

BF UTILITIES LIMITED



KALYANI

CONTENTS

1.	Board of Directors etc.	2
2.	Notice	3
3.	Management Discussion and Analysis	4
4.	Corporate Governance	5
5.	Shareholder Information	7
6.	Directors' Report	10
7.	Independent Auditor's Report	12
8.	Financials	16
9.	Consolidated Financials	39

**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

Joshi Apte & Co., Chartered Accountants

REGISTERED OFFICE

BF Utilities Limited
Mundhwa, Pune Cantonment,
Pune 411 036, Maharashtra, India
Phone : (020) 26822552 / 67042300
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 Thirteenth Annual General Meeting of the Members of BF Utilities Limited will be held at Kalyani Steels Limited, Mundhwa, Pune 411 036 on Monday, 24th Day of March, 2014 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, 2013 and the Profit and Loss Account for the year ended 30th September, 2013 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. B. B. HATTARKI, 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. Joshi Apte & Co., Chartered Accountants, (Firm Registration No. 104370W) 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, 24th Day of March, 2014.
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.
27th November, 2013

By Order of the Board of Directors
For BF Utilities Limited

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

Management Discussion And Analysis

Wind Power Development - International Scenario

Wind Power generation has rapidly grown over the past decade. The latest Global Wind Report Annual Market Update 2012 from the Global Wind Energy Council (GWEC) reports that the 2012 global wind power market grew by more than 10% compared to 2011. Nearly 45 GW of new wind power capacity resulted from about €56 billion of investment. The new global total capacity at the end of 2012 was 282.5GW, equal to about a quarter of the power generation capacity of the U.S. In 2012 the cumulative market growth rate of 19% was somewhat lower than the annual average growth rate of 22% of wind energy over the past 10 years.

2012 turned out to be a record year for wind power installations in North America and Europe. China experienced a slower market, which meant that the US led the world in wind installations in 2012.

By the end of last year the number of countries with more than 1 GW of installed capacity reached 24: 16 in Europe; 4 in Asia-Pacific (China, India, Japan & Australia); 3 in North America (Canada, Mexico, US) and 1 in Latin America (Brazil).

Wind Power Development - Domestic Scenario

In 2011 the Indian wind sector experienced a record annual growth, with over 3 GW of new installations. 2012 was a slower year due to a lapse in policy, but India still experienced significant new wind energy capacity which reached 2.3 GW at the end of 2012, for a cumulative total of 18.4 GW.

As of January 2013, total renewable energy installations in the country reached 26.9 GW. By the end of 2012, renewable energy accounted for over 12 % of total installed capacity, and about 6% of electricity generation, compared to 2% in 1995. Wind power accounted for about 69% of total renewable energy capacity or about 8% of the total installed capacity in India.

The trading in REC saw a sharp drop in the year 2012-13. At times the traded volume was as low as 2-3% of the bid quantity. The traded price was also at a floor level. The situation is not likely to improve unless the regulatory mechanism is strengthened going forward.

Performance of Company's Windmill Projects

The windmill projects of your company have performed satisfactorily during the year. The generation from the projects has been as good as the previous year with better realizations.

The income from RECs was subdued due to lower rates and lower volume off take. The CDM market has also witnessed a free fall in the last few years. The prices of Certified Emission Reductions (CERs) in the international market have crashed to below 1 Euro.

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 fulfill this commitment.

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

This Chapter of the report, plus the information given under 'Management Discussion and Analysis' and 'Shareholder Information' constitutes the report on Corporate Governance for 2012-2013.

1. BOARD LEVEL ISSUES :

● Composition of the Board

As on 30th September, 2013 the Board of Directors of BF Utilities is composed of five Directors. The Board of Directors of Company comprises the Chairman, who is promoter non-executive director and other four non-executive directors, of whom two are independent. In respect of compliance with Corporate Governance norms i.e. Clause-49 with respect to Independent Directors, the Company is in the process of complying the same. Details are given in Table 1.

● Number of Board Meetings

During the year, Seven Board meetings were held. These were on 30th November, 2012, 7th December, 2012, 17th December, 2012, 9th February, 2013, 15th May, 2013, 13th August, 2013 and 5th September, 2013. 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 other directorships of public limited companies	Materially significant pecuniary or business relationship with the Company
B. N. KALYANI (Chairman)	Promoter, Non- executive	7	6	Yes	12	None
A. B. KALYANI	Non- executive	7	7	Yes	11	None
G. K. AGARWAL	Non- executive	7	7	Yes	1	None
B. B. HATTARKI	Non- executive Independent ***	7	7	No	8	None
S. S. VAIDYA	Non- executive Independent ***	7	7	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 2012-13.

- **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)	*	30,000	Nil	Nil	30,000
A. B. KALYANI	*	35,000	Nil	Nil	35,000
G. K. AGARWAL	None	35,000	Nil	Nil	35,000
B. B. HATTARKI	None	35,000	Nil	Nil	35,000
S. S. VAIDYA	None	35,000	Nil	Nil	35,000

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 & Co., Chartered Accountants, Pune. The committee met five times during the course of the year on 30th November, 2012, 7th December, 2012, 9th February, 2013, 15th May, 2013 and 13th August, 2013. 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	5	5
Mr. A. B. Kalyani	5	5
Mr. B. B. Hattarki	5	5

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. A. B. Kalyani and Mr. B. B. Hattarki - 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.
- ❖ Mr. B. B. Hattarki is a Metallurgy and Mechanical Engineer. Born on 10th October, 1941. He also serves on the Boards of Kalyani International, BF Investment, Kalyani Investment Co., Hospet Steels, Precision Seals Manufacturing, Kalyani Steels, and Kalyani Mukand.

- **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, Sr.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
2009-10	29 th March, 2011	10.30 A. M.	Training Centre, Kalyani Steels Limited.
2010-11	13 th February, 2012	10.30 A. M.	Kalyani Steels Limited.
2011-12 (EGM)	5 th January, 2013	11.00 A. M.	Kalyani Steels Limited.
2012-13	30 th March, 2013	10.30 A. M.	Kalyani Steels Limited.

SHAREHOLDER INFORMATION

- **Annual General Meeting**

Date :- Monday, 24th Day of March, 2014, 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 Monday, 24th Day of March, 2014 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., BSE 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 BSE Ltd. and National Stock Exchange of India Ltd., for the year 2012-13.

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-12	727.00	342.30	2572552	427.00	300.00	5953815
Nov-12	371.50	311.25	2556234	371.80	310.05	4949870
Dec-12	380.90	333.95	3287265	380.80	333.35	6998896
Jan-13	391.80	320.10	3237272	392.30	318.65	6299543
Feb-13	328.45	222.65	1600180	328.50	222.00	2761881
Mar-13	271.30	181.20	2726067	271.90	181.00	4422465
Apr-13	302.50	190.00	7560998	302.50	192.70	13584512
May-13	303.90	229.55	4669449	304.40	225.10	8860850
Jun-13	232.00	163.60	3376145	231.80	160.75	6509619
Jul-13	216.00	145.20	2044715	215.90	145.10	4795784
Aug-13	161.95	118.10	1580779	161.85	110.00	3054519
Sep-13	159.50	128.00	2467294	159.30	128.15	5592143

➤ **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, twenty three 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, 2013.

Table 2 Pattern of shareholding by ownership as on 30 September, 2013

Company	No. of shares held	Shareholding %
Promoters	24872975	66.03
Financial Institutions	0	0.00
Mutual Funds	30814	0.08
Nationalised Banks	61538	0.16
Insurance Companies	129655	0.35
Foreign Institutional Investors/ Foreign Banks	170593	0.45
Private Corporate Bodies	4274509	11.35
Indian Public	7977140	21.18
NRIs	150404	0.40
TOTAL	37667628	100

Table 3 Pattern of shareholding by share class as on 30 September, 2013

Shareholding class	No. of shareholders	No. of shares held	Shareholding %
Up to 5000	46868	6831157	18.14
5001 to 10000	136	955776	2.54
10001 to 20000	42	589651	1.57
20001 to 30000	12	308262	0.82
30001 to 40000	6	209217	0.55
40001 to 50000	7	319566	0.85
50001 to 100000	11	776994	2.06
100001 and above	18	27677005	73.47
TOTAL	47100	37667628	100.00

➤ **Dematerialisation**

As on 30th September, 2013 dematerialised shares accounted for 93.60% 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 - 67042618, 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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, **except that the composition of independent directors is below 50% of the Board of Directors.**

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

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

Place : Pune
Date : November 27, 2013

Prakash Apte
Partner
Membership Number: 33212

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER, 2013

To,

The Members,

Your Directors have pleasure in presenting their 13th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 30th September, 2013.

1. FINANCIAL HIGHLIGHTS :

	(Rs. in Million)	
	Year ended 30 th Sept., 2013	Year ended 30 th Sept., 2012
Sales	279.32	364.05
Other Income	16.80	7.26
Profit before Interest and Depreciation	164.59	262.90
Less : Interest	40.25	42.29
Depreciation	61.27	60.92
Profit/(Loss) before tax	63.07	159.69
Provision for Taxation		
a) Current Tax	15.20	34.00
b) Deferred Tax	(0.78)	(4.86)
Net Profit/(Loss)	48.65	130.55
Surplus retained in Profit & Loss Account	529.76	480.85

For the year ended 30th September, 2013, your Company achieved a total sales of Rs.279.32 Million (previous year Rs.364.05 Million) and earned a profit of Rs.63.07 Million (previous year profit of Rs.159.69 Million).

2. DIVIDEND :

Your Directors do not recommend any dividend on the equity shares for the year ended 30th September, 2013.

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.

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, to the extent applicable, 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.814,936/-.

Earned : Rs.19,553,198/-.

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. B. B. Hattarki, 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, 2013, 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, 2013 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 : 27th November, 2013

B. N. KALYANI
Chairman

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BF UTILITIES LIMITED

To,
The Members of
BF Utilities Limited, Pune.

Report on the financial statements

We, Joshi Apte & Co., Chartered Accountants have audited the accompanying financial statements of BF Utilities Limited ('the Company'), which comprise the Balance Sheet as at 30th September 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the balance sheet, of the state of affairs of the Company as at 30th September 2013;
- b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

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

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

-
- iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 30th September 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th September 2013 from being appointed as a director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956.

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

Pune
November 27, 2013

Prakash Apte
Partner
Membership Number: 33212

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1, under the heading "Report on other legal and regulatory requirements" of our Auditors' Report of even date to the members of BF Utilities Limited on the financial statements for the year ended 30th September 2013

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the Management according to a phased program designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (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 and 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) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, 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 2013 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 26 to the Financial Statements, It 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. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
21. Considering the nature of the business conducted by the Company, the other clauses, viz, paragraph 4 (ii) and 4(iii) (c), (d), (e), (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 Joshi Apte & Co.
Firm Registration Number: 104370W
Chartered Accountants

Pune
November 27, 2013

Prakash Apte
Partner
Membership Number: 33212

Balance Sheet as at 30th September, 2013

Particulars	Note No.	As at 30th	As at 30th
		September, 2013	September, 2012
		Rs.	Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	188,338,140	188,338,140
(b) Reserves and Surplus	3	529,764,873	480,853,046
		<u>718,103,013</u>	<u>669,191,186</u>
2 Non-current liabilities			
(a) Long-term borrowings	4	615,101,571	907,609,060
(b) Deferred tax liabilities (net)	5	64,500,746	65,283,020
		<u>679,602,317</u>	<u>972,892,080</u>
3 Current liabilities			
(a) Short-term borrowings	6	60,000,000	65,800,000
(b) Trade payables	7	37,944,896	35,808,521
(c) Other current liabilities	8	507,999,297	287,217,551
(d) Short-term provisions	9	184,106,297	175,525,629
		<u>790,050,490</u>	<u>564,351,701</u>
TOTAL		<u><u>2,187,755,820</u></u>	<u><u>2,206,434,967</u></u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		380,111,226	441,376,290
(ii) Intangible assets		-	-
(iii) Capital Work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	1,055,632,690	1,055,632,690
(c) Long-term loans and advances	12	370,000,000	370,000,000
		<u>1,805,743,916</u>	<u>1,867,008,980</u>
2 Current Assets			
(a) Current investments	13	673,850	701,889
(b) Inventories	14	678,118	-
(c) Trade receivables	15	43,719,275	61,947,100
(d) Cash and bank balance	16	10,667,225	169,363,336
(e) Short-term loans and advances	17	274,968,428	56,211,566
(f) Other current assets	18	51,305,008	51,202,096
		<u>382,011,904</u>	<u>339,425,987</u>
TOTAL		<u><u>2,187,755,820</u></u>	<u><u>2,206,434,967</u></u>
Summary of Significant accounting policies followed by the Company	1		

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

On behalf of the Board of Directors

PRAKASH APTE
Partner
Membership No. 33212
Pune, 27 November, 2013

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 27 November, 2013

B.B. HATTARKI
Director

A.B. KALYANI
Director

Statement of Profit and loss for the year ended 30 September 2013

Particulars	Note No.	Year ended 30th	Year ended 30th
		September, 2013	September, 2012
		Rs.	Rs.
I. Revenue from operations (net)	19	279,324,096	364,047,875
II. Other income	20	16,801,732	7,260,103
III. Total Revenue (I + II)		296,125,828	371,307,978
IV. Expenses :			
Changes in Inventories	21	(678,118)	-
Employee benefits expense	22	18,257,707	12,290,816
Finance costs	23	40,254,772	42,290,970
Depreciation and Amortization expense	10	61,274,213	60,917,003
Other expenses	24	113,945,840	96,115,326
Total expenses		233,054,414	211,614,115
V. Profit before tax (III-IV)		63,071,414	159,693,863
VI. Tax expense :			
(a) Current tax		15,200,000	34,000,000
(b) Deferred tax (See Note No. 5)		(782,274)	(4,862,500)
		14,417,726	29,137,500
VII. Profit /(Loss) for the year after taxation (V-VI)		48,653,688	130,556,363
VIII. Adjustments relating to earlier years :			
Excess / (Short) Provision for Taxation and tax payments		258,139	-
IX Profit /(Loss) for the year after taxation and adjustments relating to earlier years (VII-VIII)		48,911,827	130,556,363
X Earning per equity share:			
(a) Basic & Diluted	25	1.30	3.47
Summary of Significant accounting policies followed by the Company	1		

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

On behalf of the Board of Directors

PRAKASH APTE
Partner
Membership No. 33212
Pune, 27 November, 2013

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 27 November, 2013

B.B. HATTARKI
Director

A.B. KALYANI
Director

Cash Flow Statement For The Year Ended 30th September, 2013

Particulars	Year ended 30th Sept., 2013		Year ended 30th Sept., 2012	
	Rs.	Rs.	Rs.	Rs.
A				
Cash Flow From Operating Activities				
Profit/ (Loss) before taxation		63,071,414		159,693,863
Add Interest / Depreciation / Other Non Cash Expenses				
Depreciation	61,274,213		60,917,003	
Finance Cost	37,930,309		39,609,168	
Loss on sale of fixed assets	-		72,755	
Diminution in Value of Investments	28,039		8,501	
CERs Written off	9,863,404		17,938,606	
RECs Written off	17,406,757		-	
Exchange (Gain)/Loss	-		(235,045)	
		<u>126,502,722</u>		<u>118,310,988</u>
Less Interest / Dividend / Other Adjustments				
Profit on sale of Fixed Assets	-		-	
Provision no longer required	104,451		133,276	
Dividend	2,669		1,452	
Interest	15,111,096		6,890,090	
Profit on sale of Investments	9,424		-	
		<u>(15,227,640)</u>		<u>(7,024,818)</u>
Operating Profit before Working Capital Changes :		<u>174,346,496</u>		<u>270,980,033</u>
(Increase) / Decrease Working Capital				
(Increase) / Decrease in Current Assets :				
(Increase) / Decrease in Inventories	(678,118)		-	
(Increase) / Decrease in Sundry Debtors	18,227,825		(61,947,100)	
(Increase) / Decrease in Other current assets and loans and advances	(45,528,286)		110,600,529	
	<u>(27,978,579)</u>		<u>48,653,429</u>	
Increase / (Decrease) in Current Liabilities :				
Liabilities	17,217,645		(11,418,108)	
	<u>17,217,645</u>		<u>(11,418,108)</u>	
		<u>(10,760,934)</u>		<u>37,235,321</u>
Cash Generated from operations		<u>163,585,562</u>		<u>308,215,354</u>
Direct taxes paid		<u>(25,835,246)</u>		<u>(24,937,886)</u>
Net Cash Flow from Operating Activities		<u>137,750,316</u>		<u>283,277,468</u>
B				
Cash Flow from Investing Activities				
Additions to Fixed Assets / Other Adjustments				
Investments		52,178,352		(53,755,619)
Inter Corporate Deposit		(200,000,000)		-
Additions to Fixed Assets		(100,000)		(2,314,608)
Sales proceeds of assets		90,851		11,429
Non Operating Income				
Dividend	2,669		1,452	
Interest	14,509,447		6,197,013	
Profit on sale of Investments	9,424		-	
		<u>14,521,540</u>		<u>6,198,465</u>
Net Cash Flow from Investing Activities		<u>(133,309,257)</u>		<u>(49,860,333)</u>
C				
Cash Flow from Financing Activities				
Secured loans (Net of Repayment)		-		-
Unsecured Loans		(73,028,509)		(106,449,530)
Finance Cost paid		(37,930,309)		(44,985,815)
Net Cash from Finance Activities		<u>(110,958,818)</u>		<u>(151,435,345)</u>
Net changes in cash and cash equivalents (A+B+C)		<u>(106,517,759)</u>		<u>81,981,790</u>
Cash and cash equivalents at the beginning of the year*		117,184,984		35,203,194
Cash and cash equivalents at the end of the year*		10,667,225		117,184,984

* Refer Note No. 16 for Cash and Cash Equivalents

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

On behalf of the Board of Directors

PRAKASH APTE
Partner
Membership No. 33212
Pune, 27 November, 2013

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 27 November, 2013

B.B. HATTARKI
Director

A.B. KALYANI
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013:

1 Summary of significant Accounting Policies followed by the Company :

Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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

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

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

I System of Accounting :

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

II Fixed Assets and depreciation :

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

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

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

C. Depreciation:

Fixed Assets:

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

III Impairment of Assets :

The Company tests for impairments at the close of the accounting period, if and only if, there are indications that suggest a possible reduction in the recoverable value of an asset. If the recoverable value amount of an Asset, i.e. the net realisable value or the economic value in use of a cash generating unit, is lower than

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

the carrying amount of the Asset, the difference is provided for as impairment. However, if subsequently, the position reverses and the recoverable amount becomes higher than the carrying value, then the provision to the extent of the difference is reversed, but not higher than the amount provided for.

IV Investments:

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

V Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

VI Cash flow statement

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

VII Revenue Recognition :-

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

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

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

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

IX Foreign Currency Transactions :- Foreign Currency transactions are recognised on the basis of foreign exchange rate on the date of transaction.

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

X Employee Benefits :

- i) Employee Benefit in the form of Provident Fund and Pension Scheme whether in pursuance of law or otherwise which are defined contributions are accounted on accrual basis and charged to Statement of Profit & Loss.
- ii) Gratuity:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

iii) Superannuation:

Defined contribution to Life Insurance Corporation of India for employees covered under Superannuation scheme are accounted at the rate of 15% of such employee's annual salary.

iv) Privilege Leave Benefits:

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

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

XI Taxation :

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

XII Provisions :

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

XIII Research & development Expenditure :

Research & development expenditure is charged to Revenue under the natural head of account in the year in which it is incurred. However, expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as an intangible asset.

XIV Inventories

Unsold Certified Emission Reduction (CER) and Renewable Energy Certificate (REC) are considered as Inventory and valued on the basis of costs which are directly allocated to it, as per guidance note issued by ICAI dated 11 February 2012. The cost is assigned to inventories on First in First Out (FIFO) basis.

XV Leases

Where the Company is the lessee

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

XVI Earning Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

2 Share Capital :

Particulars	As at 30 September 2013		As at 30 September 2012	
	No. of Shares	Rs.	No. of Shares	Rs.
<u>Authorised</u>				
Equity Shares of Rs. 5/- each.	60,000,000	300,000,000	60,000,000	300,000,000
<u>Issued, Subscribed & fully paid up</u>				
Equity shares of Rs. 5/- each fully paid up	37,667,628	188,338,140	37,667,628	188,338,140
Total		188,338,140		188,338,140

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

Particulars	As at 30 September 2013		As at 30 September 2012	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	37,667,628	188,338,140	37,667,628	188,338,140
Issued / reduction if any during the year	-	-	-	-
Outstanding at the end of the year	37,667,628	188,338,140	37,667,628	188,338,140

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

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

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

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

Name of the Shareholder	Equity Shares			
	As at 30th September 2013		As at 30th September 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
i) Ajinkya Investment & Trading Company	10,292,103	27.32	10,292,103	27.32
ii) Kalyani Investment Company Ltd.	6,062,342	16.09	6,062,342	16.09
iii) KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472	11.56

3 Reserves & Surplus :

Particulars	As at 30th September 2013 Rs.	As at 30th September 2012 Rs.
Surplus in statement of Profit & Loss :		
As per last Account	480,853,046	350,296,683
Add / (Less) Net Profit / (net Loss) for the year	48,911,827	130,556,363
Total	529,764,873	480,853,046

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

4 Long Term Borrowings

Particulars	Non-Current		Current maturities	
	As at 30th September, 2013 Rs.	As at 30th September, 2012 Rs.	As at 30th September, 2013 Rs.	As at 30th September, 2012 Rs.
Secured :				
Term Loan from Bank				
Rupee Term Loan from Axis Bank Ltd. (See Note No. 4(a))	-	200,000,000	200,000,000	-
Less : Shown Under "Other current liabilities" (See Note No. 8)	-	200,000,000	200,000,000	-
	-	200,000,000	-	-
Unsecured :				
Deferred payment liabilities				
Sales tax deferral obligation collected under Government of Maharashtra package scheme of incentive by a beneficiary under an arrangement (See Note No. 4 (b))	615,101,571	707,609,060	92,507,491	67,228,511
Less : Shown Under "Other current liabilities" (See Note No. 8)	-	-	92,507,491	67,228,511
	615,101,571	707,609,060	-	-
Total	615,101,571	907,609,060	-	-

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

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

Bullet repayment on completion of 36 months from the date of first disbursement i.e. from 28 July, 2011 and Interest payable at Base rate + 4.25% p.a., payable monthly.

4 (b) Sales Tax deferral

Balance outstanding Rs. 707,609,062 (Previous year 774,837,571)

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

Repayment Schedule

Year	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
2012-13	-	67,228,511
2013-14	92,507,492	92,507,491
2014-15	112,874,898	112,874,898
2015-16	113,483,324	113,483,324
2016-17	110,924,345	110,924,345
2017-18	102,845,366	102,845,366
2018-19	77,566,387	77,566,386
2019-20	52,287,250	52,287,250
2020-21	31,920,000	31,920,000
2021-22	13,200,000	13,200,000
Total	707,609,062	774,837,571

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

5 Deferred Tax Liabilities (net)		
Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
I Deferred Tax Liabilities :		
On account of timing difference :		
a) Depreciation (See Note No. 5 (a))	92,324,317	93,061,766
Total	92,324,317	93,061,766
II Deferred Tax Assets :		
On account of timing difference :		
a) Disallowance u/s 43B	27,823,571	27,778,746
Total	27,823,571	27,778,746
Deferred Tax liability (Net) (I - II)	64,500,746	65,283,020

5 (a) As required by and in accordance with Accounting Standard 22 - 'Taxes on Income' prescribed by Companies (Accounting Standards) Rules, 2006, as amended the Company recognises Deferred Tax which result from timing differences after ignoring Deferred Tax adjustments originating and reversing during the tax holiday period. The Deferred tax adjustments reversing outside the Tax holiday period have been recomputed consequent to the company's claim of determining the Tax holiday period with reference to the date of each phase of implementation as against the earlier intended period with reference to a single date of implementation for the Wind power generation business.

6 Short Term Borrowings

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Unsecured		
Loan Repayable on demand from other parties Rate of interest 8% p.a.	60,000,000	65,800,000
Total	60,000,000	65,800,000

7 Trade Payable

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Total outstanding dues other than Micro & Small Enterprises	27,843,650	25,707,275
Capital Creditors	10,101,246	10,101,246
Total	37,944,896	35,808,521

Note :

On the basis of information available with the Company, regarding the status of suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006", there are no suppliers covered under above mentioned Act.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

8 Other Current Liabilities

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
a. Current maturities of Long term borrowings (See Note No. 4)	292,507,491	67,228,511
b. Statutory dues payable including Tax deducted at source	1,257,032	1,118,600
c. Payable against purchase of investments	-	18,355,693
d. Interest free Security Deposit received from Related party	210,000,000	200,000,000
e. Others	4,234,774	514,747
Total	507,999,297	287,217,551

9 Short Term Provisions

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Provision for employee benefits :		
Leave encashment (See Note No. 33 D)	639,583	538,746
Gratuity (See Note No. 33 A)	737,044	727,146
Provident Fund : - BFUL Staff Provident Fund Trust (See Note No. 33 C)	-	99,432
Other Provisions :		
Tax Provision (Net of tax paid in advance)	20,228,348	31,121,733
Electricity Duty (See Note No. 32)	88,950,318	90,081,761
Wheeling & Transmission Charges (See Note No. 32)	73,551,004	52,956,811
Total	184,106,297	175,525,629

10 Fixed Assets

Amounts in Rupees

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As At 30/09/2012	Additions during the year	Deductions during the year	As At 30/09/2013	Up to 30/09/2012	On Deductions & Adjustments	For the Year	Up to 30/09/2013	As At 30/09/2013	As At 30/09/2012
Tangible Assets :											
1	Land	15,199,252	-	-	15,199,252	-	-	-	-	15,199,252	15,199,252
2	Building	13,108,730	-	-	13,108,730	2,647,077	-	213,673	2,860,750	10,247,980	10,461,653
3	Plant & Machinery	1,144,688,812	-	-	1,144,688,812	731,531,232	-	60,439,569	791,970,801	352,718,011	413,157,580
4	Electrical Installation	652,688	-	-	652,688	82,592	-	127,738	210,330	442,358	570,096
5	Furniture & Fixtures	25,000	100,000	-	125,000	19,143	-	16,445	35,588	89,412	5,857
6	Office Equipments	1,135,799	-	-	1,135,799	782,512	-	78,674	861,186	274,613	353,287
7	Vehicles	2,342,458	-	408,426	1,934,032	713,893	317,575	398,114	794,432	1,139,600	1,628,565
	Total A	1,177,152,739	100,000	408,426	1,176,844,313	735,776,449	317,575	61,274,213	796,733,087	380,111,226	441,376,290
	Previous year Total	1,174,971,641	2,314,608	133,510	1,177,152,739	674,908,772	49,326	60,917,003	735,776,449	441,376,290	500,062,869
Intangible Assets :											
1	Intangible Asset	-	-	-	-	-	-	-	-	-	-
	Total B	-	-	-	-	-	-	-	-	-	-
	Previous year Total	-	-	-	-	-	-	-	-	-	-
Capital Work In Progress											
1	Tangible Asset	-	-	-	-	-	-	-	-	-	-
2	Intangible Asset	-	-	-	-	-	-	-	-	-	-
	Total C	-	-	-	-	-	-	-	-	-	-
	Previous year Total	-	-	-	-	-	-	-	-	-	-
	Grand Total (A + B + C)	1,177,152,739	100,000	408,426	1,176,844,313	735,776,449	317,575	61,274,213	796,733,087	380,111,226	441,376,290
	Previous year Grand Total	1,174,971,641	2,314,608	133,510	1,177,152,739	674,908,772	49,326	60,917,003	735,776,449	441,376,290	500,062,869

Note : Refer para II of Summary of Significant accounting policies referred to in Note No. 1.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

11 Non Current Investments

Particulars	Face Value Rs.	As at 30th September 2013		As at 30th September 2012	
		No. of Shares	Rs.	No. of Shares	Rs.
Trade Investments, at cost					
In equity shares - fully paid					
Unquoted Instruments					
In Subsidiary companies :					
Nandi Infrastructure Corridor Enterprises Ltd. (74.52% of holding)	10	77,569,111	775,691,110	77,569,111	775,691,110
*Nandi Highway Development Ltd. (69.53% of holding)	10	26,071,902	260,719,010	26,071,902	260,719,010
			1,036,410,120		1,036,410,120
In Associate Company :					
Hospet Bellari Highways Private Ltd. (35% of holding)	10	3,500	35,000	3,500	35,000
			35,000		35,000
In Other Investments					
Mokshayoug Access India Pvt. Ltd.	10	608,824	18,310,382	608,824	18,310,382
SKH Metals Ltd.	10	25,000	877,188	25,000	877,188
			19,187,570		19,187,570
Total			1,055,632,690		1,055,632,690

* 11,071,900 (P.Y. 2,551,127) shares pledged with Banks for loans taken by Related Party

12 Long Term Loans & Advances

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Unsecured, considered good (unless otherwise stated)		
Loans and Advances to Related Parties (See Note No. 34)		
-Advances for purchase of land	370,000,000	370,000,000
Total	370,000,000	370,000,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

13 Current Investments

Particulars	Face Value Rs.	As at 30th September 2013		As at 30th September 2012	
		Number	Rs.	Number	Rs.
In equity shares - fully paid, at Cost or Market value whichever is lower					
Quoted :					
#Ahmednagar Forging Ltd.	10	300	49,152	300	49,152
MM Forging Ltd.	10	400	36,920	400	36,920
EL Forging Ltd.	10	100	799	100	799
Finolex Industries Ltd.	10	84	4,204	84	4,204
Hindalco Industries Ltd.	1	140	18,160	140	18,160
NIIT Technologies Ltd.	10	112	6,129	112	6,129
#ITC Ltd.	1	3,600	595,026	3,600	595,026
Total Cost			710 390		710 390
Less : Diminution in value of investment (Cumulative)			(36,540)		(8,501)
Total			673,850		701,889
		Book Value		Market Value	
		As at 30th September 2013	As at 30th September 2012	As at 30th September 2013	As at 30th September 2012
QUOTED		673,850	701,889	1,340,955	1,115,094
UNQUOTED		1,055,632,690	1,055,632,690	NA	NA
TOTAL		1,056,306,540	1,056,334,579	1,340,955	1,115,094

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

14 Inventories

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Stock of Renewable Energy Certificates (RECs) (Refer note below)	678,118	-
Total	678,118	-

Note:

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

15 Trade Receivables

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Unsecured, considered good unless stated otherwise :		
Outstanding for the period exceeding 6 months from date they are due for payment.	-	-
Others	43,719,275	61,947,100
Total	43,719,275	61,947,100

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

16 Cash & bank balance :

Particulars	As at 30th September 2013		As at 30th September 2012
	Rs.	Rs.	Rs.
i) Cash & Cash Equivalents			
a) Cash on Hand		7,244	541
b) Balances with Banks - in Current Accounts	10,659,981		15,559,235
in Fixed Deposits (Less than three months maturity)	-		101,625,208
		10,659,981	117,184,443
		10,667,225	117,184,984
ii) Other Bank Balances			
Balances with banks			
Fixed Deposits (Maturity more than three months but less than twelve months)		-	52,178,352
Total		10,667,225	169,363,336

17 Short Term Loans & Advances

Particulars	As at 30th September 2013		As at 30th September 2012
	Rs.	Rs.	Rs.
Loans & advances to related parties		-	-
Inter Corporate Deposit#	200,000,000		-
Advance towards Wheeling & Transmission Charges (See Note No. 32)	71,970,241		52,956,810
Others	2,998,187		3,254,756
Total		274,968,428	56,211,566

#Note :

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

18 Other Current Assets

Particulars	As at 30th September 2013		As at 30th September 2012
	Rs.	Rs.	Rs.
a) Energy Credit Receivable	49,472,038		23,037,694
b) CER Receivable (See Note No. 29)	-		9,863,404
c) REC Income Receivable	-		17,406,757
d) Interest Receivable	1,495,890		894,241
e) Other Income Receivable	337,080		-
Total		51,305,008	51,202,096

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

19 Revenue from Operations

Particulars	Year ended	Year ended
	30th September 2013	30th September 2012
	Rs.	Rs.
a) Wind Power Generated	242,702,495	244,553,844
b) Certified Emission Reduction Units (CER)	19,553,198	2,540,566
c) Renewable Energy Certificate Units (REC)	17,068,403	116,953,465
Total	279,324,096	364,047,875

20 Other income

Particulars	Year ended	Year ended
	30th September 2013	30th September 2012
	Rs.	Rs.
Dividend Received	2,669	1,452
Interest on Bank Fixed Deposits	13,615,206	6,890,090
Interest on Inter Corporate Deposits	1,495,890	-
Profit on Sale of Investments	9,424	-
Provision no longer required	104,451	133,376
Exchange Gain /Loss (net)	361,217	235,045
Business Auxiliary Services	1,200,000	-
Miscellaneous Income	12,875	140
Total	16,801,732	7,260,103

21 Changes in Inventories

Particulars	Year ended	Year ended
	30th September 2013	30th September 2012
	Rs.	Rs.
(Increase) / Decrease in Inventory:		
Closing Stock of Renewable Energy Certificates (RECs)	678,118	-
Opening Stock of Renewable Energy Certificates (RECs)	-	-
Total	(678,118)	-

22 Employee Benefits Expense

Particulars	Year ended	Year ended
	30th September 2013	30th September 2012
	Rs.	Rs.
Salaries, allowances etc.	17,385,564	11,284,527
Contribution to Provident & other funds	821,874	863,859
Staff Welfare	50,269	142,430
Total	18,257,707	12,290,816

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

23 Finance Cost

Particulars	Year ended	Year ended
	30th September 2013	30th September 2012
	Rs.	Rs.
Interest on Loans	33,581,064	35,267,223
Interest on electricity duty	4,331,237	4,308,433
Interest on shortfall of advance tax	2,314,817	2,681,802
Interest on Service Tax	9,646	-
Bank charges etc.	18,008	33,512
Total	40,254,772	42,290,970

24 Other Expense

Particulars	Year ended		Year ended
	30th September 2013		30th September 2012
	Rs.	Rs.	Rs.
Operating Expenses			
Operations, Maintenance & CDM Expenses - Wind Mills		34,669,369	29,760,661
Lease Rent - Land		717,339	670,773
Insurance		1,036,224	920,498
Electricity Duty (See Note No. 32)		7,800,423	8,795,003
Wheeling & Transmission Charges (See Note No.32)		20,594,193	10,796,037
Other Operating Expenses		1,885,350	2,649,079
CERs Written off (See Note No. 35)		9,863,404	17,938,606
RECs Written off (See Note No. 35)		17,406,757	-
		93,973,059	71,530,657
Administrative Expenses			
Insurance - others		131,181	118,338
Rates & Taxes		869,859	926,832
Repairs & Maintenance (others)		31,371	20,930
Director's sitting fees		170,000	90,000
Payment to Auditors :			
Audit Fee	1,011,240		782,400
Tax Audit fee	112,360		110,300
for Review of Quarterly Results, Financial Statements and Certification Work.	449,440		584,225
Reimbursement of expenses	20,744		20,605
		1,593,784	1,497,530
Project expenses Written off		-	9,113,399
Diminution in value of investments		28,039	8,501
Loss on sale of asset		-	72,755
Miscellaneous Expenses including Printing, Stationery Postage, Travelling, Telephone, Bank Charges, etc.		6,928,882	3,233,721
Professional & Consultancy Expenses		10,219,665	9,502,663
Total		19,972,781	24,584,669
Total		113,945,840	96,115,326

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

25 Earning Per Equity Share

Particulars		Year ended 30th September 2013	Year ended 30th September 2012
Earning per Share : (Face Value of Rs. 5/-)			
Net Profit after Taxation	Rs.	48,653,688	130,556,363
Add / (Less) Prior Period Adjustments	Rs.	258,139	-
Net Profit after Prior Period Adjustments	Rs.	48,911,827	130,556,363
Number of Shares Issued and Subscribed	Nos.	37,667,628	37,667,628
Basic and Diluted	Rs.	1.30	3.47

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

Particulars of Contingent liabilities	As at 30th September 2013	As at 30th September 2012
	Rupees	Rupees
26. Contingent Liabilities not provided for in respect of		
a) Claims against the Company not acknowledged as debt.	59,858,522	59,858,522
b) Guarantee given by the Company on behalf of other Company (See Note No 28)	300,000,000	300,000,000

27. Commitments:

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

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

B. The Company, as a promoter and indirect holding company of Nandi Economic Corridor Enterprises Ltd. (NECE) has signed definitive agreements on 24th December 2010, in relation to foreign direct investment of Rs. 500 crores in NECE.

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

28. The Company has given security to Axis Bank Limited to the extent of Rs. 30 Crores for securing the term loan facility granted by it to Nandi Highway Developers Limited (a subsidiary of the Company) by way of hypothecation of movable assets and equitable mortgage of fixed assets pertaining to Wind Mill project of the Company located in village Boposhi and Maloshi, Dist Satara.

29. Foreign currency income & expenditure accounted on accrual basis	Year ended 30th September 2013	Year ended 30th September 2012
	Rupees	Rupees
A Expenditure in Foreign Currency :		
Project Expenses	591,223	6,029,505
Others	223,713	-
Total	814,936	6,029,505
B Earnings in Foreign Currency		
Certified Emission Reduction (Carbon Credits)	19,553,198	2,540,566
Un-hedged Foreign Currency #	Year ended 30th September 2013	Year ended 30th September 2012
CER receivable (EURO)	-	144,731
Rate as on year end	NA	Rs. 68.15 per Euro
CER receivable (INR)	-	9,863,404

In view of the nature of the transaction CER receivables are un-hedged.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

30. Segment information based on Consolidated Financial Statements, as required by Accounting Standard 17 "Segment Reporting" as prescribed by Companies (Accounting Standards) Rules 2006, as amended is set out in a separate statement annexed thereto.
31. Related party disclosures have been set out in a separate statement annexed to this schedule. The related parties, as defined by Accounting Standard 18' Related Party Disclosures' prescribed by Companies (Accounting Standards) Rules, 2006, in respect of which the disclosures have been made, have been identified and taken on record by the Board.
32. The disclosures required by Accounting Standard 29 "Provision, Contingent Liabilities and Contingent Assets" prescribed by Companies (Accounting Standards) Rules, 2006, as amended are as follows.

	Class of Provision	Carrying amount as on 1 October, 2012	Provision made / Increase (Decrease) in Provision	Amounts used during the year	Amount reversed during the year	Carrying amount as on 30th September, 2013
		Rs.	Rs.	Rs.	Rs.	Rs.
A.	Electricity Duty	90,081,761	7,800,423	8,931,866	-	88,950,318
	(Previous Year)	86,617,409	8,795,003	5,330,651	-	90,081,761
B.	Wheeling & Transmission Charges	52,956,811	20,594,193	-	-	73,551,004
	(Previous Year)	42,160,774	10,796,037	-	-	52,956,811
	Total (A + B)	143,038,572	28,394,616	8,931,866	-	162,501,322
	(Previous year)	128,778,183	19,591,040	-	-	143,038,572

Nature of Provisions

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

Expected timing of resulting outflow:

- A. Since the matter is yet to be resolved / clarified in respect of applicability of Electricity duty for Wind Power Generation, the timing of outflow cannot be determined up to December 2011. However, the Company is paying the duty regularly since January 2012.
- B. Short Term Loans & Advances includes Wheeling and Transmission charges of Rs. 71,970,241/- (P.Y. Rs. 52,956,810/-) have been paid to the distribution licensee under protest, as the matter is pending in appeal with the MERC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

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

A Funded Scheme (Gratuity)

(Amount in Rupees)

	Particulars	As at 30th Sept, 2013	As at 30th Sept, 2012
(I)	Amount Recognised in the Balance Sheet :		
	a) Present Value of Funded Obligations	2,931,061	2,612,776
	b) Fair Value of Plan Assets	2,194,017	1,885,630
	c) Net Liability /(Asset) recognised in the Balance Sheet		
	Amounts in Balance Sheet		
	Liability	737,044	727,146
	Asset	-	-
	Net Liability	737,044	727,146
(II)	Amount to be Recognised in the Statement of Profit and Loss :		
	a) Current Service Cost	229,591	205,877
	b) Past Service Cost	-	-
	c) Interest on Defined Benefit Obligations	214,248	142,477
	d) Expected Return on Plan Assets	(146,517)	(99,718)
	e) Net Actuarial (Gains)/Loss recognised in the year	(151,572)	(15,386)
	f) Total, included in "Employee Benefit Expense"	145,750	233,250
(III)	Change in Defined Benefit Obligation and reconciliation thereof		
	a) Opening Defined Benefit Obligation	2,612,776	1,108,101
	b) Acquisition adjustments	-	1,176,127
	c) Interest Cost	214,248	142,477
	d) Past Service Cost	-	-
	e) Current Service Cost	229,591	205,877
	f) Settlement Cost (Credit)	-	-
	g) Benefits Paid	-	-
	h) Actuarial Losses/(Gains)	(125,554)	(19,806)
	i) Closing Defined Benefit Obligation	2,931,061	2,612,776
(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	1,885,630	868,825
	b) Acquisition adjustments	-	921,507
	c) Expected Return on Plan Assets	146,517	99,718
	d) Add : Contributions by employer	135,852	-
	e) Assets distributed on Settlement	-	-
	f) Less : Benefit Paid	-	-
	g) Add / (Less) : Actuarial Gains /(Losses) on Plan Assets	(26,018)	(4,420)
	h) Fair Value of Plan Assets at the end of the year	2,194,017	1,885,630
	i) Actual Return on Plan assets	172,535	95,298
(V)	Principal Actuarial Assumptions :		
	Discount Rate	8.20%	8.20%
	Rate of return on Plan Assets (p.a.)	7.50%	7.50%
	Salary Escalation	7.50%	7.50%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

B Experience History

(Amount in Rupees)

Particulars	As at 30th Sept, 2013	As at 30th Sept, 2012	As at 30th Sept, 2011	As at 30th Sept, 2010	As at 30th Sept, 2009
Present Value of Obligation	2,931,061	2,612,776	1,108,101	640,701	1,321,169
Plan Assets	2,194,017	1,885,630	868,825	663,653	1,990,270
Surplus / (Deficit)	(737,044)	(727,146)	(239,276)	22,952	669,101
Experience adjustments on plan liabilities (loss) / gain	92,054	40,232	(324,243)	118,634	-
Experience adjustments on plan assets (loss) / gain	26,018	(4,420)	74,876	74,932	-

C Provident Fund

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

Particulars	As at 30 Sept, 2013	As at 30 Sept, 2012
Remaining term of maturity	5.91 Years	6.20 Years
Expected guaranteed interest rate	8.50%	8.25%
Discount Rate for the remaining term of maturity of interest portfolio	8.10%	8.20%

D Unfunded Scheme (Compensated Absences - Leave Encashment)

Particulars	As at 30 Sept, 2013	As at 30 Sept, 2012
Present Value of unfunded obligations	639,583	538,746
Expenses recognised in Profit and Loss Account	-	-
Discount Rate	8.50%	8.20%
Salary Escalation Rate	7.50%	7.50%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

34. Advance for purchase of land is given to Nandi Economic Corridor Enterprises Limited (NECE), Subsidiary Company. Land is yet to be transferred in the name of the Company.
35. Till the accounting year ended 30th September, 2012, the Company accounted for the income from Carbon Credits (CERs) and Renewable Energy Certificates (RECs) in the year in which it was entitled to receive the CERs and RECs. Consequent to the Guidance Note issued by ICAI on the accounting of CERs and RECs, which is effective from the accounting year commencing on or after 1st April, 2012, the income from CERs and RECs is to be recognized in the year of its actual sales. Necessary written off adjustments have been made in the accounts to give effect to the aforesaid Guidance Note.
36. Disclosures required as per Clause 32 of the Listing Agreement have been set out in a separate statement annexed hereto.
37. The Company has reclassified previous figures to confirm to this year's classification.
-

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

On behalf of the Board of Directors

PRAKASH APTE
Partner
Membership No. 33212
Pune, 27 November, 2013

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 27 November, 2013

B.B. HATTARKI
Director

A.B. KALYANI
Director

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

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

Segment wise Revenue, Results, and Capital Employed based on Consolidated Financial Statements for the Year Ended 30th September, 2013

Sr. No.	Particulars	Year ended 30th Sept 2013	Year ended 30th Sept 2012
		Rs.	Rs.
1	Segment Revenue		
	a. Wind Energy	294,913,735	371,306,526
	b. Infrastructure	1,695,456,393	1,444,789,252
	Total	1,990,370,128	1,816,095,778
	Less : Inter segment revenue	-	-
	Net sales / income from operations	1,990,370,128	1,816,095,778
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind Energy	113,099,810	221,690,235
	b. Infrastructure	787,493,440	152,363,301
	Total	900,593,250	374,053,536
	Less : i) Interest and Finance Charges	2,030,389,304	1,793,815,351
	ii) Other unallocable expenditure net off unallocable income	(80,755,958)	(300,484,766)
	Total Profit / (Loss) before tax	(1,049,040,096)	(1,119,277,049)
3	Total Carrying Amount of Segment Assets		
	a. Wind Energy	761,112,200	780,100,388
	b. Infrastructure	21,427,270,461	18,874,046,259
	c. Others - Unallocable (including temporary deployment in Mutual Funds)	370,237,343	761,583,396
	Total	22,558,620,004	20,415,730,043
4	Total Amount of Segment Liabilities		
	a. Wind Energy	417,314,651	381,845,764
	b. Infrastructure	1,134,420,307	1,104,072,999
	c. Others - Unallocable	51,178,406	59,188,859
	Total	1,602,913,364	1,545,107,622
5	Capital Employed (Segment Assets - Segment Liabilities)		
	a. Wind Energy	343,797,549	398,254,624
	b. Infrastructure	20,292,850,154	17,769,973,260
	c. Others - Unallocable	319,058,937	702,394,537
	Total	20,955,706,640	18,870,622,421
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	100,000	2,314,608
	b. Infrastructure	247,157,593	935,634,789
	Total	247,257,593	937,949,397
7	Depreciation & Amortisation		
	a. Wind Energy	61,274,213	60,917,003
	b. Infrastructure	144,166,801	377,360,279
	Total	205,441,014	438,277,282

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

Disclosure of Related Parties as required by Accounting Standard 18 :

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

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

Sr No	Name of Related Party	Nature of Relationship	Nature of Transaction	2012-13		2011-12	
				Transaction Value Paid / (Received)	Outstanding amount carried in Balance Sheet (Payable)/ Receivable	Transaction Value Paid / (Received)	Outstanding amount carried in Balance Sheet (Payable)/ Receivable
				Rs.	Rs.	Rs.	Rs.
1	Nandi Infrastructure Corridor Enterprise Ltd.	Subsidiary Company	Investment in Equity	-	775,691,110	-	775,691,110
2	Nandi Highway Developers Ltd.	Subsidiary Company	Investment in Equity	-	260,719,010	-	260,719,010
3	Nandi Economic Corridor Enterprises Ltd.	Subsidiary Company	Advance for Purchase of Land	-	370,000,000	-	370,000,000
4	Bharat Forge Limited	Common Control	Sale of Power Security Deposit	(242,702,495) (10,000,000)	43,719,275 (210,000,000)	(244,553,844) -	61,947,100 (200,000,000)
5	BF Investment Limited	Common Control	Interest paid Services Rendered Loan payable	5,022,159 (1,200,000) 5,800,000	- 337,080 (60,000,000)	125,325,426 - 60,500,000	- - (65,800,000)
6	Hospet Bellari Highways Pvt. Ltd.	Associate	Investment in Equity	-	35,000	-	35,000

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

Disclosures required as per Clause 32 of the Listing Agreement

Name of the Company	Loans and Advances Given		Investments
	Amount Outstanding as at 30th Sept. 13	Maximum Balance outstanding during the year	Amount Outstanding as at 30th Sept. 13
	Rs.	Rs.	Rs.
Subsidiaries :			
Nandi Infrastructure Corridor Enterprise Ltd.	-	-	775,691,110
Nandi Highway Developers Ltd.	-	-	260,719,010
Nandi Economic Corridor Enterprises Ltd.	370,000,000	370,000,000	-
Associates			
Hospet Bellari Highways Private Ltd.	-	-	35,000

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

CONSOLIDATED FINANCIAL STATEMENTS

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

To,
The Board of Directors
BF Utilities Limited, Pune

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 to the attached Consolidated Financial Statements) as at 30th September 2013, the related consolidated statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Opinion

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

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at September 30, 2013;
- in the case of the consolidated statement of profit and loss, of the loss for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

- Without qualifying our opinion, we draw attention to Note no. 34 of the financial statements, in respect of certain litigations by and against the subsidiaries of the Company which are pending in various courts and the matter is subjudice. No cognisance thereof is taken in the Consolidated Financial Statements as on 30th September 2013, pending outcome of the cases.
- We did not audit the financial statements of following Subsidiaries, whose total revenue, total assets and cash flows to the extent they are included in the Consolidated Financial Statements of the Group are as given below:

(Amounts in Rupees)

Name of Subsidiary	Extent of Share in		
	Revenue	Assets	Cash flows
Nandi Highway Developers Limited	347,536,203	1,062,720,852	(48,401,302)
Nandi Economic Corridor Enterprises Limited	1,428,877,045	20,722,042,754	(536,358,106)
Nandi Infrastructure Corridor Enterprises Limited	14,378,834	1,422,007,932	331,179

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.

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

Pune
November 27, 2013

Prakash Apte
Partner
Membership Number: 33212

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet as at 30th September, 2013

Particulars	Note No.	As at 30th	As at 30th
		September, 2013	September, 2012
		Rs.	Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	188,338,140	188,338,140
(b) Reserves and Surplus	3	(2,472,174,146)	(1,988,025,261)
		<u>(2,283,836,006)</u>	<u>(1,799,687,121)</u>
2 Minority Interest		3,928,802,963	4,537,221,428
3 Non-current liabilities			
(a) Long-term borrowings	4	18,728,731,446	15,936,874,613
(b) Deferred tax liabilities (net)	5	64,500,746	65,283,020
(c) Other long-term liabilities	6	254,591,694	198,899,618
(d) Long-term provisions	7	7,962,602	6,523,339
		<u>19,055,786,488</u>	<u>16,207,580,590</u>
4 Current liabilities			
(a) Short-term borrowings	8	60,000,000	65,800,000
(b) Trade payables	9	87,449,754	89,303,709
(c) Other current liabilities	10	1,511,769,087	1,120,262,654
(d) Short-term provisions	11	198,647,718	175,235,677
		<u>1,857,866,559</u>	<u>1,450,602,040</u>
		<u>22,558,620,004</u>	<u>20,395,716,937</u>
	TOTAL		
B ASSETS			
1 Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		650,096,476	694,466,134
(ii) Intangible Assets		11,815,352,899	11,729,257,513
(iii) Capital Work-in-progress		2,102,434,070	1,426,234,926
(iv) Intangible Assets under development		-	-
(b) Non-current investments	13	19,228,270	19,223,270
(c) Long-term loans and advances	14	3,802,976,106	3,047,467,653
		<u>18,390,087,821</u>	<u>16,916,649,496</u>
2 Current Assets			
(a) Current investments	15	350,706,993	742,395,626
(b) Inventory	16	2,032,806,245	1,636,755,077
(c) Trade receivables	17	45,048,967	62,891,619
(d) Cash and bank balances	18	334,041,872	685,873,388
(e) Short-term loans and advances	19	1,348,797,774	295,245,220
(f) Other current assets	20	57,130,332	55,906,511
		<u>4,168,532,183</u>	<u>3,479,067,441</u>
		<u>22,558,620,004</u>	<u>20,395,716,937</u>
	TOTAL		
Summary of Significant accounting policies followed by the Company	1		

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

On behalf of the Board of Directors

PRAKASH APTE
Partner
Membership No. 33212
Pune, 27 November, 2013

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 27 November, 2013

B.B. HATTARKI
Director

A.B. KALYANI
Director

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Consolidated Profit and loss for the year ended 30 September 2013

Particulars	Note No.	Year ended 30th	Year ended 30th
		September, 2013	September, 2012
		Rs.	Rs.
I. Revenue from operations (net)	21	1,974,780,489	1,808,837,127
II. Other income	22	98,137,421	318,452,846
III. Total Revenue (I + II)		2,072,917,910	2,127,289,973
IV. Expenses :			
Cost of Land	23	-	-
Changes in Inventories	24	(678,118)	-
Employee benefits expense	25	303,198,762	280,633,535
Finance costs	26	2,030,389,304	1,793,815,351
Depreciation and amortisation expense	12	205,441,014	438,277,282
Other expenses	27	583,607,044	733,840,854
Total expenses		3,121,958,006	3,246,567,022
V. Profit before tax (III-IV)		(1,049,040,096)	(1,119,277,049)
VI. Tax expense :			
(a) Current tax		40,068,040	40,780,198
(b) Deferred tax		(782,274)	(4,862,500)
Total tax expense		39,285,766	35,917,698
VII. Profit /(Loss) for the year after taxation (V-VI)		(1,088,325,862)	(1,155,194,747)
VIII. Adjustments relating to earlier years :			
Excess / (Short) Provision for Taxation and tax payments		(4,241,488)	(294,960)
Excess / (Short) Provision for Deferred Taxes on recomputation		-	-
IX Profit /(Loss) for the year after taxation and adjustments relating to earlier years		(1,092,567,350)	(1,155,489,707)
X Minority Interest		(608,418,465)	(669,594,923)
XI Profit /(Loss) for the year after taxation and adjustments relating to earlier years		(484,148,885)	(485,894,784)
XII Earning per equity share:			
(a) Basic & Diluted	28	(12.85)	(12.90)
Summary of Significant accounting policies followed by the Company	1		

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

On behalf of the Board of Directors

PRAKASH APTE
Partner
Membership No. 33212
Pune, 27 November, 2013

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 27 November, 2013

B.B. HATTARKI
Director

A.B. KALYANI
Director

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement For The Year Ended 30th September, 2013

Particulars	Year ended 30th Sept., 2013		Year ended 30th Sept., 2012	
	Rs.	Rs.	Rs.	Rs.
A Cash Flow From Operating Activities				
Profit/ (Loss) before taxation		(1,049,040,096)		(1,119,277,049)
Add Interest / Depreciation / Other Non Cash Expenses				
Depreciation	205,441,014		438,277,282	
Preliminary & Pre-operative Expenses w/off	3,381,792		3,381,792	
Interest	2,028,074,487		1,805,133,549	
Loss on sale of fixed assets	-		265,487	
Diminution in value of investments	28,039		8,501	
Provision for doubtful advances	10,500,000		4,253,418	
Exchange (Gain) / Loss	-		(235,045)	
CERs Written off	9,863,404		17,938,606	
RECs Written off	17,406,757		-	
		2,274,695,493		2,269,023,590
Less Interest / Dividend / Other Adjustments				
Provision no longer required	8,139,835		133,376	
Interest	30,505,694		16,712,278	
Dividend	2,808,410		67,391,779	
Profit on sale of Investments	54,094,379		211,520,728	
		(95,548,318)		(295,758,161)
Operating Profit before Working Capital Changes:		1,130,107,079		853,988,380
(Increase) / Decrease Working Capital				
(Increase) / Decrease in Current Assets :				
(Increase) / Decrease in Inventory	(396,051,168)		(969,818,621)	
(Increase) / Decrease in Sundry Debtors	17,842,652		(62,759,383)	
(Increase) / Decrease in Other current assets and loans and advances	(1,421,332,431)		(2,337,533,730)	
	(1,799,540,947)		(3,370,111,734)	
Increase / (Decrease) in Current Liabilities :				
Liabilities	34,388,448		31,231,234	
	34,388,448		31,231,234	
		(1,765,152,499)		(3,338,880,500)
Cash Generated from operations		(635,045,420)		(2,484,892,120)
Direct taxes paid		(45,361,820)		(27,114,974)
Net Cash Flow from Operating Activities		(680,407,240)		(2,512,007,094)
B Cash Flow from Investing Activities				
Additions to Fixed Assets / Other Adjustments				
(Increase)/Decrease in Investment, net		18,833,946		3,236,056,668
Additions to Fixed Assets		(923,456,737)		(81,237,721)
Sales proceeds of assets		90,851		417,129
Non Operating Income				
Interest	25,401,344		17,285,294	
Dividend	2,808,410		67,391,779	
Profit on sale of Investments	54,094,379		211,520,728	
		82,304,133		296,197,801
Net Cash Flow from Investing Activities		(822,227,807)		3,451,433,877
C Cash Flow from Financing Activities				
Secured loans (Net of Repayment)		3,210,248,592		624,751,408
Unsecured Loans		(33,912,779)		(121,430,640)
Interest Paid		(1,973,353,930)		(1,686,320,862)
Net Cash from Finance Activities		1,202,981,883		(1,183,000,094)
Net changes in cash and cash equivalents (A+B+C)		(299,653,164)		(243,573,311)
Cash and cash equivalents at the beginning of the year*		633,695,036		877,268,347
Cash and cash equivalents at the end of the year*		334,041,872		633,695,036

* Refer Note No. 16 for Cash and Cash Equivalents

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

On behalf of the Board of Directors

PRAKASH APTE
Partner
Membership No. 33212
Pune, 27 November, 2013

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 27 November, 2013

B.B. HATTARKI
Director

A.B. KALYANI
Director

1 Summary of significant Accounting Policies followed by the Group :

I System of Accounting:

Basis of Preparation

These financial statements of Group have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Current-Non Current classification:

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

Operating Cycle:

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

Refer unique accounting policies for operating cycle of subsidiaries.

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

II Fixed Assets and depreciation :

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

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

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

C. Depreciation:

C.I. In respect of BF Utilities Ltd.

- i Depreciation on Buildings, Plant & Machinery, Electrical Installations, and Office Equipments is being provided on "Straight Line Method" basis in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956, in the manner and at the rates specified in Schedule XIV to the said Act.
- ii Depreciation in respect of Furniture & Fittings and Vehicles is being provided on "Written down value" basis in accordance with the provisions of Section 205(2)(a) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to the said Act.
- iii Depreciation on additions to assets during the year is being provided at their respective rates on pro-rata basis from the date of acquisition/installation.
- iv Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis up to the date on which such assets are sold, discarded or demolished.
- v Project under which assets are not ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable or eligible interest.

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

1. The Consolidated Financial Statements are prepared on the following basis.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

a) Subsidiaries position as on 30th September 2013

Name of Subsidiaries	Country of Incorporation	Parent Company's Ultimate holding percentage	Financial Year ends on
a. Nandi Infrastructure Corridor Enterprises Limited	India	74.52%	31/3/2013
b. Nandi Economic Corridor Enterprises Limited	India	48.27%	31/3/2013
c. Nandi Highway Developers Limited	India	69.53%	31/3/2013

b) Associate position as on 30th September 2013

Name of Associate	Country of Incorporation	Parent Company's Ultimate holding percentage	Financial Year ends on
Hospet Bellari Highways Pvt. Ltd	India	35.00%	31/3/2013

The financial statements in respect of all subsidiary companies are drawn for the year ended 31 March, 2013, whereas the financial statements for BF Utilities Ltd. (BFUL) are drawn for the year ended 30 September, 2013. The effect of significant transaction and other events that occur between 1 April 2013 and 30 September 2013 is considered in the consolidated financial statements if it is of a material nature.

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

The financial statements of the Company and its subsidiary companies have been combined on line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. Any excess of the cost to the Company of its investment in a subsidiary and the Company's portion of equity of subsidiary at the date at which investment in the subsidiary is made, is described as goodwill and recognised separately as an asset in the consolidated financial statements. The Group's investment in its Associate is accounted for using the equity method. An Associate is an entity in which the Group has significant influence.

The Consolidated financials 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) Rules, 2006, as amended.

III Intangible assets

Intangible assets in the nature of toll road assets / rights are carried at cost less accumulated amortisation and impairment losses, if any. The cost of such intangible asset comprises of land acquisition cost, direct and indirect expense incurred on procurement / construction of roads, bridges, culverts, including toll plazas, other equipment and utilities used in or in connection with operation of toll road including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure for making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

IV Capital work-in-progress

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

V Impairment of Assets :

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

VI Investments:

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

VII Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

VIII Cash flow statement

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

IX Revenue Recognition : -

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

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

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

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

XI Foreign Currency Transactions : -

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

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

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

XII Employee Benefits :

- i) Employee Benefit in the form of Provident Fund and Pension Scheme whether in pursuance of law or otherwise which are defined contributions are accounted on accrual basis and charged to Statement of Profit & Loss.

ii) Gratuity:

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

- iii) Superannuation:
Defined contribution to Life Insurance Corporation of India for employees covered under Superannuation scheme are accounted at the rate of 15% of such employee's annual salary.
- iv) Privilege Leave Benefits:
The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term and short term compensated absences are provided for based on the actuarial valuation using the projected unit credit method and estimates at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.
- XIII Taxation :
Provision for taxation is made on the basis of taxable profits computed on current year profit in accordance with Income Tax Act. Deferred Tax resulting from timing differences is accounted for at the applicable rate of tax to the extent the timing differences are expected to crystallize, after ignoring deferred tax adjustments originating and reversing during tax holiday period, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Asset can be realized.
- XIV 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.
- XV Research & development Expenditure:
Research & development expenditure is charged to Revenue under the natural head of account in the year in which it is incurred. However, expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Group, is considered as an intangible asset.
- XVI Inventory
Unsold Certified Emission Reduction (CER) and Renewable Energy Certificate (REC) are considered as Inventory and valued on the basis of costs which are directly allocated to it, as per guidance note issued by ICAI dated 11 February 2012. The cost is assigned to inventories on First in First Out (FIFO) basis.
Stock of Land and related developments are valued at lower of cost or net realisable value. Cost is the aggregate of Land cost and development cost which includes materials, contract works, direct expenses and apportioned borrowing cost.
- XVII Leases
i) Where the Company as a lessor,
Leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment. Leases assets under operating lease, lease income from such lease is recognised in the statement of profit and loss account on straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the use of leases asset is diminished.
ii) Where the Company is the lessee,
Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.
- XVIII Earning Per Share (EPS)
Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.
- XIX The Group prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

2 Share Capital :

Particulars	As at 30 September 2013		As at 30 September 2012	
	No. of Shares	Rs.	No. of Shares	Rs.
<u>Authorised</u>				
Equity Shares of Rs. 5/- each.	60,000,000	300,000,000	60,000,000	300,000,000
<u>Issued, Subscribed & fully paid up</u>				
Equity shares of Rs. 5/- each fully paid up	37,667,628	188,338,140	37,667,628	188,338,140
Total		188,338,140		188,338,140

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

Particulars	As at 30 September 2013		As at 30 September 2012	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	37,667,628	188,338,140	37,667,628	188,338,140
Issued / reduction if any during the year	-	-	-	-
Outstanding at the end of the year	37,667,628	188,338,140	37,667,628	188,338,140

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

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

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

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

Name of the Shareholder	Equity Shares			
	As at 30th September 2013		As at 30th September 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
i) Ajinkya Investment & Trading Company	10,292,103	27.32	10,292,103	27.32
ii) Kalyani Investment Company Ltd.	6,062,342	16.09	6,062,342	16.09
iii) KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472	11.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

3 Reserves & Surplus :

Particulars	As at 30th September 2013 Rs.	As at 30th September 2012 Rs.
a) Securities Premium Account		
Opening balance	359,395,376	359,395,376
Add : Premium on shares issued during the year	-	-
	359,395,376	359,395,376
Less : Utilised during the year for :		
Premium on redemption of debentures	-	-
Preference share issue expenses	-	-
Closing Balance	359,395,376	359,395,376
b) Surplus in statement of Profit & Loss :		
As per last Account	(2,349,082,637)	(1,861,525,853)
Add / (Less) Net Profit / (net Loss) for the year	(484,148,885)	(485,894,784)
Less Transfer to Reserve Fund	(1,910,000)	(1,662,000)
	(2,835,141,522)	(2,349,082,637)
c) Reserve Fund		
Opening Balance	1,662,000	-
Add : Current Year Transfer	1,910,000	1,662,000
Less : Written Back in Current Year	-	-
	3,572,000	1,662,000
Total	(2,472,174,146)	(1,988,025,261)

4 Long Term Borrowings

Particulars	Non-Current		Current maturities	
	As at 30th September 2013 Rs.	As at 30th September 2012 Rs.	As at 30th September 2013 Rs.	As at 30th September 2012 Rs.
	Secured :			
Term Loan from Bank				
Rupee Term Loan from Axis Bank Ltd. (Refer Note i) a) & i) b) below)	520,039,816	809,791,224	200,000,000	-
Rupee Term Loan from The Jammu & Kashmir Bank Ltd (Refer Note ii below)	990,000,000	1,000,000,000	10,000,000	-
Rupee Term Loan from The Bank of India (Refer Note ii below)	2,970,000,000	3,000,000,000	30,000,000	-
From others				
Rupee Term Loan from IDFC Ltd.	7,722,000,000	8,500,000,000	78,000,000	-
Rupee Term Loan from Aditya Birla Finance Ltd.	693,000,000	700,000,000	7,000,000	-
Rupee Term Loan from HDFC Bank Ltd.	3,960,000,000	-	40,000,000	-
Total A	16,855,039,816	14,009,791,224	365,000,000	-
Less : Shown Under "Other current liabilities" (note no. 10)				
Total B			365,000,000	
Total C (A-B)	16,855,039,816	14,009,791,224	-	-

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

- i) a) Balance outstanding Rs. 200,000,000 "shown under other current liabilities i.e., note no. 10" (Previous year Rs. 200,000,000) in BF Utilities Limited - BFUL.

Above loan is secured by first charge on the movable and immovable assets of Wind Mill Project located at village Boposhi and Maloshi, Dt. Satara.

Bullet repayment on completion of 36 months from the date of first disbursement i.e. from 28 July, 2011. Interest payable at Base rate +4.25% p.a., payable monthly.

- b) Balance outstanding Rs. 520,039,816 (Previous year Rs. 609,791,224) in Nandi Highway Developers Limited - NHDL.

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

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

Collateral Security:

The above Term Loans are further secured in the form of Collateral Security from M/s. Bharat Forge Ltd. to the extent of Rs. 140,000,000 by way of Corporate Guarantee and to the extent of Rs. 30 Crores by way of hypothecation of movable assets and equitable mortgage of fixed assets pertaining to Wind Mill project of the Company located in village Boposhi and Maloshi, Dist Satara.

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

- ii) Term loan (in Nandi Economic Corridor Enterprises Limited - NECE) from banks and from others (together referred to as 'Senior Lenders') is secured by a first charge:

- by way of mortgage of land, building and all fixed assets both present and future of NECE.
- on all the movable properties of NECE.
- on all the right, title, interest benefit, claims and demands, whatsoever of NECE in respect of project documents, including all guarantees and bonds received.
- on all the rights, title, interest benefits, claims and demands, in respect of the project accounts and all bank and other accounts of NECE.

The Term loan is also secured by pledge of shares held by Nandi Infrastructure Corridor Enterprises Limited - NICE in NECE.

The Term loan from the senior lenders are repayable in 45 unequal quarterly installments commencing from January 2014. Interest rate on above varies between 12.75% to 13.75%. p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

Particulars	Non-Current		Current maturities	
	As at 30th September 2013	As at 30th September 2012	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.	Rs.	Rs.
Unsecured :				
Loan				
Due to other than Micro & Small Enterprises	98,069,992	58,954,262	-	-
BF Investment Ltd. (Refer Note 4 (B) Below)	1,160,520,067	1,160,520,067	-	-
Total D	1,258,590,059	1,219,474,329	-	-
Deferred payment liabilities				
Sales tax deferral obligation collected under Government of Maharashtra package scheme of incentive by a beneficiary under an arrangement (Refer Note 4 (C) Below)	615,101,571	707,609,060	92,507,491	67,228,511
Total E	615,101,571	707,609,060	92,507,491	67,228,511
Less : Shown Under "Other current liabilities" (note no. 10)	-	-	92,507,491	67,228,511
Total F	-	-	92,507,491	67,228,511
Total G (E-F)	615,101,571	707,609,060	-	-
Total (C + D + G)	18,728,731,446	15,936,874,613	-	-

4 (B) Unsecured loans from others includes loan from BF Investments Limited, outstanding amount Rs. 1,160,520,067/- (Previous Year Rs. 1,160,520,067/-), carry interest at 6% (P.Y. - 12%) per annum and repayable once the fund position of the NECE permits. The unsecured loans shall not be repayable unless the secured term loans are repaid in full and exit is provided to the holders of 0.01% CCPS

In accordance with the terms and conditions agreed with the above mentioned Senior Lenders, interest on unsecured loan is payable when Debt Service Coverage Ratio (DSCR) is equal to or more than 1.2 times. Since the DSCR for the current and previous year of NECE is less than 1.2 times, interest accrued on such unsecured loan amounting to Rs. 249,675,937 as at March 31, 2013 (Rs. 193,970,973 as at March 31, 2012), net of TDS, has not been paid and the same has been disclosed as 'Interest accrued but not due' in note 6.

4 (C) Sales Tax deferral

Balance outstanding Rs. 707,609,062 (Previous year 774,837,573)

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

Repayment Schedule

Year	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
2012-13	-	67,228,511
2013-14	92,507,492	92,507,492
2014-15	112,874,898	112,874,898
2015-16	113,483,324	113,483,324
2016-17	110,924,345	110,924,345
2017-18	102,845,366	102,845,366
2018-19	77,566,387	77,566,387
2019-20	52,287,250	52,287,250
2020-21	31,920,000	31,920,000
2021-22	13,200,000	13,200,000
Total	707,609,062	774,837,573

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

5 Deferred Tax Liabilities (net)

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
I Deferred Tax Liabilities :		
On account of timing difference :		
a) Depreciation (See Note No. 5 (a) below)	92,324,317	93,061,766
Total	92,324,317	93,061,766
II Deferred Tax Assets :		
On account of timing difference :		
a) Disallowance u/s 43B	27,823,571	27,778,746
Total	27,823,571	27,778,746
Deferred Tax liability (Net) (I - II)	64,500,746	65,283,020

5 (a) 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 after ignoring Deferred Tax adjustments originating and reversing during the tax holiday period. The Deferred tax adjustments reversing outside the Tax holiday period have been recomputed consequent to the company's claim of determining the Tax holiday period with reference to the date of each phase of implementation as against the earlier intended period with reference to a single date of implementation for the Wind Power generation business.

6 Other Long Term Liabilities

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Interest accrued but not due on borrowings (Refer Note No. 4 (B))	249,675,937	193,970,973
Other payables	4,915,757	4,928,645
Total	254,591,694	198,899,618

7 Long Term Provisions

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Leave Encashment- Compensated absences	7,865,234	6,425,971
Others	97,368	97,368
Total	7,962,602	6,523,339

8 Short Term Borrowings

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Unsecured		
Loan Repayable on demand from other parties, Rate of interest @ 8% p.a.	60,000,000	65,800,000
Total	60,000,000	65,800,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

9 Trade Payable

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Total outstanding dues other than Micro & Small Enterprises	77,348,508	79,202,463
Capital creditors	10,101,246	10,101,246
Total	87,449,754	89,303,709

Note :

On the basis of information available with the Company, regarding the status of suppliers as defined under the 'Micro Small and Medium Enterprises Development Act 2006', there are no suppliers covered under above mentioned Act.

10 Other Current Liabilities

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
a. Current maturities of Long term borrowings	457,507,491	67,228,511
b. Interest accrued but not due on borrowings	63,541,058	64,525,465
c. Advance from customer (Refer Note Below)	720,625,000	720,625,000
d. Interest free Security Deposits received from Related Parties	210,000,000	200,000,000
e. Income received in advance	8,411,428	-
f. Security Deposit received from others	1,055,155	955,155
g. Retention money payable	13,513,239	9,168,271
h. Statutory dues payable including Tax deducted at source	22,630,616	14,752,617
i. Payable on purchase / construction of fixed assets	9,859,834	23,748,581
j. Payable against purchase of Investments	-	18,355,693
k. Other payables	4,625,266	903,361
Total	1,511,769,087	1,120,262,654

Note :

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

Post issue of the CCCPS, the Company is not pursuing Agreements for sale of land and monies received as advances under such Agreements would either be refunded to the parties or such amounts would be adjusted against amounts receivable in respect of the joint development arrangements that the Company is pursuing with such parties.

11 Short Term Provisions

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Provision for employee benefits :		
Leave encashment	3,236,339	2,814,929
Gratuity	968,730	674,640
PF Trust	-	99,432
Other Provisions :		
Tax Provision (Net of tax paid in advance)	6,690,108	7,742,400
Electricity Duty	88,950,318	90,081,761
Wheeling & Transmission Charges	73,551,004	52,956,811
Others	25,251,219	20,865,704
Total	198,647,718	175,235,677

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

12 Fixed Assets

Amounts in Rupees

Particulars	Gross Block				Depreciation				Net Block	
	As At 30/09/2012	Additions during the year	Deductions during the year	As At 30/09/2013	Up to 30/09/2012	On Deductions & Adjustments	For the Year	Up to 30/09/2013	As At 30/09/2013	As At 30/09/2012
Tangible Assets :										
Land	32,932,614	-	-	32,932,614	-	-	-	-	32,932,614	32,932,614
Building	106,189,094	-	-	106,189,094	9,432,695	-	1,739,211	11,171,906	95,017,188	96,756,399
Plant & Machinery	1,239,220,820	1,953,656	-	1,241,174,476	804,368,924	-	62,179,014	866,547,938	374,626,538	434,851,896
Electrical Installation	652,688	-	-	652,688	82,592	-	127,738	210,330	442,358	570,096
Furniture & Fixtures	16,745,649	8,372,733	-	25,118,382	5,460,326	-	3,814,251	9,274,577	15,843,805	11,285,323
Office Equipments	71,427,202	11,558,493	-	82,985,695	18,103,558	-	6,862,800	24,966,358	58,019,337	53,323,644
Vehicles	86,548,204	18,607,894	408,426	104,747,672	21,802,042	317,575	10,048,569	31,533,036	73,214,636	64,746,162
Total (A)	1,553,716,271	40,492,776	408,426	1,593,800,621	859,250,137	317,575	84,771,583	943,704,145	650,096,476	694,466,134
Previous year Total	1,463,828,166	93,469,038	3,580,932	1,553,716,272	779,540,486	2,898,316	82,613,416	859,254,698	694,466,134	684,287,680
Intangible Assets										
Toll Road Assets Stage 1	12,864,684,356	206,764,817	-	13,071,449,173	1,135,450,516	-	120,659,962	1,256,110,478	11,815,338,695	11,729,233,840
Computer software	157,010	-	-	157,010	133,337	-	9,469	142,806	14,204	23,673
Total Intangible Assets (B)	12,864,841,366	206,764,817	-	13,071,606,183	1,135,583,853	-	120,669,431	1,256,253,284	11,815,352,899	11,729,257,513
Previous Year	12,020,361,007	844,480,359	-	12,864,841,366	779,919,987	-	355,663,866	1,135,583,853	11,729,257,513	11,240,441,020
Total Assets C(A-B)	14,418,557,637	247,257,593	408,426	14,665,406,804	1,994,833,990	317,575	205,441,014	2,199,957,429	12,465,449,375	12,423,723,647
Previous Year	13,484,189,173	937,949,397	3,580,932	14,418,557,638	1,559,460,473	2,898,316	438,277,282	1,994,838,551	12,423,723,647	11,924,728,700
Capital Work in Progress									2,102,434,070	1,426,234,926

Refer note no. 29(I)(e) and 29(III)(a)

13 Non Current Investments

Particulars	Face Value Rs.	As at 30th September 2013		As at 30th September 2012
		Number of Shares	Rs.	Rs.
Trade Investments, at cost				
In Equity Shares of Associate Company (fully paid)				
Hospet Bellari Highways Private Ltd. (35% of holding)	10	3,500	35,000	35,000
In Other Investments				
In Government Securities / Trust				
National Securities Certificate			5,500	500
Indira Vikas Patra			200	200
In Equity Shares				
Mokshayoug Access India Pvt. Ltd.	10	608,824	18,310,382	18,310,382
SKH Metals Ltd.	10	25,000	877,188	877,188
			19,187,570	19,187,570
		Total	19,228,270	19,223,270

14 Long Term Loans & Advances

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Unsecured, considered good (unless otherwise stated)		
Capital Advance	23,745,088	29,616,585
Security Deposits	9,634,211	8,631,426
Capital advances to Related parties (Refer Note No. 33)	706,325,977	500,283,158
Other Loans and Advances :		
Other Advances	14,054,076	9,513,438
Advance towards Land acquisition and projects		
Unsecured, considered good	3,049,216,754	2,499,423,046
Doubtful	10,500,000	-
	3,059,716,754	2,499,423,046
Less: Provision for doubtful advance	10,500,000	-
	3,049,216,754	2,499,423,046
Advance to Suppliers / service providers		
Unsecured, considered good	-	-
Doubtful	91,244,588	95,476,616
	91,244,588	95,476,616
Less : Provision for doubtful advance	(91,244,588)	(95,476,616)
	-	-
Total	3,802,976,106	3,047,467,653

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

15 Current Investments

Particulars	As at 30 September 2013			As at 30 September 2012		
	Face Value Rs.	No. of Shares	Rs.	Face Value Rs.	No. of Shares	Rs.
A <u>In Equity Shares</u> In equity shares - fully paid, at cost or Market value whichever is lower Quoted :						
# Ahmednagar Forging Ltd.	10	300	49,152	10	300	49,152
MM Forging Ltd.	10	400	36,920	10	400	36,920
EL Forging Ltd.	10	100	799	10	100	799
Finolex Industries Ltd.	10	84	4,204	10	84	4,204
Hindalco Industries Ltd.	1	140	18,160	1	140	18,160
NIIT Technologies Ltd.	10	112	6,129	10	112	6,129
# ITC Ltd.	1	3,600	595,026	1	3,600	595,026
Punjab National Bank	10	943	-	10	943	367,770
			710 390			1,078,160
B <u>In Mutual Funds</u>			350,033,143			741,325,967
Total Cost (A + B)			350,743,533			742,404,127
Less : Diminution in value of investment (Cumulative)			(36,540)			(8,501)
Total			350,706,993			742,395,626

	As at 30 September 2013	As at 30 September 2012		As at 30 September 2013	As at 30 September 2012
<u>Book Value</u>	Rs.	Rs.	<u>Market Value</u>	Rs.	Rs.
QUOTED	673,850	1,086,661	QUOTED	1,340,955	1,143,576
UNQUOTED	369,261,413	760,549,237	Mutual Funds	356,060,751	748,743,390
TOTAL	369,935,263	761,635,898	TOTAL	357,401,706	749,886,966

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

16 Inventory

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Land and related development cost	2,032,128,127	1,636,755,077
Stock of Renewable Energy Certificates (RECs) (Refer note below)	678,118	-
Total	2,032,806,245	1,636,755,077

Note:

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

17 Trade Receivables

Particulars	As at 30th September 2013	As at 30th September 2012
	Rs.	Rs.
Unsecured, considered good unless stated otherwise :		
Outstanding for the period exceeding 6 months from date they are due for payment.	-	-
Others		
- Considered good	45,048,967	62,891,619
Total	45,048,967	62,891,619

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

18 Cash & Bank Balances

Particulars	As at 30th September 2013		As at 30th September 2012
	Rs.		Rs.
i) Cash & Cash Equivalents			
a) Cash on Hand		15,167,444	12,863,135
b) Balances with Banks - in Current Accounts	214,656,788		311,564,959
in Fixed Deposits (Less than three months maturity)	104,217,640		309,266,942
		318,874,428	620,831,901
		334,041,872	633,695,036
ii) Other Bank Balances			
Balances with banks			
Fixed Deposits (Maturity more than three months but less than twelve months)		-	52,178,352
Total		334,041,872	685,873,388

19 Short Term Loans & Advances

Particulars	As at 30th September 2013		As at 30th September 2012
	Rs.		Rs.
Loans & advances (Refer Note No. 33)		749,963,007	192,745,295
Advance of Wheeling & Transmission Charges		71,970,241	52,956,810
Others		10,687,178	7,368,962
Inter Corporate Deposits		425,000,000	-
Advance to suppliers / service providers			
- Unsecured, considered good		91,177,348	42,174,153
- Considered doubtful		-	3,803,356
		91,177,348	45,977,509
Provision for doubtful advance		-	(3,803,356)
		91,177,348	42,174,153
Total		1,348,797,774	295,245,220

20 Other Current Assets

Particulars	As at 30th September 2013		As at 30th September 2012
	Rs.		Rs.
a) Energy Credit Receivable		49,472,038	23,037,694
b) CER Receivable		-	9,863,404
c) REC Income Receivable		-	17,406,757
d) Interest Receivable			
on Deposits with Banks		100,339	2,216,864
on Inter Corporate deposits		7,220,875	-
e) Other Income Receivable		337,080	-
f) Preliminary expenses		-	3,381,792
Total		57,130,332	55,906,511

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

Particulars	Year ended	Year ended
	30th September 2013	30th September 2012
	Rs.	Rs.
21 Revenue from Operations		
a) Wind Power Generated	242,702,495	244,553,844
b) Certified Emission Reduction Units (CER)	19,553,198	2,540,566
c) Renewable Energy Certificate Units (REC)	17,068,403	116,953,465
d) Toll Road Revenue	1,694,347,773	1,412,260,725
e) Income from Contract work undertaken	-	31,554,487
f) Parking fees	1,108,620	974,040
Total	1,974,780,489	1,808,837,127
22 Other Income		
Dividend Received	2,808,410	67,391,779
Interest on Bank Fixed Deposits	22,648,709	16,569,214
Interest - others	7,856,985	-
Interest on Income Tax Refund	-	143,064
Profit on Sale of Investments, net	54,094,379	211,520,728
Provision no longer required	8,139,835	133,376
Exchange gain / loss (Net)	361,217	235,045
Business Auxiliary Services	1,200,000	-
Rental Income	845,951	22,429,740
Miscellaneous Income	181,935	29,900
Total	98,137,421	318,452,846
23 Cost of Land		
Opening Stock	1,610,787,347	640,968,726
Add : Cost of Purchase of Land and Development cost incurred (Including interest Capitalised, Refer Note No. 26(a))	419,665,780	969,818,621
Less : Closing Stock	2,030,453,127	1,610,787,347
Cost of Land Sold	-	-
24 Changes in Inventories		
(Increase) / Decrease in Inventory :		
Closing Stock of Renewable Energy Certificates (RECs)	678,118	-
Opening Stock of Renewable Energy Certificates (RECs)	-	-
Total	(678,118)	-
25 Employee Benefits Expense		
Salaries, allowances etc.	255,583,369	235,780,366
Contribution to Provident & other funds	30,762,049	27,733,583
Staff Welfare	16,853,344	17,119,586
Total	303,198,762	280,633,535
26 Finance costs		
Interest on Loans (Refer note below)	2,015,092,281	1,777,736,034
Interest others	4,331,237	4,308,433
Interest on shortfall of advance tax	2,314,817	2,681,802
Interest on Service Tax	9,646	-
Other borrowing cost	8,398,004	8,769,871
Bank charges etc.	243,319	319,211
Total	2,030,389,304	1,793,815,351

Note:

26(a) In NECE, Interest expenses above is net-off transfer of Rs 102,066,613 (PY Rs. 64,788,057) to inventory and capitalising Rs. Nil (PY Rs. 4,725,685) to fixed assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

27 Other Expenses

Particulars	Year ended		Year ended
	30th September 2013	30th September 2012	30th September 2012
	Rs.	Rs.	Rs.
Operating Expenses			
Operations, Maintenance & CDM Expenses - Wind Mills		34,669,369	29,760,661
Lease Rent - Land		717,339	670,773
Insurance		1,036,224	920,498
Electricity Duty		7,800,423	8,795,003
Wheeling & Transmission Charges		20,594,193	10,796,037
Other Operating Expenses		1,885,350	2,649,079
CERs Written off (Refer note no. 37)		9,863,404	17,938,606
RECs Written off (Refer note no. 37)		17,406,757	-
Cost of subcontract work		-	32,198,456
Road Repairs & Maintenance		73,668,816	168,257,580
Toll road operation expense		95,203,884	172,018,634
Security charges		34,468,118	30,665,280
Electricity and water charges		9,619,932	6,053,418
Rent including lease rentals (Refer note no. 33)		6,017,540	5,597,653
		312,951,349	486,321,678
Administrative Expenses			
Insurance - others		4,932,182	4,202,238
Rates & Taxes		6,671,775	7,251,809
Building Repairs & Maintenance		1,575,908	689,858
Plant & Machinery Repairs & Maintenance		5,782,953	2,317,332
Repairs & Maintenance (others)		16,643,640	9,321,522
Director's sitting fees		170,000	90,000
Payment to Auditors :			
Audit Fee	3,043,382		2,862,698
Tax Audit fee	337,080		335,020
for Review of Quarterly Results, Financial Statements and Certification Work.	449,440		584,225
Reimbursement of expenses	20,744		114,610
		3,850,646	3,896,553
Project expenses Written off		-	9,113,399
Advertisement and business promotion		25,787,829	48,589,012
Design and engineering		2,968,208	3,747,161
Rehabilitation expenses		3,916,839	8,388,748
Provision for doubtful advances		10,500,000	4,253,418
Provision for diminution in value of current investments		28,039	8,501
Amortisation of preliminary and share issue expenses		3,381,792	3,381,792
Loss on sale of assets		-	265,487
Travelling and conveyance		55,839,786	46,389,581
Miscellaneous Expenses including Printing, Stationery Postage, Telephone, Bank Charges, etc.		32,070,258	24,704,356
Sponsorship		-	11,106,533
Professional & Consultancy Expenses		96,535,840	59,801,876
		270,655,695	247,519,176
Total		583,607,044	733,840,854

28 Earning Per Equity Share

Particulars		Year ended 30th September 2013	Year ended 30th September 2012
Earning per Share: (Face Value of Rs.5/-)			
Net Profit after Taxation	Rs.	(1,088,325,862)	(1,155,194,747)
Add / (Less) Prior Period Adjustments	Rs.	(4,241,488)	(294,960)
Minority Interest	Rs.	608,418,465	669,594,923
Net Profit after Prior Period Adjustments	Rs.	(484,148,885)	(485,894,784)
Number of Shares Issued and Subscribed	Nos.	37,667,628	37,667,628
Basic and Diluted	Rs.	(12.85)	(12.90)

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

I. Nandi Economic Corridor Enterprises Ltd

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

During the year ended 31st March 2011 the company had allotted 49,998,531 0.01% Compulsory Convertible Cumulative Preference Shares (CCCPS) of Rs.100 each amounting Rs.499,98,53,100/- 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 CCCPS carry a Fix Cumulative dividend of @ 0.01% and also have a right to participate along with Equity shareholders in any dividends declared by the company on the Equity Shares, without the approval of the CCCPS holders as if such CCCPS has been converted into Equity Shares in terms of the Agreement.

The CCCPS are convertible into equity shares any time prior to listing of the 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 CCCPS shall, if not already converted, be mandatorily converted on the 8th Anniversary of the Closing date i.e., 13th March, 2019.

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

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

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

Redemption:

7% CRPS are not redeemable until the entire "Senior Loan" (i.e. The aggregate principal amount of rupee term loans from banks and financial institutions) is paid in full with all interest premia and other sums as may be payable in respect thereof and those sums under the "Common Loan Agreement" have been paid in full and a full, unconditional and complete discharge is given by the senior lenders, and the exit is provided to the holders of 0.01% Cumulative Compulsorily Convertible Preference Shares as per the shareholders agreement dated December 24, 2010.

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

b. Details of Leasing Arrangements

NECE has taken various residential / commercial premises on cancellable operating leases. As per the terms and conditions mentioned in the respective lease agreements, the same are generally renewed on expiry of the lease period and there is no lock-in-period in such operating lease taken by the Company. Rent expense debited to Statement of Profit and Loss for above mentioned cancellable operating leases is Rs. 6,017,540 (PY Rs. 5,597,653).

c. Domestic Transfer Pricing

The Subsidiary Companies enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 (the 'Regulations'). The pricing of

such domestic transactions will need to comply with the arm's length principle under the Regulations. These Regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income Tax authorities.

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

- d. i) As on 31st March, 2013, the company has received advances for sale of land / joint development in terms of agreements entered with various parties.
- ii) Security Deposits represents amount received in terms of agreements for sale of land / joint development etc.

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

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

- e. **Depreciation on toll road assets:**

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

In the prior years, it was amortising the Toll Road on a straight-line basis. The impact of the change in the policy is that the amortisation expenses and the losses recorded for the year is lower by approximately Rs. 294,241,000.

II. **Nandi Infrastructure Corridor Enterprise Limited**

- a. **7% Cumulative Redeemable Preference shares (7% CRPS)**

The company had issued 21,000,000 7% cumulative redeemable preference shares of Rs. 10 each on March 27, 2010.

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

III. **Nandi Highway Developers Limited**

- a. **Depreciation on toll road assets:**

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

In the prior years, it was amortising the Toll Road on a straight-line basis. The impact of the change in the policy is that the amortization expense has increased and the loss recorded for the year is higher by Rs. 54,106,643.

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

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

32. Employee Benefits:

Defined Benefit Plan

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

A. Gratuity

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

Particulars	As at 30 Sept, 2013 Rupees	As at 30 Sept, 2012 Rupees
(I) Amount Recognised in the Balance Sheet :		
a) Present Value of Funded Obligations	(3,328,100)	(998,016)
b) Fair Value of Plan Assets	8,221,492	5,548,928
c) Net Liability /(Asset) recognised in the Balance Sheet		
Amounts in Balance Sheet		
Liability	968,730	674,640
Asset	-	-
Net Liability / (Asset)	968,730	674,640
(II) Amount to be Recognised in the Statement of Profit and Loss :		
a) Current Service Cost	1,592,511	1,270,994
b) Past Service Cost	-	(22,389)
c) Interest on Defined Benefit Obligations	634,275	389,632
d) Expected Return on Plan Assets	(467,598)	(350,327)
e) Net Actuarial (Gains)/Loss recognised in the year	584,415	232,623
f) Total, included in "Employee Benefit Expense"	2,343,603	1,520,533
(III) Change in Defined Benefit Obligation and reconciliation thereof		
a) Opening Defined Benefit Obligation	6,223,568	3,102,128
b) Acquisition adjustments	-	1,176,127
c) Interest Cost	634,275	389,632
d) Past Service Cost	-	-
e) Current Service Cost	1,592,511	1,270,994
f) Settlement Cost (Credit)	-	-
g) Benefits Paid	(52,903)	-
h) Actuarial Losses/(Gains)	792,771	284,687
i) Closing Defined Benefit Obligation	9,190,222	6,223,568
(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	5,548,928	4,225,030
b) Acquisition adjustments	-	921,507
c) Expected Return on Plan Assets	467,598	350,327
d) Add : Contributions by employer	2,049,513	-
e) Assets distributed on Settlement	-	-
f) Less : Benefit Paid	(52,903)	-
g) Add / (Less) : Actuarial Gains /(Losses) on Plan Assets	156,320	52,064
h) Fair Value of Plan Assets at the end of the year	8,221,492	5,548,928
i) Actual Return on Plan assets	172,535	95,298

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

Particulars	As at 30 Sept, 2013	As at 30 Sept, 2012
(V) Principal Actuarial Assumptions (Holding/Subsidiary company):		
Discount Rate	8.20%/8.50%	8.20%/8.50%
Rate of return on Plan Assets (p.a.)	7.50%/7.50%	7.50%/7.50%
Salary Escalation	7.50%/7.00%	7.50%/7.00%

Note:

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

B. Actuarial Valuation Experience Adjustment:

(Amount in Rupees)

Particulars	As at 30 Sept, 2013	As at 30 Sept, 2012	As at 30 Sept, 2011	As at 30 Sept, 2010	As at 30 Sept, 2009
Present Value of Obligation	(3,328,100)	(6,223,568)	(3,102,568)	(1,847,163)	(1,971,428)
Plan Assets	8,221,492	5,548,928	4,225,030	1,551,363	2,368,825
Surplus / (Deficit)	(968,730)	(674,640)	11,22,902	(295,810)	397,397
Experience adjustments on plan liabilities (loss) / gain	556,115	582,267	(490,204)	187,848	93,831
Experience adjustments on plan assets (loss) / gain	208,356	60,904	74,876	74,932	-

Note:

Future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

C. Provident Fund

The Provident Fund contribution is made to BFUL Staff Provident Fund Trust (in case of holding company). In terms of guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident Fund Liability based on assumptions listed below and determined that there is shortfall as at 30 September, 2013. The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are as follows:

Particulars	As at 30 September 2013	As at 30 September 2012
Remaining term of maturity	5.91 Years	6.20 Years
Expected guaranteed interest rate	8.50%	8.25%
Discount Rate for the remaining term of maturity of interest portfolio	8.10%	8.20%

Note:

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

33. Related Parties

Disclosure of transactions with Related Parties as required by the Accounting Standard 18 "Related Party Disclosures" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, Related Parties as defined under clause 3 of the Accounting Standard have been identified on the basis of the information available with the Company.

Details of related parties

Description of relationship	Names of related parties
Entities where common control exists	Nandi Engineering Limited (NEL) AKK Developers Private Limited (AKKDPL) AKK Entertainment Limited (AKKEL) Ashok Kheny Production Private Limited (AKPPL) Bonick Developers Private Limited (BDPL) Ashok Kheny Infrastructure Limited (AKIL) Ashok Kheny Motors Private Limited (AKMPL) SAB Engineering Inc., USA (SEI) Bhalchandra Investment Limited * Mundhwa Investment Limited * Forge Investment Limited * Jalakumbhi Invest. & Finance Limited * Jalakamal Invest. & Finance Limited * Bharat Forge Limited BF Investments Limited Hospet Bellari Highways Private Limited
Key Managerial Personnel (KMP)	Mr. Ashok Kheny, Managing Director of Subsidiaries
Relative of KMP	Mr. Shivkumar Kheny

* Since merged in BF Investment Limited.

Related Party Disclosures:

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

(Amount in Rupees)

Nature of Transaction	Year	Entries where Control Exists	Key Management Personnel (KMP)	Enterprise over which KMP have significant Influence	Relative of KMP
A. Transactions					
Purchase of Goods	2012-13	12,044,656			
	2011-12	46,931,599			
Sale of Power	2012-13	242,702,495			
	2011-12	244,553,844			
Managerial Remuneration	2012-13		58,381,984		
	2011-12		76,714,663		
Contractual Billing	2012-13			293,618,861	
	2011-12			825,216,524	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

(Amount in Rupees)

Nature of Transaction	Year	Entries where Control Exists	Key Management Personnel (KMP)	Enterprise over which KMP have significant Influence	Relative of KMP
Receiving of Services	2012-13		1,260,000		
	2011-12		1,260,000		
Rent Paid	2012-13				1,673,589
	2011-12				1,558,344
Interest paid	2012-13	130,358,326			
	2011-12	132,014,565			
ICD Given	2012-13			150,000,000	
	2011-12			-	
Interest Income	2012-13			3,476,163	
	2011-12			-	
Services Rendered	2012-13	1,200,000			
	2011-12	-			
Received towards Advance	2012-13			39,145,511	
	2011-12			-	
Security Deposit Received	2012-13	10,000,000			
	2011-12	-			
B. Balances					
Advance Given	2012-13			1,456,288,984	
	2011-12			693,028,453	
Amt. Payables	2012-13	192,997			
	2011-12	40,910,270			
Loans taken	2012-13	1,220,520,067			
	2011-12	1,226,320,067			
Receivable as on	2012-13	77,752,157			
	2011-12	129,029,658			
Security Deposit	2012-13	210,000,000			
	2011-12	200,000,000			
Advance Outstanding	2012-13	78,775,925			
	2011-12	39,630,414			
Investment In Equity	2012-13	35,000			
	2011-12	35,000			
ICD Given	2012-13	150,000,000			
	2011-12	-			
Interest Receivable	2012-13			3,128,546	
	2011-12			-	

34. Consolidated Contingent liabilities and Commitments:

(Amount in Rupees)

Sr.No.	Particulars	2012-13	2011-12
i)	Claims against the Company not acknowledged as debt	131,534,171	131,534,171
ii)	Counter indemnity given to Bank	-	627,000
iii)	Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances)	628,353,580	1,533,606,661
iv)	Any claims which may arise from Contractors / Suppliers in respect of completed portion of toll road	Amount Unascertainable	Amount Unascertainable
v)	Guarantee given by Company on behalf of Others	300,000,000	300,000,000
vi)	Electricity Duty	88,950,318	90,081,761
vii)	Wheeling & Transmission Charges	73,551,004	52,956,811

- A. As on the Balance Sheet date, there are various cases pending against the Nandi Economic Corridor Enterprises Ltd. - NECE challenging the execution of the Bangalore-Mysore Infrastructure Corridor Project - BMICP (the 'Project'). The Company has been advised that none of these pending litigation or threatened litigation is likely to affect the execution of project. Any costs that may arise out of such pending / threatened litigation will be accounted in the year in which such costs are determinable.
- B. The NECE is required to lay a Concreted Toll Road at a specified time during the Toll concession period as part of obligations under the Frame Work Agreement (FWA).
- C. BFUL as a Promoter of NECE has given an undertaking to Infrastructure Development Finance Co. Ltd (IDFC) in connection with the loan of Rs. 13,200 million (previous year Rs. 13,200 million) advanced to NECE by IDFC, whereby BFUL has undertaken to ensure continuance of the project undertaken by NECE, continued Promoters contributions as per the Financial plan, with adequate technical, financial and managerial support at the least until the final settlement date.

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

- D. BFUL as a promoter and indirect holding company of Nandi Economic Corridor Enterprises Ltd. (NECE) has signed definitive agreements on 24th December 2010, in relation to foreign direct investment of Rs. 500 crores in NECE.

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

- E. **Electricity Duty and Wheeling and Transmission Charges:**

Nature of Provisions

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

Expected timing of resulting outflow:

- A. Since the matter is yet to be resolved / clarified in respect of applicability of Electricity duty for Wind Power Generation, the timing of outflow cannot be determined.
- B. Short Term Loans & Advances includes Wheeling and Transmission charges of Rs. 71,970,241/- (P.Y. Rs. 52,956,811/-) have been paid to the distribution licensee under protest, as the matter is pending in appeal with the MERC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013 :

35. Foreign currency income & expenditure

	Foreign currency income & expenditure accounted on accrual basis	Year ended 30 September 2013	Year ended 30 September 2012
		Rupees	Rupees
A	Expenditure in Foreign Currency :		
	Travelling and Conveyance	3,989,779	4,328,805
	Others - Project Expenses	591,223	6,029,505
	Total	4,581,002	10,358,310
B	Earnings in Foreign Currency		
	Certified Emission Reduction (Carbon Credits)	19,553,198	2,540,566
	Un-hedged Foreign Currency #	Year ended 30 September 2013	Year ended 30 September 2012
	CER receivable (EURO)	NIL	144,731
	Rate as on year end	Not Applicable	Rs. 68.15 per Euro
	CER receivable (INR)	NIL	9,863,404

In view of the nature of the transaction CER receivables are un-hedged.

36. CIF Value of Imports:

Sr. No.	Particulars	30 September 2013	30 September 2012
1	Plant and Machinery	NIL	Rs. 1,727,313

37. In BFUL, till the accounting year ended 30th September, 2012, the Company accounted for the income from Carbon Credits (CERs) and Renewable Energy Certificates (RECs) in the year in which it was entitled to receive the CERs and RECs. Consequent to the Guidance Note issued by ICAI on the accounting of CERs and RECs, which is effective from the accounting year commencing on or after 1st April, 2012, the income from CERs and RECs is to be recognized in the year of its actual sales. Necessary written off adjustments have been made in the accounts to give effect to the aforesaid Guidance Note.

38. Summarised Statement of Financials of Subsidiary Companies in terms of Section 212(8) of the Companies Act, 1956 is annexed.

39. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

On behalf of the Board of Directors

PRAKASH APTE
Partner
Membership No. 33212
Pune, 27 November, 2013

B.S. MITKARI
Sr. V.P Finance
& Company Secretary
Pune, 27 November, 2013

B.B. HATTARKI
Director

A.B. KALYANI
Director

Annexure referred to in Note No. 30 of the Consolidated Financial Statements for the Year ended 30th September, 2013

Unique Accounting Policies followed by the Subsidiary Company :

A. Nandi Economic Corridor Enterprises Limited

i) **Operating Cycle:**

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

ii) **Fixed Assets and depreciation:**

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

Toll Road asset:

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

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

- Solely for purposes of amortization of the Toll Road assets - Stage 1, the Company has considered a period of 40 years (i.e., 10 years of Construction period and 30 years of Concession period) from the Initial Financial Closure achieved in year 2004,
- The amortization is based on a proportion of Actual toll revenues earned during the period over the Projected toll revenues over the concession period as provided to the Senior Lenders at the time of financial closure.

iii) **Share issues expenses:**

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

iv) **Inventory Valuation:**

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

v) **Service tax input credit:**

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

vi) **Revenue Recognition:**

- a) Toll Income is recognised on the basis of actual collections up to 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 along with all risks associated with it.

B. Nandi Highway Developers Limited

i) **Fixed Assets and depreciation:**

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

Toll road assets - Toll Roads Phase I and II, created under Build, Operate and Transfer ('BOT') is considered as Intangible Asset since the asset will be transferred to GoK at the end of the concession period. The Company has, as a matter of prudence, commenced amortization of the Toll Road based in accordance with Schedule XIV to the Companies Act, 1956 as follows:

- Solely for purposes of amortization of the Toll Road assets - The Company has considered a period of 26 years (i.e., 2 years of Construction period and 24 years of Concession period) from the Initial Financial

Closure achieved in year 2000.

● The amortization is based on a proportion of actual toll revenues earned during the period over the projected toll revenues estimated for the balance concession period of 12 years.

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

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

C. **Nandi Infrastructure Corridor Enterprise Limited**

i) **Fixed Assets and depreciation:**

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

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

Rupees

Sr. No	Particulars	Name of Subsidiary		
		Nandi Infrastructure Corridor Enterprise Ltd.	Nandi Economic Corridor Enterprise Ltd.	Nandi Highway Developers Ltd.
a)	Capital	1,25,09,36,880	7,14,98,63,100	37,50,00,060
b)	Reserves & Surplus	2,03,86,856	(4,58,00,60,863)	2,21,27,208
c)	Total Assets	1,33,91,26,221	18,57,01,69,420	1,06,04,86,314
d)	Total Liabilities	6,78,02,485	16,00,03,67,183	66,33,59,046
e)	Details of Investment (Except in case of investment in susidiaries)	3,67,970	74,13,25,967	500
f)	Turnover	4,56,75,170	1,40,80,12,035	31,62,94,790
g)	Profit before Taxation	1,26,17,636	(1,30,42,23,452)	1,23,39,944
h)	Provision for Taxation	43,11,252	-	24,68,946
i)	Profit after Taxation	83,06,384	(1,30,42,23,452)	98,70,998
j)	Proposed Dividend	-	-	-

**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, 2013	31st March, 2013	31st March, 2013
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	7,75,69,111	NIL [®]	2,60,71,902
	- Extent of BF Utilities Ltd.'s interest	74.52%	48.27%	69.53%
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)	6,978	(5,90,549)	50,468
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)	13,953	(25,70,216)	15,385
5	Changes in the interest of BF Utilities Ltd. between the end of the subsidiary's financial year and September 30. 2013			
	Number of shares acquired	-	-	-
	Material changes between the end of the subsidiary's financial year and September 30, 2013 (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
Sr. V.P Finance & Company Secretary
Pune, 27 November, 2013

B. B. HATTARKI
Director

A. B. KALYANI
Director

BF UTILITIES LIMITED

Registered Office : Mundhwa, Pune Cantonment, Pune 411 036

I hereby record my presence at the Thirteenth Annual General Meeting being held at Kalyani Steels Limited at Mundhwa, Pune 411 036 on Monday, 24th Day of March, 2014 at 10.30 a. m.

Name of the Member : _____
(In Capital Letters)

Name of the Proxy : _____
(In Capital Letters)

Member's / Proxy Signature :

Registered Folio No.: _____ DP ID : _____ Client ID : _____

Note: Shareholder/ Proxy holder wishing to attend the meeting must bring this Attendance Slip to the meeting and hand over the same at the entrance duly signed.



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 Thirteenth Annual General Meeting of the Company to be held on Monday, 24th Day of March, 2014 at 10.30 a.m.

Signed at _____ this _____ day of _____ 2014.

Registered Folio No. : _____ DP ID : _____

No. of Shares : _____ Client ID : _____

Please affix
Revenue
Stamp of
proper value

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.



Book - Post



KALYANI

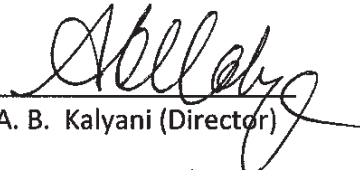
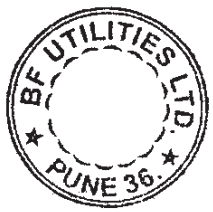

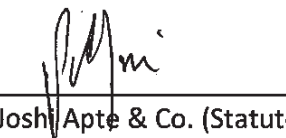


BF UTILITIES LIMITED

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

FORM A

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

1. Name of the Company : BF UTILITIES LIMITED
2. Annual financial statements for the year ended : 30th September, 2013
3. Type of Audit observation : Un-qualified / ~~Matter of Emphasis~~
4. Frequency of observation : Whether appeared first time / repetitive / since how long period - Not Applicable
5. To be signed by –

- a) CEO/Managing Director : 
A. B. Kalyani (Director) 
- b) CFO : 
B. S. Mitkari (Sr.V.P. Finance & Company Secretary)
- c) Auditor of the company : 
Joshi/Apte & Co. (Statutory Auditor) 
- d) Audit Committee Chairman : 
Mr. S. S. Vaidya (Audit Committee Chairman)