidiaries (together referred to as the "Group").These consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. These consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except financial instruments which have been measured at fair value.

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

1 C. **Principles of consolidation:**

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

The financial statements in respect of "the Group" are drawn for the year ended comprising of April 2016 to March 2017. In Previous period the financial statements for BF Utilities Ltd. (BFUL) are drawn for the period ended comprising of October 2015 to March 2016 on 31 March 2016 as mentioned in 1 A above.

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

The 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.

In the consolidated financial statements of 31st March, 2017, the Company has given effects of change of ultimate shareholding in Nandi Economic Corridor Enterprises Ltd. (NECE), a step down subsidiary, due to conversion of CCCPS held by the Investor into Equity shares on 17th March, 2017.(Ref. note no. 29 I a. 1.) While giving such effects the Company has apportioned of the closing balance of the Securities Premium Account and the profit and loss account between the Company and the Minority shareholders is done based on the respective shareholding ratio as of 31st March, 2017.

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
		31-03-2017	31/03/2016	
a. Nandi Infrastructure Corridor Enterprises Ltd. (NICE)	India	74.52%	74.52%	31/03/2017
b. Nandi Highway Developers Ltd. (NHDL)	India	69.53%	69.53%	31/03/2017

Name of the subsidiaries	Country of Incorporation	Parent Companies Ultimate holding percentage		Financial Year ends on
		31-03-2017	31/03/2016	
c. Nandi Economic Corridor Enterprises Ltd. * (NECE)	India	40.41%	48.27%	31/03/2017
d. Avichal Resources Private Ltd. #	India	100.00%	NA	31/03/2017

* held through subsidiary

with effect from 16 March, 2016

1 D **Summary of significant accounting policies:**

(a) **Use of estimates:**

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

(b) **Current-Non Current classification:**

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

(c) **Operating Cycle:**

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

Refer unique accounting policies for operating cycle of subsidiaries.

i) The Group follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.

ii) Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

iii) The preparation of Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the Group financial statements are based upon Management's evaluations of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing the Group financial statements. Any revisions to accounting estimates are recognized prospectively in current and future periods.

(d) **Tangible fixed assets (Property, Plant and Equipment):**

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

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

Gains or losses arising from disposal of fixed assets (Property, Plant and Equipment) 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.

Subsequent expenditure on fixed assets after its purchase / completion is capitalised only it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

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.

(e) Depreciation:

e.I. **In respect of BF Utilities Ltd.**

i Depreciation on tangible fixed assets (Property, Plant and Equipment) is being provided on 'Straight Line Method' and on Furniture & Fittings and Vehicles is being provided on 'Written down value' basis, as per useful life of fixed assets prescribed in Schedule II of the Companies Act, 2013 in respect of tangible fixed assets, based on technical estimated that indicate the useful lives would be comparable with those arrived at using the life of the assets.

ii Depreciation on additions to assets during the year is being provided at their respective rates on pro-rata basis from the date of acquisition /installation. Individual assets costing less than Rupees five thousand are depreciated in full in the period of purchase.

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

iv Project under which assets are not ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable or eligible interest.

v In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II to the Companies Act,2013. The useful life has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of its technical expertise along with historical and industry trends for arriving the economic life of an asset. Such class of assets and their estimated useful lives are as under:

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

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

(f) Intangible assets:

(i) Acquired intangible assets:

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

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

(ii) Research and development cost:

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

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

Such capitalized expenditure is reflected as intangible under development.

Expenditure on New Projects and Expenditure during Construction etc.on Tangible and Intangible Assets :

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.

(g) 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.

(h) Impairment of tangible and intangible Assets:

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

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

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

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

(i) Investments:

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

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

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

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

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

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

b) Cash and Bank balance:

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

(k) 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.

(l) 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.

(m) 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.

(n) Foreign Currency Transactions and translation:

Foreign currency transactions and balances:

Initial recognition:

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

Conversion

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

(o) 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 and when services are rendered by employees.

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 year/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) Provident Fund and Pension Scheme:

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.

In BFUL, eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specific percentage of the covered employee's salary. The Company contributes a part of the contributions to the "BFUL Staff Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The guidance note on implementation of AS-15 (revised 2005) "Employee Benefits", states that benefits involving employer established provident funds, which requires interest shortfalls to be provided, are to be considered as defined benefit plans. On and From 1 March 2017 the Company deposit the required contribution to the Government Provident Fund.

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 basic salary.

iv) Privilege Leave Benefits:

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Group presents the entire leave encashment liability as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(p) Taxation:

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

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

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

(q) Provisions:

A provision is recognized when the Group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in notes.

(r) Inventory:

In BFUL,cost of inventories have been computed to include all cost of purchases, cost of conversion and other cost incurred in bringing the inventories of their present location and condition. Stores and spares and loose tools are valued at lower of cost or net realisable value. However, materials and other items held for operation and maintenance of fixed assets are not written down below cost. Costs are determined on weighted average basis.

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.

(s) 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.

Lease arrangements where the risks and rewards incidental to ownership of asset substantially vest with the lessor are recognised as operating leases. 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.

(t) Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year/ period. 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.

(u) 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.

(v) 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.

(w) Segment reporting:

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the 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".

2 **Share Capital :**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	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 31st March, 2017		As at 31st March, 2016	
	No.of Shares	Rs.	No.of Shares	Rs.
At the beginning of the year	37,667,628	188,338,140	37,667,628	188,338,140
Issued / reduction if any during the year	-	-	-	-
Outstanding at the end of the year	37,667,628	188,338,140	37,667,628	188,338,140

2 (b) **Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend, as and when proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except in case of interim dividend.

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

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

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

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

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

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

Name of the Shareholder*	Equity Shares			
	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ajinkya Investment & Trading Company	6,648,886	17.65	10,292,103	27.32
Kalyani Investment Company Ltd.	6,195,046	16.45	6,195,046	16.45
KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472	11.56

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

Notes to Consolidated Financial Statements for the year ended 31st March 2017 :

3 **Reserves & Surplus :**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
a) Securities Premium account		
Balance as per last Consolidated Financial Statements	**359,395,376**	359,395,376
Add /(Less) Adjustment on Opening balance Pursuant to conversion of CCCPS to equity shares (Refer Note 29 I (a) (i))	**(58,539,775)**	-
Add : Pursuant to conversion of CCCPS to equity shares (Refer Note 29 I (a) (i))	**1,882,617,099**	-
Closing balance	**2,183,472,700**	359,395,376
b) Special reserve account under section 80-IA (6) of Income Tax Act, 1961		
Balance as per last Consolidated Financial Statements	**43,800,000**	43,800,000
Add /(Less) : Utilisation of Reserve during the year	**(6,065,487)**	-
Add /(Less) : Transferred to Surplus in Consolidated Statement of profit and loss (See note below)	**(37,734,513)**	-
Closing balance	**-**	43,800,000
c) Foreign currency monetary items translation differnce account		
Balance as per last Consolidated Financial Statements	**(144,174,551)**	(34,074,889)
Effect of foreign exchange rate variation during the year	**52,803,014**	(119,211,712)
Add /(Less) : Amortisation for the year	**5,759,041**	9,112,050
Closing balance	**(85,612,496)**	(144,174,551)
d) Surplus in statement of consolidated profit & loss :		
Balance as per last Consolidated Financial Statements	**(2,728,198,883)**	(2,843,726,865)
Add: Opening balance of new subsidiary	**-**	2,316,083
Add /(Less) : Effect of conversion of CCPS to Equity shares	**1,623,134,175**	-
Add / (Less): Net profit / (net loss) for the year	**81,253,235**	30,716,338
Add / (Less): Deferred tax adjustments relating to subsidiaries	**-**	84,476,970
Add / (Less): Profit prior to acquisition transfered to goodwill	**-**	(1,494,409)
Add / (Less): Transferred to Reserve Fund U/s 45IC(1)) of the RBI Act,1934	**-**	(487,000)
Add /(Less) : Utilisation of Reserve during the year	**6,065,487**	-
Add /(Less) : Excess Reserve created earlier now transferred	**37,734,513**	-
	(980,011,473)	(2,728,198,883)
e) General Reserve		
Balance as per last Consolidated Financial Statements	**-**	-
Add: Opening balance of new subsidiary	**-**	67,000
Add / (Less): Profit prior to acquisition transfered to goodwill	**-**	(67,000)
	-	-
f) Reserve fund		
Balance as per last Consolidated Financial Statements	**4,059,000**	3,572,000
Add /(Less) : Current year Transfer	**-**	487,000
Closing balance	**4,059,000**	4,059,000
Total	**1,121,907,731**	(2,465,119,058)

4 Long Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Secured		
Term Loan from Banks (See notes 4 (a),(b))	12,862,012,870	13,073,600,000
Term loan from others (See notes 4 (a),(b))	3,135,782,489	3,453,585,503
(A)	15,997,795,359	16,527,185,503
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))	388,743,506	502,226,830
Less: "Shown under Other Current Liabilities" (See Note 10)	110,924,349	113,483,324
Net Amount Payable	277,819,157	388,743,506
Others (See note no. 4 (d))	1,190,520,067	1,190,520,067
(B)	1,468,339,224	1,579,263,573
Total (A) + (B)	17,466,134,583	18,106,449,076

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

(i) Term Loans from Banks :

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

Repayment:

The above Term Loans are repaid during the financial year 2016-17. Consequent to letter, the charge / lien on below mentioned security & collteral security has been released.

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 NHDL, 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 mortage of fixed assets pertaining to wind mill project of BF Utilities Ltd. located in village Boposhi & Maloshi, Dist Satara. The collateral security as aforementioned has been created in favour of the Bank.

(ii) Term Loans from Others :

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

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

During the financial year NHDL has repaid Rs. 260,000,000 towards above Term Loan

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

Security:

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

Purpose : Closure of existing term loan aviled from TCFSL and General Purpose

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

Term loans from banks and others (together referred to as Senior Lenders): During the financial year 2014-15, on the request from NECE, the Senior Lenders of the above long term loans have refinanced the respective loan / provided to NECE. Post refinancing, the total term loans taken by NECE has been split into 4 Facilities and the balance as at 31 March, 2017 is given below:

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

Facility 2 - Rs. 2,493,600,000, repayable in one single payment on September 2029. Interest Rate -11.50% till 5 February, 2018, later base rate + spread of respective Senior Lenders.

Facility 3 - Rs. 2,100,782,489, a dollar denominated loan, repayable in 38 unequal instalments from June 2022 to September 2031, Interest Rate ranging from 6 months Libor (ML) + 3.00% to 6 ML + 5.50% with a minimum assured yield of 6 ML + 5.50%. This facility can also be converted to a rupee denominated loan after 5 years from February 2015. Interest is payable on half yearly basis (June and December)

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

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

Security:

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

- by way of mortgage of land, buildings and all fixed Assets both present and future.
- on all the movable properties of NECE.
- on all the right, title, interest, benefit, claims and demands, whatsoever of NECE in respect of project documents, including all guarantees and bonds received by NECE.
- on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of NECE.

The term loan is also secured by pledge of shares held by NICE in NECE.

As additional comfort security to lenders of Facility 3 and Facility 4, a First ranking pari passu pledge over 1.15% of the Shares of NECE held by Jaypatri Investments Private Limited has also been created.

4(c) Sales tax deferral

Balance outstanding Rs. 388,743,506 (Previous year 502,226,830)

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

Repayment schedule

Year	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
2016-17	-	113,483,324
2017-18	110,924,349	110,924,349
2018-19	102,845,364	102,845,364
2019-20	77,566,386	77,566,386
2020-21	52,287,407	52,287,407
2021-22	31,920,000	31,920,000
2022-23	13,200,000	13,200,000
Total	388,743,506	502,226,830

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

Unsecured loans from others :

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

With effect from 1 April, 2013, interest on unsecured loan is completely waived-off by the lenders. Balance of interest accrued amounting Rs. 249,675,937 as at 31 March, 2013 has been disclosed as 'Interest accrued but not due' in note 5 of the consolidated financial statements since the DSCR for current and previous year is less than 1.2 times. Amount outstanding as on 31 March 2017 is Rs. 1,160,520,067 (In Previous Year Rs. 1,160,520,067)

In respect of Nandi Infrastructure Corridor Enterprises limited (NICE)

Unsecured loans from others :

Unsecured loan from BF Investments Limited is outstanding as on balance sheet date is Rs. 30,000,000 (previous year Rs. 30,000,000). These amounts are subject to balance confirmation from the party.

5 Other long-term liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Interest accrued but not due on borrowings (Refer note no. 4 (d))	**454,076,266**	368,182,094
Liability towards Gratuity (net)	**3,494,138**	1,763,175
Other payables*	**5,719,858**	5,962,934
Total	**463,290,262**	375,908,203

*Other payables includes liabilities towards gratuity for employees of the NICE and of Nandi Engineering Ltd (NEL) working with NECE on deputation.

6 Long-term provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Provision for employee benefits :		
- Provision for compensated absences	**6,578,685**	3,128,727
- Provision for Gratuity (See note no 31 A)	**7,833,554**	487,241
- Other provisions*	**382,368**	227,868
Total	**14,794,607**	3,843,836

*Other provisions includes provision in respect of compensated absenses for employees of the NICE and of NEL working with NECE on deputation.

7 Deferred tax liabilities (Net)

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
I Deferred tax liabilities :		
On account of timing difference		
a) Depreciation (See note no. 7 (a) below)	**67,426,468**	75,469,820
Total	**67,426,468**	75,469,820
II Deferred tax assets :		
On account of timing difference		
a) Disallowance u/s 43B of Income Tax Act, 1961	**36,187,745**	32,542,663
Total	**36,187,745**	32,542,663
Deferred tax liability (Net) (I - II)	**31,238,723**	42,927,157

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

8 Short term borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Loan repayable on demand		
Unsecured		
from related parties (See note no. 32)	**286,000,000**	286,000,000
Rate of interest 8% & 10%p.a.		
from other parties - interest free	**12,300,000**	30,700,000
Total	**298,300,000**	316,700,000

9 Trade payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Total outstanding dues other than micro & small enterprises	**133,103,683**	145,625,103
Capital creditors	**10,101,246**	10,101,246
Total	**143,204,929**	155,726,349

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 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Current maturities of long term borrowings (See note no. (i) below)	**160,824,349**	228,523,140
Statutory dues payable including tax deducted at source	**25,040,615**	25,833,191
Interest free security deposit received from related party (See note no. 32)	**240,000,000**	210,000,000
Interest accrued but not due on borrowings	**21,396,808**	6,232,875
Interest accrued and due on borrowings	**119,520,615**	108,947,527
Security deposits received	**6,495,994**	4,051,568
Retention money payable	**15,934,205**	7,752,108
Liability towards Gratuity (Refer note no. 31 B)	**1,500,000**	1,500,000
Other payables		
- Advance Received	**990,652,913**	994,857,392
- payable on purchase / construction of fixed assets	**930,621**	930,621
- payable towards outstanding forward contracts on foreign currency borrowings	**166,687,130**	-
- employee benefits payable	**5,071,767**	4,685,628
- others	**21,829,572**	10,381,208
Total	**1,775,884,589**	1,603,695,258

Notes :

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Secured term loans from:		
- Banks	44,900,000	115,039,816
- Others	5,000,000	-
Unsecured term loans from:		
- Sales tax deferral obligation (See note no. 4 (c))	110,924,349	113,483,324
Total	160,824,349	228,523,140

11 Short term provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Provision for employee benefits :		
Leave encashment (See note no. 31 D)	**25,268,838**	20,301,157
Gratuity (See note no. 31 A)	**29,136,178**	29,515,549
Provident fund :- BFUL Staff Provident Fund Trust (See note no. 31 C)	-	91,841
Other provisions :		
Electricity duty (See note no. 33 G)	**103,490,997**	98,464,945
Wheeling & transmission charges (See note no. 33 G)	**132,035**	16,377,117
Total	**158,028,048**	164,750,609

Gratuity provisions includes provision in respect of compensated absenses for employees of the NICE and of NEL working with NECE on deputation.

12 Fixed Assets

Amounts in Rupees

Particulars	Gross Block				Depreciation				Net Block	
	As At 1/04/2016	Additions during the year	Deductions during the year	As At 31/03/2017	Up to 1/04/2016	On Deductions & Adjustments	For the year	Up to 31/03/2017	As At 31/03/2017	As At 31/03/2016
Tangible assets : (PPE)										
Land	33,972,113	-	-	33,972,113	-	-	-	-	33,972,113	33,972,113
Building	111,173,400	-	-	111,173,400	29,112,798	-	3,882,357	32,995,155	78,178,245	82,060,602
Plant & Machinery	1,236,299,310	8,900	2,478,022	1,233,830,188	990,376,377	1,297,850	39,677,468	1,028,755,995	205,074,193	245,922,933
Electrical Installation	50,673,181	-	68,503	50,604,678	10,681,048	31,196	5,519,651	16,169,503	34,435,175	39,992,133
Tools & Equipments	-	93,231	-	93,231	-	-	11,303	11,303	81,928	-
Laboratory Equipments	6,105,831	98,184	-	6,204,015	3,464,355	-	887,624	4,351,979	1,852,036	2,641,476
Towers	5,482,929	-	-	5,482,929	1,674,900	-	448,019	2,122,919	3,360,010	3,808,029
Furniture & Fixtures	20,993,888	-	1,404,764	19,589,124	11,985,486	1,227,432	1,997,108	12,755,162	6,833,962	9,008,402
Office Equipments	40,399,160	370,005	1,692,971	39,076,194	30,111,215	1,554,510	2,857,311	31,414,016	7,662,178	10,287,945
Computer	28,655,312	419,668	4,318,158	24,756,822	23,894,202	4,131,062	1,492,430	21,255,570	3,501,252	4,761,110
Vehicles	102,334,937	6,729,355	2,722,615	106,341,677	63,216,556	2,270,695	11,257,527	72,203,388	34,138,289	39,118,381
Total A	1,636,090,061	7,719,343	12,685,033	1,631,124,371	1,164,516,937	10,512,745	68,030,798	1,222,034,990	409,089,381	471,573,124
Previous year Total	1,647,316,974	58,542,106	69,769,019	1,636,090,061	1,161,264,228	49,146,317	52,399,026	1,164,516,937	471,573,124	486,052,746
Intangible assets :										
Roads										
-Toll road- Section A *	13,101,163,716	1,087,549,619	-	14,188,713,335	1,247,951,946	-	93,900,291	1,341,852,237	12,846,861,098	11,853,211,770
-Toll road	957,825,176	-	-	957,825,176	476,794,950	-	110,554,785	587,349,736	370,475,441	481,030,226
Computer Software	157,010	-	-	157,010	154,827	-	-	154,827	2,183	2,183
Total B	14,059,145,902	1,087,549,619	-	15,146,695,521	1,724,901,723	-	204,455,076	1,929,356,800	13,217,338,722	12,334,244,179
Previous year Total	14,054,886,885	4,259,017	-	14,059,145,902	1,547,155,850	-	177,745,872	1,724,901,723	12,334,244,179	12,507,731,035
Grand Total (A+B)	15,695,235,963	1,095,268,962	12,685,033	16,777,819,892	2,889,418,660	10,512,745	272,485,874	3,151,391,790	13,626,428,103	12,805,817,303
Previous year Grand Total	15,702,203,859	62,801,123	69,769,019	15,695,235,963	2,708,420,078	49,146,317	230,144,898	2,889,418,660	12,805,817,303	12,993,783,781
Capital Work in Progress (Tangible and Intangible)									565,098,449	1,607,925,880

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

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

13 Other non-current assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Unammortised expenses :		
Ancillary borrowing costs	407,430,855	442,830,108
	407,430,855	442,830,108

14 Non-current investments

Particulars	Face Value Rs.	As at 31st March, 2017		As at 31st March, 2016	
		Number of Shares	Rs.	Number of Shares	Rs.
A. In Government Securities & Trust					
National Securities Certificates			5,500		5,500
Indira Vikas Patra			200		200
B. Other investments, at cost			5,700		5,700
Unquoted instruments					
In equity shares - fully paid					
Moksha-Yug Access India Pvt. Ltd.	10	-	-	608,824	18,310,382
SKH Metals Ltd.	10	25,000	877,188	25,000	877,188
Nandi Engineering Ltd.	10	6,251	62,510	6,251	62,510
			939,698		19,250,080
Total cost			945,398		19,255,780
Less : Diminution in value of			-		-
Total			945,398		19,255,780

15 Long term loans & advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Unsecured, considered good (unless otherwise stated)		
Capital advances	155,527,573	143,620,029
Security deposits	9,100,704	8,863,774
Capital advances to related parties (See note no.32)	335,322,503	335,322,503
Inter Corporate deposits (See note (i) below)	58,250,000	86,743,546
Interest accured on inter corporate deposits	-	11,678,748
Non current bank balance (See note no.19)	80,837,785	124,064,594
Advance income tax (Net of provisions)	15,478,552	68,565,363
Advance towards land acquisition and projects		
- Unsecured, considered good	2,794,187,542	2,813,687,542
- Doubtful	68,050,000	68,050,000
	2,862,237,542	2,881,737,542
Less : Provision for doubtful advance	68,050,000	68,050,000
	2,794,187,542	2,813,687,542
Advance to suppliers / service providers		
- Unsecured, considered good	41,363,504	54,369,447
- Doubtful	72,816,716	72,691,779
	114,180,220	127,061,226
Less : Provision for doubtful advance	72,816,716	72,691,779
	41,363,504	54,369,447
Total	3,490,068,163	3,646,915,546

Notes :

(i) The intercorporate deposit has been provided to Nandi Engineering Limited (which is a related party - see note no 32) at an interest rate of 13% p.a. and is secured by the personal guarantee by and immovable property of the MD of NECE. The deposit has been provided to NEL towards general purpose.

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

Particulars	Face Value Rs.	As at 31st March, 2017		As at 31st March, 2016	
		Number of Shares	Rs.	Number of Shares	Rs.
Invstments in Bonds (Refer note no. 32)					
10.70% Tata Motors Finance Ltd. Bonds 2020	500,000	1	500,000	-	-
11.30% IDBI Bank Bonds 15/12/2018	1,000,000	1	1,000,000	-	-
11% Power Finance Corporation Bonds 15/09/2018	1,000,000	2	2,000,000	-	-
10.40% Vijaya Bank Perpetual Bonds	1,000,000	2	2,000,000	-	-
			5,500,000		-
Investments in Mutual Funds					
Franklin India Ultra Short Bond Fund - Super Institutional plan Gr.	10	301454.51	6,147,570	424194	8,503,598
ICICI Prudential Saving Fund - Growth	100	24601.53	5,809,833		-
IDFC Cash Fund- Growth (Direct Plan)			60,000,000		110,444,029
Bank of India - AXA Liquid Fund Growth			150,000,000		136,316,197
Kotak Low Duration Fund Standard Growth, Regular Plan	1000	-	-	5633	10,026,696
Total			221,957,403		265,290,520
Non trade investments					
In equity shares-fully paid : Quoted					
# Metalyst Forging Ltd. (earlier Ahmednagar Forging Ltd.)	10	300	49,152	300	49,152
MM Forging Ltd.	10	400	36,920	400	36,920
EL Forging Ltd.	10	100	799	100	799
Finolex Industries Ltd.	10	84	4,204	84	4,204
Hindalco Industries Ltd.	1	140	18,160	140	18,160
NIIT Technologies Ltd.	10	112	6,129	112	6,129
ITC Ltd.	1	10800	595,026	3,600	595,026
Total			710,390		710,390
Less : Diminution in value of investment (cumulative)			(52,269)		(49,385)
Total			228,115,524		265,951,525

	Book value		Market value	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Quoted	222,615,524	265,951,525	224,858,962	267,944,757
Unquoted	945,398	19,255,780	NA	NA
Total	223,560,922	285,207,305	224,858,962	267,944,757

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

17 Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Land and related development cost (See note (i) below)	1,713,407,932	1,720,435,911
Stock of renewable energy certificates (RECs) (See note (ii) below)	312,747	771,398
Stock of Consumables, stores and spares	2,497,468	-
Total	1,716,218,147	1,721,207,309

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

Note (ii) : Quantitative details of Stock

Sr. No.	Description	Units	Units
1	No. of RECs held as inventory	35,127	41,783
2	No. of RECs under certification	-	-
3	No. of Consumables, stores and spares	1,654	-

18 Trade receivables

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good*	-	-
Unsecured, considered doubtful	-	-
	-	-
Less : Provision for doubtful receivables	-	-
	-	-
Others		
Unsecured, considered good*	95,073,652	9,691,534
Unsecured, considered doubtful	-	-
	95,073,652	9,691,534
Less : Provision for doubtful receivables	-	-
	95,073,652	9,691,534
Total	95,073,652	9,691,534

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

19 Cash & bank balances :

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
i) Cash & cash equivalents #		
Cash on hand	**17,653,304**	22,254,002
Balances with banks - in current accounts	**142,056,471**	89,986,103
	159,709,775	112,240,105
ii) Other Bank Balances		
Balance with banks		
Fixed deposits (original maturity more than three months)	**160,837,785**	135,645,620
Less : Fixed deposits (original maturity more than twelve months) (See note no.15)	**(80,837,785)**	(124,064,594)
	80,000,000	11,581,026
Total	**239,709,775**	123,821,131

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

20 Short term loans & advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Other loans and advances (Unsecured, considered good)		
Advance to related parties (See note no.32)	**1,236,235,415**	1,235,795,783
Other loans and advances (Unsecured, considered good)		
- Prepaid Expenses	**34,876,897**	34,787,226
- Others	**3,696,426**	3,074,107
	38,573,323	37,861,333
Advance to suppliers / service providers		
- Unsecured, considered good	**63,702,649**	46,607,496
- Considered doubotful	**42,021,096**	45,094,899
	105,723,745	91,702,395
Provision for doubtful advance	**42,021,096**	45,094,899
	63,702,649	46,607,496
Total	**1,338,511,387**	1,320,264,612

21 Other current assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Energy credit receivable	**2,076,374**	171,381,329
Interest receivable		
- on deposits with Bank Interest receivable	**584,864**	181,727
Other receivable	**6,888,809**	4,991,784
Recoverable of excess manegerial remunaration paid to Managing Director of NECE (See note no. 36 D(A))	**139,055,986**	151,954,567
Unamortised expenses : Ancillary borrowing costs and Premium on Purchase of Bonds	**35,580,106**	35,399,255
Interest on term loan paid to banks in advance	**31,381,166**	7,525,609
Total	**215,567,305**	371,434,271

22 Revenue from operations (Net)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	Rs.	Rs.
Wind power generated (See note no. 37 & 38)	**185,231,980**	38,847,068
Renewable energy certificate units (REC)	**26,789,966**	13,214,170
Sale of Traded Goods	**459,620**	-
Toll road revenue	**2,978,972,191**	2,687,793,292
Sale of Land	**160,875,000**	274,805,250
Total	**3,352,328,757**	3,014,659,780

23 Other income

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	Rs.	Rs.
Dividend received	**65,380**	1,368
Interest on bank fixed deposits	**5,184,425**	7,273,387
Interest on inter corporate deposits	**12,253,944**	13,255,276
Profit on sale of investments	**22,058,669**	15,882,569
Provision no longer required	**410,483**	2,429
Provision for doubtful advance wriiten back	**2,948,866**	-
Rental income	**5,775,109**	5,596,363
Miscellaneous income	**3,776,640**	1,490,363
Total	**52,473,516**	43,501,755

24 Cost of sale of land and land development

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	Rs.	Rs.
Opening stock	**1,720,435,911**	1,719,703,096
Add: Cost of purchase of land and land development cost incurred (Including interest capitalised)	**-**	39,156,712
	1,720,435,911	1,758,859,808
Less : Closing stock	**1,713,407,932**	1,720,435,911
Total	**7,027,979**	38,423,897

25 Changes in inventories

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	Rs.	Rs.
(Increase) / decrease in inventory:		
Closing stock of renewable energy certificates (RECs), Stores and spares	**2,810,215**	771,398
Opening sock of renewable energy certificates (RECs), Stores and spares	**771,398**	609,660
Total	**(2,038,817)**	(161,738)

26 Employee benefit expense

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	Rs.	Rs.
Salaries, allowances etc.	**352,195,168**	289,445,236
Contribution to provident & other funds	**54,877,441**	43,678,583
Staff welfare expenses	**19,522,716**	18,450,239
Total	**426,595,325**	351,574,058

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

27 Finance costs

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
	Rs.	Rs.
Interest on loans (See note no. 8 & 32)	**1,845,922,858**	1,857,000,947
Interest on electricity duty	**10,268,381**	2,991,790
Interest on shortfall of advance tax	**1,500,200**	1,100,000
Other borrowing costs and bank charges etc.	**76,801,643**	80,331,921
Total	**1,934,493,082**	1,941,424,658

28 Other expenses

Particulars		Year ended 31st March, 2017	Year ended 31st March, 2016
		Rs.	Rs.
Operating expenses			
Purchase of Traded goods		459,620	-
Operations,maintainance & CDM expenses- wind mills		11,657,594	14,848,781
Lease rent - land		5,731,226	5,545,642
Insurance		1,071,072	534,068
Electricity duty (See Note No. 33 G)		8,950,142	1,136,914
Open Access-Wheeling charges (See Note No. 33 G)		7,608,124	1,355,263
Open Access-Transmission charges (See Note No. 33 G)		6,562,375	831,791
Other operating expenses		4,210,438	1,437,835
Road repairs & maintenance		50,394,564	88,255,334
Toll road operation expenses		347,253,401	66,260,133
Security charges		73,361,849	58,928,045
Electricity and water charges		3,894,927	4,867,590
	(A)	521,155,332	244,001,396
Administrative expenses			
Insurance - others		4,752,435	3,684,407
Rent		552,000	274,800
Rates & taxes		8,024,850	4,205,530
Repairs & maintenance - Building		984,153	1,507,598
- Plant & Machinery		1,884,481	2,658,982
- others		21,964,582	18,637,647
Director's sitting fees		90,000	60,000
Commission to Directors		3,500,000	900,000
Payment to auditors :			
Audit fee	3,557,779		3,119,644
Tax audit fee	402,500		403,640
Reimbursement of expenses	7,544		-
		3,967,823	3,523,284
Advertisement and business expenses		1,253,372	1,282,059
Design and engineering		14,122,918	27,668,763
Provision for doubtful advance		-	98,530,775
Diminution in value of investments		2,884	3,120
Amortisation of Premium on Bonds		8,399	-
Termination of development contract		17,500,000	-
Loss on sale of asset		1,488,288	154,561
Travelling and conveyance		40,618,622	31,040,191
Miscellaneous expenses including printing, stationery postage, travelling, telephone etc.		31,032,359	25,442,861
Professional & consultancy expenses		80,703,882	73,786,419
	(B)	232,451,048	293 360 998
	Total (A)+ (B)	753,606,380	537,362,393

28 A Earnings per share (EPS)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Numerator for basic and diluted EPS		
Net profit attributable to shareholders	**81,253,235**	30,716,338
Weighted average number of equity shares	**37,667,628**	37,667,628
Basic earnings per share of face value of Rs. 5/- each	**2.16**	0.82
Diluted earnings per share of face value of Rs. 5/- each	**2.16**	0.82

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

I. Nandi Economic Corridor Enterprises Ltd (NECE)

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

Conversion: The CCCPS were convertible into equity shares any time prior to listing of NECE's share on the BSE or NSE, to result in minimum shareholding of 8.33% and maximum shareholding of 16.29% to the CCCPS holders. In the current year, pursuant to the approval of Board of directors in their meeting dated March 17, 2017, the CCCPS were converted into 34,046,692 equity shares of Rs. 10/- each, the balance amount of Rs. 4,659,396,180 being credited to Securities Premium Account.

Fixed Dividend: These CCCPS carry a fixed cumulative dividend of 0.01%. Pursuant to the conversion of such shares into equity shares during the current year, the accumulated dividend attributable to these shareholders is Rs.3,004,021.

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

Redemption:

Subject to the regulations that may apply, 7% CRPS are not redeemable until

- the entire "Senior Loan"(i.e. the aggregate amount of rupee term loans from banks and financial institutions) is paid in full with all interest, premium and other sums as may be payable in respect thereof and a full, unconditional and complete discharge is given by the senior lenders, and
- the exit is provided to the holders of 0.01% Cumulative Compulsorily Convertible Preference Shares as per the shareholder's agreement dated December 24, 2010.

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

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

b. Details of Leasing Arrangements

NECE has taken various residential / commercial premises on cancellable operating leases. As per the terms and conditions mentioned in the respective lease agreements, the same are generally renewed on expiry of the lease period and there is no lock-in-period in such operating lease taken by the NECE. Rent expense debited to Consolidated Statement of Profit and Loss for above mentioned cancellable operating leases is Rs. 5,649,081 (Previous Year Rs.5,463,497).

c. The outstanding forward foreign exchange contracts to hedge borrowings in foreign currency as at March 31,2017: To buy USD 55,864,500 against INR. As at March 31,2016, there were no outstanding derivative contracts entered by NECE.

The year end foreign currency that have not been hedged by a derivative instruments- receivables is Rs. Nil (Previous year is Rs. NIL), outstanding loan payable is Rs. 2,100,782,489 (Previous year Rs. 2,153,585,503) and interest accrued but not due Rs. 33,602,803 (Previous year: Rs. 34,477,672).

II. Nandi Infrastructure Corridor Enterprise Limited (NICE)

7% Cumulative Redeemable Preference shares (7% CRPS)

NICE had issued 21,000,000 7% Redeemable Preference shares of Rs.10/- each are to be redeemed after 7 years from the date of allotment, subject to the provisions of Companies Act, 2013. The company has revised the terms of redemption for further period of 1 year.

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

30. Due to the diversity in the nature of business and business environment the Subsidiaries operate in, the Accounting Policies most appropriate to each, for reporting Consolidated 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 31st March, 2017 Rupees	As at 31st March, 2016 Rupees
(I)	Amount recognised in the Balance Sheet :			
	a)	Present Value of Funded Obligations	**32,622,827**	23,574,303
	b)	Fair Value of Plan Assets	**27,340,188**	19,296,738
	c)	Net Liability /(Asset) recognised in the Balance Sheet		
		Amounts in Balance Sheet		
		Liability	**5,282,639**	4,277,565
		Asset	-	-
		Net Liability / (Asset)	**5,282,639**	4,277,565
(II)	Amount to be recognised in the Statement of Profit and Loss :			
	a)	Current Service Cost	**4,133,965**	3,434,491
	b)	Past Service Cost	-	-
	c)	Interest on Defined Benefit Obligations	**2,052,406**	1,445,584
	d)	Expected Return on Plan Assets	**(1,610,525)**	(965,068)
	e)	Net Actuarial (Gains)/Loss recognised in the year / period	**3,326,823**	2,234,541
	f)	Total, included in "Employee Benefit Expense"	**7,902,669**	6,149,548

Particulars	As at 31st March, 2017 Rupees	As at 31st March, 2016 Rupees
(III) Change in Defined Benefit Obligation and reconciliation thereof		
a) Opening Defined Benefit Obligation	**32,961,119**	17,111,065
b) Acquisition adjustments	-	-
c) Interest Cost	**2,765,804**	1,445,584
d) Past Service Cost	-	-
e) Current Service Cost	**5,850,196**	3,434,491
f) Settlement Cost (Credit)	-	-
g) Benefits Paid	**(371,997)**	(905,249)
h) Actuarial Losses/(Gains)	**11,104,699**	2,488,412
i) Closing Defined Benefit Obligation	**52,309,821**	23,574,303
(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 / period	**28,196,313**	12,977,933
b) Acquisition adjustments	-	-
c) Expected Return on Plan Assets	**2,322,491**	965,068
d) Add : Contributions by employer	**9,000,441**	6,005,115
e) Assets distributed on Settlement	-	-
f) Less : Benefit Paid	**(371,997)**	(905,249)
g) Add / (Less) : Actuarial Gains /(Losses) on Plan Assets	**46,380**	253,871
h) Fair Value of Plan Assets at the end of the year/ period	**39,193,628**	19,296,738
i) Actual Return on Plan assets	**276,540**	219,294
(V) Principal Actuarial Assumptions (Holding/NECE/NHDL):		
Discount Rate	**6.80%/7.45%/ 7.50%**	7.70%/7.60%/ 7.95%
Rate of return on Plan Assets (p.a.)	**8.25%/7.50%/ 8%.**	7.50%/8.00%/ 8%.
Salary Escalation	**7.50%/7.00%/ 12%**	7.50%/7.00%/ 7.00%

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

Age in Year	As at 31st March, 2017	As at 31st March, 2016
	NECE/NHDL	NECE/NHDL
21-30	**5.00%/2.32%**	5.00%/5.00%
31-40	**3.00%/2.32%**	3.00%/3.00%
41-57	**2.00%/2.32%**	2.00%/2.00%

Notes:

(i) Information disclosed above is related to BFUL, NECE and NHDL.

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

(iii) The above disclosure includes disclosure pertaining to the employees of NECE and does not include details of the employees of NICEand Nandi Engineering Limited (NEL) who are working on deputation. (Refer note no.26)

B. Actuarial Valuation Experience Adjustment (In case of BFUL and NECE):

(Amount in Rupees)

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016	As at 30th Sept, 2015	As at 30th Sept, 2014	As at 30th Sept, 2013
Present Value of Obligation	32,622,827	23,574,303	17,111,045	10,958,649	91,90,222
Plan Assets	27,340,188	19,296,738	12,977,933	11,373,122	8,221,492
Surplus / (Deficit)	(5,282,639)	(4,277,565)	(4,133,112)	414,473	(968,730)
Experience adjustments on plan liabilities (loss) / gain	2,397,710	1,865,105	1,073,353	746,048	556,115
Experience adjustments on plan assets (loss) / gain	(164,849)	253,871	87,266	265,104	208,356

Note:

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

In Case of NECE

The composition of the plan assets held by the funds managed by the insurer:

(Amount in Rupees)

Particulars	31-Mar-17	31-Mar-16
Debenture and bonds	7,145,533	5,064,259
Central Government Securities	5,626,201	3,987,462
State Government Securities	5,182,089	3,672,706
Fixed deposit	5,027,817	3,563,369
Equity shares	392,688	278,310
Others	-	-
Total	23,374,328	16,566,106

The above disclosure pertains to the employees of NECE and does not include details of the employees of NICE who are working on deputation.Refer note no.26

Estimated amount of contribution to Gratuity Fund in the immediate next year: Rs. 1,500,000.

Future Salary increases, considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in employment market.

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:

In case of the Company :

Particulars	As at 31st March, 2017	As at 31st March, 2016
Remaining term of maturity	N A*	4.90 Years
Expected guaranteed interest rate	N A*	8.85%
Discount Rate for the remaining term of maturity of interest portfolio	N A*	7.70%

*** On and from 1 March, 2017, the Company deposit the required contribution to the Government Provident Fund.**

In case of NECE

NECE provides benefits in the nature of defined contribution plans viz, employee state insurance scheme, provident fund and superannuation fund for qualifying employees. Under the Schemes, NECE is required to contribute a specified percentage of the payroll costs to fund the benefits. In current year NECE has recognised Rs.20,355,417 (Previous year Rs. 16,972,770) towards contribution for mentioned funds in the Consolidated Statement of Profit and Loss. The contributions payable to these plans by NECE are at rates specified in the rules of the Schemes.

Employee benefit expenses includes a sum of Rs. 14,087,506 (Previous year Rs. 14,132,073), being contributions to above mentioned funds for employees of the NICE and Nandi Engineering Limited (NEL) working with NECE on deputation.Refer note no. 26

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

D. Compensated absence:

In case of BFUL , Unfunded Scheme (Compensated Absences - Leave Encashment)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Present Value of unfunded obligations (Rs.)	785,185	730,396
Expenses recognised in Profit and Loss Account (Rs.)	120,729	16,555
Discount Rate	6.80%	7.70%
Salary Escalation Rate	7.50%	7.50%

In case of NECE,

Leave salary benefit expensed in the Consolidated Statement of Profit and Loss for the year is Rs. 15,221,929 (Previous Year: Rs. 6,279,045) and outstanding towards leave salary is Rs. 24,483,653 (PY Rs.48,071,920). Leave Salary liability is not funded (including compensated absence payable to employees of the NICE and NEL).

The principal assumptions are given below:

Actuarial assumption	As at 31st March, 2017	As at 31st March, 2016
Discount rate	7.45%	7.60%
Salary escalation	7.00%	7.00%
Retirement age	58 years	60 years
Attrition rate (age in years)		
21-30	5.00%	5.00%
31-40	3.00%	3.00%
41-57	2.00%	2.00%

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

(Amount in Rupees)

Particulars	01- April- 2016	Additions	Utilisation	31-March-2017
Provision for gratuity and compensated absence of employees of NICE & NEL (net)	31,073,158 (35,524,915)	10,825,852 (5,267,609)	10,776,232 (9,719,366)	31,122,778 (31,073,158)

Figures in the bracket relates to the previous year.

In case of NHDL,

Leave salary benefit expensed in the Consolidated Statement of Profit and Loss for the year is Rs. 4,044,214

Actuarial assumption	As at 31st March, 2017	As at 31st March, 2016
Discount rate	7.50%	7.60%
Salary escalation	12.00%	7.00%
Retirement age	58 years	60 years
Attrition rate (age in years)		
21-30	2.32%	5.00%
31-40	2.32%	3.00%
41-57	2.32%	2.00%

Notes:

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

32. Related Parties

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

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 BF Utilities Limited Staff Provident Fund Trust
Associate	Hospet Bellari Highways Private Limited (Upto 17 February, 2015)
Key Managerial Personnel (KMP)	Mr. Bhalachandra Mitkari, Chief Executive Officer& Company Secretary Mr. Sudhindra Joshi, Chief Financial Officer Mr. Ashok Kheny, Managing Director of Subsidiaries Mr. ShivkumarKheny, Managing Director of Subsidiary

* Since merged in BF Investment Limited.

Related Party Disclosures:

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

(Amount in Rupees)

Nature of Transaction	Year / Period	Entries where Control Exists	Key Management Personnel (KMP)	Enterprise over which KMP have significant Influence
Income				
Sale of power	2016-17	138,006,818		
	2015-16	34,292,161		
Contractual Billing	2016-17			-
	2015-16			20,352,284
Compensation received	2016-17	6,362,167		
	2015-16	4,526,228		
Employee deputation cost	2016-17	3,333,486		20,093,416
received	2015-16	957,368		18,317,818
Interest Income	2016-17			8,976,072
	2015-16			13,255,276
Services Rendered	2016-17	-		
	2015-16	-		
Expenses				
Reimbursement of expenses paid	2016-17	22,630,914		
	2015-16	4,298,595		
Managerial remuneration	2016-17		43,075,400	
	2015-16		30,500,773	
Interest Expense	2016-17	22,047,059		
	2015-16	3,760,274		
Rent Paid	2016-17		1,007,143	
	2015-16		996,551	
Others				
Loan/ ICD taken/ (Receipt of	2016-17	-		(28,493,456)
refund of ICD)	2015-16	70,000,000		(63,256,454)
Loan payable	2016-17			30,000,000
	2015-16			30,000,000
Advance given	2016-17	300,000		
	2015-16	-		
Security deposit taken	2016-17	30,000,000		
	2015-16	-		
Purchase of Bonds	2016-17	5,500,000		
	2015-16	-		
Loan/ICD repaid	2016-17	-		
	2015-16	5,000,000		
Amount Receivables	2016-17	481,784,673		
	2015-16	385,931,127		

(Amount in Rupees)

Nature of Transaction	Year / Period	Entries where Control Exists	Key Management Personnel (KMP)	Enterprise over which KMP have significant Influence
Received/(paid) towards advance	2016-17			(5,140,557)
	2015-16			(82,788,381)
Interest Payable	2016-17	21,396,808		
	2015-16	6,232,875		
Interest Receivable	2016-17			-
	2015-16			11,678,748
Advance Outstanding	2016-17	200,000		1,227,982,883
	2015-16	-		1,231,644,176
Security Deposit	2016-17	240,000,000		
	2015-16	210,000,000		
ICD Payable	2016-17	286,000,000		
	2015-16	221,000,000		
ICD Receivable	2016-17			58,250,000
	2015-16			86,743,546
Managerial remuneration payable*	2016-17		231,472	
	2015-16		-	
Excess Payment of managerial remuneration recoverable for prior years and current year	2016-17		139,055,986	
	2015-16		151,954,567	

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

33. A. Consolidated contingent liabilities and commitments:

(Amount in Rupees)

Sr. No.	Particulars	As on 31 March 2017	As on 31 March 2016
i)	Claims against the Group not acknowledged as debt	**INR 669,577,726**	INR 668,243,726
ii)	Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances)		
	1. In respect of BFUL	**EUR 468,000** **INR 32,407,877**	EUR 780,000 INR 58,570,200
	2. In respect of NECE	**INR 246,485,814**	INR 171,280,017
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, 2017, NECE has completed concretization work on approximately 14.265 KMs of existing bituminous roads and 36.535 KMs is pending for concretization.	**Amount Unascertainable**	Amount Unascertainable
iv)	Guarantee given by Group on behalf of Others	**INR 300,000,000**	INR 600,000,000
v)	7% Dividend on Cumulative Preference Shares issued to Nandi Engineering Limited*	**INR 387,588,418**	INR 344,888,418
vi)	0.01% Dividend on Compulsorily Convertible Preference Shares issued to AIRRO (Mauritius) Holdings V	**INR 3,004,021**	INR 2,524,583

* NICE had issued 21,000,000 7% Redeemable Preference shares of Rs.10/- each are to be redeemed after 7 years from the date of allotment, subject to the provisions of Companies Act, 2013. The company has revised the terms of redemption for further period of 1 year.

B. As at the Balance Sheet dateof NECE,there are various cases pending against the Nandi Economic Corridor Enterprises Ltd. - NECE challenging the execution of the Bangalore-Mysore Infrastructure Corridor Project -BMICP (the 'Project'). NECE has been legally advised that none of these pending litigation or threatened litigation is likely to affect the execution of the project. Any costs that may arise out of such pending / threatened litigation will be accounted in the year in which such costs are determinable.Refer note no 36A

C. NECE has received claim from certain of its suppliers in respect of statutory dues aggregating to Rs. 429,554,921 (Previous year Rs. 428,221,204). NECE has not acknowledged them as debt and is in discussion with vendors. Any amount agreed to be settled with the suppliers would be accounted for in the period in which such settlement is reached.This amount is included in Note No. 33A(i) above.

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

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

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

Pursuant to these definitive agreements, NECE has allotted convertible "Securities" to AIRRO (Mauritius)Holdings V (Investor), on the terms and conditions contained in the definitive agreements, whereby the investor would get a shareholding between 8.33% and 16.29% in NECE. However, during the current year, NECE has allotted Equity Shares upon conversion of the securities to the investor granting him 16. 29% shares.Hence, the Company's obligation if any, stands extinguished to that extent.

F. A) The Company had given security to Axis Bank Limited to the extent of Rs. 300 Million for securing the term loan facility granted by it to NHDL by way of hypothecation of movable assets and equitable mortgage of fixed assets pertaining to Wind Mill project of the Company located in village Boposhi and Maloshi, Dist. Satara.The said term loan has been repaid during the year by NHDL and charge satisfied.

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

G. **Electricity Duty and Wheeling and Transmission Charges:**

The disclosures required by Accounting Standard 29 "Provision, Contingent Liabilities and Contingent Assets" prescribed by Rules, as amended are as follows.

(Amount in Rupees)

Class of Provision	Carrying amount as on opening date	Provision made/ Increase (Decrease) in Provision	Amounts used during the year/period	Amount Adjusted during the year / period to payments made under protest.	Carrying amount as On Balance Sheet Date
A. Electricity Duty	**98,464,945**	**5,632,386**	**606,334**	-	**103,490,997**
(Previous Period)	97,328,031	1,136,914	-	-	98,464,945
B. Wheeling & Transmission Charges	**16,377,117**	**132,035**	**16,377,117**	-	**132,035**
(Previous Period)	93,835,353	183,731	-	77,641,967	16,377,117
Total (A + B)	**114,842,062**	**5,764,421**	**16,983,451**	-	**103,623,032**
(Previous Period)	191,163,384	1,320,645	-	77,641,967	114,842,062

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 Companyas a matter of prudence and without prejudice to dispute the claimhas 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).

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. The opening carrying amount of Wheeling and Transmission charges were pertaining to FY 2014-15 due to Open Access permission was withheld. During the year, on receipt of Open Access permission the Wheeling & Transmission charges have been adjusted in the proceeds received through consumers bills. And current provisions are being paid on due dates.

34. Foreign currency income & expenditure

	Foreign currency income & expenditure accounted on accrual basis	Year ended 31st March, 2017	Year/Period ended 31st March, 2016
		Rupees	Rupees
A	Expenditure in Foreign Currency :		
	Travelling and Conveyance	-	-
	Others ñ Project Expenses	20,371,985	-
	Interest Expense	173,638,883	16,38,34,553
	Total	194,010,818	16,38,34,553
B	Earnings in Foreign Currency		
	Certified Emission Reduction (Carbon Credits)	-	-

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

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

A. Basis of preparation

In respect of NECE, it had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by NECE. Further, it had also been reported in the print media that the House Committee tabled its report during November 2016 in the Karnataka Legislative Assembly, wherein NECE and various department of GoK (Government of Karnataka) have been accused of violation of several terms of FWA and recommendations have been made to initiate appropriate actions which includes recovery of excess land given for the project, recovery of illegal toll collected by NECE and further probe by National Agencies such as Central Bureau of Investigation (CBI), Enforcement of Directorate, central vigilance commission or investigative agencies of equal standing.

While NECE has still not been provided with any notice of the formation of the committee or its reports, the Management of NECE has assessed the findings of said Committee reported in the print media and is of the opinion that the allegations made therein are baseless, politically motivated and hence lack legal withstanding. Further, NECE had faced similar situations in the past, where NECE has received favorable orders from the Hon'ble High Court and the Supreme Court. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee itself is unconstitutional, illegal, invalid and any findings / report, given by the aforesaid House Committee would also be illegal and untenable in law.

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

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

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

B. Going concern assumption

NECE has been incurring losses resulting in substantial erosion of its net-worth. NECE also faces shortage of funds required to meet day-to-day business operations should the necessary approvals not be received for its township development activities for its project.

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

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

(i) the business plans of NECE which, inter alia, considers:

a) its internal cash accruals from Toll revenues;

b) disposal / development of parcels of land where approvals have been received;

c) disposal / development of parcels of land subject to receipt of approvals, which is expected to be received pursuant to the favorable orders of the Hon'ble High Court of Karnataka;

(ii) legally contesting any matters that may arise consequent to the reported findings of the Assembly Panel; and

(iii) The undertaking provided by BFUL and NICE under the Sponsor Support Agreement with the Senior Lenders of NECE, under which the said companies have undertaken to financially support NECE in meeting any shortfall in the Operation and Maintenance of the Integrated Toll Road Project, as defined in the Agreement.

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

C. NECE has advanced amountsaggregating to Rs.1,227,682,883 (Previous Year Rs.1,227,243,251) to Nandi Engineering Limited (NEL) for undertaking development of toll roads and townships and has given Inter-corporate deposits Rs.58,250,000 (Previous Year Rs. 98,422,294) to NEL, [including interest accrued but not due of Rs. NIL (Previous Year Rs.11,678,748)]. These have been considered as good and recoverable in these consolidated financial statements by the Management of the NECE based on the future additional work that is expected to be contracted to NEL once NECE receives / acquires the requisite land parcels.

D. In respect of Managerial Remuneration paid by NECE:

(a) During the previous year ended March 31, 2016, NECE's application for seeking approval of remuneration to the Managing Director of NECE for the period December 1, 2013 to November 30, 2016, has been rejected by the Ministry of Corporate Affairs ("MCA") vide its letter dated January 20, 2016. The letter also alleges that the MCA's approval of the remuneration to the Managing Director of NECE for the period December 1, 2010 to November 30, 2013 has been tampered with. On further investigation by NECE, it was noted that the alleged fraudulent act of tampering the MCA's letter by increasing the amount of remuneration payable to the Managing Director of NECE has been committed in an earlier year by a Consultant of NECE who was entrusted with the responsibility of assisting NECE in obtaining the approval from the MCA. NECE has subsequently filed a legal case against the Consultant of NECE for the alleged act.

In the absence of the original approval from the MCA for the period December 1, 2010 to November 30, 2013, NECE has, based on a reading of the communications with the MCA on the above subject and the MCA's letter dated January 20, 2016, inferred that the managerial remuneration approved by the MCA for the period December 1, 2010 to November 30, 2013 was a sum of Rs. 14,717,115 per annum.

Accordingly, NECE has determined that excess managerial remuneration paid for the period December 1, 2010 to November 30, 2013 amounted to Rs. 130,994,619. In addition, for the period December 1, 2013 to March 31, 2014, based on the effective capital of NECE in terms of Schedule XIII to the Companies Act, 1956, NECE has determined that Rs. 17,860,662 was the remuneration in excess of the limits specified in the said Schedule. The aforesaid excess remuneration aggregating to Rs. 148,855,281 was reversed in the Consolidated Statement of Profit and Loss under Exceptional items and NECE is in the process of obtaining refund of the same.

(b) In respect of the financial year 2015-16, remuneration paid to the Managing Director in excess of limits laid out under Schedule V to the Companies Act, 2013 for the year ended March 31, 2016, amounting to Rs. 3,099,286 was also considered to be held in trust by the Managing Director of NECE as at the March 31,2016 and NECE has initiated the process of obtaining refund of the same.

The aggregate of amounts held in trust by the Managing Director to be refunded to NECE as at March 31,2016 on account of the aforesaid remuneration in excess of the limits / approvals was Rs. 151,954,567 (included under other current assets).

During the year ended March 31, 2017, the Managing Director refunded RS 12,898,581 towards the aforesaid excess Managerial Remuneration recoverable and NECE has initiated the process of obtaining refund of the remaining balance of Rs. 139,055,986as at March31, 2017 (included under Other current assets). The Remuneration to the Managing Director for the year ended March 31,2017 of Rs.23,298,840 is within the limits laid out under Schedule V to the Companies Act, 2013.

37. Certain litigations by and against the Company and the subsidiaries of the Company are pending in various courts and the matter is subjudice. No cognizance thereof is taken in the preparation of the consolidated financial statements, pending final outcome of the cases.The operations of wind farm of the Company were partially affected due to the local issues at the wind farm site and disputes with the service provider thereby adversely affecting power generation. The management has taken all possible steps to restore the operations.

38. The Company's appeal no.9/2015 with MERC with respect to issue of Open Access Permission for the period April 2014 to March 2015, was decided in favor of the Company by MERC on February 8, 2016.

During the Current year, MSEDCL has given Credit with respect to the said power (Generated during period April 2014 to March 2015) in the power bills of consumer. Consequent to Final adjustment in the power bill by MSEDCL, the Company, as a normal accounting practice, has recognised the differential revenue based on actual power tariff rate during the current year.

39. Segment information based on Consolidated Financial Statements, as required by Accounting Standard 17 "Segment Reporting" as prescribed by Rules, as amended is set out in a separate statement annexed thereto.

40. Statement of Financials of Subsidiary Companies in terms of Section 129(3) of the Companies Act, 2013 is annexed.

41. In respect of Nandi Highway Developers Ltd. (NHDL), the Ministry of Corporate Affairs vide gazette notification dated April 17, 2012, has amended the Schedule II of New Companies Act, 2013 (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, NHDL has revised its policy for amortization of the intangible asset "Toll Road- Phase I and II" as per the amended schedule XIV. Refer Unique Accounting Policies of B(i).

42. In respect of Nandi Highway Developers Ltd. (NHDL), during the year April 2015 to March 2016, NHDL noticed misappropriation of funds by an ex-employee while in services with NHDL. Investigations conducted so far reveal that a sum of Rs 121.7 Million has been misappropriated over the past few years. Further investigations are in progress. NHDL has initiated necessary legal steps for recovery of the misappropriated funds.

With regard to the above, a sum of Rs.46.5 Million has been charged off to the Profit & Loss Account under the head "Extraordinary items" during the previous year in the books of NHDL.

Management of NHDL has through its vigil mechanism identified the above misappropriation. Adequate disclosures, adjustments and rectifications have been made in the previous financial statements of NHDL wherever necessary. Since the matters relating to financial irregularities are sub-judice and interrogations are on-going, any further adjustments/disclosures, if required, would be made in financials of NHDL as and when the outcome of the above uncertainties are known and the consequential adjustments / disclosures are identified. Management of NHDL has taken adequate steps to ensure that such irregularities are not repeated.

43. The Company supplies entire power generated from its Wind Farm located at Thoseghar in Satara to Bharat Forge Ltd. under the long term agreement. Bharat Forge Ltd. has given notice of partial / total suspension of above power purchase from or after 1st March, 2016.

Consequently, the Company and Bharat Forge Ltd. have signed a Revised Power Purchase Agreement, whereby the parties have agreed for Take or Pay mechanism. Under the Take or Pay mechanism, Bharat Forge Ltd. has agreed to pay power tariff to the Company as per the long term agreement for the electricity generated but not supplied to Bharat Forge Ltd. during the partial / total suspension period. If the electricity generated is sold

to any third party, the Company shall give credit for the same to Bharat Forge Ltd.

44. On 16th March, 2016, the Company has acquired 100% shareholding in Avichal Resources Pvt. Ltd. ("Avichal"), in all cash deal. With this acquisition, Avichal has become a wholly owned subsidiary of the Company. Avichal is the owner of some of the land required for the Company's existing Wind Farm located at Dist. Satara.

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

(Amount in Rs.)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Gross amount required to be spent by BFUL during the year/ period	2,421,749	2,048,814
Amount spent by BFUL during the year/ period	NIL	NIL

As stated in the notes of NHDL, CSR Expensed out by it during the year is Rs. 2,493,612 (PY Rs. 1,522,326)

46. Disclosure of Specified Bank Notes (SBNs)

During the year, respective companies had Specified Bank Notes or other denomination note as defined in the MCA Notification G.S.R 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

The denomination wise SBNs and other notes as per the notification are given below:

In respect of BFUL,

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	35,000	18,151	53,151
(+) Permitted receipts	-	55,350	55,350
(-) Permitted payments	-	35,009	(35,009)
(-) Amount deposited in Banks	35,000	-	(35,000)
Closing cash in hand as on 30-12-2016	-	38,492	38,492

In respect of NICE,

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	8,500	1,499	9,999
(+)Permitted receipts	-	-	-
(-)Permitted payments	-	-	-
(-)Amount deposited in Banks	8,500	-	8,500
Closing cash in hand as on 30-12-2016	-	1,499	1,499

In respect of NHDL,

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	1,718,000	622,433	2,340,433
(+)Permitted receipts	3,079,500	41,286,921	44,366,421
(-)Permitted payments	-	-	-
(-)Amount deposited in Banks	4,797,500	38,181,037	42,978,537
Closing cash in hand as on 30-12-2016	-	3,728,317	3,728,317

In respect of NECE,

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	9,357,500	8,794,279	18,151,779
(+)Permitted receipts	90,762,500	240,014,220	330,776,720
(-)Permitted payments	(72,000)	(3,114,808)	(3,186,808)
(-)Amount deposited in Banks	(100,048,000)	(227,853,000)	(327,901,000)
Closing cash in hand as on 30-12-2016	-	17,840,691	17,840,691

Note:

1) NECE has obtained a legal opinion on the legality of the toll collections in SBN and as per such legal opinion, the toll collection in SBN of Rs. 90,736,500 during November 9, 2016 to November 24, 2016 is legally valid and accordingly, they are considered permitted receipts for the purpose of this disclosure

2) Receipts disclosed above are net of changes returned to the customers which also include those returned in different denomination of notes.

In respect of Avichal Resources Pvt Ltd,

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	NIL	NIL	NIL
(+)Permitted receipts	-	-	-
(-)Permitted payments	-	-	-
(-)Amount deposited in Banks	-	-	-
Closing cash in hand as on 30-12-2016	NIL	NIL	NIL

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.".

47. The Company has reclassified previous year / period's figures to confirm to current year's classification, however, the previous year / period's figures are not comparable to those of current year, since the previous year / period's figures are for twelve / six months.

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

PRAKASH APTE
Partner
Membership No. 033212

Pune, 2 September, 2017

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

B.B. HATTARKI
Director
DIN : 00145710

S.S. VAIDYA
Director
DIN : 00024245

S. S. JOSHI
Chief Financial Officer

B.S. MITKARI
Chief Executive Officer & Company Secretary

Pune, 2 September, 2017

Annexure referred to in Note No. 30 of the Consolidated Financial Statements for the Year ended 31st March, 2017

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 there realisation in cash or cash equivalents, NECE has determined the operating cycle as 12 months for Toll Road operations and 5 years for Township Development from the date of registration of land in the name of NECE and after getting the required regulatory approval for commencing the development activities.

ii) Depreciation and amortisation:

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

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

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

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

iii) Share issues expenses:

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

iv) Inventory valuation:

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

v) Service tax input credit:

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

vi) Revenue recognition:

a) Toll Income is recognised on the basis of actual collections.

b) Income from sale of land is recognised when the possession of land is transferred along with all risks and rewards of ownership of land to buyer.

vii) Intangible assets

Intangible assets in the nature of toll road assets / rights are carried at cost less accumulated amortization and impairment losses, if any. The cost of such intangible asset comprises of land acquisition cost, direct and indirect expense incurred on procurement / construction of roads, bridges, culverts, including toll plazas, other equipment and utilities used in or in connection with operation of toll road including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure for

making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

B. Nandi Highway Developers Limited (NHDL)

i) Fixed assets and depreciation:

Fixed Assets :

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

Depreciation and Amortisation:

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

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

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

Annexure referred to in Note No. 39 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 31st March, 2017

Sr. No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
		Rs.	Rs.
1	Segment revenue		
	a. Wind energy	212,892,049	52,063,667
	b. Infrastructure	3,139,847,192	3,005,663,138
	Total	3,352,739,241	3,057,726,805
	Less : Inter segment revenue	-	-
	Net sales / income from operations	3,352,739,241	3,057,726,805
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind energy	113,423,347	(1,095,630)
	b. Infrastructure	1,786,087,661	1,905,062,211
	Total	1,899,511,008	1,903,966,581
	Less : i) Interest and finance charges	1,934,493,081	1,941,424,658
	ii) Other unallocable expenditure net off unallocable income	(47,614,523)	3,148,554
	Profit / (Loss) before tax and Exceptional and Extraordinary Items	12,632,450	(40,606,631)
	Exceptional and Extraordinary Items	-	102,279,093
	Total Profit / (Loss) before tax	12,632,450	61,672,462
3	Total carrying amount of segment assets		
	a. Wind energy	488,851,842	612,759,409
	b. Infrastructure	21,168,633,737	21,613,745,600
	c. Others - Unallocable (including temporary deployment in Mutual Funds)	329,190,270	161,464,746
	Total	21,986,675,849	22,387,969,755
4	Total amount of segment liabilities		
	a. Wind energy	394,734,879	393,587,079
	b. Infrastructure	1,946,158,449	1,664,257,000
	c. Others - Unallocable	53,484,758	6,902,700
	Total	2,394,378,086	2,064,746,779
5	Capital employed (Segment assets - Segment liabilities)		
	a. Wind energy	94,116,963	219,172,330
	b. Infrastructure	19,222,475,288	19,949,488,600
	c. Others - Unallocable	275,705,512	154,562,046
	Total	19,592,297,763	20,323,222,976
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	93,231	14,963
	b. Infrastructure	59,025,886	59,025,886
	c. Others - Unallocable	33,753,462	3,760,274
	Total	92,872,579	62,801,123
7	Depreciation & amortistion		
	a. Wind energy	38,662,098	19,404,340
	b. Infrastructure	233,823,776	210,740,557
	Total	272,485,874	230,144,897

Annexure to Note No. 40

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries.

Amount in Rupees

Sr. No	Particulars	Nandi Infrastructure Corridor Enterprise Ltd.	Nandi Economic Corridor Enterprise Ltd.	Nandi Highway Developers Ltd.	Avichal resources Private Ltd.
a)	Capital	1,250,936,880	2,490,466,920	375,000,060	102,000
b)	Reserves & Surplus	29,052,919	(1,646,389,925)	458,761,221	1,916,252
c)	Total Assets	1,414,019,807	20,421,787,299	1,038,528,135	2,322,434
d)	Total Liabilities	134,030,008	19,577,710,304	204,766,854	304,182
e)	Details of Investment (Except in case of investment in susidiaries)	62,710	210,000,000	5,500	-
f)	Turnover	7,024,306	2,641,761,044	545,634,226	600,000
g)	Profit before Taxation	1,869,222	(324,140,573)	251,159,077	582,858
h)	Provision for Taxation	558,337	-	53,588,987	192,800
i)	Profit after Taxation	1,310,885	(324,140,573)	197,570,090	390,058
j)	Proposed Dividend	-	-	-	-
K)	Extent of shareholding (in percentage)	74.52%	40.41%	69.53%	100%

Notes

1. Names of subsidiaries which are yet to commence operations : Nil
2. Names of subsidiaries which have been liquidated or sold during the year. : Nil

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (*Standalone and Consolidated separately) - for Consolidated Financial Results*

(As submitted to Stock Exchanges under Regulation 33 of SEBI (LODR)(Amendment) Regulation 2016)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sr. No	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In Lacs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In Lacs
	1	Turnover / Total income	34,018.54	34,018.54
	2	Total Expenditure	34,532.39	34,532.39
	3	Net Profit/(Loss)	(513.85)	(513.85)
	4	Minority Interest	(1,326.38)	(1,326.38)
	5	Profit after minority interest	812.53	812.53
	6	Earnings Per Share	2.16	2.16
	7	Total Assets	219,866.75	219,866.75
	8	Total Liabilities	203,508.75	203,508.75
	9	Net Worth	16,358.00	16,358.00
	10	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II	A	Details of Audit Qualification:		

Basis of Qualified Opinion

1. *As stated in Note No. 6 of the Statement, Based on the audit procedures carried out by us, the work of the other auditors' of Nandi Highway Developers Limited (NHDL) and Nandi Infrastructure Corridor Enterprises Limited (NICE) cannot be used with respect to certain required statutory disclosures in their respective audited financial statements; and since we have not been able to perform sufficient additional procedures regarding the financial information of the component audited by the other auditors', we qualify our opinion and we are unable to quantify the effect of the inadequate disclosures on the Consolidated Financial Statements of the Company with respect to NHDL and NICE*

2. *As stated in Note No.5 of the Statement, Nandi Economic Corridor Enterprises Limited (NECE) has advanced an amount aggregating to Rs. 1,227,682,883 as on 31 March 2017 (Rs. 1,227,243,251 as at 31 March 2016) to Nandi Engineering Limited (NEL) for carrying out the development of toll roads and townships and has given Inter-corporate deposits of Rs. 58,250,000 as on 31 March 2017 (Rs. 98,422,294 as at 31 March 2016) to NEL (including interest accrued but not due thereon of Rs. Nil as on 31 March 2017 (As at 31 March 2016 Rs. 11,678,748). These have been considered as good and recoverable by the Management of NECE based on the future additional work expected to be contracted to NEL. In the absence of sufficient appropriate audit evidence to assess the recoverability of these advances and inter-corporate deposits, we are unable to form an opinion on the recoverability of the carrying value of these balances and consequent adjustment that may be requiredon the consolidated financial statements. This matter was also qualified in our report on the consolidated financial statements for the year/period ended March 31,2016.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, these Consolidated Financial Results:

a) are presented in accordance with the requirements of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

		b) give a true and fair view of the net profit and other financial information for the financial year ended on 31st March, 2017.	
	B	**Type of Audit Qualification :** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion - Qualified *of Opinion.*	
	C	**Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing - point no. 1. 1st *time - in March 31, 2017*. point no. 2. 3rd *time - since September 30, 2015*.	
	D	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: *Impact is not quantified by the auditor.*	
	E	For Audit Qualification(s) where the impact is not quantified by the auditor:	
		(i) Management's estimation on the impact of audit qualification:Unable to estimate impact.	
		(ii) If management is unable to estimate the impact, reasons for the same:	1. Since the impact is due to inadequate disclosures in the financial statements of NICE and NHDL, impact cannot be estimated. 2. Since the impact is contingent on the future additional work expected to be contracted by NECE to NEL, the impact can not be estimated
		(iii) Auditors' Comments on (i) or (ii) above:	i) Unable to estimate impact. ii) Since the impact is due to inadequate disclosures in the financial statements of NICE and NHDL, impact cannot be estimated. iii) Since the impact is contingent on the future additional work expected to be contracted by NECE to NEL, the impact can not be estimated.
III		**Signatories:** CEO: B. S. Mitkari CFO : S. S. Joshi Audit Committee Chairman : S. S. Vaidya Statutory Auditor : Joshi Apte & Co.	

Place : Pune

Date : 2nd September, 2017

BF UTILITIES LIMITED

CIN :L40108PN2000PLC015323
Registered Office : Mundhwa, Pune 411 036
Correspondence Address : Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar, Pune- 411 013
Phone : +91 20 66292550
Email : bfutilitiesltd@vsnl.net Website : www.bfutilities.com

PROXY FORM

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

Name of the member(s) : _____

Registered Address : _____

_____

E-mail Id : _____

Folio No. / DP ID & Client ID : _____

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint :

(1) Name _____ Address _____

E-mail ID _____ Signature _____ or failing him / her

(2) Name _____ Address _____

E-mail ID _____ Signature _____ or failing him / her

(3) Name _____ Address _____

E-mail ID _____ Signature _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Seventeenth Annual General Meeting of the Company, to be held on Monday, the 6th day of November, 2017 at 11.00 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 Seventeenth Annual General Meeting dated 2nd September, 2017)	Vote *(Optional See Note 4)		
		For	Against	Abstain
1.	Adoption of the Financial Statements of the Company for the year ended 31st March, 2017 and the reports of the Board of Directors and Auditors thereon.			
2.	Appointment of Mr.A. B. Kalyani, (DIN : 00089430) 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 Statutory Auditors of the Company			

Please affix Revenue Stamp of proper value

Signed this _____ day of _____ 2017

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 lessthan 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 totalshare capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Companycarrying 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.

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) _____

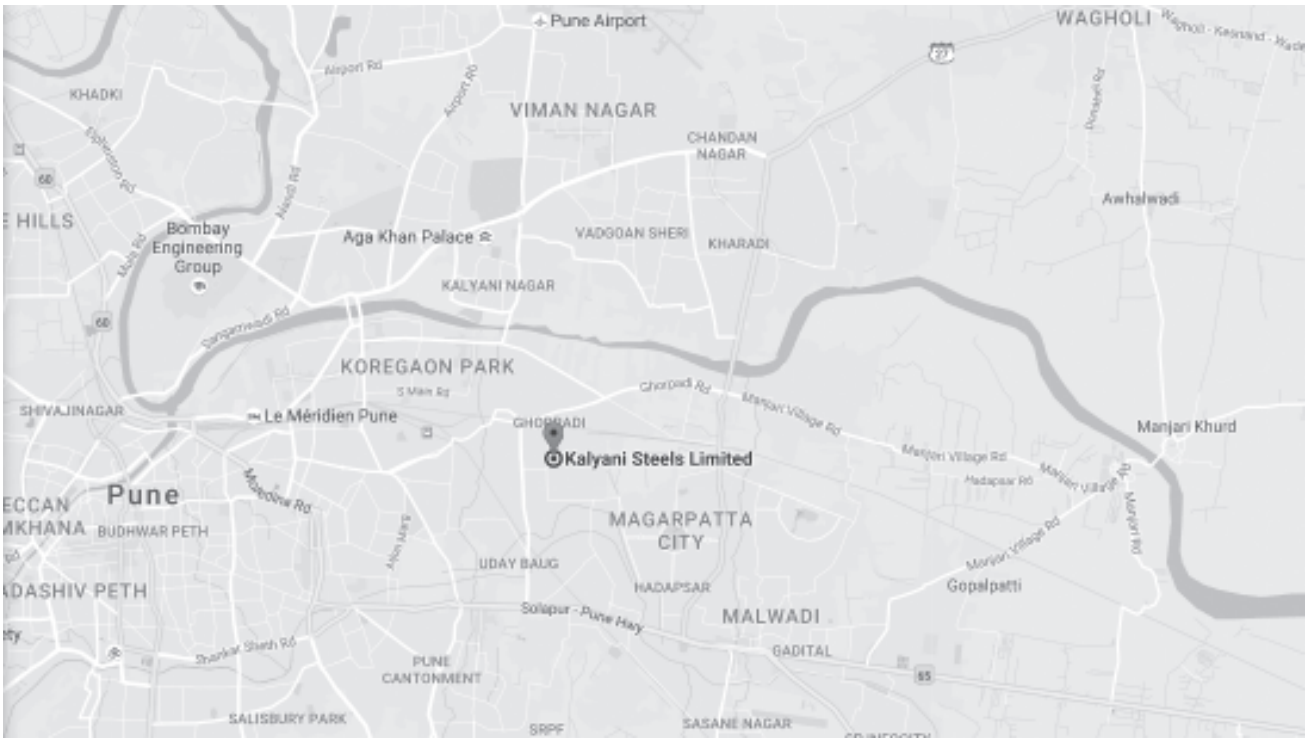
3) _____

Thanking you,

Yours faithfully,

Signature of 1st Shareholder	Signature of 2nd Shareholder	Signature of 3rd Shareholder

Route Map for Venue of Annual General Meeting





KALYANI

BF UTILITIES LIMITED

CYBER CITY, TOWER 15, LEVEL 6, OFFICE 602,
MAGARPATTA CITY, HADAPSAR, PUNE 411 013
MAHARASHTRA, INDIA.
website : www.bfutilities.com

adityacreative1@gmail.com