

BF UTILITIES LIMITED



KALYANI

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**BOARD OF
DIRECTORS**

B. N. KALYANI
Chairman

A. B. KALYANI

G. K. AGARWAL

B. B. HATTARKI

S. S. VAIDYA

BANKERS

AXIS Bank Limited

IDBI Bank Limited

ICICI Bank Limited

HDFC Bank Limited

AUDITORS

Dalal & Shah, Chartered Accountants

REGISTERED OFFICE

BF Utilities Limited
Mundhwa, Pune Cantonment,
Pune 411 036, Maharashtra, India
Phone : (020) 26822552 / 26702777
Fax : (020) 26823061
E-mail : bfutilitiesltd@vsnl.net

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



BF UTILITIES LIMITED

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

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of BF Utilities Limited will be held at Kalyani Steels Limited, Mundhwa, Pune 411 036 on Monday, 13th Day of February, 2012 at 10.30 A.M. (IST) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 30th September, 2011 and the Profit and Loss Account for the year ended 30th September, 2011 and the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. A. B. KALYANI, who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. S. VAIDYA, who retires by rotation but being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION :

"Resolved that the Company's Auditors, M/s. Dalal and Shah, Chartered Accountants, (Firm Registration No. 102021W) be and they are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration for the period."

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Members who hold shares in dematerialised form are requested to bring their CLIENT ID AND DP ID numbers for easy identification of attendance at the meeting.
3. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details etc. to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Registrar & Share Transfer Agent of the Company.
4. The Share Transfer Books and the Register of Members of the Company will remain closed on Monday, 13th February, 2012.

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

Mundhwa,
Pune Cantonment,
Pune 411 036.
23rd November, 2011

By Order of the Board of Directors
For BF Utilities Limited

B. S. Mitkari
VP-Finance & Company Secretary

Management Discussion And Analysis

Wind Power Development - International Scenario

Europe crisis

European economy is expected to continue with another year of dismal economic performance, while the United States and emerging markets may have to struggle to keep themselves afloat. Spain, having the fourth largest windpower installations, is feared to have gone into a painful recession. Moreover, this trend has forced other countries to tread cautiously and this has further added woes to the industrial climate.

A strong growth in China in the recent years has helped it to add wind power capacities on a large scale. The European slowdown has affected its global growth and may shrink its margins due to severe competition.

Also, fall in global oil demand and prices may not help the renewable energy sector. The future of Kyoto Protocol post 2012 is expected to be discussed at length during the Durban talks on Climate Change in December 2011. This is another opportunity to bank on for the renewable sector.

Wind Power Development - Domestic Scenario

During the year, the government has implemented the REC mechanism (Renewable Energy Certificates) in its efforts to promote the various kinds of renewable energy. It has also received a good response from the RE generators and obligatories of the mechanism and can be seen from the steady rise in traded volumes.

Performance of Company's Windmill Projects

Due to better wind conditions, the windmill projects of your company have shown an increase in the generation during the year. The trend is similar to other such projects in the state. The generation of wind power from your Company's projects increased by 15% as compared to the previous year.

The projects of your company have been successfully registered under the REC mechanism. The RECs issued would be traded on power exchanges and would be eligible for additional revenue. In respect of issues regarding grant of open access for windmill projects wheeling energy to third parties, certain clarifications are being sought from the regulatory authority. Although the power generation and revenue has not been affected due to this, the realization of revenues have been delayed.

The windmill generators of your Company are undergoing thorough overhaul in phases to ensure that the life of the windmills is enhanced and are able to perform better.

Cautionary Statement

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

CORPORATE GOVERNANCE

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

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

This Chapter of the report, plus the information given under 'Management Discussion and Analysis' and 'Shareholder Information' constitutes the report on Corporate Governance for 2010-2011.

1. BOARD LEVEL ISSUES :

● Composition of the Board

As on 30th September, 2011 the Board of Directors of BF Utilities is composed of five Directors. The Board of Directors of Company comprises the Chairman, who is promoter non-executive director and other four non-executive directors, of whom two are independent. In respect of compliance with Corporate Governance norms i.e. Clause-49 with respect to Independent Directors, the Company is in the process of complying the same. Details are given in Table 1.

● Number of Board Meetings

During the year, Four Board meetings were held. These were on 29th November, 2010, 7th February, 2011, 11th May, 2011, and 12th August, 2011. The maximum gap between any two Board Meetings was less than four months.

● Directors' Attendance Record and Directorships

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

Name of Director	Category	Number of meetings held	Number of meetings attended	Whether attended last AGM	Number of directorships of public limited companies	Materially significant pecuniary or business relationship with the Company
B. N. KALYANI (Chairman)	Promoter, Non- executive	4	3	Yes	14	None
A. B. KALYANI	Non- executive	4	3	Yes	12	None
G. K. AGARWAL	Non- executive	4	4	Yes	1	None
B. B. HATTARKI	Non- executive Independent ***	4	4	Yes	8	None
S. S. VAIDYA	Non- executive Independent ***	4	4	Yes	10	None

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

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

● Information Supplied to the Board

Among others, information supplied to the Board includes ;

- Annual operating plans and budgets, capital budgets, updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of committees.
- Compliance of regulatory, statutory nature or listing requirements and shareholder services.

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

● Directors with materially pecuniary or business relationship with the Company

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and/or independent Directors during the year 2010- 11.

- **Remuneration of Directors**

The details of the remuneration paid to Directors is given in Table- 2.

Name of Director	Relationship with other directors	Sitting Fees (in Rs.)	Salaries and perquisites (in Rs.)	Commissions (in Rs.)	Total (in Rs.)
B. N. KALYANI (Chairman)	*	15,000	Nil	Nil	15,000
A. B. KALYANI	*	15,000	Nil	Nil	15,000
G. K. AGARWAL	None	20,000	Nil	Nil	20,000
B. B. HATTARKI	None	20,000	Nil	Nil	20,000
S. S. VAIDYA	None	20,000	Nil	Nil	20,000

The Company does not have a Remuneration Committee.

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

- **Audit Committee**

The Audit Committee performs the following functions :

1. Reviewing of the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
2. Reviewing with management the annual financial statement before submission to the Board;
3. Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
4. Discussing with internal auditors any significant finding and follow up on such issues;
5. 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 area of concern;
6. Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards;
7. Reviewing details of related party transactions exceeding 1% of last year's turnover;
8. Reviewing the company's financial and risk management policies;

The Audit Committee consists of qualified and non-executive directors. It comprises of Mr. S. S. Vaidya (Chairman), Mr. B. B. Hattarki and Mr. A. B. Kalyani. The internal auditor is M/s. P. V. Deo, Chartered Accountants, Pune. The committee met four times during the course of the year on 29th November, 2010, 7th February, 2011, 11th May, 2011 and 12th August, 2011. Table 3 gives attendance record. The Chairman of the Board is invited to attend the meetings of the Audit Committee as a permanent invitee. The committee has access to all records of the Company.

Name of the Director	No. of meetings	Meetings attended
Mr. S. S. Vaidya	4	4
Mr. A. B. Kalyani	4	3
Mr. B. B. Hattarki	4	4

2. MANAGEMENT :

- **Management Discussion and Analysis**

This annual report has a detailed chapter on management discussion and analysis.

- **Disclosures 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 discussion nor do they vote on such matters.

3. SHAREHOLDERS :

- **Disclosures regarding Appointment or Re-appointment of Directors.**

Two Directors - Mr. Amit B. Kalyani and Mr. S. S. Vaidya - are retiring by rotation and being eligible offer themselves for re-appointment. Their details are given below :

- Mr. Amit B. Kalyani, B.E.(Mech.) born on 26th July, 1975. Mr. Amit Kalyani joined Bharat Forge Limited w.e.f. 24th October, 1999 as Chief Technology Officer and has since been instrumental in induction of Technology in the Company and providing system support services to the Company's process. He also designed and implemented e-Commerce strategies and is contributing significantly in manufacturing, marketing, exports and technology upgradation areas in the Company. He has over ten years of working experience

- Mr. S. S. Vaidya born on 9th August, 1955 is a Chartered Accountant. He is a Partner of M/s. Kunte & Vaidya, Chartered Accountants, Pune. He has been in practice for over 24 years and has vast experience in Corporate & Legal field, Tax Laws, Company Law, Foreign Exchange Laws etc. Mr. Vaidya also serves on the Boards of Sharp India Ltd., MRF and Nandi Infrastructure Corridor Enterprises.

- **Communication to shareholders**

The quarterly results of the Company's performance are published in leading newspapers such as Financial Express, all India edition (English) and Loksatta, Pune edition (Marathi).

- **Investor Grievances**

The Company has constituted the 'Shareholders'/Investors' Grievance Committee' for redressing shareholders'/investors' complaints. The Committee comprises of Mr. B. B. Hattarki (Chairman), Mr. A. B. Kalyani and Mr. S. S. Vaidya, all non-executive Directors. The status on complaints is also reported to the Board of Directors, as an agenda item. Mr. B. S. Mitkari, VP-Finance & Company Secretary, is the compliance officer.

- **Share Transfer**

The Company has constituted the 'Directors Executive Committee'. The Committee comprises of Mr. B. B. Hattarki (Chairman), Mr. A. B. Kalyani and Mr. G. K. Agarwal all non-executive Directors. The committee meets at a regular interval to consider and approve the transfer, transmission, consolidation, sub-division, issue of duplicate certificates and requests of dematerialisation of Company's shares. There are no legal proceedings against the Company on any share transfer matter.

- **Details of Non-Compliance**

There have been no instances of non-compliance on any matter relating to the capital market during the year under report.

- **General Body Meetings**

Financial Year	Date	Time	Venue
2007-08	30 th March, 2009	10.30 A. M.	Training Centre, Kalyani Steels Limited.
2008-09	30 th June, 2010	10.30 A. M.	Training Centre, Kalyani Steels Limited.
2009-10	29 th March, 2011	10.30 A. M.	Training Centre, Kalyani Steels Limited.

SHAREHOLDER INFORMATION

- **Annual General Meeting**

Date :- 13th February, 2012, At 10.30 A.M.

Venue :- Kalyani Steels Limited, Mundhwa, Pune - 411036, Maharashtra, India

- **Financial Calendar**

1st October to 30th September

- **Book Closure**

The books will be closed on 13th February, 2012 as annual closure for the purpose of AGM.

➤ **Dividend Date**

The Board has not recommended any dividend on Equity Shares.

➤ **Listing**

National Stock Exchange of India Ltd., Bombay Stock Exchange Ltd. and Pune Stock Exchange Ltd.

➤ **Stock Codes**

NSE : BFUTILITIE

BSE : 532430

PSE : BFUTI - 160284

➤ **Stock Data**

Table 1 below gives the monthly high and low prices and volumes of the Company's Equity Shares at Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd., for the year 2010-11.

Table 1: High and Low Prices & Trading Volumes at BSE and NSE

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
Oct-10	1108.00	914.00	2572469	1107.90	915.25	4355205
Nov-10	1054.90	700.00	3194913	1054.80	685.00	5038118
Dec-10	986.00	652.00	10936325	987.80	645.05	20857004
Jan-11	943.25	680.00	5955813	943.50	680.20	9344107
Feb-11	931.00	649.20	12718710	912.00	648.50	19075595
Mar-11	814.00	675.00	8184429	814.00	674.20	12667005
Apr-11	906.40	711.80	9234976	904.60	770.15	13673572
May-11	836.90	716.10	4680352	836.70	714.95	6357290
Jun-11	785.00	658.00	3386057	784.80	652.65	5065804
Jul-11	786.80	678.05	7486275	786.65	678.20	13557193
Aug-11	738.85	403.15	6325671	738.80	402.20	12890175
Sep-11	564.45	376.70	8638238	564.75	429.05	19762207

➤ **Share Transfer Agents and Share Transfer System**

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

➤ **Shareholding pattern**

The following tables 2 & 3 give the Pattern of Shareholding as on 30th September, 2011.

Table 2 Pattern of shareholding by ownership as on 30th September, 2011

Company	No. of shares held	Shareholding %
Promoters	24928975	66.18
Financial Institutions	0	0.00
Mutual Funds	30559	0.08
Nationalised Banks	69422	0.18
Insurance Companies	129655	0.34
Foreign Institutional Investors/ Foreign Banks	785803	2.09
Private Corporate Bodies	4393026	11.66
Indian Public	7160406	19.01
NRIs	169782	0.45
TOTAL	37667628	100.00

Table 3 Pattern of shareholding by share class as on 30th September, 2011

Shareholding class	No. of shareholders	No. of shares held	Shareholding %
Up to 5000	46911	5822012	15.46
5001 to 10000	121	848141	2.25
10001 to 20000	39	534628	1.42
20001 to 30000	18	450132	1.19
30001 to 40000	12	410665	1.09
40001 to 50000	8	358595	0.95
50001 to 100000	14	1054617	2.80
100001 and above	24	28188838	74.84
TOTAL	47147	37667628	100.00

➤ **Dematerialisation**

As on 30th September, 2011 dematerialised shares accounted for 40.21% of the total equity.

➤ **Site Location**

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

➤ **Investors Correspondence Address**

1. Secretarial Department
BF Utilities Ltd.,
Mundhwa, Pune Cantonment, Pune - 411 036 Maharashtra, India.
Phone No. 020 - 26702618, 26822552, Fax No.26823061,
E-mail : bfutilitiesltd@vsnl.net
2. Link Intime India Private Limited
Registrar & Transfer Agents
202, Akshay Complex, Off Dhole Patil Road,
Near Ganesh Mandir, Pune 411 001.
Phone No.: 020-26161629 Fax No.020-26163503
Email : pune@linkintime.co.in

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of *BF Utilities Limited*

We have examined the compliance of conditions of Corporate Governance by BF Utilities Limited, for the year ended September 30, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except that the composition of independent directors is below 50% of the Board of Directors and below 2/3rd of the Audit Committee.

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

For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish Amin
Partner

Place : Mumbai
Date : 23rd November, 2011

Membership Number 40451

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER, 2011.

To,

The Members,

Your Directors have pleasure in presenting their 11th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 30th September, 2011.

1. FINANCIAL HIGHLIGHTS :

	(Rs. in Million)	
	Year ended 30 th Sept., 2011	Year ended 30 th Sept., 2010
Sales	223.70	161.74
Other Income	0.51	1.97
Profit before Interest and Depreciation	132.36	44.54
Less : Interest	28.83	14.96
Depreciation	60.84	60.98
Profit/(Loss) before tax	42.69	(31.40)
Provision for Taxation		
a) Current Tax	24.00	0.50
b) Deferred Tax	9.72	9.35
Net Profit/(Loss)	8.97	(41.25)
Balance of Profit/(Loss) from previous year	373.02	407.47
Add/(Less)- Adjustments relating to earlier year	(31.69)	6.80
Surplus retained in Profit & Loss Account	350.30	373.02

For the year ended 30th September, 2011, your Company achieved a total sales of Rs.223.70 Million (previous year Rs.161.74 Million) and earned a profit of Rs.42.69 Million (previous year loss of Rs.31.40 Million).

2. DIVIDEND :

Your Directors do not recommend any dividend on the equity shares for the year ended 30th September, 2011.

3. CONSOLIDATED FINANCIAL STATEMENTS :

Pursuant to Clause 32 of the Listing Agreement with the Stock Exchanges, read with the applicable Accounting Standards, issued by the Institute of Chartered Accountants of India, financial statements relating to Subsidiaries, as defined under the said Standards, are merged with the Accounts of the Company and the Consolidated Financial Statements are attached to these Account. The details are given under Note 'L' to the said Consolidated Financial Statements.

4. SUBSIDIARIES :

The Statement pursuant to Section 212 of the Companies Act, 1956 is attached to these Accounts. The Company undertakes that Annual Accounts of

the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary Companies shall also be kept for inspection by any shareholders in the Head Office of the Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand. The details about subsidiary companies is included elsewhere in this Annual Report. In view of this and also as per General Circular No.2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs, the accounts of subsidiary companies are not enclosed to this Annual Report.

5. PARTICULARS OF EMPLOYEES :

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure of the Directors' Report. However, in terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all the Shareholders of the Company excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of said Annexure may write to the Company Secretary at the Registered Office of the Company.

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

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

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

II. TECHNOLOGY ABSORPTION :

1. Research and development (R&D) :

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

2. Technology Absorption, Adaptation and Innovation :

The Company has not imported any technology.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Total Foreign Exchange Used and Earned :

Used : Rs. 2,763,238/-.

Earned : Rs. 10,487,769/-.

7. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. A. B. Kalyani and Mr. S. S. Vaidya, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, they offer themselves for re-appointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (i) That in the preparation of the accounts for the financial year ended 30th September, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review ;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the

assets of the Company and for preventing and detecting fraud and other irregularities ;

- (iv) That the Directors have prepared the annual accounts for the financial year ended 30th September, 2011 on a 'going concern' basis.

9. AUDITORS :

You are requested to re-appoint Auditors for the current year to hold the office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

Your directors wish to place on record their appreciation for the positive co-operation received from the Central Government, Government of Maharashtra, Financial Institutions and the Bankers. The directors also wish to place on record their appreciation of the unstinted efforts and contributions made by the Management Team and the employees of the Company at all levels.

The Directors express their special thanks to Mr. B. N. Kalyani, Chairman for his untiring efforts for the progress of the Company.

For and on behalf of the
Board of Directors

PUNE
Dated : 23rd November, 2011.

B. N. KALYANI
Chairman

AUDITORS' REPORT

AUDITORS' REPORT TO THE MEMBERS OF BF UTILITIES LIMITED

1. We have audited the attached Balance Sheet of BF Utilities Limited (the 'Company') as at 30th September 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report that :
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 30th September 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 30th September 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the company as at 30th September 2011;
 - (ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P. Amin
Partner
Membership Number 40451

Mumbai, 23rd November, 2011

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of BF Utilities Limited on the financial statements for the year ended 30th September 2011

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
4. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
5. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
7. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
8. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
9. The Company has no accumulated losses as at 30th September 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
10. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
13. In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name or are in the process of transfer in its name, except to the extent of the exemption granted under Section 49 of the Act.
14. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year,

are not prejudicial to the interest of the Company. The Company has also given an undertaking for loans taken/ to be taken from financial institutions on behalf of the subsidiary, which considering the company is a parent promoter and being informed by the management that the undertaking is given to ensure financial and operational continuance of the project undertaken by it as detailed in Note no 4A in Schedule K to the Financial Statements, is not at present prejudicial to the interest of the company.

15. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained
16. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
17. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
18. The Company has not issued any debentures and hence the company has not created any security or charge in respect thereof.
19. The Company has not raised any money by public issues during the year.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the Management.
21. Considering the nature of the business conducted by the Company, the other clauses, viz, (ii), (iii) (b), (c), (d), (f) and (g) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the current year, and hence in our opinion there is no matter which arises to be reported in the aforesaid clauses of the order.

For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants

Anish P. Amin
Partner
Membership Number 40451

Mumbai, 23rd November, 2011

Balance Sheet as at 30th September, 2011

	Schedule	Rs.	Rs.	As at 30th September, 2010 Rs.
I. SOURCES OF FUNDS:				
1. Shareholders' Funds:				
(a) Capital	"A"	188 338 140		188 338 140
(b) Reserves and Surplus	"B"	350 296 683		373 018 085
			538 634 823	561 356 225
2. Loan Funds:				
(a) Secured Loans	"C"	200 000 000		192 150 572
(b) Unsecured Loans	"D"	947 087 101		857 957 812
			1 147 087 101	1 050 108 384
3. Deferred Tax (See Note No. 11)				
(a) Deferred Tax Liability		93 943 143		63 291 842
(b) Deferred Tax Asset		23 797 623		33 516 538
			70 145 520	29 775 304
TOTAL			1 755 867 444	1 641 239 913
II. APPLICATION OF FUNDS:				
1. Fixed Assets:				
(a) Gross Block		1 174 971 641		1 175 568 381
(b) Less: Depreciation		674 908 772		614 637 661
(c) Net Block	"E"		500 062 869	560 930 720
2. Investments				
	"F"		1 036 410 120	1 036 410 120
3. Current Assets, Loans and Advances:				
(a) Cash and Bank Balances	"G"	35 404 358		6 159 013
(b) Other Current Assets		189 111 738		86 278 801
(c) Loans and Advances		415 711 773		414 785 726
		640 227 869		507 223 540
Less: Current Liabilities and Provisions:				
(a) Liabilities	"H"	268 920 421		345 627 184
(b) Provisions		151 912 993		117 697 283
		420 833 414		463 324 467
Net Current Assets			219 394 455	43 899 073
TOTAL			1 755 867 444	1 641 239 913
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	"K"			

As per our attached report of even date
For DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

On behalf of the Board of Directors

ANISH AMIN
Partner
Membership No. : 40451

B. S. MITKARI
VP Finance & Company Secretary

B. B. HATTARKI
Director

A. B. KALYANI
Director

Mumbai, 23rd November, 2011

Pune, 23rd November 2011

Profit And Loss Account For The Year Ended 30th September, 2011

		Rs.	Rs.	Year Ended 30th September, 2010
Schedule				Rs.
INCOME:				
Operating Income				
Wind Power Generated		213 209 827		151 244 417
Income from Certified Emission Reduction Units (See Note No.12)		<u>10 487 769</u>		<u>10 495 146</u>
			223 697 596	161 739 563
Other Income	"I"		<u>514 148</u>	<u>1 978 443</u>
			224 211 744	163 718 006
EXPENDITURE:				
Operating and other expenses	"J"	120 682 188		134 143 979
Depreciation		<u>60 840 358</u>		<u>60 976 692</u>
			181 522 546	195 120 671
Profit /(Loss) for the year before taxation :			42 689 198	(31 402 665)
Provision for Taxation				
For the Year:				
Current Tax (See Note No. 10)		24 000 000		500 000
Deferred Tax (See Note No. 11)		<u>9 718 915</u>		<u>9 352 756</u>
			33 718 915	9 852 756
Profit /(Loss) for the year after taxation :			8 970 283	(41 255 421)
Adjustments relating to earlier years :				
Excess / (Short) Provision for Taxation and tax payments		(1 040 384)		6 801 525
Excess / (Short) Provision for Deferred Taxes on recomputation (See Note No.11)		<u>(30 651 301)</u>		<u>-</u>
			<u>(31 691 685)</u>	<u>6 801 525</u>
Profit / (Loss) for the year after taxation and adjustments relating to earlier years:			(22 721 402)	(34 453 896)
As per last account			<u>373 018 085</u>	<u>407 471 981</u>
Balance carried to Balance Sheet			<u>350 296 683</u>	<u>373 018 085</u>
Earning Per Share (Face Value of Rs. 5/- each).				
Net Profit / (Loss) after Taxation			8 970 283	(41 255 421)
Adjustments relating to earlier year			<u>(31 691 685)</u>	<u>6 801 525</u>
Net Profit after tax and Prior Period adjustments			(22 721 402)	(34 453 896)
Total number of shares issued & Subscribed			37 667 628	37 667 628
Basic & Diluted Earning per Share			(0.60)	(0.91)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	"K"			

As per our attached report of even date
For DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

On behalf of the Board of Directors

ANISH AMIN
Partner
Membership No. : 40451

B. S. MITKARI
VP Finance & Company Secretary

B. B. HATTARKI
Director

A. B. KALYANI
Director

Mumbai, 23rd November, 2011

Pune, 23rd November 2011

Cash Flow Statement For The Year Ended 30th September, 2011

Particulars	Year ended 30th Sept., 2011		Year ended 30th Sept., 2010	
	Rs.	Rs.	Rs.	Rs.
A Cash Flow From Operating Activities				
Profit/ (Loss) before taxation		42 689 198		(31 402 665)
Add Interest / Depreciation / Other Non Cash Expenses				
Depreciation	60 840 358		60 976 692	
Interest	25 664 884		13 410 109	
Project expenses Written off due to redundancy of Project	-		9 095 441	
		<u>86 505 242</u>		<u>83 482 242</u>
Less Interest / Dividend / Other Adjustments				
Profit on sale of Fixed Assets	36 132		-	
Provision no longer required	103 587		371 846	
Interest	231 301		557 499	
Profit on sale of Investments	112 090		909 955	
		<u>(483 110)</u>		<u>(1 839 300)</u>
Operating Profit before Working Capital Changes :		<u>128 711 330</u>		<u>50 240 277</u>
(Increase) / Decrease Working Capital				
(Increase) / Decrease in Current Assets :				
(Increase) / Decrease in Sundry Debtors	-		82 359 500	
(Increase) / Decrease in Other current assets and loans and advances	(104 788 565)		(414 187 990)	
	<u>(104 788 565)</u>		<u>(331 828 490)</u>	
Increase / (Decrease) in Current Liabilities : Liabilities				
	<u>(69 000 132)</u>		<u>(21 477 383)</u>	
	<u>(69 000 132)</u>		<u>(21 477 383)</u>	
		<u>(173 788 697)</u>		<u>(353 305 873)</u>
Cash Generated from operations		<u>(45 077 367)</u>		<u>(303 065 596)</u>
Direct taxes paid		(1 951 184)		670 468
Net Cash Flow from Operating Activities		<u>(47 028 551)</u>		<u>(302 395 128)</u>
B Cash Flow from Investing Activities				
Additions to Fixed Assets / Other Adjustments				
(Increase)/Decrease in Investment, net		-		312 780 036
Additions to Fixed Assets		(111 375)		(74 486)
Sales proceeds of assets		175 000		221 162
Non Operating Income				
Interest	231 301		557 499	
Profit on sale of Investments	112 090		909 955	
		<u>343 391</u>		<u>1 467 454</u>
Net Cash Flow from Investing Activities		<u>407 016</u>		<u>314 394 166</u>
C Cash Flow from Financing Activities				
Secured loans (Net of Repayment)		7 849 428		(45 649 428)
Unsecured Loans		89 129 289		7 588 427
Interest Paid		(21 111 837)		(12 586 509)
Net Cash from Finance Activities		<u>75 866 880</u>		<u>(50 647 510)</u>
Net changes in cash and cash equivalents (A+B+C)		<u>29 245 345</u>		<u>(38 648 472)</u>
Cash and cash equivalents as on 30th September 2010		6 159 013		44 807 485
Cash and cash equivalents as on 30th September 2011		35 404 358		6 159 013

As per our attached report of even date
For DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

On behalf of the Board of Directors

ANISH AMIN
Partner
Membership No. : 40451

B. S. MITKARI
VP Finance & Company Secretary

B. B. HATTARKI
Director

A. B. KALYANI
Director

Mumbai, 23rd November, 2011 Pune, 23rd November 2011

Schedule "A" to "K" annexed to and forming part of the Financial Statements for the year ended 30th September, 2011

	Rs.	Rs.	As at 30th September, 2010 Rs.
SCHEDULE "A" SHARE CAPITAL:			
Authorised:			
60 000 000 (60 000 000) Equity Shares of Rs. 5/- (Rs.5/-) each		300 000 000	300 000 000
		<u>300 000 000</u>	<u>300 000 000</u>
Issued , Subscribed and Paid up:			
37 667 628 (37 667 628) Equity Shares of Rs. 5/- (Rs. 5/-) each fully paid		188 338 140	188 338 140
Total		<u>188 338 140</u>	<u>188 338 140</u>
Note : 37 667 628 Equity Shares of Rs. 5/- each were allotted on June 16, 2001 as fully paid up for consideration other than cash, under a scheme of arrangement between BF Utilities Ltd. & Bharat Forge Ltd. with effect from 1st March 2001 sanctioned by the High Court of Judicature of Mumbai.			
SCHEDULE "B" RESERVES AND SURPLUS:			
Surplus As Per Annexed Profit and Loss Account		350 296 683	373 018 085
Total		<u>350 296 683</u>	<u>373 018 085</u>
SCHEDULE "C" SECURED LOANS :			
Term Loans :			
Rupee Term Loan From Axis Bank Limited (For Security See Note No. 7 (i))		200 000 000	-
Foreign Currency Term Loan from Axis Bank Ltd. (For Security See Note No. 7 (ii))		-	192 150 572
Total		<u>200 000 000</u>	<u>192 150 572</u>
SCHEDULE "D" UNSECURED LOANS:			
Sales tax deferral obligation collected under Government of Maharashtra Package Scheme of Incentives by a beneficiary under an arrangement.		820 787 101	845 457 812
Loan from a Company		126 300 000	12 500 000
Total		<u>947 087 101</u>	<u>857 957 812</u>

SCHEDULE - "E" FIXED ASSETS

Rupees

Sr. No.	Particulars	Gross Block			Depreciation				Net Block		
		As At 30/9/2010	Additions/ Adjustments	Deductions/ Adjustments	As At 30/9/2011	Upto 30/9/2010	On Deductions & Adjustments	For the Year	Upto 30/9/2011	As At 30/9/2011	As At 30/9/2010
1	Land	15 199 252	-	-	15 199 252	-	-	-	-	15 199 252	15 199 252
2	Building	13 108 730	-	-	13 108 730	2 219 731	-	213 673	2 433 404	10 675 326	10 888 999
3	Plant & Machinery	1 144 688 812	-	-	1 144 688 812	610 652 093	-	60 439 570	671 091 663	473 597 149	534 036 719
4	Electrical Installation	14 000	-	-	14 000	13 999	-	-	13 999	1	1
5	Office Furniture	30 000	-	5 000	25 000	21 271	5 000	1 579	17 850	7 150	8 729
6	Office Equipments	1 010 747	111 375	-	1 122 122	647 093	-	86 238	733 331	388 791	363 654
7	Vehicles	1 516 840	-	703 115	813 725	1 083 474	564 247	99 298	618 525	195 200	433 366
	Total	1 175 568 381	111 375	708 115	1 174 971 641	614 637 661	569 247	60 840 358	674 908 772	500 062 869	560 930 720
	Previous year Total	1 177 038 641	74 486	1 544 746	1 175 568 381	554 984 553	1 323 584	60 976 692	614 637 661	560 930 720	

Note :Refer para 2 of significant accounting policies referred to in Note No. 17 in Schedule 'K'.

		Rs.	Rs.	As at 30th September, 2010 Rs.
SCHEDULE "F" INVESTMENTS ; at cost				
Trade	Face Value Rs.			
Long Term				
In Equity Shares :				
In subsidiaries,Unquoted:				
77,569,111 (77,569,111)	In Nandi Infrastructure Corridor Enterprises Ltd.	10	775 691 110	775 691 110
# 26,071,902 (26,071,902)	In Nandi Highway Developers Ltd.	10	260 719 010	260 719 010
	Total		1 036 410 120	1 036 410 120
			1 036 410 120	1 036 410 120

2 551 127 (P.Y. 2 551 127) shares pledged with Banks for loans taken by other companies

Notes :

- All the investments outstanding as on 30th September, 2011 and 30th September,2010 are unquoted.
- Following Investments in Mutual Funds were purchased and sold during the year

S. No.	Name of the Scheme	Units Purchased Nos.	Face Value Rs.	Purchase Cost Rs.
1	Reliance Money Manager Fund Institutional Option Growth plan	4876.8060	1 000.00	6 500 000
2	Reliance Liquid Fund-Treasury Plan-Institutional Option Growth plan	352 571.2820	10.00	8 500 000

	Rs.	Rs.	As at 30th September, 2010 Rs.
SCHEDULE "G" CURRENT ASSETS, LOANS & ADVANCES			
a) Cash and Bank Balances:			
Cash on Hand	4 094		20 324
Bank Balances:			
With Scheduled Banks:			
In Current Account & Cash Credit Account	2 699 100		6 138 689
In Fixed Deposit Account	32 500 000		-
Interest accrued on Fixed Deposits	201 164		-
		35 404 358	6 159 013
b) Other Current Assets:			
Energy Credit Receivable	164 085 339		49 972 426
CER Receivable (See Note No. 12)	25 026 399		36 306 375
		189 111 738	86 278 801
c) Loans and Advances, Unsecured, Good : (Unless otherwise stated):			
Advance for purchase of land (See Note No. 3)	370 000 000		370 000 000
Advances recoverable in cash or in kind or for value to be received			
Good	45 711 773		43 756 145
Tax paid in advance	131 139 381		152 228 581
Less - Provision for Tax per Contra	131 139 381		151 199 000
			1 029 581
		415 711 773	414 785 726
Total		<u>640 227 869</u>	<u>507 223 540</u>
SCHEDULE "H" CURRENT LIABILITIES AND PROVISIONS			
(a) LIABILITIES:			
Sundry Creditors			
- Dues to Micro and Small Enterprises (See Note No. 16)	-		-
- Dues to other than Micro and Small Enterprises	30 969 378		37 024 112
Security Deposit	200 000 000		200 000 000
Advance from customer	32 574 396		107 779 472
Interest accrued but not due	5 376 647		823 600
		268 920 421	345 627 184
(b) Provisions:			
Taxation	153 199 000		151 199 000
Less - Tax paid in advance Per Contra	131 139 381		151 199 000
			-
Long Term Employee Benefits (See Note No. 15)	22 059 619		802 864
Others (See Note No. 14)	1 075 191		116 894 419
	128 778 183		117 697 283
		151 912 993	463 324 467
Total		<u>420 833 414</u>	<u>463 324 467</u>

			Year ended 30th September, 2010
	Rs.	Rs.	Rs.
SCHEDULE "I" OTHER INCOME			
Interest on Bank F.D (Gross - TDS Rs. 3 014/-, P.Y. Rs.65 855/-)		231 301	557 499
Profit on sale of Investments		112 090	909 955
Profit on sale of Fixed Assets		36 132	-
Provision no longer required		103 587	371 846
Miscellaneous Income		31 038	139 143
Total		<u>514 148</u>	<u>1 978 443</u>
SCHEDULE "J" OPERATING AND OTHER EXPENSES			
(1) Operating Expenses:			
Operations, Maintenance & Other Expenses - Wind Mills	23 880 610		22 324 091
Lease Rent - Land	600 000		600 000
Insurance Expenses	810 996		794 173
Electricity Duty (See Note No. 14)	8 293 910		7 195 226
Wheeling & Transmission Charges (See Note No. 14)	3 589 854		8 420 869
Other Operating Expenses	1 625 188		140 000
Overhauling / Repairs to Machinery	<u>19 550 000</u>		<u>9 950 000</u>
		58 350 558	49 424 359
(2) Other Expenses:			
Insurance - others	29 292		30 468
Rates & Taxes	399 939		1 793 218
Interest:			
On Fixed Loans	25 664 884		13 347 096
Others	<u>3 163 770</u>		<u>1 617 742</u>
	28 828 654		14 964 838
Loan Processing Charges	5 212 500		5 120 000
Salary, Allowances etc.	5 622 277		16 936 257
Contribution to Provident & other funds	791 032		1 520 294
Staff Welfare Expenses	31 680		26 026
Director's sitting fees	95 000		140 000
Auditors Remuneration	2 125 577		2 059 927
Project expenses Written off due to redundancy of Project	-		9 095 441
Stamp Duty - increase in Authorised Share Capital	-		700 000
Donation	-		2 500 000
Forward Contract Premium	1 936 689		5 283 535
Miscellaneous Expenses including Insurance, Printing, Stationery, Postage, Travelling, Telephone, Bank Charges, etc.	5 235 396		7 151 186
Professional & Consultancy Expenses	<u>12 023 594</u>		<u>17 398 430</u>
Total		<u>62 331 630</u>	<u>84 719 620</u>
		<u>120 682 188</u>	<u>134 143 979</u>

SCHEDULE "K" NOTES FORMING PART OF THE FINANCIAL STATEMENTS :

Particulars	As at 30 th September 2011 Rupees	As at 30 th September 2010 Rupees
1		
Contingent Liabilities not provided for in respect of		
a) Claims against the Company not acknowledged as debt.	59 858 522	26 353 998
b) Guarantee given by the Company on behalf of other company (See Note 5 Below)	300 000 000	300 000 000
	2010-11	2009-10
2		
*Payment to Auditors		
i) As Statutory Auditors	772 100	1 323 600
ii) In other capacity		
a) for tax audit	110 300	55 150
b) for Certification & other matters	1 196 755	672 830
iii) For Expenses	46 422	8 347
* including service tax	<u>2 125 577</u>	<u>2 059 927</u>
3		
A Expenditure in Foreign Currency :		
Interest on Foreign Currency Term Loan	2 388 840	6 186 793
Travelling expenses	-	229 034
Legal and Professional expenses	-	3 500 250
Other	374 298	-
	<u>2 763 238</u>	<u>9 916 077</u>
B Earnings in Foreign Currency		
Certified Emission Reduction (Carbon Credits)	10 487 769	10 495 146
C Foreign exchange derivatives and exposures hedged at close of the year		

Nature of Instrument	Currency	Sale / Purchase	30 th September, 2011	30 th September, 2010
Forward Contracts	USD	Purchase	-	4 342 851.17
Loan	USD	Term Loan	-	4 277 617.37

- 4 A The Company as a Promoter of Nandi Economic Corridor Enterprises Ltd (NECE) has given undertakings to Infrastructure Development Finance Co . Ltd (IDFC) in connection with the loan of Rs. 13200 million advanced to NECE (borrower) by IDFC, whereby the company has undertaken to ensure continuance of the project undertaken by NECE, continued Promoters contributions as per the Financial plan with adequate technical, financial and managerial support at the least until the final settlement date.
- Further the company has committed to meet the shortfall in resources of NECE by way of Promoters contribution in terms of the Financing Plan which can be in the form of Equity / Preference Share Capital and / or granting of interest free unsecured loan until the final settlement date, which together with current contributions would be subordinate to the funds borrowed from IDFC and shall not be repaid until the final settlement date. The company has further agreed to ensure that the Borrower adheres to the land sale / Development Plan as mentioned in the Common Loan Agreement.
- 4 B The Company, as a promoter and indirect holding company of Nandi Economic Corridor Enterprises Ltd. (NECE) has signed definitive agreements on 24th December 2010, in relation to foreign direct investment of Rs. 5000 millions 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.
- 5 The Company has given security to Axis Bank Limited to the extent of Rs. 300 millions for securing the term loan facility granted by it to Nandi Highway Developers Limited (a subsidiary of the Company) by way of hypothecation of movable assets and equitable mortgage of fixed assets pertaining to Wind Mill project of the Company located in village Boposhi and Maloshi, Dist Satara.

SCHEDULE "K" NOTES FORMING PART OF THE FINANCIAL STATEMENTS, (CONTD.) :

6 Licensed & Installed Capacity, Production and Turnover :

Class of Goods	Unit	Licensed Capacity (a) 2010-11	Installed Capacity (b) 2010-11	Actual Production (c) 2010-11
Power Generated from Wind Mills (Non- Conventional Energy)	KW	* 18 330 * (18 330)	18 330 (18 330)	
	No. of Units	160 570 800 p.a. (160 570 800 p.a.)	160 570 800 p.a. (160 570 800 p.a.)	35 431 452 (30 890 209)

* Licensed Capacity as approved by Government of Maharashtra on 100% utilisation basis.

Figures in brackets represent previous year's figures.

Turnover :

Class of Goods	For the year 01/10/2010 to 30/09/2011		For the year 01/10/2009 to 30/09/2010	
	Qty. Units	Rs.	Qty. Units	Rs.
Wind Power Generated (Non - Conventional energy)	35 431 452	213 209 827	30 890 209	151 244 417

7 (i) Rupee Term Loan from Axis Bank Limited, is secured by first charge on the movable and immovable assets of Wind Mill Project located at village Boposhi and Maloshi, Dt. Satara,

(ii) Foreign Currency Term Loan of USD 4 277 617 from Axis Bank Limited, was secured by second charge on the movable and immovable assets of Wind Mill Project located at village Boposhi and Maloshi, Dt. Satara., repaid during the year, Charge satisfied.

8 Segment information, as required by Accounting Standard 17 'Segment Reporting' prescribed by, Companies (Accounting Standards), Amendment Rule, 2006, based on the Consolidated Financial Statements of the Company and its Subsidiaries is set out in a separate statement annexed to the schedule.

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

10. The Company's Financial Year for the purpose of the Company's Act, 1956 ends on 30th September, as against "Previous Year" for tax purposes, which ends on 31st March.

The income if any for the period from 1st April 2011 to 30th Sept 2011 forming part of the annexed accounts, will be assessed as a part of the composite income relevant to the Assessment Year 2012-13 viz. for the Income Tax Previous Year ending on 31st March, 2012. The Tax Liability in respect of the said six months period has been provided for at rates based on the estimation of the assessable income for the financial year ended 31st March 2012.

11 As required by and in accordance with Accounting Standard 22 - 'Taxes on Income' prescribed by Companies (Accounting Standards) Amendment Rules, 2006, the Company recognises Deferred Tax which result from timing differences between Book Profits & Tax Profits 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 generation business. Consequently an additional deferred tax liability has been determined to be reversing outside the tax holiday period and considered as an adjustment to deferred tax liability created in earlier years aggregating Rs. 30,651,301/-

SCHEDULE "K" NOTES FORMING PART OF THE FINANCIAL STATEMENTS, (CONTD.) :

Particulars	Balance As at 01.10.2010 Rs.	Arising During the Year Rs.	Arising on account of Recomputation Rs.	Balance As at 30.09.2011 Rs.
Deferred Tax Liabilities :				
On Account of Timing Differences:				
Depreciation	63 291 842	-	30 651 301	93 943 143
Total	63 291 842	-	30 651 301	93 943 143
Deferred Tax Assets :				
On Account of Timing Differences:				
Disallowance U/s 43B	23 797 623	-	-	23 797 623
Unabsorbed Depreciation	9 718 915	(9 718 915)	-	-
Total	33 516 538	(9 718 915)	-	23 797 623
Net Amount	29 775 304	(9 718 915)	30 651 301	70 145 520

12 i) Consequent to completion of the renewal of registration of the wind power generation project as a Clean Development Mechanism (CDM) project with UNFCCC, the Company has accrued income in respect of Certified Emission Reduction (CER) units, which are to be received on completion of further formalities, amounting to Rs. 10 495 146/- on account of reasonable certainty of their receipt. Income receivable as at 30th September, 2011 amounts to Rs 20 045 263/-.

ii) During the year, the Company registered its 18.33 MW Wind Power Project located in Satara District, as an eligible project for issuance of Renewable Energy Certificates (RECs). The Company has filed necessary applications for issuance of RECs with respect to Wind power generated subsequent to such registration and the same were under process with the concerned authorities as on 30th September, 2011. The Company has since received 10457 of 15217 REC claimed with respect to power generated upto 30th September, 2011.

In the absence of any experience in the realisation of such RECs by Company and more so in the absence of an active market, the recognition of revenue in respect of these RECs has been deferred until the same are realised/realisable with reasonable regularity and predictability, being a newly introduced concept in India

13 Advance for purchase of land is given to Nandi Economic Corridor Enterprises Limited (NECE), a Subsidiary Company.

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

Class of Provision	Carrying amount as on 1st Oct., 2010 Rs.	Provision made / Increase (Decrease) in Provision Rs.	Amounts used during the year Rs.	Amount reversed during the year Rs.	Carrying amount as on 30 th Sept., 2011 Rs.
A. Electricity Duty	78 323 499	8 293 910	-	-	86 617 409
B. Wheeling & Transmission Charges	38 570 920	3 589 854	-	-	42 160 774
Total	116 894 419	11 883 764	-	-	128 778 183

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 despite any clarity on the entire subject and despite various diverse opinions on the validity of such a levy the Company, as a matter of prudence and without prejudice to dispute the claim, has made a provision for Electricity duty.

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

SCHEDULE "K" NOTES FORMING PART OF THE FINANCIAL STATEMENTS, (CONTD.) :

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 can not be determined.

B. Wheeling and Transmission charges of Rs. 41 457 634/- have been paid to the distribution licensee under protest (included under Advances recoverable in Cash or in Kind) as the matter is pending in appeal with the MERC.

15 Liability for employee benefit has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard - 15 (Revised) Employee Benefit, prescribed by Companies (Accounting Standards) Amendment Rules, 2006 the details of which are as hereunder :

A Funded Scheme

	(Amount in Rupees)	
	As at 30 th Sept., 2011 Gratuity	As at 30 th Sept., 2010 Gratuity
(I) Amount Recognised in the Balance Sheet :		
a) Present Value of Funded Obligations	1 108 101	640 701
b) Fair Value of Plan Assets	868 825	663 653
c) Net (Liability) / Asset recognised in the Balance Sheet		
Amounts in Balance Sheet		
Liability	(239 276)	-
Asset	-	22 952
Net Liability	(239 276)	22 952
(II) Amount to be Recognised in the Statement of Profit and Loss Account :		
a) Current Service Cost	127 664	40 782
b) Past Service Cost	-	79 500
c) Interest on Defined Benefit Obligations	50 615	75 232
d) Expected Return on Plan Assets	(52 684)	(43 785)
e) Net Actuarial (Gains)/Loss recognised in the year	214 245	(189 380)
f) Total, included in 'Salary, Allowance etc.'	339 840	(37 651)
(III) Change in Defined Benefit Obligation and reconciliation thereof		
a) Opening Defined Benefit Obligation	640 701	1 321 169
b) Interest Cost	50 615	75 232
c) Past Service Cost	-	79 500
d) Current Service Cost	127 664	40 782
e) Settlement Cost (Credit)	-	-
f) Benefits Paid	-	(761 534)
g) Actuarial Losses/(Gains)	289 121	(114 448)
h) Closing Defined Benefit Obligation	1 108 101	640 701
(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	663 653	1 990 270
b) Expected Return on Plan Assets	52 684	43 785
c) Add : Contributions by employer	77 612	-
d) Assets distributed on Settlement	-	(683 800)
e) Less : Benefit Paid	-	(761 534)
f) Add / (Less) : Actuarial Gains /(Losses) on Plan Assets	74 876	74 932
g) Fair Value of Plan Assets at the end of the year	868 825	663 653
h) Actual Return on Plan Assets	127 560	118 717
(V) Principal Actuarial Assumptions :		
Discount Rate	8.40%	7.90%
Rate of return on Plan Assets (p.a.)	7.50%	7.50%
Salary Escalation	7.50%	7.50%

SCHEDULE "K" NOTES FORMING PART OF THE FINANCIAL STATEMENTS, (CONTD.) :

B Unfunded Scheme

Particulars	As at 30 th Sept.,2011 Compensated Absences	As at 30 th Sept., 2010 Compensated Absences
Present Value of unfunded obligations	835 915	825 816
Expenses recognised in Profit and Loss Account	-	-
Discount Rate	8.40%	7.90%
Salary Escalation Rate	7.50%	7.50%

Experience History

Particulars	As at 30 th September, 2011	As at 30 th September, 2010	As At 30 th September, 2009
Present Value of Obligation	1 108 101	640 701	1 321 169
Plan Assets	868 825	663 653	1 990 270
Surplus (Deficit)	(239 276)	22 952	669 101
Experience adjustments on Plan Liabilities (loss) /gain	(324 243)	118 634	-
Experience adjustment on plan assets loss / (gain)	74 876	74 932	-

16. 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 and hence the question of provision or payment of interest and related disclosures under the said Act does not arise.
- 17 Significant accounting policies followed by the Company are as stated in the statement annexed to this schedule.
- 18 Disclosures required as per Clause 32 of the Listing Agreement have been set out in a separate statement annexed hereto.
- 19 Information required in terms of Part IV of Schedule VI to the Companies Act, 1956 is attached.
- 20 Previous financial year's figures have been regrouped wherever necessary to make them comparable with those of the current year.

As per our attached report of even date
For DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

On behalf of the Board of Directors

ANISH AMIN
Partner
Membership No. : 40451

B. S. MITKARI
VP Finance & Company Secretary

B. B. HATTARKI
Director

A. B. KALYANI
Director

Mumbai, 23rd November, 2011

Pune, 23rd November 2011

Annexure referred to in Note No. 8 of Notes forming part of the Financial Statements.

Disclosure of Segment information as required by AS 17 "Segment Reporting" :
Segmentwise Revenue, Results, and Capital Employed based on Consolidated Financial Statements for the Year Ended 30th September, 2011

Sr. No.	Particulars	Year ended 30th Sept 2011 Rs.	Year ended 30th Sept 2010 Rs.
1	Segment Revenue		
	a. Wind Energy	224,211,744	163,578,863
	b. Infrastructure	1,060,224,391	576,025,354
	Total	1,284,436,135	739,604,217
	Less : Inter segment revenue	-	-
	Net sales / income from operations	1,284,436,135	739,604,217
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind Energy	89,498,270	3,338,648
	b. Infrastructure	(9,459,178)	(173,739,470)
	Total	80,039,092	(170,400,822)
	Less : i) Interest and Finance Charges	2,057,117,010	1,234,116,228
	ii) Other unallocable expenditure net off unallocable income	(24,388,929)	(26,838,886)
	Total Profit / (Loss) before tax	(1,952,688,989)	(1,377,678,164)
3	Total Carrying Amount of Segment Assets		
	a. Wind Energy	770,290,738	697,124,679
	b. Infrastructure	16,140,102,542	14,913,953,070
	c. Others - Unallocable (including temporary deployment in Mutual Funds)	4,031,506,724	157,812,036
	Total	20,941,900,004	15,768,889,785
4	Total Amount of Segment Liabilities		
	a. Wind Energy	398,773,795	463,324,467
	b. Infrastructure	968,259,694	949,383,561
	c. Others - Unallocable	58,468,034	151,199,000
	Total	1,425,501,523	1,563,907,028
5	Capital Employed (Segment Assets - Segment Liabilities)		
	a. Wind Energy	371,516,943	233,800,212
	b. Infrastructure	15,171,842,848	13,964,569,509
	c. Others - Unallocable	3,973,038,690	6,613,036
	Total	19,516,398,481	14,204,982,757
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	111,375	74,486
	b. Infrastructure	690,214,098	2,090,453,286
	Total	690,325,473	2,090,527,772
7	Depreciation & Amortisation		
	a. Wind Energy	60,840,358	60,976,692
	b. Infrastructure	340,716,737	295,627,962
	Total	401,557,095	356,604,654

Annexure referred to in Note No. 9 of Notes forming part of the Financial Statements.

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

Sr No	Name of Related Party	Nature of Relationship	Nature of Transaction	2010-11		2009-10	
				Transaction Value	Outstanding amount carried in Balance Sheet	Transaction Value	Outstanding amount carried in Balance Sheet
1	Nandi Infrastructure Corridor Enterprise Ltd.	Subsidiary Company	Investment in Equity	-	775,691,110	-	775,691,110
2	Nandi Highway Developers Ltd.	Subsidiary Company	Investment in Equity	-	260,719,010	-	260,719,010
3	Nandi Economic Corridor Enterprises Ltd.	Subsidiary Company	Advance for Purchase of Land	-	370,000,000	120,000,000	370,000,000
4	Mr. A V Whabi	Key Management Personnel	Receiving of Services	-	-	8,096,359	-

Annexure referred to in Note 17 in Schedule 'K' of the Financial Statements for the year ended 30th September 2011.

Statement on significant Accounting Policies

1. System of Accounting:

- The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.
- 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.
- The preparation of Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and Assumptions used in accompanying financial statements are based upon Management's evaluations of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognized prospectively in current and future periods.

2. Fixed Assets and depreciation:

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

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

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

C. Depreciation:

Fixed Assets:

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

3. Impairment of Assets :

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

4. Investments:

Investments are valued at cost of acquisition.

- i) Long Term: Long Term Investments are stated at cost. Diminution in the value of long term investments are generally not considered to be of a permanent nature. However where, in the opinion of the management, considering the facts and circumstances prevailing at the balance sheet date, diminution, if any, is determined to be of a permanent nature, provision for the same is made and investments are stated net of such provisions.
- ii) Current Investment : Current Investments are stated at cost less provision for diminution if any.

5. Revenue Recognition : -

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

- a) Income from Electricity generated is accounted on the basis of electricity wheeled into MSEB grid and jointly certified.
- b) Interest is accrued over the period and the amount of loan/investment.
- c) Dividend is accrued in the year in which it is declared, whereby right to receive is established.
- d) Profit/Loss on sale of investment is recognised on contract date.
- e) Income from Certified Emission Reduction units is accrued in the year of generation of wind power if the receipt of and value of units is reasonably certain.

6. Borrowing Cost :-

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

7. Foreign Currency Conversions :-

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

8. Share issue & Deferred Revenue expenses are written off in five years.

9. Preliminary Expenses are written off in five years.

10. Employee Benefits :

- 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 Profit & Loss account.
- 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.
- Superannuation:
Defined contribution to Life Insurance Corporation of India for employees covered under Superannuation scheme are accounted at the rate of 15% of such employee's annual salary.
- Privilege Leave Benefits:
Privilege Leave benefits or compensated absences is considered as long term unfunded benefits and is recognized on the basis of an actuarial valuation using the Projected Unit Credit Method determined by an appointed Actuary.

11. Taxation :

Provision for taxation is made on the basis of taxable profits computed in accordance with the "Previous Year" as per Income Tax Act. Deferred Tax resulting from timing difference between Book Profits & Tax Profits is accounted for at the applicable rate of tax to the extent the timing differences are expected to crystallize, after ignoring deferred tax adjustments originating and reversing during tax holiday period, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Asset can be realized.

12. Provisions:

Necessary Provisions are made for present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

Annexure referred to Note No. 18 Of Notes forming part of the Financial Statements
Disclosures required as per Clause 32 of the Listing Agreement

Name of the Company	Loans and Advances Given		Investments
	Amount Outstanding as at 30th Sept. 11 Rs.	Maximum Balance outstanding during the year Rs.	Amount Outstanding as at 30th Sept. 11 Rs.
Subsidiaries :			
Nandi Infrastrucute Corridor Enterprise Limited	-	-	775 691 110
Nandi Highway Developers Limited	-	-	260 719 010
Nandi Economic Corridor Enterprises Ltd.	370 000 000	370 000 000	-

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

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

(Submitted in terms of Part IV of Schedule VI to the Companies Act, 1956)

I. Registration Details

Registration No. : 15323 State Code : 25
Balance Sheet Date : 30/09/2011

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue : Nil Rights Issue : Nil
Bonus Issue : Nil Others : Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities : 1 755 867 Total Assets : 1 755 867

Sources of Funds :

Paid-up Capital : 188 338 Reserves & Surpluses : 350 297
Secured Loans : 200 000 Unsecured Loans : 947 087

Application of Funds :

Net Fixed Assets : 500 063 Investments : 1 036 410
Net Current Assets : 219 394 Misc. Expenditure : Nil
Accumulated Losses : -

IV. Performance of Company (Amount in Rs. Thousands)

Turnover : 224 212 Total Expenditure : 181 523
Profit/(Loss) before tax : 42 689 Profit/(Loss) after tax : (22 721)
Earning per Share in Rs. : (0.60) Dividend rate % : -

V. Generic Names of three Principal Products / Services of Company (as per monetary terms)

1. Item Code. No. (ITC Code) : NA
Product Description : Non conventional energy generation

On behalf of the Board of Directors

B. S. MITKARI
VP Finance & Company Secretary

B. B. HATTARKI
Director

A. B. KALYANI
Director

Pune, 23rd November 2011

CONSOLIDATED FINANCIAL STATEMENTS

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

THE BOARD OF DIRECTORS BF UTILITIES LIMITED

1. We have audited the attached consolidated balance sheet of BF Utilities Limited (the "Company") and its subsidiaries; hereinafter referred to as the "Group" (refer Note 1 on Schedule L to the attached consolidated financial statements) as at 30th September 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries; included in the consolidated financial statements, which constitute total assets of Rs. 1,144,640,393/- and net assets of Rs. 1,015,668,638/- as at 30th September 2011, total revenue of Rs. 297,070,032/-, net profit of Rs. 38,770,556/- and net cash flows amounting to Rs. 22,339,733/- for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditor on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 30th September 2011;
 - (b) in the case of the consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date: and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DALAL & SHAH
Firm Registration Number:102021W
Chartered Accountants

Place : Mumbai
Date : 23rd November, 2011

Anish P. Amin
Partner
Membership Number- 40451

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet as at 30th September, 2011

	Schedule	Rs.	Rs.	As At 30th September, 2010 Rs.
I. SOURCES OF FUNDS:				
1. Shareholders' Funds:				
(a) Capital	"A"	188 338 140		188 338 140
(b) Reserves and Surplus	"B"	<u>359 395 376</u>		<u>496 011 927</u>
			547 733 516	684 350 067
2. Minority Interest			5 206 816 351	1 384 067 906
3. Loan Funds:				
(a) Secured Loans	"C"	13 385 039 816		10 997 990 388
(b) Unsecured Loans	"D"	<u>2 174 952 715</u>		<u>1 945 778 456</u>
			15 559 992 531	12 943 768 844
4. Deferred Tax				
(a) Deferred Tax Liability		93 943 143		63 291 842
(b) Deferred Tax Asset		<u>23 797 623</u>		<u>33 516 538</u>
			70 145 520	29 775 304
	TOTAL		<u><u>21 384 687 918</u></u>	<u><u>15 041 962 121</u></u>
II. APPLICATION OF FUNDS:				
1. Fixed Assets:				
(a) Gross Block		13 484 189 173		12 795 562 769
(b) Less: Depreciation		<u>1 559 455 024</u>		<u>1 159 142 192</u>
(c) Net Block	"E"	11 924 734 149		11 636 420 577
(d) Capital Work-in-progress		2 452 890 195		2 445 260 298
(e) Pre-Operative Expenses pending allocation		<u>46 144 799</u>		<u>43 442 039</u>
			14 423 769 143	14 125 122 914
2. Investments	"F"		4 031 506 724	5 583 455
3. Current Assets,				
Loans and Advances:				
(a) Inventories - Land		642 643 726		377 749 780
(b) Sundry Debtors		1 190 361		656 046
(c) Cash and Bank Balances		878 691 456		328 904 577
(d) Other Current Assets		190 480 007		86 278 801
(e) Loans and Advances		<u>773 618 587</u>		<u>689 809 848</u>
		2 486 624 137		1 483 399 052
Less: Current Liabilities and Provisions:				
(a) Liabilities	"H"	1 232 198 975		1 284 588 616
(b) Provisions		<u>193 302 548</u>		<u>124 534 048</u>
		<u>1 425 501 523</u>		<u>1 409 122 664</u>
Net Current Assets			1 061 122 614	74 276 388
4. Miscellaneous Expenditure (to the extent not written off or adjusted)				
	"I"		6 763 584	10 145 376
5. Profit and Loss Account				
Balance as Per annexed Account			<u>1 861 525 853</u>	<u>826 833 988</u>
	TOTAL		<u><u>21 384 687 918</u></u>	<u><u>15 041 962 121</u></u>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS				
	"L"			

As per our attached report of even date

For DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

ANISH AMIN
Partner
Membership No. : 40451

B. S. MITKARI
VP Finance & Company Secretary

On behalf of the Board of Directors

B. B. HATTARKI
Director

A. B. KALYANI
Director

Mumbai, 23rd November, 2011 Pune, 23rd November 2011

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Profit And Loss Account For The Year Ended 30th September, 2011

	Schedule	Rs.	Rs.	Year ended 30th September, 2010 Rs.
INCOME:				
Wind Power Generated			213 209 827	151 244 417
Income from Certified Emission Reduction Units			10 487 769	10 495 146
Toll Revenue			1 045 723 386	576 025 354
Other Income	"J"		41 624 659	43 473 804
			<u>1 311 045 641</u>	<u>781 238 721</u>
EXPENDITURE:				
Operating and other expenses	"K"	2 862 177 534		1 802 312 231
Depreciation & Amortisation		<u>401 557 095</u>		<u>356 604 654</u>
			<u>3 263 734 629</u>	<u>2 158 916 885</u>
Loss for the year before taxation			(1 952 688 988)	(1 377 678 164)
Provision for Taxation For the Year :				
Current Tax		58 467 462		2 168 249
Deferred Tax		<u>9 718 915</u>		<u>9 352 756</u>
			<u>68 186 377</u>	<u>11 521 005</u>
Loss for the year after taxation			(2 020 875 365)	(1 389 199 169)
Adjustments relating to earlier years :				
Excess / (Short) Provision for Taxation and Tax Payments		(15 050 384)		6 801 525
Excess / (Short) Provision for Deferred Taxes on recomputation For Expenses		<u>(30 651 301)</u>		<u>-</u>
			<u>1 199 689</u>	<u>-</u>
			<u>(44 501 996)</u>	<u>6 801 525</u>
Loss for the year after Taxation & Prior Period adjustments			(2 065 377 361)	(1 382 397 644)
Less : Minority Interest			<u>(1 030 685 496)</u>	<u>(480 216 526)</u>
Loss attributable to Consolidated group			<u>(1 034 691 865)</u>	<u>(902 181 118)</u>
Balance as Per Last Account			<u>(826 833 988)</u>	<u>75 347 130</u>
Balance carried to Balance Sheet			<u>(1 861 525 853)</u>	<u>(826 833 988)</u>
Earning Per Share (Face Value of Rs. 5/- each).				
Net Profit / (Loss) after Taxation and Minority Interest			(990 189 869)	(908 982 643)
Adjustments relating to earlier year			<u>(44 501 996)</u>	<u>6 801 525</u>
			<u>(1 034 691 865)</u>	<u>(902 181 118)</u>
Average number of shares issued & Subscribed			37 667 628	37 667 628
Basic & Diluted Earning per Share			(27.47)	(23.95)
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	"L"			

As per our attached report of even date
For DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

On behalf of the Board of Directors

ANISH AMIN
Partner
Membership No. : 40451

B. S. MITKARI
VP Finance & Company Secretary

B. B. HATTARKI
Director

A. B. KALYANI
Director

Mumbai, 23rd November, 2011

Pune, 23rd November 2011

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement for the year ended 30th September 2011

Particulars	Year ended 30th Sept., 2011		Year ended 30th Sept., 2010	
	Rs.	Rs.	Rs.	Rs.
A Cash Flow From Operating Activities				
Profit/ (Loss) before taxation		(1 952 688 988)		(1 377 678 164)
Add Interest / Depreciation / Other Non Cash Expenses				
Depreciation	401 557 095		357 254 692	
Preliminary & Pre-operative expenses written off	3 381 792		3 381 792	
Project expenses Written off due to redundancy of Project	-		9 095 441	
Interest	2 053 953 240		1 199 773 546	
Adjustment for Expenses relating to earlier year	1 199 689		-	
Provision for Doubtful advances	95 026 554		-	
Loss on sale of assets	-		1 129 299	
		2 555 118 370		1 570 634 770
Less Interest / Dividend / Other Adjustments				
Provision no longer required	103 587		371 846	
Interest	20 804 004		5 743 649	
Dividend from Mutual Fund	19 453 108		21 308 013	
Profit on sale of Investments	112 090		909 955	
Profit on sale of Assets	56 194		-	
Rent Received	-		15 000 000	
		(40 528 983)		(43 333 463)
Operating Profit before Working Capital Changes :		561 900 399		149 623 143
(Increase) / Decrease Working Capital				
(Increase) / Decrease in Current Assets :				
(Increase) / Decrease in Inventory	(264 893 947)		(101 503 741)	
(Increase) / Decrease in Sundry Debtors	(534 315)		82 761 579	
(Increase) / Decrease in Other current assets and loans and advances	(287 400 284)		376 148 568	
	(552 828 546)		357 406 406	
Increase / (Decrease) in Current Liabilities :				
Liabilities	103 317 327		88 728 317	
	103 317 327		88 728 317	
		(449 511 219)		446 134 723
Cash Generated from operations		112 389 180		595 757 866
Direct taxes paid		(9 317 759)		(3 885 061)
Net Cash Flow from Operating Activities		103 071 421		591 872 805
B Cash Flow from Investing Activities				
Additions to Fixed Assets / Other Adjustments				
(Increase)/Decrease in Investment, net		(4 025 923 269)		353 755 122
Additions to Fixed Assets		(690 325 473)		(1 019 504 003)
Additions to Capital W I P		(7 629 897)		-
Additions to Pre-Operative expenses pending allocations		(2 702 760)		-
Sales proceeds of assets		511 000		460 245
Non Operating Income				
Interest	20 804 004		5 743 649	
Dividend from Mutual Fund	18 084 839		21 308 013	
Profit on sale of Investments	112 090		909 955	
Rent Received	-		15 000 000	
		39 000 933		42 961 617
Net Cash Flow from Investing Activities		(4 687 069 466)		(622 327 019)
C Cash Flow from Financing Activities				
Secured loans (Net of Repayment)		2 387 049 428		(4 049 428)
Unsecured Loans		229 174 259		(1 280 015 708)
Interest Paid		(1 974 781 509)		(1 177 406 331)
Adjustment to Net Worth :				
Issue of Equity Shares by Subsidiary	10 000		-	
Issue of Preference Shares by Subsidiary	4 999 853 100		-	
Share issue expenses	(153 923 500)		-	
Premium paid on redemption of Non Convertible Debentures	(353 733 754)		-	
Share Premium Received	136 900		-	
		4 492 342 746		-
Net Cash from Finance Activities		5 133 784 924		(2 461 471 467)
Net changes in cash and cash equivalents (A+B+C)		549 786 879		(2 491 925 681)
Cash and cash equivalents as on 30th September 2010		328 904 577		2 820 830 258
Cash and cash equivalents as on 30th September 2011		878 691 456		328 904 577

As per our attached report of even date

For DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

ANISH AMIN
Partner
Membership No. : 40451

B. S. MITKARI
VP Finance & Company Secretary

B. B. HATTARKI
Director

A. B. KALYANI
Director

Mumbai, 23rd November, 2011 Pune, 23rd November 2011

On behalf of the Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

Schedule "A" to "L" annexed to and forming part of the Consolidated Financial Statements for the year ended 30th September, 2011

	Rs.	Rs.	As At 30th Sept.,2010 Rs.
SCHEDULE "A" SHARE CAPITAL:			
Authorised:			
60 000 000 (60 000 000) Equity Shares of Rs. 5/- each		300 000 000	300 000 000
		<u>300 000 000</u>	<u>300 000 000</u>
Issued , Subscribed and Paid up:			
37 667 628 Equity Shares of Rs. 5/- each fully paid		188 338 140	188 338 140
Total		<u>188 338 140</u>	<u>188 338 140</u>
Note : 3,76,67,628 Equity Shares of Rs. 5/- each were allotted on June 16, 2001 as fully paid up for consideration other than cash, under a scheme of arrangement between BF Utilities Ltd & Bharat Forge Ltd with effect from 1st March 2001 sanctioned by the High Court of Judicature of Mumbai.			
SCHEDULE "B" RESERVES AND SURPLUS:			
Security Premium Account			
As per Last Account	496 011 927		604 365 838
Add : Received during the year	66 077		-
Less : Proportionate premium on redemption on Non Convertible Debentures in terms of Sction 78 of the Companies Act 1956	62 388 982		108 353 911
Less : Share issue expenses in terms of sec.78 of the Companies Act,1956	74 293 646		-
Total		<u>359 395 376</u>	<u>496 011 927</u>
		<u>359,395,376</u>	<u>496,011,927</u>
SCHEDULE "C" SECURED LOANS :			
Debentures :			
- (4 700 000) 11% Secured Non Convertible Debentures of Rs.100/- Each	470 000 000		470 000 000
Less : Part amount redeemed	<u>470 000 000</u>		<u>89 300 000</u>
		-	380 700 000
- (1,750) 5% Secured NCD's of Rs. 1,000,000 each issued to Axis Bank		-	1750 000 000
- (29) 12% Secured Non Convertible Reddemable Debentures of Rs. 10,000,000 each.	290 000 000		290 000 000
Less : Part amount redeemed	<u>290 000 000</u>		<u>10 150 000</u>
		-	279 850 000
		-	2 410 550 000
Term Loans :			
From Financial Institutions			
Rupee Term Loan From IDFC Limited	11 500 000 000		-
Rupee Term Loan From General Insurance Corporation of India	-		355 000 000
Rupee Term Loan From The New India Assurance Co. Ltd	-		<u>81 000 000</u>
		11 500 000 000	436 000 000
Rupee Term Loan From Axis Bank Ltd.	885 039 816		745 039 816
Foreign Currency Term Loan From Axis Bank Ltd.	-		192 150 572
Rupee Term Loan From Allahabad Bank	-		1 382 300 000
Rupee Term Loan From Bank of India	-		522 850 000
Rupee Term Loan From Canara Bank	-		396 900 000
Rupee Term Loan From Central Bank of India	-		725 500 000
Rupee Term Loan From Indian Bank	-		644 500 000
Rupee Term Loan From Punjab National Bank	-		868 200 000
Rupee Term Loan From The Jammu & Kashmir Bank Ltd.	1 000 000 000		965 000 000
Rupee Term Loan From The South Indian Bank	-		183 350 000
Rupee Term Loan From UCO Bank	-		926 250 000
Rupee Term Loan From Vijaya Bank	-		202 500 000
Rupee Term Loan From Small Industries Development Bank of India	-		396 900 000
Total		<u>1 885 039 816</u>	<u>8 151 440 388</u>
		<u>13 385 039 816</u>	<u>10 997 990 388</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Rs.	Rs.	As At 30th Sept.,2010 Rs.
SCHEDULE "D" UNSECURED LOANS :			
Sales tax deferral obligation collected under Government of Maharashtra Package Scheme of Incentives by a beneficiary under an arrangement.		820 787 101	845 457 812
Loans from other Companies		1 285 520 067	869 243 229
Interest accrued and due		68 645 547	231 077 415
Total		<u>2 174 952 715</u>	<u>1 945 778 456</u>

SCHEDULE - "E" FIXED ASSETS

Sr. No.	Particulars	Gross Block			Depreciation			Net Block			
		As at 30/09/2010	Additions	Deductions / Adjustments	As at 30/09/2011	upto 30/09/2010	Deductions / Adjustments	for the Year	upto 30/09/2011	As at 30/09/2011	As at 30/09/2010
1	Land	31 583 596	-	-	31 583 596	-	-	-	-	31 583 596	31 583 596
2	Roads	11 378 085 715	642 118 283	-	12 020 203 998	454 091 724	-	325 710 709	779 802 433	11 240 401 565	10 923 993 991
3	Buildings	71 231 348	172 864	120 000	71 284 212	7 081 365	-	1 174 509	8 255 874	63 028 338	64 149 983
4	Plant & Machinery	1 229 052 421	4 167 817	340 000	1 232 880 238	674 313 339	340 000	65 065 674	739 039 013	493 841 225	554 739 082
5	Electrical Installation	14 000	-	-	14 000	13 999	-	-	13 999	1	1
6	Office Furniture	5 914 224	2 195 292	5 000	8 104 516	3 035 342	5 000	307 342	3 337 684	4 766 832	2 878 882
7	Office Equipments	39 041 442	19 508 002	-	58 549 444	9 495 843	-	4 229 653	13 725 496	44 823 948	29 545 599
8	Vehicles	40 640 023	22 163 215	1 234 069	61 569 169	11 110 580	899 263	5 069 208	15 280 525	46 288 644	29 529 443
	Total	12 795 562 769	690 325 473	1 699 069	13 484 189 173	1 159 142 192	1 244 263	401 557 095	1 559 455 024	11 924 734 149	11 636 420 577
	Previous year Total	10 710 976 415	2 090 527 772	5 941 418	12 795 562 769	806 239 374	4 351 874	357 254 692	1 159 142 192	11 636 420 577	

* Depreciation for the year includes Rs.Nil (Previous Year Rs. 650,038/-) of a Subsidiary Company, pertaining to expenditure during the construction, capitalised

	Rs.	Rs.	As At 30th Sept.,2010 Rs.
SCHEDULE "F" : INVESTMENTS			
In Government and Trust Securities		700	700
In Equity Shares (Long Term)		367 770	367 770
In Mutual Funds		4 031 138 254	5 214 985
Total		<u>4 031 506 724</u>	<u>5 583 455</u>

SCHEDULE "G" CURRENT ASSETS, LOANS & ADVANCES

a) Inventories			
Land		642 643 726	377 749 780
(At Cost or Market Value which ever is lower)			
b) Sundry Debtors, unsecured, Good :			
(unless otherwise stated)			
Outstanding for less than six months		1 190 361	656 046
c) Cash and Bank Balances:			
Cash on Hand	6 273 528		4 620 700
Bank Balances:			
With Scheduled Banks:			
In Current Account & Cash Credit Account	567 391 072		167 654 699
In Fixed Deposit Account	303 605 246		156 318 652
Interest accrued on Fixed deposits	1 421 610		310 526
		878 691 456	328 904 577
d) Other Current Assets:			
Energy Credit Receivable	164 085 339		49 972 426
Income Receivable	25 026 399		36 306 375
Dividend on Mutual Fund receivable, Since received	1 368 269		-
		190 480 007	86 278 801

CONSOLIDATED FINANCIAL STATEMENTS

	Rs.	Rs.	As At 30th Sept.,2010 Rs.
e) Loans and Advances, Unsecured, Good : (Unless otherwise stated):			
Advance for project supplies	-		99 869 631
Advance for land acquisition	571 759 187		436 709 187
Sundry Deposits	9 818 823		7 533 176
Advances recoverable in cash or in kind or for value to be received			
Good	192 040 577		139 965 800
Doubtful advnace	95 026 554		-
Less : Provision	95 026 554		-
Good	192 040 577		139 965 800
Tax paid in advance	146 793 793		160 516 418
Less Provision for Tax as per Contra	146 793 793		154 784 364
	-		5 732 054
Total		<u>773 618 587</u> <u>2 486 624 137</u>	<u>689 809 848</u> <u>1 483 399 052</u>

SCHEDULE "H" CURRENT LIABILITIES AND PROVISIONS

(a) LIABILITIES:			
Sundry Creditors :			
Dues to Micro and Small Enterpries	-		-
Dues to Other than Micro and Small Enterpries	206 805 820		187 794 526
Security Deposit	200 000 000		200 000 000
Advance from cutomer	32 574 396		107 779 472
Advances received from companies in terms of agreement for sale of land	390 000 000		400 000 000
Security Deposits received from Companies in terms of agreements for Sale / Joint Development of Land	313 625 000		60 000 000
Advance Rentals received	5 555 555		-
Proportionate premium on redemption of Non Convertible Debentures	-		324 548 145
Interest Accrued but not due	83 638 204		4 466 473
		1 232 198 975	1 284 588 616
(b) Provisions:			
Taxation	205 261 826		154 784 364
Less : Tax paid in advance as per Contra	146 793 793		154 784 364
	58 468 033		-
Long Term Employee Benefits	4 419 639		4 559 067
Others	130 414 876		119 974 981
Total		<u>193 302 548</u> <u>1 425 501 523</u>	<u>124 534 048</u> <u>1 409 122 664</u>

SCHEDULE "I" MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED) :

Preliminary Expenses :	10 145 376		13 527 168
Less: Written off	3 381 792		3 381 792
Total		<u>6 763 584</u> <u>6 763 584</u>	<u>10 145 376</u> <u>10 145 376</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Rs.	Rs.	As At 30th Sept.,2010 Rs.
SCHEDULE "J" OTHER INCOME			
Dividend from Mutual Funds	19 453 108		21 308 013
Interest on Bank F.D	6 786 029		5 743 649
Interest on Loan	14 017 975		-
Rent received	-		15 000 000
Profit on sale of Investments,net	112 090		909 955
Profit on sale of Fixed assets	56 194		-
Provision no longer required	103 587		371 846
Miscellaneous Income	1 095 676		<u>140 341</u>
		41 624 659	<u>43 473 804</u>
Total		<u>41 624 659</u>	<u>43 473 804</u>
SCHEDULE "K" OPERATING AND OTHER EXPENSES:			
Operating Expenses:			
Operations, Maintenance & other expenses - Wind Mills	23 077 718		22 324 091
Lease Rent - Land	600 000		600 000
Insurance Expenses	810 996		794 173
Electricity Duty	8 293 910		7 195 226
Wheeling & Transmission Rent	3 589 854		8 420 869
Other Operating Expenses	1 625 188		140 000
Overhauling / Repairs to Machinery	19 550 000		9 950 000
Cross Subsidy	802 892		-
Toll Collection & Maintenance Expenses	133 322 377		<u>76 074 550</u>
		191 672 935	<u>125 498 909</u>
Other Expenses:			
Insurance - others	2 177 391		2 772 540
Rent	5 659 987		5 385 177
Rates & Taxes	5 962 061		1 865 096
Repairs & Maint. (others)	9 349 439		8 197 534
Interest:			
On Fixed Loans	1 533 045 773		1 198 155 804
Others	<u>3 163 770</u>		<u>1 617 742</u>
	1 536 209 543		<u>1 199 773 546</u>
Loan raising Expenses /Finance Charges	237 148 196		34 342 682
Prepayment penalty for closure of Term Loans	283 759 271		-
Salary, Allowances etc.	161 600 996		132 801 569
Contribution to Provident & other funds	18 513 542		14 888 101
Staff Welfare Expenses	12 990 626		7 698 355
Director's sitting fees	95 000		140 000
Auditors Remuneration	4 946 589		3 220 881
Project expenses Written off due to redundancy of Project	-		9 095 441
Stamp Duty - Increase in Authorised Share Capital	-		1 857 475
Donation	-		2 500 000
Office Maintenanac & Administrative Expenses	120 962 449		140 635 557
Forward contract premium	1 936 689		-
Miscellaneous Expenses including Printing, Stationery, Postage, Telephone, Bank Charges etc.	74 545 760		65 404 045
Professional & Consultancy Expenses	96 238 714		41 724 232
Loss on Sale of Assets	-		1 129 299
Provision for doubtful advance	95 026 554		-
Preliminary Expenses Written off	3 381 792		<u>3 381 792</u>
		2 670 504 599	<u>1 676 813 322</u>
Total		<u>2 862 177 534</u>	<u>1 802 312 231</u>

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE "L" NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.

- 1 The Consolidated Financial Statements include results of following Subsidiaries of BF Utilities Limited, The names, country of incorporation or residence, proportion of ownership interest and reporting dates are as under:

Name of the company	Country of Incorporation	Parent's ultimate holding as on 30-09-2011	Financial year ends on
a. Nandi Infrastructure Corridor Enterprises Limited	India	74.52%	31/03/2011
b. Nandi Economic Corridor Enterprises Limited	India	48.27%	31/03/2011
c. Nandi Highway Developers Limited	India	69.53%	31/03/2011

- 2 The financial statements in respect of all subsidiary companies are drawn for the year ended 31st March, 2011, whereas the financial statements for BF Utilities are drawn for the year ended 30th September, 2011. The effect of significant transaction and other events that occur between 1st April 2011 and 30th September 2011 is considered in the consolidated financial statements if it is of a material nature. There are no material transactions with all subsidiaries taken together between the period 1st April, 2011 and 30th September, 2011.
- 3 The Financial Statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book value of items like assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealized profits and losses.
- 4 Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the company has disclosed only such Notes from the individual financial statements, which :
- are necessary for representing a true and fair view of the Consolidated Financial Statements and
 - the notes involving items, which are considered to be material.
- 5 The Consolidated financial statements have been prepared substantially in the same format adopted by the parent to the extent possible, as required by the Accounting Standard AS 21 'Consolidated Financial Statements' prescribed by Companies (Accounting Standards) Amendment Rules, 2006.
- 6 Significant notes to financial statements of subsidiaries which provide better understanding to these financial statements .:

Nandi Economic Corridor Enterprises Ltd.

- a. The Company has during the year allotted 49,998,531 0.01% Compulsory Convertible Cumulative Preference Shares (CCPS) of Rs.100 each amounting Rs. 4 999 853 100/- to AIRRO (Mauritius) Holding V (Investor) in terms of the Shareholders Agreement between the Sponsors, Promoters, the Company and the Investors (Agreement) specifying their respective rights, duties and obligations.

These CCPS carry a Fix Cumulative dividend of @0.01% and also have a right to participate along with Equity shareholders in any dividends declared by the company on the Equity Shares, without the approval of the CCPS holders as if such CCPS has been converted into Equity Shares in terms of the Agreement.

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

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

- b. Additions to Toll Road Assets include Rs.317,364,444/- representing the additional costs in respect of work completed in prior years, arising out of claims raised by contractors on account of differential sales tax, machinery idle charges, freight charges etc. and escalations in certain specified material costs like Steel, Cement, Bitumen, diesel etc. which have been accepted and settled during the year.

The same has been amortised over the balance unexpired concession period as defined in the Framework Agreement signed with the Government of Karnataka.

- As on 31st March, 2011, the company has received advances for sale of land / joint development in terms of agreements entered with various parties.
- Security Deposits represents amount received in terms of agreements for sale of land / joint development etc.

These deposits are from a parties with whom the Company has entered / likely to enter into definitive

CONSOLIDATED FINANCIAL STATEMENTS

agreements for sale of land / joint development etc.

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

iii) Out of the total advances for sale of land / Security deposits an amount of Rs.36 Crores represents receipts under cancelled agreement.

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

8 Disclosure of transactions with Related Parties as required by the Accounting Standard 18 'Related Party Disclosures' prescribed by Companies (Accounting Standards) Amendment Rules, 2006, has been set out in a separate statement annexed to this schedule. Related Parties as defined under clause 3 of the Accounting Standard have been identified on the basis of the information available with the Company.

9 Consolidated Contingent liability not provided for in respect of :

Sr. No.	Particulars	Rupees	
		As at 30 th Sept., 2011 Amount	As at 30 th Sept., 2010 Amount
i)	Claims against the Company not acknowledged as debt	130 519 554	81 717 998
ii)	Guarantee issued by a bank on behalf of the company	192 000	192 000
iii)	Counter indemnity given to Bank	7 112 000	8 445 000
iv)	7% Dividend on Cumulative Preference Shares issued to Nandi Engineering Limited	131 388 418	88 688 418
v)	0.01% Dividend on Compulsory Convertible Preference Shares issued to AIRRO (Mauritius) Holding V	24 657	-

Also refer Note No. 1 in Schedule K of the Standalone Financial Statement.

10 Particulars	As at 30 th Sept., 2011	As at 30 th Sept., 2010
Estimated amounts of contracts remaining to be executed on Capital account, net of advances and not provided for	916 628 500	702 996 975

11 Previous year figures regrouped wherever necessary to make them comparable with those of current year.

As per our attached report of even date

For DALAL & SHAH
Firm Registration No. 102021W
Chartered Accountants

On behalf of the Board of Directors

ANISH AMIN
Partner
Membership No. : 40451

B. S. MITKARI
VP Finance & Company Secretary

B. B. HATTARKI
Director

A. B. KALYANI
Director

Mumbai, 23rd November, 2011 Pune, 23rd November 2011

CONSOLIDATED FINANCIAL STATEMENTS

Annexure referred to in Note No. 7 in Schedule L of the Consolidated Financial Statements for the Year ended 30th September, 2011

Unique Accounting Policies followed by the Subsidiary Company :

1 Fixed Assets and Depreciation

Nandi Economic Corridor Enterprises Limited

Toll Road asset:

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

Cost of Toll Road assets has been amortised over the unexpired concession period as defined in the Framework Agreement signed with the Government of Karnataka

Nandi Highway Developers Limited

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

2 Revenue Recognition

Nandi Economic Corridor Enterprises Limited

a) Toll Income is recognised on the basis of actual collections upto the end of second shift i.e. 10:00 PM on 31st March.

b) Income from sale of land is recognised when the possession of land is transferred alongwith all risks associated with it.

3 Inventory Valuation

Nandi Economic Corridor Enterprises Limited

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

Annexure referred to in Note No. 8 in Schedule L of the Consolidated Financial Statements for the Year ended 30th September, 2011.

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

Nature of Transaction	Year	Entities where Control exists	Key Management Personnel
Purchase of Goods	2010-11	5 513 639	-
	2009-10	219 291 035	-
Contractual Billing	2010-11	1 039 657 621	-
	2009-10	783 063 052	-
Receiving of Services	2010-11	-	14 289 073
	2009-10	-	19 212 355
Rent Paid	2010-11	-	1 388 882
	2009-10	-	1 351 176
Receivable as on	2010-11	175 826 006	-
	2009-10	423 944 457	-
Payables as on	2010-11	8 000 928	-
	2009-10	8 040 928	-

Note : Names of the related parties and description of relationship

Nature of Relationship	Name of Related Party
Entities where Control exists	Nandi Engineering Ltd
	AKK Developers Pvt Ltd
	AKK Entertainment Pvt Ltd
	Ashok Kheny Productions Pvt Ltd
	Bonick Developers Pvt Ltd
	Ashok Kheny Infrastructure Pvt Ltd
	Ashok Kheny Motors Pvt Ltd
Key Management Personnel	SAB Engineering Inc.
	Mr. A B Kalyani Mr. Ashok K Kheny Mr. Shivkumar Kheny Mr. A V Whabi *

* Till 31/08/2010

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

Sr. No.	NAME OF THE SUBSIDIARY COMPANY	Nandi Infrastructure Corridor Enterprises Ltd.	Nandi Economic corridor Enterprises Ltd.	Nandi Highway Developers Ltd.
1	Financial Year of the Subsidiary ended on	31st March, 2011	31st March, 2011	31st March, 2011
2	No. of Shares of subsidiary company held by BF Utilities Ltd. on the above date and extent of interest in subsidiary of BF Utilities Ltd.			
	- Equity Shares of Rs.10/-each	77 569 111	NIL [@]	26 071 902
	- Extent of BF Utilities Ltd.'s interest	74.52%	48.27%	69.52%
3	Net aggregate amount of profits less losses of subsidiary for the above financial year of the subsidiary so far as they concerns members of BF Utilities Limited			
	i) Dealt with in the accounts of BF Utilities Limited (Rs. '000)	NIL	NIL	NIL
	ii) Not dealt with in the account of BF Utilities Limited (Rs. '000)	6 611	(1 038 316)	69 194
4	Net aggregate amount of profits less losses for previous financial years of subsidiary since it became subsidiary so far as it concerns members of BF Utilities Limited			
	i) Dealt with in the accounts of BF Utilities Limited (Rs. '000)	NIL	NIL	NIL
	ii) Not dealt with in the account of BF Utilities Limited (Rs. '000)	2 392	(902 352)	(60 673)
5	Changes in the interest of BF Utilities Ltd. between the end of the subsidiary's financial year and September 30. 2011			
	Number of shares acquired	-	-	-
	Material changes between the end of the subsidiary's financial year and September 30, 2011 (Rs. '000)			
	i) Fixed assets (net additions)	-	-	-
	ii) Investments	-	-	-
	iii) Moneys lent by the subsidiary	-	-	-
	iv) Money borrowed by the subsidiary company other than for meeting current liabilities	-	-	-

[@] Shares held by Nandi Infrastructure Corridor Enterprises Ltd.

On behalf of the Board of Directors

B. S. MITKARI
VP Finance & Company Secretary

B. B. HATTARKI
Director

A. B. KALYANI
Director

Pune, 23rd November 2011

Statement showing details relating to subsidiaries as required by the General Circular No. 2/2011 dated 8th February, 2011 of Central Government.

Rupees

Particulars	Name of Subsidiary		
	Nandi Infrastructure Corridor Enterprise Ltd.	Nandi Economic Corridor Enterprise Ltd.	Nandi Highway Developers Ltd.
a. Capital	1 250 936 880	7 149 863 100	375 000 060
b. Reserves & Surplus	12 080 472	(3 275 837 411)	12 256 210
c. Total Assets	1 263 017 352	17 741 891 303	1 072 296 086
d. Total Liabilities	-	13 867 865 614	685 039 816
e. Details of Investments (Except in case of investment in Subsidiaries)	368 762	4 031 137 462	500
f. Turnover	14 583,480	789 763 865	282 486 552
g. Profit Before Taxation	13 438 772	(2 152 257 534)	143 440 575
h. Provision for Taxation	4 567 839	-	43 909 623
i. Profit After Taxation	8 870 933	(2 152 257 534)	99 530 952
j. Proposed Dividend	-	-	-

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BF UTILITIES LIMITED

Registered Office : Mundhwa, Pune Cantonment, Pune 411 036

NAME OF MEMBER/PROXY *

DP. ID.**

Folio No.

Client Id.**

No. of Shares held

I hereby record my presence at the Eleventh Annual General Meeting held at Kalyani Steels Limited at Mundhwa, Pune 411 036 on Monday, 13th Day of February, 2012 at 10.30 A.M.

SIGNATURE OF THE SHAREHOLDER/PROXY *

* Strike out whichever is not applicable

** Applicable for Members holding shares in Dematerialised form

Note : Please handover this slip at the entrance of the Meeting venue.

PROXY

BF UTILITIES LIMITED

Registered Office : Mundhwa, Pune Cantonment, Pune 411 036

I/We of

being a Member(s) of BF UTILITIES LIMITED, Pune, hereby appoint

of

or failing him/her of

.....as my/our proxy to attend and vote for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on Monday, 13th Day of February, 2012 at 10.30 A.M.

Signed atthis day of 2012.

DP. ID.**

Folio No.

Client Id.**

No. of Shares held

Please affix
Revenue
Stamp of
proper value

** Applicable for Members holding shares in Dematerialised form.

Signature(s) of Member(s)
across the stamp.

Note : The Proxy must be deposited with the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.



KALYANI

BF UTILITIES LIMITED

MUNDHWA, PUNE CANTONMENT, PUNE 411 036
MAHARASHTRA, INDIA.