BF UTILITIES LIMITED

KALYANI

19th ANNUAL REPORT
2018-19

CONTENTS

Annual Report for the year ended on 31st March, 2019

BOARD OF DIRECTORS

Mr. B. N. Kalyani	Chairman
Mr. A. B. Kalyani	Non-Executive Director
Mr. B. B. Hattarki	Non-Executive Independent Director
Ms. A. A. Sathe	Non-Executive Independent Director
Mr. S. K. Adivarekar (from 30th May, 2018)	Non-Executive Independent Director
Mr. B. S. Mitkari (from 1st April, 2019)	Whole-time Director

CHIEF EXECUTIVE OFFICER / COMPANY SECRETARY

Mr. B. S. Mitkari

CHIEF FINANCIAL OFFICER

Mr. S. S. Joshi

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

SVD & Associates Company Secretaries

BANKERS

HDFC Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

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

INFORMATION FOR SHAREHOLDERS

Annual General Meeting
Day & Date : Saturday, 30th November, 2019
Time : 11.00 a.m.
Venue : Kalyani Steels Ltd. Mundhwa, Pune - 411 036
Date of Book Closure : 30th November, 2019

BF UTILITIES LIMITED

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

CIN : L40108PN2000PLC015323

N O T I C E

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of BF Utilities Limited will be held at Kalyani Steels Ltd at Mundhwa, Pune 411 036 on Saturday, the 30th day of November, 2019 at 11.00 a.m. (IST), to transact the following business

ORDINARY BUSINESS :

ITEM NO.1:

To receive, consider and adopt

a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.

b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and the Report of the Auditors thereon.

ITEM NO.2:

To appoint a Director in place of Mr. A. B. Kalyani (DIN : 0089430), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

ITEM NO. 3 : APPOINTMENT OF MR. B. S. MITKARI AS DIRECTOR NOT LIABLE TO RETIRE BY ROTATION

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. B. S. Mitkari (DIN:03632549) be and is hereby appointment as Director for a period upto March 31, 2022, not liable to retire by rotation"

ITEM NO. 4 : APPOINTMENT OF MR. B S. MITKARI (DIN :03632549) AS A WHOLE TIME DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, proviso to Item (A) of Section II of Part II of Schedule V and all applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of the Company be and is hereby accorded to the appointment of Mr. B. S. Mitkari [DIN: 03632549] as a Whole-Time Director and CEO of the Company ("Whole-Time Director") for a period of 3 (Three) years with effect from April 1, 2019 upto March 31, 2022, on the following terms and conditions including remuneration:

I. SALARY:

A salary, (consisting of Basic Salary and all other allowances other than House Rent Allowance) of 4,49,400/- (Rupees Four Lakh Forty nine Thousand Four hundred Only) Per Month in the grade of 4,00,000/- (Rupees Four Lakh Only) to 9,00,000/- (Rupees Nine Lakh Only), with the authority to the Board to determine the salary and grant such increases in salary and/or allowances by whatever name called from time-to-time within the aforesaid limit.

II. PERFORMANCE INCENTIVE:

Performance Incentive, upto an amount of Rs.60,00,000/- (Rupees Sixty Lakh Only) per annum, as may be decided by the Board, subject to the applicable provisions, if any, of Schedule V of the Companies Act, 2013.

III. PERQUISITES:

Perquisites are classified into three categories 'A', 'B' and 'C' as follows:

CATEGORY 'A'

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided as under:

a) House Rent Allowance:

   The Whole time Director shall be entitled to house rent allowance of 50% of the Basic Salary.

b) Medical Reimbursement:

   As per the rules of the Company.

c) Leave Travel Concession:

   For the Whole time Director and his family equivalent to one month's Basic Salary.

d) Club Fees:

   Fees of clubs as per the rules of the Company.

e) Personal Accident Insurance:

   As per the rules of the Company.

Explanation:

For the purpose of category 'A', 'Family' means the spouse, the dependent children and dependent parents of the Whole time Director.

CATEGORY 'B'

a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

b) Gratuity to be paid as per the Rules of the Company.

c) Encashment of leave at the end of the tenure or otherwise.

d) Retirement and other benefits as per the Rules of the Company.

CATEGORY 'C'

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole time Director.

Notwithstanding anything mentioned herein, where in any Financial Year during the currency of tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, Performance Incentive and perquisites specified above, which is as per the proviso to Item (A) of Section II of Part II of Schedule V of the Companies Act, 2013 and the rules made thereunder.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

ITEM NO. 5 : APPROVAL OF RELATED PARTY TRANSACTION WITH BHARAT FORGE LIMITED.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the applicable provisions of Section 188 and any other provisions of the Companies Act, 2013 and Rules framed thereunder and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Regulations" (including statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other statutory approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to enter into transaction/s of purchase/sale of goods / services, lease, transfer, assign or otherwise etc., whether material or otherwise, for the period of five (5) financial years with effect from April 1, 2020, of the Company with Bharat Forge Limited - Related Party, upto an estimated annual value of Rs.500 millions, to be discharged in a manner and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and Bharat Forge Limited."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board of Directors
For BF Utilities Limited

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

Pune 411 036
25th September, 2019

NOTES :

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

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

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business under Item Nos.3, 4 and 5 of the Notice to be transacted at the Annual General Meeting is annexed hereto.

3. Corporate members are requested to send Board Resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.

4. Members who hold shares in dematerialised form are requested to write their DP ID AND CLIENT ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting to facilitate easy identification of membership at the meeting.

5. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depository Participants and those holding shares in physical form are to intimate the said changes to the Registrar and Transfer Agent of the Company, at their address given below.

6. The Share Transfer Books and the Register of Members of the Company will remain closed on Saturday, 30th November, 2019, as an Annual Closure for Annual General Meeting.

7. Equity Shares of the Company are under compulsory demat trading by all investors. Those shareholders, who have not dematerialised their shareholding, are advised to dematerialise the same to avoid any inconvenience in future. Please note that transfer of shares in certificate form is discontinued w.e.f. 1st April, 2019.

8. Brief Profile of Directors proposed to be appointed / re-appointed, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between

Directors inter-se as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, herein after called "Regulations, 2015", are provided in the Report on Corporate Governance forming part of the Annual Report as well as elsewhere in the Notice.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialised form are therefore requested to submit their PAN to the Depository Participants with whom they are maintaining the demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent of the Company, at their address given below.

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

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

    The Notice of the Annual General Meeting along with the Annual Report 2018-19 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for the physical copy of the same.

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

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

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

14. Voting through electronic means

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

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

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

    IV. The remote e-voting period commences on Wednesday, 27th November, 2019 (9:00 am) and ends on Friday, 29th November, 2019 (5:00 pm). During this period membersí of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 23rd November, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

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

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

(iii) Click on Shareholder - Login

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Saturday, 23rd November, 2019.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd November, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or pune@linkintime.co.in .

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

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

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

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

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

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

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

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

By Order of the Board of Directors
For BF Utilities Limited

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

Pune 411 036
25th September, 2019

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

ANNEXURE TO THE NOTICE

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

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND DETAILS PURSUANT TO REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

The following Explanatory Statement sets out the material fact and relating to the Ordinary Business mentioned in Item No.2 and Special Business mentioned under Item Nos. 3, 4 & 5 in the accompanying Notice:

ITEM NO. 2 OF THE NOTICE

In terms of Section 152 of the Companies Act, 2013, Mr. A. B. Kalyani (DIN : 0089430) Director retires by rotation at the Meeting and being eligible offers himself for reappointment.

Details of Directors to be re-appointed / appointed, are given below :

Mr. Amit B. Kalyani, born of 26th July, 1975. After having his initial education in Pune, he graduated in Mechanical Engineering from Bucknell University, Pennsylvania, U.S.A. He initially worked with Kalyani Steels Limited, followed by other companies within the group. He then joined Bharat Forge Limited in 1999 as Vice President and Chief Technology Officer.

He was also instrumental in strategising and execution of the several acquisitions that the group had in Germany.

Mr. Amit B. Kalyani is currently Deputy Managing Director of Bharat Forge Limited. He also takes care of the overall group strategy and is responsible for the expansion of steel business and driving the infrastructure foray of the group.

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

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

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

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

Mr. Kalyani does not hold any shares in the Company.

Mr. Kalyani is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. The Board is of the opinion that he fulfils the conditions specified in the Companies Act, 2013 and rules thereof and also possesses appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively. The Board considers that his experience and expertise would be of immense benefit to the Company.

ITEM NO. 3 & 4 OF THE NOTICE:

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on March 27, 2019 appointed Mr. B. S. Mitkari, as an Additional Director in terms of the provisions of Section 161 of the Companies Act, 2013. His term, as an Additional Director, is valid till the conclusion of the ensuing Annual General Meeting.

The Board, on the recommendation of Nomination and Remuneration Committee, also appointed Mr. B. S. Mitkari, as a Whole Time Director of the Company for a period of three (3) years, on the terms of remuneration as detailed in the respective Resolutions.

Mr. Bhalchandra Shankar Mitkari is a qualified Company Secretary (Fellow member of the ICSI) and Cost & Management Accountant (Associate Member of ICAI) with vast experience in Accounts, Corporate Laws and business operations for last 29 years. He graduated in Commerce from Pune University in 1987 and qualified as a Company Secretary and Cost & Management Accountant in 1990.

During his professional career, Mr. Mitkari worked in the areas of corporate laws, accounts, finance and business operations & management. He has handled various corporate and legal matters of the group. He has been working with the Company in various capacities since last 18 years and currently is a CEO and Company Secretary of the Company.

Other directorships held:

Name of the Company	Board position held	Name of the Committees	Chairman/ Member
BF Investment Ltd.	Non-Executive Director	NA	NA
Nandi Infrastructure Corridor Enterprises Ltd.	Non-Executive Director	NA	NA
Nandi Economic Corridor Enterprises Ltd.	Non-Executive Director	NA	NA
Nandi Highway Developers Ltd.	Non-Executive Director	NA	NA
Lord Ganesha Minerals Ltd.	Non-Executive Director	NA	NA
Pune Power Developers Ltd.	Non-Executive Director	NA	NA
Khed Developers Ltd.	Non-Executive Director	NA	NA
Saarloha Advanced Materials Private Ltd	Non-Executive Director	NA	NA

In view of the provisions of the Companies Act, 2013, the Company seeks consent of the members by way of a Special Resolutions for Appointment of Mr. B. S. Mitkari as a Whole Time Director for a period of three (3) years.

The Company has received notice in writing from member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Mitkari as a Director of the Company.

Accordingly, the Board recommends the Resolution set out at Item No.3 and 4 of the Notice, for the approval of the members of the Company.

Mr. Mitkari is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. The Board is of the opinion that he fulfils the conditions specified in the Companies Act, 2013 and rules thereof and also possesses appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively. The Board considers that his experience and expertise would be of immense benefit to the Company.

Mr. Mitkari does not hold any shares in the Company.

Except Mr. B. S. Mitkari, being appointee, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the Resolutions set out at Item No.3 and 4 of the Notice.

ITEM NO. 5 OF THE NOTICE:

Further to the applicable provisions of Section 188 and any other provisions of the Companies Act, 2013 and Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations. 2015 "Regulations" Under the said Regulations, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the shareholders by a Special Resolution.

The Company has been in the business of generating Wind Power. The Power generated from Wind Mills is supplied to Bharat Forge Limited. Considering the sizable requirement for power of Bharat Forge Limited, BF Utilities Limited will benefit by supplying entire power to a single customer i.e. Bharat Forge Limited.

The individual transaction values would be revised, if required, based on mutual discussions to align the same at arm's length rates.

In compliance of the said Regulations, the Audit Committee of the Company has reviewed and approved the said ongoing transactions. These transactions would be material in terms of the provisions of Listing Regulations and therefore, the Board has proposed the same to be placed before the shareholders for their approval as a Special Resolution at the Annual General Meeting of the Company. The said approval would be effective for the period of five financial years with effect from April 1, 2020. Looking at the nature of business of the Company and the transactions, such approval of shareholders for the period of five years would be essentially required at this point of time.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

1. Name of the related party and nature of relationship :
   Bharat Forge Limited, under same group

2. Applicability of the agreement / arrangement is subject to statutory approval, if any : Not applicable

3. Notice period for termination : by mutual consent.

4. Manner of determining the pricing and other commercial terms : On armís length basis, as far as possible and in tune with market parameters.

5. Disclosure of interest : Mr. B. N. Kalyani and Mr. Amit B. Kalyani are Directors of the Company and hold positions of Directors and Key Managerial Personnel of Bharat Forge Limited

6. Duration - 5 years, as stated above.

7. Monetary value : Estimated values as mentioned in the Resolution.

8. Nature, material terms and particulars of the arrangement :

Company	Contract Purpose
Bharat Forge Limited	Sale of Electricity and other transactions incidental thereto

9. Any other information relevant or important for the members to make a decision on the proposed transaction: None.

The Board recommends the Special Resolutions set out at Item No.5 of the Notice for approval by the members.

Except as mentioned above, no Director, Key Managerial Personnel or their respective relatives are concerned or interested, financially or otherwise, in this Resolution.

By Order of the Board of Directors
For BF Utilities Limited

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

Pune 411 036
25th September, 2019

Report on Corporate Governance

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

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

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

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

2. Board of Directors

a. Composition of the Board

As at 31st March, 2019, the Board comprised of five Directors. The Composition of the Board is as under:

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

b. Number of Board Meetings

During, the Financial Year under review, Eight Board Meetings were held on 3rd May, 2018, 30th May, 2018, 20th July, 2018, 10th August, 2018, 31st October, 2018, 22nd December, 2018, 30th January, 2019 and 27th March, 2019.

c. Directors' attendance record and directorships held

The information on composition and category of the Board of Directors as at 31st March, 2019, attendance of each Director at Board Meetings held during the Financial Year 2018-19 and the Annual General Meeting (AGM) held on 25th September, 2018, Directorships and Committee positions in other public companies of which the Director is a Member / Chairman and the shareholding of Non-Executive Directors is as follows:

Sr. No.	Name of Director	No. of shares held by Non-Executive Directors	No. of Directorships in other public companies #	No. of Committee positions held in other public companies***		No. of Board Meetings held	Attendance at the meetings	
				Chairman	Member		Board	AGM
	Executive Director	NA	NA	NA	NA	NA	NA	NA
	Non-Executive Directors							
1	Mr. B. N. Kalyani @	7212	5	0	2	8	6	1
2	Mr. A. B. Kalyani	0	6	0	0	8	6	1
	Independent and Non-Executive Directors							
3	Mr. B. B. Hattarki	0	4	4	3	8	7	1
4	Ms. A. A. Sathe	0	1	0	2	8	4	1
5	Mr. S. K. Adivarekar **	0	2	2	2	8	6	1
6	Mr. S. S. Vaidya *	0	NA	NA	NA	8	2	0

Note:

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

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

* Ceased to be Director on 30th May, 2018

** Appointed on 30th May, 2018

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

Directors and their Directorships in other listed Companies are as under :

Sr.	Name of the Director		Name of the listed entities in which Director holds Directorship	Category of Directorship
1	Mr. B. N. Kalyani	1	Bharat Forge Ltd.	Chairman & Managing Director
		2	Kalyani Steels Ltd.	Director
		3	Automotive Axles Ltd.	Chairman & Director
		4	Hikal Ltd.	Director
2	Mr. A. B. Kalyani	1	Bharat Forge Ltd.	Deputy Managing Director
		2	Kalyani Steels Ltd.	Director
		3	Kalyani Investment Company Ltd.	Chairman
		4	Hikal Ltd.	Director
		5	BF Investment Ltd.	Chairman
3	Mr. B. B. Hattarki	1	BF Investment Ltd.	Director
		2	Kalyani Investment Company Ltd.	Director
		3	Automotive Axles Ltd	Director
		4	Kalyani Steels Ltd.	Director
4	Ms. A. A. Sathe	1	BF Investment Ltd.	Director
5	Mr. S. K. Adivarekar	1	Kalyani Steels Ltd.	Director
		2	Kalyani Investment Company Ltd.	Director

Notes :

1. Directorships held in foreign companies, private limited companies, one person companies and companies under Section 25 of the Companies Act, 1956 / under Section 8 of the Companies Act, 2013 have not been considered.
2. For the purpose of reckoning the limit on committee positions, chairmanship /membership of the Audit Committee and the Stakeholders Relationship Committee are considered.
3. None of the Directors on the Board is a Director of more than eight listed companies.

Mr. B. N. Kalyani and Mr. A. B. Kalyani, are related to each other.

No other Director is related to any other Director of the Company within the meaning of Section 2(77) of the Companies Act, 2013 and rules thereof.

Statement showing number of equity shares of the Company held by the Directors as on 31st March, 2019:

Sr. No.	Name of Director	Equity Shares of Rs.5 each
1	Mr. B. N. Kalyani	7212
2	Mr. A. B. Kalyani	NIL
3	Mr. B. B. Hattarki	NIL
4	Ms. A. A. Sathe	NIL
5	Mr. S. K. Adivarekar	NIL

d. Criteria for performance evaluation

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

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

ii. Interaction with the Company's management team;

iii. Area of expertise; and

iv. Knowledge and proficiency in various subjects.

e. Meeting of Independent Directors

The meeting of Independent Directors was held on Wednesday, 30th January, 2019 to

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

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

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

Mr. B. B. Hattarki - Chairman of the Meeting, Mr. S. K. Adivarekar, Member and Ms. A. A. Sathe, Member attended the meeting.

f. Statement of Declaration by the Independent Directors / Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors, after due assessment of veracity of the declarations received from the Independent Directors to the extent possible, confirms that, Independent Directors fulfill the conditions specified in the Regulation 25(8) of the aforesaid Regulations and they are independent of the management.

g. Familiarization program for Independent Directors

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

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

For details refer to our website at www.bfutilities.com

h. Code of Conduct

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

i. Information supplied to the Board

1. Annual operating plans and budgets, capital budgets, updates.
2. Quarterly results of the company.
3. Minutes of meetings of committees.
4. Compliance of any regulatory, statutory nature or listing requirements and shareholder services

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

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

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

k. Skills matrix for the Directors

The Board of Directors of the Company comprises members who bring in the required skills and expertise for effective functioning of the Company, the Board and its Committees. The table below summarizes key skills and expertise the Board possesses:

Skill	Skill definitions
Business Acumen	Ability to understand business environment and identify new business opportunities
Leadership	Ability to lead a large team of professionals
Technology	Passion for technology upgradation
Legal and Regulatory knowledge	Understanding of regulatory and legal frameworks in Accounts & Taxation

3. Audit Committee

a. Composition

As at 31st March, 2019, the Audit Committee comprised of four Directors, majority of whom are Independent. The Company Secretary acts as the Secretary to the Committee. The representatives of Statutory Auditors are also invited to the meetings.

During the Financial Year under review, seven Meetings of the Committee were held on 3rd May, 2018, 30th May, 2018, 20th July, 2018, 10th August, 2018, 31st October, 2018, 30th January, 2019 and 27th March, 2019.

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

	Name of the Director	Category	Meetings attended
1.	Mr. S. K. Adivarekar (Chairman)	Independent Director	4
2.	Mr. S. S. Vaidya (Chairman upto 30th May, 2018 (Resigned))	Independent Director	2
3.	Mr. A. B. Kalyani	Non-Executive Director	5
4.	Mr. B. B. Hattarki	Independent Director	6
5.	Ms. A. A. Sathe	Independent Director	3

b. Terms of Reference

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

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

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

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

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

v. Scrutiny of inter-corporate loans and investments;

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

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

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

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

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

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

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

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

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

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

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

xvii. Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors;

xviii. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

xix. Reviewing the adequacy of internal audit funcation, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xx. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularities or failure of internal control systems of a material nature and reporting the matter to the Board;

xxi. To look into the reason for substantial default in the payment to the depositors, debenture holders, shareholders (incase of non payment of declared Dividends) and creditors;

xxii. To review the functioning of the whistle blower mechanism;

xxiii. Approval of appointment of CFO (i.e. the whole time finance Director or any other person heading the finance function or discharging that function) after accessing the qualifications, experience and background, etc. of the candidate;

xxiv. Carrying out any other function as is mentioned in the terms of reference of audit committee.

c. **Powers of Audit Committee**

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

b. To seek information from any employee;

c. To obtain outside legal or other professional advice;

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

4. Nomination and Remuneration Committee

a. Composition

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

During the Financial Year under review, four Meetings of the Committee were held on 20th July, 2018, 31st October, 2018, 22nd December, 2018 and 27th March, 2019.

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

Sr. No.	Name of the Member	Category	Number of meetings attended
1.	Mr. B. B. Hattarki -Chairman	Independent Director	4
2.	Mr. S. K. Adivarekar	Independent Director	4
3.	Mr. A. B. Kalyani	Non-Executive Director	1

b. Terms of Reference

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

i. Formulate the criteria for determining qualifications, positive attributes and independence of the Director and recommend to the Board a policy, relating to the remunerations to the Directors, Key Managerial Personnel and other employees.

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

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

iv. Formulation of criteria for evaluation of Independent Directors and the Board.

v. Devising a policy on Board diversity.

vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

c. Remuneration to Directors

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

Details of the remuneration paid to the Directors during Financial Year 2018-19:

Information on remuneration of Directors for the year 1st April, 2018 to 31st March, 2019.

Name of the Director	Relationship with other Directors	Sitting Fees	Salary and Perquisites	Commission proposed & payable *	Total
Mr. B. N. Kalyani	Father of Mr. A. B. Kalyani	30000	N.A.	3775000	3805000
Mr. A. B. Kalyani	Son of Mr. B. N. Kalyani	30000	N.A.	3775000	3805000
Mr. B. B. Hattarki	None	35000	N.A.	150000	185000
Mr. S. S. Vaidya (Resigned w.e.f. 30-05-2018)	None	10000	N.A.	N.A.	10000
Ms. A. A. Sathe	None	20000	N.A.	150000	170000
Mr. S. K. Adivarekar	None	30000	N.A.	150000	180000

* After approval of accounts in the ensuing Annual General Meeting

d. BOARD DIVERSITY AND REMUNERATION POLICY

The Board Diversity and Remuneration Policy is available on the Company's website www.bfutilities.com. The Policy provides for criteria for determining qualifications, positive attributes & independence of Director as well as remuneration policy for Directors, Key Managerial Personnel and other employees.

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

Remuneration to Non-Executive Directors

The Non-Executive Directors are entitled to remuneration in the form of commission, upto an aggregate amount of a percentage of the net profits of the Company for the year, as prescribed by the Companies Act, 2013 as may be decided by the Board of Directors from time to time.

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

Remuneration to Key Managerial Personnel and other Employees

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

5. Stake Holders' Relationship Committee

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

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

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

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

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

Number and nature of complaints received and redressed during the year 2018-19.

Sr. No.	Nature of Complaints	Opening Balance	Received	Resolved	Closing Balance
1	SEBI	0	1	1	0
2	BSE/NSE	0			0
3	NSDL/CDSL	0	0	0	0
4	Non-receipt of annual report	0	1	1	0
5	Non-receipt of shares lodged for transfer/transmission	0	1	1	0

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the Financial Year under review, One Meeting of the Committee was held on 30th January, 2019.

Role of CSR Committee :

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

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

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

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

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

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

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

RISK MANAGEMENT COMMITTEE

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

Considering the requirement of the Companies Act, 2013, Risk Management Committee was formed to identify, monitor and minimise risks as also to identify business opportunities. Within the framework of the Risk Management Policy, the Committee reviews risks trends, exposure, potential impact analysis and mitigation plan. The Committee comprises of Mr. B. B. Hattarki, Independent Director - Chairman, Mr. S. K. Adivarekar, Independent Director and Mr. Amit B. Kalyani, Non-Executive Directors of the Company. During the year one meeting of Risk Management Committee was held on 27th March, 2019.

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

6. General Body Meeting

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

Financial Year	Date	Type of Meeting	Venue	Time
2015-16	30th September, 2016	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	11.00 A.M.
2016-17	6th November, 2017	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	11.00 A.M.
2017-18	25th September, 2018	Annual General Meeting	Kalyani Steels Ltd., Pune 411036	11.00 A.M.

Following special Resolutions were passed

AGM Date	Special Resolution passed
30th September, 2016	1. Authority to the Board to create charge 2. Authority to the Board to borrow money
25th September, 2018	Appointment of Mr. B. B. Hattarki as Independent Director

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

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

7. DISCLOSURES

i. Mandatory Requirements

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

a. Related Party Transactions

During the Financial Year under review, there was no materially significant related party transaction made by the Company, as defined in Regulations, 2015, that may have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Note no. 26 to the Financial Statements in the Annual Report.

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

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

c. Whistle Blower Policy

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

d. Policy for determining 'material' subsidiaries

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

e. Related Party Transactions Policy

As required under Regulations, 2015, the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at www.bfutilities.com. The related party transactions are disclosed in Note No.26 of Financial Statements.

f. Disclosure by Management to the Board

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

ii. Non-Mandatory Requirements

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

a. Shareholders' Rights

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

b. Statutory Auditors' qualifications

There are no qualifications on the Standalone Financial Statements of the Company for the year ended 31st March 2019, made by the Statutory Auditors in their Audit Report.

iii. **Other Requirements**

Disclosure in respect of unclaimed shares

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

As on 31st March, 2019, the total unclaimed equity shares are 70,961 the share certificates of which have been returned undelivered.

8. PARTICULARS OF APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

1. Reappointment of Mr. A. B. Kalyani

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

In terms of Section 152 of the Companies Act, 2013, Mr. A. B. Kalyani (DIN : 0089430) Director retires by rotation at the Meeting and being eligible offers himself for reappointment.

Details of Directors to be re-appointed / appointed, are given below :

Mr. Amit B. Kalyani, born of 26th July, 1975 After having his initial education in Pune, he graduated in Mechanical Engineering from Bucknell University, Pennsylvania, U.S.A. He initially worked with Kalyani Steels Limited, followed by other companies within the group. He then joined Bharat Forge Limited in 1999 as Vice President and Chief Technology Officer.

He was also instrumental in strategising and execution of the several acquisitions that the group had in Germany.

Mr. Amit B. Kalyani is currently a Deputy Managing Director of Bharat Forge Limited. He also takes care of the overall group strategy and is responsible for the expansion of steel business and driving the infrastructure foray of the group.

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

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

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

Mr. Kalyani does not hold any shares in the Company.

Mr. Kalyani is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. The Board is of the opinion that he fulfils the conditions specified in the Companies Act, 2013 and rules thereof and also possesses appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively. The Board considers that his experience and expertise would be of immense benefit to the Company.

Mr. A.B. Kalyani is son of Mr. B. N. Kalyani, Chairman of the Company.

2. Appointment of Mr. Bhalchandra S. Mitkari as a Whole Time Director

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on March 27, 2019 appointed Mr. B. S. Mitkari, as an Additional Director in terms of the provisions of Section 161 of the Companies Act, 2013. His term, as an Additional Director, is valid till the conclusion of the ensuing Annual General Meeting.

The Board, on the recommendation of Nomination and Remuneration Committee, also appointed Mr. B. S. Mitkari, as a Whole Time Director of the Company for a period of three (3) years, on the terms of remuneration as detailed in the respective Resolutions.

Mr. Bhalchandra Shankar Mitkari is a qualified Company Secretary (Fellow member of the ICSI) and Cost & Management Accountant (Associate Member of ICAI) with vast experience in Accounts, Corporate Laws and business operations for last 29 years. He graduated in Commerce from Pune University in 1987 and qualified as a Company Secretary and Cost & Management Accountant in 1990.

During his professional career, Mr. Mitkari worked in the areas of corporate laws, accounts, finance and business operations & management. He has handled various corporate and legal matters of the group. He has been working with the Company in various capacities since last 18 years and currently is a CEO and Company Secretary of the Company.

Other directorships held:

Name of the Company	Board position held	Name of the Committees	Chairman/ Member
BF Investment Ltd.	Non-Executive Director	NA	NA
Nandi Infrastructure Corridor Enterprises Ltd.	Non-Executive Director	NA	NA
Nandi Economic Corridor Enterprises Ltd.	Non-Executive Director	NA	NA
Nandi Highway Developers Ltd.	Non-Executive Director	NA	NA
Lord Ganesha Minerals Ltd.	Non-Executive Director	NA	NA
Pune Power Developers Ltd.	Non-Executive Director	NA	NA
Khed Developers Ltd.	Non-Executive Director	NA	NA
Saarloha Advanced Materials Private Ltd	Non-Executive Director	NA	NA

In view of the provisions of the Companies Act, 2013, the Company seeks consent of the members by way of a Special Resolutions for Appointment of Mr. B. S. Mitkari as a Whole Time Director for a period of three (3) years.

The Company has received notice in writing from member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Mitkari as a Director of the Company.

Mr. Mitkari is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. The Board is of the opinion that he fulfils the conditions specified in the Companies Act, 2013 and rules thereof and also possesses appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively. The Board considers that his experience and expertise would be of immense benefit to the Company.

Mr. Mitkari does not hold any shares in the Company.

Except Mr. B. S. Mitkari, being appointee, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the Resolutions set out at Item No.3 and 4 of the Notice.

9. MEANS OF COMMUNICATION

a. Quarterly results

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

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

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

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

c. MANAGEMENT DISCUSSION AND ANALYSIS

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

10. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Corporate Identification Number (CIN)	L40108PN2000PLC015323
Annual General Meeting	Date : Saturday, 30th November, 2019 Time : 11.00 a.m. Venue: Kalyani Steels Ltd., Mundhwa, Pune - 411 036, Maharashtra, India
Book Closure	Saturday, 30th November, 2019 as annual closure for the AGM.
Last date of receipt of proxy forms	28th November, 2019 upto 11.00 a.m.
Financial Year 2018-19	During the year the financial results were announced as under: First Quarter : 10th August, 2018 Second Quarter : 31st October, 2018 Third Quarter : 30th January, 2019 Annual - Standalone : 18th May, 2019 Consolidated : 25th September, 2019
International Security Identification Number (ISIN)	INE243D01012
BSE Limited (BSE)	532430
National Stock Exchange of India Limited, (NSE)	BFUTILITIE
Designated E-mail address for investor services	Secretarial@bfutilities.com
Administrative Office	Cyber City, Tower 15, Level 6, Office 602, Magarpatta City, Hadapsar Pune 411 013

b. Listing Fees

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

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

c. Shareholding Pattern as on 31st March, 2019.

Category	No. of Shares	% of Shareholding
1. Promoter and Promoter Group	21,085,215	55.98
2. Mutual Funds / UTI	1,709	0.00
3. Financial Institutions / Banks	215,230	0.57
4. Bodies Corporate	4,557,664	12.10
5. Foreign Portfolio Investors	186,869	0.50
6. Clearing Members	397,175	1.05
7. Non Resident Indians	204,045	0.54
8. General Public	11,019,721	29.26
Total	**37,667,628**	**100.00**

d. Distribution of Shareholding as on 31st March, 2019.

Pattern of shareholding by share class as on 31st March, 2019			
Shareholding class	No. of shareholders	No. of shares Held	Shareholding %
Up to 5,000	49380	8825634	23.43
5,001 to 10,000	153	1074313	2.85
10,001 to 20,000	64	886780	2.35
20,001 to 30,000	15	366229	0.97
30,001 to 40,000	16	547188	1.45
40,001 to 50,000	5	228624	0.61
50,001 to 100,000	14	972782	2.58
100,001 and above	26	24766078	66.75
TOTAL	**49673**	**37,667,628**	**100.00**

Dematerialisation of shares and liquidity (as on 31st March, 2019)	**35,440,148** (representing 94.08% of the total issued share capital)
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs / ADRs / Warrants or any Convertible instruments.

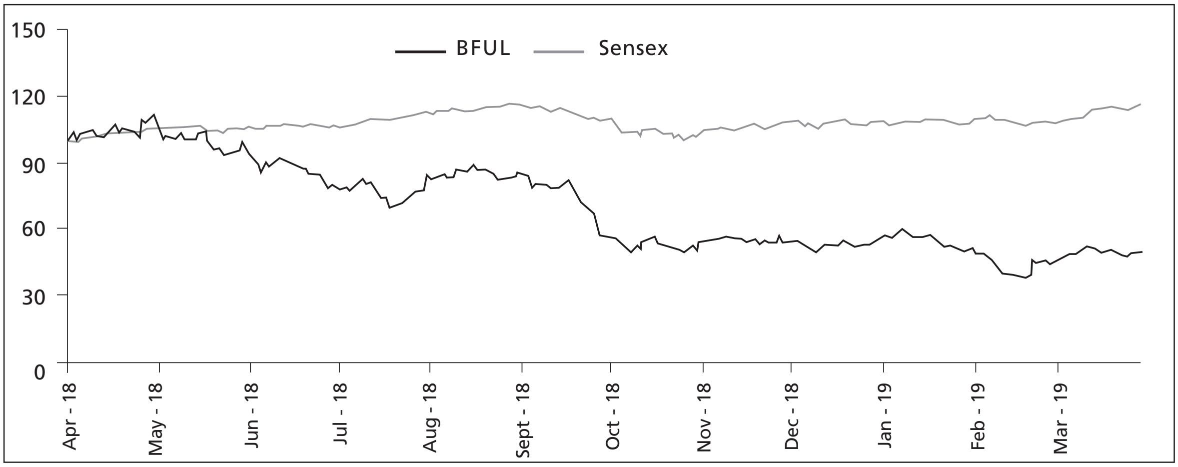
e. Market Price Data

Monthly high / low during April 1, 2018 to March 31, 2019 on the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) are as under:

Stock Exchange	BSE			NSE		
Month	High Rs.	Low Rs.	Traded Volume	High Rs.	Low Rs.	Traded Volume
Apr-18	442.50	384.50	3150250	442.00	384.80	13446254
May-18	444.00	362.25	3718055	445.00	361.45	18215087
Jun-18	380.40	306.00	1506890	380.50	305.00	7638051
Jul-18	345.05	270.00	1847020	345.80	270.50	9850055
Aug-18	354.80	316.90	2564395	355.95	316.55	12479167
Sep-18	337.95	212.00	1246873	337.55	209.80	5651695
Oct-18	227.90	188.50	1769785	228.00	188.45	6586506
Nov-18	230.70	209.50	1327180	230.90	208.65	6133368
Dec-18	220.25	191.35	1202591	220.80	191.40	5760698
Jan-19	239.00	192.00	2344116	238.70	191.50	12321976
Feb-19	202.75	147.75	2236349	202.90	148.00	11041379
Mar-19	209.80	180.00	1859932	209.80	179.80	11426061

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

Quotes on BSE Sensex Index



Note : Share price of BF Utilities Limited and BSE Sensex have been indexed to 100 as on first working day of financial year 2018-19 i.e. 1st April, 2018.

g. **Share Transfer System**

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

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

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

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

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

h. **SEBI Complaints redress System (SCORES)**

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

i. **Site location**

The Company's Wind Farm is located at Village Padekarwadi, Ghatewadi, Pavangaon, Maloshi and Kadve Khurd, Taluka Patan, Dist- Satara, in the State of Maharashtra, India.

11. **Shareholder References**

(a) **Permanent Account Number (PAN)**

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

i. Transferees' PAN Cards for transfer of shares,

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

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

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

(b) Email Address

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

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

(c) Dematerialization of shares

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

(d) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity.

There are no convertible instruments outstanding as on 31st March, 2019 for conversion into equity shares.

(e) Commodity price risk or foreign exchange risk and hedging activities Commodity Price Risk

The Company's operations do not involve commodity price risk.

(f) Foreign exchange risk and hedging activities

The Company's operations do not involve Foreign exchange and hedging risk.

(g) Total fees for all services paid to the statutory auditor

During the financial year 2018-2019, the Company has paid the statutory fees, certification fees to the statutory auditors. The details of fees paid are disclosed in Note No.22 forming part of the Financial Statements.

(h) Recommendations given by the Committees of the Board

During the year under review, the Board has accepted all the recommendations given by the Committees of the Board, which are mandatorily required.

(i) List of Credit Ratings obtained

The Company has not obtained any credit ratings.

(j) Disclosures of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company has not raised funds through preferential allotment or qualified institutions under Regulation 32(7A) during the year under review.

(k) Transfer of unpaid dividend to Investor Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Companies Act, 2013 and rules thereof, any money transferred to the Unpaid Dividend Account of a company, which remains unpaid or unclaimed for a period of seven years, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

Since the Company has not declared any dividend in past, this clause is not applicable.

(l) Transfer of equity shares to the Investor Education and Protection Fund (IEPF)

Pursuant to provisions of Section 124(6) of the Companies Act, 2013 and rules thereof as amended from time to time, all shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred by the company in the name of Investor Education and Protection Fund (IEPF) alongwith a statement containing such details as may be prescribed.

Since the Company has not declared any dividend in past, this clause is not applicable.

(m) Procedure for dealing with unclaimed shares

Pursuant to Regulation 39(4) of the Listing Regulations, the Company had in past sent reminder letters to those shareholders, whose share certificates have returned undelivered by the postal authorities due to insufficient / incorrect information and are lying with the Company. These share certificates will be sent to eligible shareholders, if these shareholders submit necessary documents to the Company.

(n) Nominations in respect of shares held in physical form / electronic form

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be vested in the event of death of the registered shareholder(s). The prescribed nomination form can be obtained from the Company or the Registrar and Share Transfer Agent.

Nomination facility for shares held in electronic form is available with the depository participant as per the bye laws and business rules applicable to NSDL and CDSL.

(o) Register your National Electronic Clearing Services (NECS) Mandate

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

(p) Address for correspondence

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

(q) Director, CEO / CFO Certification

The Director Certificate of Mr. B. B. Hattarki, CEO Certificate signed by Mr. B. S. Mitkari and CFO Certificate signed by Mr. S. S. Joshi, was placed before the meeting of the Board of Directors held on 25th September, 2019.

(r) KYC details

Members holding their shares in certificate form are requested to furnish their KYC documents, duly self certified, with R & T Agent i.e. Link Intime India Pvt. Ltd. This is also mandated by Securities and Exchange Board of India (SEBI), vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018.

Documents to be submitted -

i) Copy of the PAN card

ii) original cancelled cheque leaf /attested bank passbook showing name of account holder

CAUTIONARY STATEMENT

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

For BF Utilities Limited

	B. B. Hattarki	A. B. Kalyani
Place: Pune	Director	Director
Date: 25th September, 2019	DIN: 00145710	DIN: 00089430

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of BF Utilities Limited

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

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

For BF Utilities Limited

Place: Pune	B. S. Mitkari	S. S. Joshi
Date: 25th September, 2019	Chief Executive Officer	Chief Financial Officer

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AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

INDEPENDENT AUDITOR'S COMPLIANCE CERTIFICATE

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

We have examined all relevant records of BF Utilities Limited ("the company") for the year ended on 31 March 2019 for the purpose of certifying compliance of the conditions of Corporate Governance as per the relevant provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulations 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations for the year from April 1, 2018 to March 31, 2019.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable, ***except in case of placement of minutes of subsidiary companies before board meeting of the Company as required under Regulation 24 of the Listing Regulations and in case of filing of the information to be provided to the depository (ies) as per SEBI Circular dated 28.05.2018 was provided by the Company beyond prescribed time.***

FOR JOSHI APTE & CO.
ICAI Firm Registration No.: 104370W

per C. K. Joshi
Partner

Place : Pune
Date: September 25, 2019

Membership No.: 030428
UDIN: 19030428AAAAMP8889

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

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

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

a) we have reviewed the standalone financial statements and the cash flow statements of BF Utilities Ltd. for the year 2018-19 and that to the best of our knowledge and belief:

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

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

b) There are, to the best of our knowledge and belief, no transactions entered into by BF Utilities Ltd. during the year 2018-19 which are fraudulent, illegal or violative of the Company's Code of Conduct.

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

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

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

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

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

	B. B. HATTARKI	**B. S. MITKARI**	**S. S. JOSHI**
Pune	Director	Chief Executive Officer &	Chief Financial Officer
25th September, 2019	DIN: 00145710	Company Secretary	

FOR THE YEAR ENDED 31st March, 2019

To,

The Members,

Your Directors have pleasure in presenting their Nineteenth Annual Report on the business and operations of the Company together with Audited Statement of Accounts for the year ended 31st March, 2019.

1. FINANCIAL PERFORMANCE

(Rs. in Million)

Particulars	Standalone	
	Financial Year 2018-19	Financial Year 2017-18
Total Income	**497.46**	329.44
Total Expenditure	**231.62**	187.00
Profit for the year before taxation	**265.84**	142.44
Provision for tax (including Deferred Tax)	**(5.85)**	(12.67)
Profit for the year before taxation	**271.69**	155.11
Adjustments / Excess / (short) for taxation and tax payments	-	3.11
Profit attributable to Equity holder	**271.69**	158.22
Items of other comprehensive income (net of Tax)	**0.25**	1.20
Total	**271.94**	159.42
Balance of profit / (Loss) from previous year	**820.77**	661.35
Balance available for appropriation	**1092.71**	820.77
Appropriations	-	-
Surplus retained in statement of profit and loss	**1092.71**	820.77

2. SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2019 stood at Rs.188.34 Million. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

3. DIVIDEND

Your Directors do not recommend any dividend on the equity shares for the year ended 31st March, 2019.

4. MANAGEMENT DISCUSSION AND ANALYSIS

International Scenario :

The overall capacity of all wind turbines installed worldwide by the end of 2018 reached 600 Gigawatt. 53'900 Megawatt were added in the year 2018, slightly more than in 2017 when 52'552 Megawatt were installed. 2018 was the second year in a row with growing number of new installations but at a lower rate of 9.8%, after 10.8% growth in 2017.

While the European wind markets were on a decline, with most European states showing weak development, including Germany, Spain, France and Italy. At the same time, robust or even stronger growth has been observed in countries such as China, India, Brazil, many other Asian markets and also some African countries.

The by far largest wind power market, China, installed an additional capacity of 25,9 Gigawatt and has become the first country with an installed wind power capacity of more than 200 Gigawatt.

Out of the leading markets, the US (7,6 Gigawatt added, reaching 96 Gigawatt in total), Germany (3.1 Gigawatt new, overall 59 Gigawatt), India (2.1 Gigawatt added, 35 Gigawatt total capacity) United Kingdom (2.9 Gigawatt new, 20.7 Gigawatt total), Brazil (1.7 Gigawatt new, 14.5 Gigawatt total) and France (1.5 Gigawatt new, 15.3 Gigawatt total) all saw substantial growth.

Domestic Scenario :

India's wind energy capacity addition to grow 76 per cent to 3,000 Mw in current fiscal.

The bid tariffs discovered in the recent wind power auctions increased slightly from a low of Rs 2.43 per unit to Rs 2.77 per unit discovered during August 2018 to September 2018, though continuing to remain less than Rs 3 per unit.

India's wind energy capacity addition is set to grow by up to 76 per cent to 3,000 Megawatt (Mw) in the current financial year (2018-19) from around 1,700 Mw added last fiscal.

The project awards so far are expected to increase the capacity addition to about 2.5-3 GW in 2019 from 1.7 GW in 2018. As for the increase in bid tariffs, it is partly because of some increase in wind turbine equipment pricing, additional evacuation cost and rising cost of funding.

While the wind energy bid tariff levels are still competitive as compared to conventional energy sources, the viability of such tariffs depends on the developers' ability to identify locations with high generation potential, availability of long-tenure debt at cost competitive rates and capital cost.

The generation performance of wind-based Independent Power Producers (IPPs) was constrained by poor wind season in 2017-18 with many wind assets reporting Plant Load Factor (PLFs) below the expected level. However, wind power generation has improved in the current fiscal.

Generation from wind-based capacity at an all-India level increased by 21 per cent in the first six months of the current fiscal as compared to the corresponding period last fiscal. This increased generation came despite the slowdown in addition of new capacity in 2017-18 and the first half of 2018-19.

Company's Performance :

Company took all efforts to operationalize maximum wind turbines.

The Company proposes to operationalise additional wind turbines during the coming months.

5. COMPANY PERFORMANCE

During the Financial Year under review, your Company earned total income of Rs.49.75 Crores (previous years Rs.32.94 Crores). The net Profit after tax is Rs.27.17 Crores (previous year's profit of Rs.15.51 Crores).

6. OPERATIONS OF THE COMPANY

The operations at Wind Farm site were affected due to disputes with service provider. The management has operationalised part of the wind farm with the help of other service provider. Despite such problems, the Company was able to generate 22.41 Million (Net) Units of power.

7. HUMAN RESOURCES

As on 31st March, 2019, the Company has 9 employees. The relations with Company's employees are cordial.

8. CONCERNS AND THREATS

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

9. PROSPECTS FOR THE CURRENT YEAR

The Company is taking all efforts to improve the machine availability of the Wind Farm by undertaking regular maintenance and break down maintenance in a scheduled manner. The Company is also trying to operationalize some of the balance machines. The Company also expects that going forward the electricity tariff will further increase. All this will result in increased revenue generation and profitability.

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

11. SAFETY, HEALTH AND ENVIRONMENT

The Company ensures safety of all its employees working at different places. Necessary safety gadgets are provided to the employees requiring the same.

12. CAUTIONARY STATEMENT

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

13. SUBSIDIARY COMPANIES

The Company has four subsidiary companies as on 31st March, 2019.

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

14. PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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

15. EXTRACT OF ANNUAL RETURN

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

16. NUMBER OF MEETINGS OF THE BOARD

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

17. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the Annual Financial Statements for the year ended 31st March 2019, the applicable accounting standards have been followed along with the proper explanation relating to material departures;

b) accounting policies as mentioned in Note - 1 to the Financial Statements have been selected and applied consistently. Further judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date;

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

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

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

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

18. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and 'Regulations 2015' and also confirmed that they have complied with the Code of Independent Directors prescribed in Schedule IV of The Companies Act, 2013.

The Company has laid down a Code for the Board of Directors and Senior Management of the Company. The said Code is available on the website of the Company viz. www.bfutilities.com

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

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

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

20. ACCOUNTS AND AUDIT

a. Statutory Auditors

M/s. Joshi Apte & Co., Chartered Accountants, Pune (Firm Registration No.104370W), are the auditors of the Company and will continue the audit for Financial year 2019-20.

b. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SVD & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure 'V'** to this Report.

c. CONSOLIDATED ACCOUNTS

The Consolidated Accounts of the Company, with its subsidiaries for the year ended 31st March, 2019 are enclosed.

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

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

Auditors Qualifications	Boards' explanation
A) Secretarial Audit -	
1. Minutes of subsidiary companies were not placed before the Board Meeting of the Company as required under Regulation 24(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Will be placed before the Board in future.
2. Information to be provided to the depository(ies) as per SEBI Circular dated 28.05.2018 was provided by the Company beyond prescribed time.	The delay was due to system errors noticed during uploading the data on Depository Portal.
3. The Company has not expended any amount for Corporate Social Responsibility activities required under Section 135 of the Act for the year 2018-19.	The Corporate Social Responsibility (CSR) Committee is examining various areas, especially on education for CSR spend. The amount will be spent as per CSR Committees recommendations.

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

During the year, the Company has not made any investments, other than the Current Investments. The closing balances of investments which would be covered under Section 186 of the Companies Act, 2013, are disclosed in the Schedule of Non-Current Investments in the Financial Statements. The details of loans and guarantees, if any, are in the financial statement of 2018-19.

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

Pursuant to the provisions of Section 134 of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Particulars are being provided in Form AOC - 2 in **Annexure 'VI'** Related Party Disclosures as per AS -18 have been provided in to Note No.26 to the Financial Statements.

24. STATE OF COMPANY'S AFFAIRS

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

25. AMOUNTS PROPOSED TO BE CARRIED TO RESERVES

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

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

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

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

Conservation of Energy and Technology Absorption

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

28. RISK MANAGEMENT POLICY

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

29. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

30. BOARD EVALUATION

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

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

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

32. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

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

Directors appointed during the year

Name of Director	Designation	Term of appointment
Mr. B. N. Kalyani	Director	Re-appointed with effect from 25th September, 2018, subject to retirement by rotation
Mr. S. S. Vaidya	Independent Director	Resigned with effect from 30th May, 2018
Mr. S. K. Adivarekar	Independent Director	Appointment with effect from 30th May, 2018
Mr. B. S. Mitkari	Whole-time Director	Appointment with effect from 1st April, 2019, subject to approval in ensuing Annual General Meeting

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub section (6) of Section 149 of the Companies Act, 2013 and 'Regulations 2015'. The Company has received declarations from all Directors confirming that they are not disqualified / debarred from being appointed / reappointed as Director.

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

NIL

35. **Directors and KMP's resigned during the year**

During the year Mr. S. S. Vaidya resigned as Director for the Company on 30th May, 2018. None of the KMPs resigned during the year ended 31st March, 2019.

36. **Directors proposed to be appointed and re-appointed at the ensuing Annual General Meeting**

1) Mr. A. B. Kalyani (DIN : 00089430) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

2) Mr. B. S. Mitkari (DIN : 03632549) was appointed as Additional Director by the Board on 27th March, 2019, subject to the approval of members in the ensuing Annual General Meeting. A resolution to consider and approve his appointment is included in the Notice of 19th Annual General Meeting.

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

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

N.A.

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

None.

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

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

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

The Company has suitable internal control system comprising of proper checks and balances, policies and procedures. This includes code of conduct, whistle blower policy, MIS and internal audit mechanism. The Audit Committee along with Management review the internal audit and internal controls on a regular basis.

41. **COMPOSITION OF AUDIT COMMITTEE**

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

42. **VIGIL MECHANISM**

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

43. **CASH FLOW**

A Cash Flow Statement for the year ended 31st March 2019 is attached to the Balance Sheet.

44. **CORPORATE GOVERNANCE**

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

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

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

46. **AUDITORS**

1. **Statutory Auditors**

At the Seventeenth Annual General Meeting held on 6th November, 2017 M/s. Joshi Apte & Company, Chartered Accountants (Firm Registration No.104370W), were appointed as Statutory Auditors of the Company to hold office till the conclusion of 21st Annual General Meeting to be held in the year 2021.

The Company has received a certificate from Auditors to the effect that they are fulfilling requirements prescribed under provisions of Section 141 of the Companies Act, 2013.

2. **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SVD & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure "V".

M/s. SVD & Associates, Practicing Company Secretaries have also submitted Secretarial Compliance Report as laid down in SEBI Circular CIR/CFD/CMD1/27/2019 dated 8th February 2019 and have also confirmed that the Company has complied with of all applicable SEBI Regulations and circulars / guidelines issued thereunder, for the Financial Year 2018-2019, subject to the observations given therein.

47. SECRETARIAL STANDARDS

During the year under review, the Company has complied with Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, to the extent applicable.

48. ACKNOWLEDGMENTS

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

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

	B.B. Hattarki	A.B. Kalyani
Pune	Director	Director
25th September, 2019	DIN:00145710	DIN:00089430

ANNEXURE I TO THE DIRECTORS' REPORT

SUBSIDIARY COMPANIES

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES FOR THE YEAR 1st APRIL, 2018 TO 31st MARCH, 2019 :

Name and Registered Office of the Subsidiary Company	% Holding	Particulars	Amount (Rs. in lakhs)
Nandi Infrastructure Corridor Enterprises Limited No 1, Midford House, Midford Gardens, Off M.G. Road, Bangalore Karnataka - 560001	74.52	Total Income Total Expenditure Profit / (Loss) before exceptional items and taxation Exceptional items Profit / (Loss) before taxation Provision for tax (including Deferred Tax) Net Profit / (Loss) Balance of Profit / (Loss) from previous year Less: Proposed Dividend Less : Dividend Distribution Tax Less : Transferred to General Reserve Balance carried to Balance Sheet	137.02 453.71 (316.69) - (316.69) (54.44) 262.25 (1644.05) - - - (1906.30)
Nandi Economic Corridor Enterprises Limited No.1, Midford House, Midford Gardens, Off M.G. Road, Bangalore, Karnataka - 560001	40.41	Total Income Total Expenditure Profit / (Loss) before exceptional items & taxation Exceptional Items Profit (Loss) before taxation Provision for tax (including Deferred Tax) Net Profit / (Loss) Balance of Profit / (Loss) from previous year Less: Proposed Dividend Less: Dividend Distribution Tax Balance carried to Balance Sheet	36969.18 31511.60 5457.58 1519.55 3938.03 - 3938.03 (86399.93) - - (82,461.90)
Nandi Highway Developers Limited No.1, Midford House, Midford Garden, Off M.G. Road Bangalore, Karnataka - 560001	69.53	Total Income Total Expenditure Profit / (Loss) before exceptional items & taxation Exceptional Items Profit / (Loss) before taxation Provision for tax (including Deferred Tax) Net Profit / (Loss) Other comprehensive Income Balance of Profit / (Loss) from previous year Less: Transfer to General Reserve Less: Proposed / Interim Dividend Less: Dividend Distribution Tax Balance carried to Balance Sheet	7805.39 3396.51 4408.88 - 4408.88 865.14 3543.74 (0.95) 5501.59 - 3940.00 807.42 4296.96
Avichal Resources Private Limited Cyber City, Tower No.15, Level 6, Office No.602 Magarpatta City, Hadapsar Pune - 411013	100	Total Income Total Expenditure Profit / (Loss) before taxation Provision for tax (including Deferred Tax) Net Profit / (Loss) Balance of Profit / (Loss) from previous year Less: Proposed Dividend Less : Dividend Distribution Tax Less : Transferred to General Reserve Balance carried to Balance Sheet	6.05 1.70 4.35 1.56 2.79 24.30 - - - 27.09

For further details refer Note No. 36 to the Consolidated Financial Statements.

ANNEXURE II TO THE DIRECTORS' REPORT

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

Sr. No.	Particulars	Name of Director	Ratio
I.	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	N.A. as no remuneration except sitting fee is paid to any Director. During the financial year (except for provision of commission)	
II.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Name of Director / KMP**	**Percentage +/(-) in the remuneration**
		Mr. B.S. Mitkari - CEO & Company Secretary	+ 11.00%
		Mr. S.S. Joshi - CFO	+ 10.00%
III.	The percentage increase in the median remuneration of employees in the financial year	8.00%	
IV.	The number of permanent employees on the rolls of Company	9	
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	8.00% The increase in remuneration is as per the industry practice.	
VI.	Affirmation	The Board affirms that the remuneration is as per the Nomination and Remuneration policy of the Company.	
VII.	Statement showing the names of the top ten employees interms of remuneration drawn and the names of every employee who - (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore Two Lakhs Rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakhs Fifty Thousand Rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.	Mr. B. S. Mitkari CEO & Company Secretary B. Com, FCS, AICWA Experience - 30 years Date of Commencement of Employment : 24th August, 2001 Age - 52 years Last employment - Ador Powertron Industries Ltd. % age of equity share held - NIL Nature of Employment - Permanent Remuneration - Rs.10,597,875/-	

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

B.B. Hattarki
Director
DIN:00145710

A.B. Kalyani
Director
DIN:00089430

Pune
25th September, 2019

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MGT - 9

(as at Financial Year ended 31st March, 2019)

EXTRACT OF ANNUAL RETURN

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding

Category of Shareholders	No.of Shares held at the beginning of the year i.e. 31st March, 2018				No.of shares held at the end of the year i.e. 31st March, 2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a. Individual									
a) Individuals / Hindu Undivided Family	78755	8	78763	0.21	78755	8	78763	0.21	0
b) Central Government / State government(s)	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporate	21006452	0	21006452	55.77	21006452	0	21006452	55.77	0
d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0
e) Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0
Sub Total (A)(1)	**21085207**	**8**	**21085215**	**55.98**	**21085207**	**8**	**21085215**	**55.98**	**0.00**
(2) Foreign									
a) Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0
b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
c) Institutions	0	0	0	0.00	0	0	0	0.00	0
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
e) Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0
Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**21085207**	**8**	**21085215**	**55.98**	**21085207**	**8**	**21085215**	**55.98**	**0.00**
(B) Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	1539	170	1709	0.00	1539	170	1709	0.00	0.00
b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
c) Alternate Investment Funds	0	0	0	0	0	0	0	0	0
d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investor	352999	0	352999	0.94	186869	0	186869	0.50	-0.44
f) Financial Institutions / Banks	113420	1704	115124	0.30	213526	1504	215230	0.57	0.27
g) Insurance Companies	31549	0	31549	0.08	31549	0	31549	0.08	0.00
h) Provident Fund / Pension Funds	0	0	0	0.00	0	0	0	0.00	0
i) Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0
Foreign Bank	0	0	0	0	98	0	98	0.00	0
Sub-Total (B)(1)	**499507**	**1874**	**501381**	**1.33**	**433581**	**1674**	**435455**	**1.16**	**-0.17**
(2) Central Government/ state Government / President of India	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(3) Non-Institutions									
a) Individuals									
I) Individuals -i. Individual shareholders holding nominal share capital up to Rs.2 lakh	7522431	695712	8218143	21.82	8485221	582059	9067280	24.07	2.25

Category of Shareholders	No.of Shares held at the beginning of the year i.e. 31st March, 2018				No.of shares held at the end of the year i.e. 31st March, 2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
II) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	1511958	0	1511958	4.01	939359	0	939359	2.49	-1.52
b) NBFCs registered with RBI	0	0	0	0	23286	0	23286	0.06	0.06
c) Employee Trusts	0	0	0	0	0	0	0	0	0
d) Overseas Depositories (holding DRs)(balancing figure)	0	0	0	0	0	0	0	0	0
e) Any Others (Specify)	0	0	0	0	0	0	0	0	0
- Trusts	1770	0	1770	0.01	2070	60054	62124	0.16	0.15
- Foreign Nationals	165	0	165	0.00	165	0	165	0.00	0
- Hindu Undivided Family	675516	0	675516	1.79	895510	0	895510	2.38	0.59
- Non Resident Indian (Non Repat)	55102	3154	58256	0.15	65059	3154	68213	0.18	0.03
- Non Resident Indian (Repat)	150825	1841	152666	0.41	133991	1841	135832	0.36	-0.05
- Overseas Bodies Corporates	350	0	350	0.00	350	0	350	0.00	0
- Clearing Members	513939	0	513939	1.36	397175	0	397175	1.05	-0.31
- Bodies Corporate	3368944	1579325	4948269	13.14	2979174	1578490	4557664	12.10	-1.04
Sub-Total (B)(3)	13801000	2280032	16081032	42.69	13921360	2225598	16146958	42.87	0.17
(B) Total Public Shareholding (B)= (B)(1)+(B)(2) +(B)(3)	14300507	2281906	16582413	44.02	14354941	2227272	16582413	44.02	0.00
Total (A)+(B)	35385714	2281914	37667628	100	35440148	2227280	37667628	100	0
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
(1) Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
(2) Public	0	0	0	0	0	0	0	0	0
Sub-Total (C)	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	35385714	2281914	37667628	100	35440148	2227280	37667628	100	0

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1/04/2018)			Shareholding at the end of the year (31/3/2019)			% change in shareholding during the year
		No.of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No.of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Babasaheb Neelkanth Kalyani - Promoter	7204	0.02	0.00	7212	0.02	0.00	0.00
2	Ajinkya Investment & Trading Company	6648886	17.65	0.00	6648886	17.65	0.00	0.00
3	Kalyani Investment Company Limited	6195046	16.45	0.00	6195046	16.45	0.00	0.00
4	KSL Holdings Pvt Limited	4353472	11.56	0.00	4353472	11.56	0.00	0.00
5	PIH Finvest Company Limited	1424885	3.78	0.00	1424885	3.78	0.00	0.00
6	BF Investment Limited	1187903	3.15	0.00	1187903	3.15	0.00	0.00
7	Jannhavi Investment Pvt Limited	458514	1.22	0.00	458514	1.22	0.00	0.00
8	Sundaram Trading & Investment Private Limited	239373	0.64	0.00	239373	0.64	0.00	0.00
9	Rajgad Trading Co Pvt Limited	151674	0.40	0.00	151674	0.40	0.00	0.00

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1/04/2018)			Shareholding at the end of the year (31/3/2019)			% change in shareholding during the year
		No.of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No.of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
10	Kalyani Consultants Pvt Limited	149500	0.40	0.00	149500	0.40	0.00	0.00
11	Dandakaranya Investment & Trading Pvt Limited	93700	0.25	0.00	93700	0.25	0.00	0.00
12	Campanula Investment & Finance Pvt Limited	56189	0.15	0.00	56189	0.15	0.00	0.00
13	Cornflower Investment & Finance Pvt Limited	39600	0.11	0.00	39600	0.11	0.00	0.00
14	Hastinapur Investment & Trading Pvt Limited	4567	0.01	0.00	4567	0.01	0.00	0.00
15	Dronacharya Investment & Trading Pvt Limited	3143	0.01	0.00	3143	0.01	0.00	0.00
16	Gaurishankar Neelkanth Kalyani	63779	0.17	0.00	63779	0.17	0.00	0.00
17	Amit Babasaheb Kalyani	0	0	0.00	0	0	0.00	0.00
18	Sunita Babasaheb Kalyani	4000	0.01	0.00	4000	0.01	0.00	0.00
19	Rohini Gaurishankar Kalyani	2000	0.01	0.00	2000	0.01	0.00	0.00
20	Dr Meera Kheny	700	0.00	0.00	700	0.00	0.00	0.00
21	Ashok Kumar Kheny	672	0.00	0.00	672	0.00	0.00	0.00
22	Sugandha Jai Hiremath	400	0.00	0.00	400	0.00	0.00	0.00
23	Sulochana Neelkanth Kalyani Jointly Mr.B. N. Kalyani	8	0.00	0.00	0	0.00	0.00	0.00
	TOTAL	21085215	55.98	0.00	21085215	55.98	0.00	0.00

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

Sr. No.	Particulars	Shareholding at the beginning of the year i.e.01/04/2018		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	8 Shares held by Smt. Sulochana N. Kalyani jointly with Mr. B. N. Kalyani changed to single holding of Mr. B. N. Kalyani on 30/03/ 2019	21085215	55.98	21085215	55.98

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

Sr. No.	For each of the Top 10 Shareholders Name, Date & Reason of Change	Shareholding at the beginning of the year (01/04/2018)		Cumulative Shareholding at the end of the year (31/03/2019)	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	KRUTADNYA MANAGEMENT AND TRADING SERVICES LLP				
	As on 01-04-2018	1568600	4.16%		
	As on 31-03-2019			1568600	4.16%
2	NERUL IMPEX PVT LTD				
	As on 01-04-2018	328673	0.87%		
	As on 31-03-2019			328673	0.87%
3	NIMESH ARVIND DOSHI				
	As on 01-04-2018	300000	0.80%		
	06-04-2018	-175000	-0.46%	125000	0.33%
	29-03-2019	175000	0.46%	300000	0.80%
	As on 31-03-2019			300000	0.80%

Sr. No.	For each of the Top 10 Shareholders Name, Date & Reason of Change	Shareholding at the beginning of the year (01/04/2018)		Cumulative Shareholding during the year (30/03/2019)	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
4	GANDHI SECURITIES & INVESTMENT PVT. LTD.				
	As on 01-04-2018	**192353**	**0.51%**		
	06-04-2018	-300	0.00%	192053	0.51%
	20-04-2018	-500	0.00%	191553	0.51%
	04-05-2018	-500	0.00%	191053	0.51%
	25-05-2018	200	0.00%	191253	0.51%
	01-06-2018	-200	0.00%	191053	0.51%
	03-08-2018	-500	0.00%	190553	0.51%
	24-08-2018	751	0.00%	191304	0.51%
	31-08-2018	-751	0.00%	190553	0.51%
	07-09-2018	500	0.00%	191053	0.51%
	19-10-2018	250	0.00%	191303	0.51%
	02-11-2018	-250	0.00%	191053	0.51%
	30-11-2018	250	0.00%	191303	0.51%
	04-01-2019	-250	0.00%	191053	0.51%
	11-01-2019	300	0.00%	191353	0.51%
	18-01-2019	-300	0.00%	191053	0.51%
	29-03-2019	-200	0.00%	190853	0.51%
	As on 31-03-2019			**190853**	**0.51%**
5	IL And FS Securities Services Limited				
	As on 01-04-2018	**350178**	**0.93%**		
	06-04-2018	-12492	-0.03	337686	0.90%
	13-04-2018	851	0.00	338537	0.90%
	20-04-2018	2987	0.01	341524	0.91%
	27-04-2018	10116	0.03	351640	0.93%
	04-05-2018	23927	0.06	375567	1.00%
	11-05-2018	-69495	-0.18	306072	0.81%
	18-05-2018	20206	0.05	326278	0.87%
	25-05-2018	-28612	-0.08	297666	0.79%
	01-06-2018	7160	0.02	304826	0.81%
	08-06-2018	-30414	-0.08	274412	0.73%
	15-06-2018	26884	0.07	301296	0.80%
	22-06-2018	125514	0.33	426810	1.13%
	30-06-2018	-101802	-0.27	325008	0.86%
	06-07-2018	92936	0.25	417944	1.11%
	13-07-2018	-49529	-0.13	368415	0.98%
	20-07-2018	-30815	-0.08	337600	0.90%
	27-07-2018	2073	0.01	339673	0.90%
	03-08-2018	1727	0.00	341400	0.91%
	10-08-2018	902	0.00	342302	0.91%
	17-08-2018	23563	0.06	365865	0.97%
	24-08-2018	-1283	0.00	364582	0.97%
	31-08-2018	-1284	0.00	363298	0.96%
	07-09-2018	-2750	-0.01	360548	0.96%
	14-09-2018	462	0.00	361010	0.96%
	21-09-2018	-5541	-0.01	355469	0.94%
	29-09-2018	-9479	-0.03	345990	0.92%
	05-10-2018	1247	0.00	347237	0.92%
	12-10-2018	-127254	-0.34	219983	0.58%
	19-10-2018	3977	0.01	223960	0.59%
	26-10-2018	-39435	-0.10	184525	0.49%
	02-11-2018	-1454	0.00	183071	0.49%

Sr. No.	For each of the Top 10 Shareholders Name, Date & Reason of Change	Shareholding at the beginning of the year (01/04/2018)		Cumulative Shareholding during the year (30/03/2019)	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	09-11-2018	6279	0.02	189350	0.50%
	16-11-2018	-3994	-0.01	185356	0.49%
	23-11-2018	-1043	0.00	184313	0.49%
	30-11-2018	8595	0.02	192908	0.51%
	07-12-2018	2197	0.01	195105	0.52%
	14-12-2018	-2586	-0.01	192519	0.51%
	21-12-2018	65814	0.17	258333	0.69%
	28-12-2018	58549	0.16	316882	0.84%
	31-12-2018	-1130	0.00	315752	0.84%
	04-01-2019	-123954	-0.33	191798	0.51%
	11-01-2019	10776	0.03	202574	0.54%
	18-01-2019	-3758	-0.01	198816	0.53%
	25-01-2019	7892	0.02	206708	0.55%
	01-02-2019	-5146	-0.01	201562	0.54%
	08-02-2019	-11375	-0.03	190187	0.50%
	15-02-2019	2503	0.01	192690	0.51%
	22-02-2019	1536	0.00	194226	0.52%
	01-03-2019	1290	0.00	195516	0.52%
	08-03-2019	23484	0.06	219000	0.58%
	15-03-2019	-40681	-0.11	178319	0.47%
	22-03-2019	-1950	-0.01	176369	0.47%
	29-03-2019	-6351	-0.02	170018	0.45%
	30-03-2019	-150	0.00	169868	0.45%
	As on 31-3-2019			**169868**	**0.45%**
6	**FINOLEX CABLES LTD.**				
	As on 01-04-2018	**168750**	**0.45%**		
	As on 31-3-2019			**168750**	**0.45%**
7	**GLOBE CAPITAL MARKET LTD**				
	As on 01-04-2018	**136692**	**0.36%**		
	06-04-2018	2177	0.01	138869	0.37%
	13-04-2018	-3285	-0.01	135584	0.36%
	20-04-2018	123824	0.33	259408	0.69%
	27-04-2018	10662	0.03	270070	0.72%
	04-05-2018	-12893	-0.03	257177	0.68%
	11-05-2018	-815	0.00	256362	0.68%
	18-05-2018	-5913	-0.02	250449	0.66%
	25-05-2018	-115009	-0.31	135440	0.36%
	01-06-2018	-1084	0.00	134356	0.36%
	08-06-2018	-7221	-0.02	127135	0.34%
	15-06-2018	4383	0.01	131518	0.35%
	22-06-2018	4316	0.01	135834	0.36%
	30-06-2018	-4269	-0.01	131565	0.35%
	06-07-2018	-278	0.00	131287	0.35%
	13-07-2018	-1488	0.00	129799	0.34%
	20-07-2018	1511	0.00	131310	0.35%
	27-07-2018	1232	0.00	132542	0.35%
	03-08-2018	9262	0.02	141804	0.38%
	10-08-2018	103	0.00	141907	0.38%
	17-08-2018	921	0.00	142828	0.38%
	24-08-2018	2423	0.01	145251	0.39%
	31-08-2018	-1780	0.00	143471	0.38%
	07-09-2018	-1158	0.00	142313	0.38%

Sr. No.	For each of the Top 10 Shareholders Name, Date & Reason of Change	Shareholding at the beginning of the year (01/04/2018)		Cumulative Shareholding during the year (30/03/2019)	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	14-09-2018	4874	0.01	147187	0.39%
	21-09-2018	-11441	-0.03	135746	0.36%
	29-09-2018	-4355	-0.01	131391	0.35%
	05-10-2018	1004	0.00	132395	0.35%
	12-10-2018	-70	0.00	132325	0.35%
	19-10-2018	6545	0.02	138870	0.37%
	26-10-2018	-6571	-0.02	132299	0.35%
	02-11-2018	1521	0.00	133820	0.36%
	09-11-2018	-1936	-0.01	131884	0.35%
	16-11-2018	433	0.00	132317	0.35%
	23-11-2018	-109	0.00	132208	0.35%
	30-11-2018	2967	0.01	135175	0.36%
	07-12-2018	-1747	0.00	133428	0.35%
	14-12-2018	2129	0.01	135557	0.36%
	21-12-2018	-1155	0.00	134402	0.36%
	28-12-2018	3158	0.01	137560	0.37%
	31-12-2018	-50	0.00	137510	0.37%
	04-01-2019	-1992	-0.01	135518	0.36%
	11-01-2019	395	0.00	135913	0.36%
	18-01-2019	155	0.00	136068	0.36%
	25-01-2019	2784	0.01	138852	0.37%
	01-02-2019	682	0.00	139534	0.37%
	08-02-2019	1839	0.00	141373	0.38%
	15-02-2019	3063	0.01	144436	0.38%
	22-02-2019	5624	0.01	150060	0.40%
	01-03-2019	-8326	-0.02	141734	0.38%
	08-03-2019	1663	0.00	143397	0.38%
	15-03-2019	2400	0.01	145797	0.39%
	22-03-2019	10118	0.03	155915	0.41%
	29-03-2019	-4243	-0.01	151672	0.40%
	As on 31-3-2019			151672	0.40%
8	NEMISH S SHAH				
	As on 01-04-2018	150000	0.40%		
	As on 31-3-2019			150000	0.40%
9	KALYANI EXPORTS & INVESTMENTS PVT.LTD.				
	As on 01-04-2018	145250	0.39%		
	As on 31-3-2019			145250	0.39%
10	HITESH SATISHCHANDRA DOSHI				
	As on 01-04-2018	246550	0.65%		
	04-05-2018	-85000	-0.23%	161550	0.43%
	11-05-2018	-122000	-0.32%	39550	0.10%
	18-05-2018	-25000	-0.07%	14550	0.04%
	08-06-2018	-5000	-0.01%	9550	0.03%
	22-06-2018	-7550	-0.02%	2000	0.01%
	As on 31-3-2019			2000	0.01%

Note :

1. Paid up Share Capital of the Company (Face Value Rs. 5.00) at the end of the year is 37667628 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year i.e.01/04/2018		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
	At the Beginning of the year	7204	0.02		
1	Mr. B. N. Kalyani	7204	0.02	-	-
2	Mr. A. B. Kalyani	0	0.00	-	-
3	Mr. B. B. Hattarki	0	0.00	-	-
4	Mr. S. S. Vaidya	0	0.00	-	-
5	Ms. A. A. Sathe	0	0.00	-	-
6	Mr. S. K. Adivarekar	0	0.00	-	-
7	Mr. B. S. Mitkari	0	0.00	-	-
8	Mr. S. S. Joshi	0	0.00		
	At the end of the year				
1	Mr. B. N. Kalyani	-	-	7212	0.02
2	Mr. A. B. Kalyani	-	-	0	0.00
3	Mr. B. B. Hattarki	-	-	0	0.00
4	Ms. A. A. Sathe	-	-	0	0.00
5	Mr. S. K. Adivarekar	-	-	0	0.00
6	Mr. B. S. Mitkari	-	-	0	0.00
7	Mr. S. S. Joshi	-	-	0	0.00
	At the end of the year			7212	0.02

V. INDEBTEDNESS

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

(Rs. in Million)

	Particulars	Secured Loans excluding deposits	Unsecured Loans		Total Indebtedness
			Sales Tax Deferral	Others	
	Indebtedness as at 1st April, 2018				
i)	Principal Amount	-	277.83	223.30	501.13
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	10.82	10.82
	Total (i+ii+iii)	-	277.83	234.12	511.95
	Change in Indebtedness during the financial year				
	Addition	-	-	-	-
	(Reduction)	-	102.85	1.57	104.42
	Indebtedness as at 31st March, 2019				
i)	Principal Amount	-	174.98	221.73	396.71
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	174.98	221.73	396.71

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

N.A.

B. Remuneration to other Directors:

Details of the remuneration paid to the Directors during Financial Year 2018-19:

Information on remuneration of Directors for the year ended 31st March, 2019

Amount in Rupees

Name of the Director	Relationship with other Directors	Sitting Fees	Salary and Perquisites	Commission Proposed & Payable*	Total
Mr. B. N. Kalyani	Father of Mr. A. B. Kalyani	30000	N.A.	3775000	3805000
Mr. A. B. Kalyani	Son of Mr. B. N. Kalyani	30000	N.A.	3775000	3805000
Mr. B. B. Hattarki	None	35000	N.A.	150000	185000
Mr. S. S. Vaidya (Resigned w.e.f. 30-05-2018)	None	10000	N.A.	N.A.	10000
Ms. A. A. Sathe	None	20000	N.A.	150000	170000
Mr. S. K. Adivarekar	None	30000	N.A.	150000	180000

* After approval of accounts in the ensuing Annual General Meeting

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

Amount in Rupees

	Particulars of Remuneration	Mr. B.S. Mitkari CEO & Company Secretary	Mr. S. S. Joshi CFO	Total Amount
1.	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10295782	1533850	11829632
b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	46133	-	46133
c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
-	As % profit	-	-	-
-	Others, specify ...	-	-	-
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	255960	47616	303576
	Total	10597875	1581466	12179341

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

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

B.B. Hattarki
Director
DIN:00145710

A.B. Kalyani
Director
DIN:00089430

Pune
25th September, 2019

ANNEXURE IV TO THE DIRECTORS' REPORT

THE NOMINATION AND REMUNERATION POLICY

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

(Revised w.e.f. April 1, 2019)

Document Title	Nomination And Remuneration Policy of BF Utilities Limited
Originally Framed	October 29, 2015
Last Revision Date	February 13, 2016
Current Revision Date	April 1, 2019
Authority approving the Policy	Board of Directors

The Board of Directors of BF Utilities Limited ("the Company") constituted the "Nomination and Remuneration Committee" ("Committee") at the Meeting held on November 28, 2014 with immediate effect, consisting of four (4) Non-Executive Directors of which majority are Independent Directors.

1. OBJECTIVE

This Policy has been formulated in terms of provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"). The Key Objectives of the Committee would be:

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

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

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

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

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

1.6. To devise a policy on Board diversity.

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

2. DEFINITIONS

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

2.2. **Board** means Board of Directors of the Company.

2.3. **Directors** mean Directors of the Company.

2.4. **Key Managerial Personnel (KMP)** means

a. Chairman

b. Whole time Directors

c. CEO

d. Chief Financial Officer; and

e. Company Secretary

2.5. **Senior Management** means officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the "chief executive officer/Chairman /whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer:"

The terms used in this Policy but not defined shall have the meaning assigned to such terms in the Act and the Regulations.

3. ROLE OF COMMITTEE

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

The Committee shall:

3.1.1. Determine size and composition of the Board to ensure that it is structured to make appropriate decision, with a variety of prospective and skills, in the best interest of the Company as a whole.

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

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

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

3.1.5. Formulate the criteria for evaluation of performance of independent directors and Board of Directors.

3.1.6. Determine whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors.

3.1.7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

3.2. <u>Policy for appointment and removal of Director, KMP and Senior Management</u>

3.2.1. <u>Appointment criteria and qualifications</u>

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

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

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

3.2.2. <u>Term / Tenure</u>

a) Chairman /Whole-time Director:

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

b) Independent Director:

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

3.2.3. <u>Evaluation</u>

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

3.2.4. <u>Removal</u>

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

3.2.5. <u>Retirement</u>

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

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

3.3.1. <u>General:</u>

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

b) The remuneration, performance incentive and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the resolutions passed by the Board of Directors and / or shareholders in the general body meeting and as per the provisions of the Act.

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

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

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

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

a) **Fixed pay:**

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

b) **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and /or as approved by the shareholders by a Special Resolution.

c) **Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by shareholders as provided in the Act.

3.3.3. Remuneration to Non- Executive / Independent Director:

a) **Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Act.

b) **Sitting Fees:**

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

c) **Commission:**

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

4. MEMBERSHIP

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

4.2 Either two (2) members or one third (1/3) of the members of the committee, whichever is greater, with at least one Independent Director shall constitute a quorum for the Committee meeting.

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

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

5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

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

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

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

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at least once in a year.

7. COMMITTEE MEMBERS' INTERESTS

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

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

8. SECRETARY

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

9. VOTING

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

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

10. NOMINATION DUTIES

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

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

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

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

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

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

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

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

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

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

10.10 Recommend any necessary changes to the Board; and

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

11. REMUNERATION DUTIES

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

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

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

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

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

11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

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

For **BF Utilities Limited**

Date : 1st April, 2019
Place : Pune

B.S. Mitkari
CEO

ANNEXURE V TO THE DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
And
[Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,

The Members,
BF Utilities Limited,
Pune

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable **(not applicable to the Company during the Audit Period)**;

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

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

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

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as applicable till 8th November, 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 effective from 9th November, 2018 **(not applicable to the Company during the Audit Period);**

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

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

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016 **(not applicable to the Company during the Audit Period)**; and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as applicable till 10th September, 2018 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 effective from 11th September, 2018 **(not applicable to the Company during the Audit Period)**.

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

   (a) Electricity Act, 2003;

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

(i) The Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and

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

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

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

2. *Information to be provided to the depository(ies) as per SEBI Circular dated 28.05.2018 was provided by the Company beyond prescribed time.*

3. *The Company has not expended any amount for Corporate Social Responsibility activities required under Section 135 of the Act for the year 2018-19.*

We further report that

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

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

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

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

We further report that during the audit period:-

a) In the Annual General Meeting of the Company held on 25th September, 2018, Special Resolution was passed for below event:

   1. Re-appointment of Mr. B. B. Hattarki as an Independent Director.

b) Company has paid Rs.12,24,885/- as a settlement amount pursuant to the SEBI Settlement Order SO/SR/EAD/01/2018-19 dated 16th May, 2018. The said Settlement Order was received with regards to an application for settlement of the proceedings in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 filed by the Company for the Show cause notice received from SEBI for violating the provisions of Clause 49 of the Listing Agreement and Section 21 of SCRA.

FOR SVD & ASSOCIATES
Company Secretaries

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

Place: Pune
Date: July 31, 2019

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

'ANNEXURE A'

To,

The Members,
BF Utilities Limited
Pune

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

FOR SVD & ASSOCIATES
Company Secretaries

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

Place: Pune
Date: July 31, 2019

ANNEXURE VI TO THE DIRECTORS' REPORT

Form No. AOC-2

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

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

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

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

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

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

For BF Utilities Limited

B.B. Hattarki
Director
DIN:00145710

A.B. Kalyani
Director
DIN:00089430

Pune
25th September, 2019

ANNEXURE VII TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2019.

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

A. Conservation of Energy and Technology Absorption

i) Steps taken for Conservation of Energy :

The operations of the Company do not consume much energy

ii) Steps taken for utilizing alternate source of energy ;

The Company is in the business of generating wind energy.

iii) The Capital Investment on energy conservation equipment :

Nil during the year under reference.

B. Technology Absorption :

i) Efforts made towards technology absorption : N.A.

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

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

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

iv) Expenditure on Research and Development : NIL.

C. Foreign Exchange Earning and Outgo :

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

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

i) Total Foreign Exchange earning : NIL

ii) Total Foreign Exchange outgo : NIL

ANNEXURE VIII TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

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

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

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

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

   Mr. B. B. Hattarki - Chairman

   Mr. B. N. Kalyani - Committee Member

   Mr. A. B. Kalyani - Committee Member

3. **Average net profit of the company for last three financial years : Rs.73,960,775.**

4. **Prescribed CSR Expenditure (two percentage of the amount as in item 3 above) : Rs.1,479,215.**

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

   (a) Total amount to be spent for the financial year : **Rs. 1,479,215**.

   (b) Amount unspent, if any : **Rs. 1,479,215**.

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

(Amount in Rs.)

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

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report : *Although the Company has not spent any funds on CSR activities during the year, the Company is examining the areas in the field of education for CSR spend.*

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

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

B.B. Hattarki
Chairman CSR Committee
DIN:00145710

A.B. Kalyani
Director
DIN:00089430

Pune
25th September, 2019

INDEPENDENT AUDITORS' REPORT

To
The Members
BF Utilities Limited,
Pune.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of BF UTILITIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matters

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

(a) We draw attention to Note No.33 to the accompanying Ind AS financial statements. As mentioned therein there are certain litigations by and against the Company and the subsidiaries of the Company that are yet to be decided by various courts, and the matter is subjudice. No cognizance thereof is taken in the preparation of the Ind AS financial statements, pending the final outcome of these cases.

Note 33-

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

(b) As stated in Note No.34, to the accompanying financial statements, Consolidated Financial Statements have not been prepared.

Note 34-

Nandi Highway Developers Ltd. (NHDL), Nandi Infrastructure Corridor Enterprises Ltd. (NICE) and Nandi Economic Corridor Enterprises Ltd. (NECE), which are the subsidiaries of the Company, are in the process of finalising their accounts for the financial year ended 31st March, 2019 and hence, they have not yet submitted the said audited financials to the Company.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Sr. no.	Key Audit Matter	Auditor's response
1	**Management's judgement in respect of Impairment testing of investment in Subsidiary company having negative net worth** Nandi Economic Corridor Enterprises Ltd. (NECE), which is a subsidiary of the Company, is in the process of finalising the accounts for the financial year ended 31st March, 2019. However, negative net worth is observed in the provisional financial statements produced before us. Management of NECE has applied key judgments in estimating the discounted future cash flows. Considering the discounted future cash flows and explanations, the Company's management is of the view that there is no impairment adjustment required in the value of investment in the subsidiary company. Refer note 35 to the Standalone financial statement.	***Principal Audit Procedure*** Auditor is required to evaluate the impairment of investments at each balance sheet date. We have obtained Discounted Future Cash Flow Statement from the management of the said company. Management of the said company has provided details of assumptions, its validation and discounting rate. We have verified the working and assumptions and relied on the judgment of the management in respect of the same.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note 33)

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

per **C. K. Joshi**
Partner
Membership No.: 030428

Place: Pune
Date: May 18, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **BF Utilities Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management' Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per **C. K. Joshi**
Partner
Membership No.: 030428

Place: Pune
Date: May 18, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

Re: BF Utilities Limited ("the Company")

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

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

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

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

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

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

iii. During the year, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

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

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

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

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

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, goods and service tax, service tax, value added tax, cess and any other statutory dues to the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, income tax, sales tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

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

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

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

xi. In our opinion and according to the information and explanations given to us by the management, the company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of Companies Act, 2013, where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements etc., as required by the applicable accounting standards.

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

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

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

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

per **C. K. Joshi**
Partner
Membership No.: 030428

Place: Pune
Date: May 18, 2019

Standalone Financial Statements

Balance Sheet as at 31st March, 2019

		Note No.	As at 31st March, 2019 Million Rs.	As at 31st March, 2018 Million Rs.
	ASSETS			
I	**Non-current assets**			
	(a) Property, plant and equipment	2.1	139.27	177.61
	(b) Intangible assets - under development	2.2	-	-
	(c) Intangible assets		-	-
	(d) Financial assets			
	(i) Investments	3	1,102.46	1,102.46
	(ii) Other non current financial assets	4	89.05	96.79
	(e) Income tax assets (net)		6.23	15.32
	(f) Other non current assets	5	370.00	370.00
			1,707.01	1,762.18
II	**Current assets**			
	(a) Inventories	6	0.74	1.60
	(b) Financial assets			
	(i) Investments	3	6.42	9.07
	(ii) Trade receivables	7	18.24	16.65
	(iii) Cash and cash equivalents	8	9.25	26.05
	(iv) Other bank balances	8	393.60	205.07
	(v) Other current financial assets	4	31.58	39.24
	(c) Other current assets	5	5.66	5.08
			465.49	302.76
	Total assets		2,172.50	2,064.94
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	9	188.34	188.34
	(b) Other equity	10	1,092.71	820.77
	Total equity		1,281.05	1,009.11
I	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	11	70.60	137.99
	(ii) Other financial liabilities	12	89.05	96.79
	(b) Deferred tax liabilities (Net)	13	9.11	15.32
	(c) Other non-current liabilities	14	14.25	18.87
			183.01	268.97
II	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	11	299.30	326.15
	(ii) Trade payables	15	69.07	65.58
	(iii) Other financial liabilities	12	228.37	239.17
	(b) Other current liabilities	14	22.04	50.03
	(c) Provisions	16	89.66	105.93
	(d) Current tax liabilities (net)		-	-
	Total liabilities		708.44	786.86
	Total equity and liabilities		2,172.50	2,064.94
	Summary of significant accounting policies	1		

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

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

per C. K. JOSHI
Partner
Membership No. 030428

Pune, May 18, 2019

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

S. K. ADIVAREKAR
Director
DIN : 06928271

B. S. MITKARI
Director, CEO & Company Secretary
DIN : 03632549

S. S. JOSHI
CFO

Pune, May 18, 2019

Statement of Profit and loss for the year ended 31st March 2019

		Note No.	Year ended 31st March, 2019 Million Rs.	Year ended 31st March, 2018 Million Rs.
	Income			
I.	Revenue from operations	17	178.05	148.53
II.	Other income	18	319.41	180.91
III.	**Total income (I + II)**		497.46	329.44
IV.	**Expenses**			
	Changes in inventories	19	0.86	1.21
	Employee benefit expense	20	16.42	14.90
	Finance costs	21	24.45	35.72
	Depreciation and amortization expense	2.1	38.64	38.59
	Other expenses	22	151.25	96.58
	Total expenses		231.62	187.00
V.	**Profit before exceptional items and tax(III-IV)**		265.84	142.44
VI.	Exceptional items			-
VII.	**Profit before tax (V + VI)**		265.84	142.44
VIII.	Tax expense :			
	(a) Current tax			
	- pertaining to profit for the year		7.30	16.10
	- MAT Credit utilised in relation to earlier years		(6.80)	(12.10)
	Tax for the year		0.50	4.00
	(b) Deferred tax		(6.35)	(16.67)
			(5.85)	(12.67)
IX.	**Profit for the year after taxation (VII-VIII)**		271.69	155.11
X.	Adjustments relating to earlier years :			
	Excess / (Short) provision for taxation and tax payments		-	3.11
XI.	**Profit for the year after taxation and adjustments relating to earlier years (IX+X)**		271.69	158.22
XII.	**Other Comprehensive Income for the year**			
	(a) Items that will not be reclassified to Profit or Loss (net off tax):			
	Remeasurement of the defined benefit plans		(0.11)	0.30
	Remeasurement of financial instruments		0.36	0.89
	(b) Items that will be reclassified to Profit or Loss		-	-
			0.25	1.19
XIII.	**Total comprehensive income for the year (XI + XII)**		271.94	159.41
XIV.	**Earnings per share:**			
	(Face value per equity share Rs.5)			
	Basic & Diluted	23	7.21	4.20
	Summary of significant accounting policies	1		

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

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

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
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S. S. JOSHI
CFO

Pune, May 18, 2019

Pune, May 18, 2019

Cash Flow Statement For The Year Ended 31st March, 2019

		31st March, 2019 Million Rs.	31th March, 2018 Million Rs.
Cash Flow from Operating Activities			
Profit before tax		265.84	142.44
Adjustment for:			
Depreciation		38.64	38.59
Interest expense		6.33	9.00
Ind AS adjustments not related to cash flow		25.86	34.46
Interest income		(18.14)	(6.56)
Dividend received		(273.99)	(139.11)
Profit on sale of assets		(0.02)	-
Profit on sale of Intangible Assets under development		-	(0.44)
Ind AS adjustments not related to cash flow		(25.86)	(34.46)
Remeasurement of net defined benefit plan		(0.11)	(0.30)
Operating Profit before working capital changes		18.55	43.62
Movements in working capital:			
(Increase) / Decrease in Inventories		0.86	1.21
(Increase) / Decrease in Trade receivable		(1.59)	73.98
(Increase) / Decrease in Other financial asset		25.39	(20.79)
(Increase) / Decrease in Other current asset		(0.58)	(1.59)
Increase / (Decrease) in Trade payable		3.49	13.13
Increase / (Decrease) in Other financial liability		(7.72)	(0.17)
Increase / (Decrease) in Other liability		(22.43)	29.23
Increase / (Decrease) in Short term provisions		(16.27)	1.23
Operating Profit after working capital changes		(0.30)	139.85
Direct taxes paid (Net of refunds)		8.48	(32.11)
Net cash generated from Operating Activities	(A)	8.18	107.74
Cash Flow from Investing Activities			
Payment towards capital expenditure		(0.30)	(0.02)
Net Proceeds from sale of Intangible Asset under development		-	6.15
Investment made as fixed deposits		(188.53)	(205.07)
Proceeds from sale of assets		0.02	-
Current Financial Investment (including SOCIE)		3.25	13.65
Interest Income		8.16	6.56
Dividend received		273.99	139.11
Net cash generated from Investing Activities	(B)	96.59	(39.62)
Cash Flow from Financing Activities			
Borrowings repaid		(104.42)	(110.92)
Interest paid		(17.15)	(19.57)
Net cash generated from Financing Activities	(C)	(121.57)	(130.49)
Net Increase/ (Decrease) in cash and cash equivalents	(A+B+C)	(16.80)	(62.37)
Cash and cash equivalents at the beginning of the year		26.05	88.42
Cash and cash equivalents at the end of the year		9.25	26.05

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

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

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
Partner
Membership No. 030428

S. K. ADIVAREKAR
Director
DIN : 06928271

B. S. MITKARI
Director, CEO & Company Secretary
DIN : 03632549

S. S. JOSHI
CFO

Pune, May 18, 2019

Pune, May 18, 2019

Statement of Changes in Equity (SOCIE) for the year ended 31st March, 2019

Million Rs.

Particulars	Share Capital	Other Equity				Total Equity
		Reserves and Surplus		Other Comprehensive Income		
		Share Premium	Retained Earnings	Equity Instruments FVTOCI	Actuarial Gains / (losses) on defined benefit Plans	
Balance as at 01/04/2017	188.34	-	659.39	1.97	-	849.70
Impact of changes in accounting policy	-	-	-	-	-	-
Restated Balance as on 01/04/2017	**188.34**	-	**659.39**	**1.97**	-	**849.70**
Issue of Share Capital	-	-	-	-	-	-
Total comprehensive income for the Year						
Profit	-	-	158.22	-	-	158.22
Remeasurement of Net Defined Benefit Liability / Asset, net of tax effect	-	-	0.30	-	-	0.30
Equity Instruments through Other Comprehensive Income, net of tax effect	-	-	-	0.89	-	0.89
Transfer within equity	-	-	1.10	(1.10)	-	-
Total comprehensive income for the Year	-		- **159.62**	**(0.21)**	-	**159.41**
Transactions with the owners of the Company recognised, directly in Equity	-	-	-	-	-	-
Total contributions by and contributions to owners of the Company	-	-	-	-	-	-
Balance as on 31/03/2018	**188.34**	-	**819.01**	**1.76**	-	**1,009.11**
Balance as at 01/04/2018	188.34	-	819.01	1.76	-	1,009.11
Impact of changes in Accounting Policy	-	-	-	-	-	-
Balance as at 01/04/2018	**188.34**	-	**819.01**	**1.76**	-	**1,009.11**
Issue of Share Capital	-	-	-	-	-	-
Total comprehensive income for the Year						
Profit	-	-	271.69	-	-	271.69
Remeasurement of Net Defined Benefit Liability / Asset, net of tax effect	-	-	(0.11)	-	-	(0.11)
Equity Instruments through Other Comprehensive Income, net of tax effect	-	-	-	0.36	-	0.36
Transfer within Equity	-	-	-	-	-	-
Total comprehensive income for the Year	-	-	**271.58**	**0.36**	-	**271.94**
Transactions with the owners of the Company recognised, directly in Equity	-	-	-	-	-	-
Refund of Share Application Money	-	-				-
Total contributions by and contributions to owners of the Company	-	-	-	-	-	-
Balance as on 31/03/2019	**188.34**	-	**1,090.59**	**2.12**	-	**1,281.05**

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

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

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
Partner
Membership No. 030428

S. K. ADIVAREKAR
Director
DIN : 06928271

B. S. MITKARI
Director, CEO & Company Secretary
DIN : 03632549

S. S. JOSHI
CFO

Pune, May 18, 2019

Pune, May 18, 2019

Corporate Information:

BF Utilities Ltd. ("the Company" or "BFUL") is a public company domiciled in India and incorporated on 15 September, 2000 under the provisions of the Companies Act, 1956 ("the Act"). The Company's shares are listed on National stock exchange and Bombay stock exchange in India. The Company is engaged in the generation of electricity through wind mills. The Company's CIN is L40108PN2000PLC015323. The registered office of the Company is located at BF Utilities Limited Mundhwa, Pune Cantonment, Pune 411 036, Maharashtra, India.

The financial statements were authorized for issue in accordance with a resolution of the directors on 18 May, 2019.

1. Significant accounting policies :

a. Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on an accrual basis and under historical cost convention, except Defined benefit Plan - Plan assets and certain financial Assets & Liabilities which are measured at fair value (refer accounting policy regarding financial instruments). The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year except for the changes in accounting policies required to be made on adoption of Indian Accounting Standards notified under the Companies Act, 2013.

b. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

c. Critical estimates and judgements

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Provisions

Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Estimate of current and deferred tax

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the statement of profit and loss and tax payments.

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and translations

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

f. Investment in subsidiaries, joint ventures and associates

The Company has accounted for its investment in subsidiaries, joint ventures and associates at cost less accumulated impairment.

g. **Fair value measurement**

The Company measures financial instruments at fair value on initial recognition.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Please refer to Note No 27

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

h. **Property, plant and equipment**

Recognition and measurement

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalised at cost, including non-cenvatable excise duty (blocked ITC credit under GST), wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on Straight Line Method ('SLM') except in respect of Furniture & Fixtures and Vehicles is computed on Written Down Value ('WDV') method based on useful lives estimated by the management.

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

Assets	Useful lives
Building	60 Years
Plant & Machinery (Windmills)	22 Years
Electrical Installation	10 Years
Testing Meters	5 Years
Furniture & Fixtures	10 Years
Tools and equipments	10 Years
Computers and mobile phones	3 Years
Office Equipments	5 Years
Vehicles	8 Years

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

De-recognition / Disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i. Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

Amortisation

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset, as provided by another Ind-AS.

The summary of amortization policy applied to the Company's intangible assets is as below:

Type of asset	Life (years)
Computer software	3

De-recognition / Disposal

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the net carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Such capitalized expenditure is reflected as intangible under development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

j. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on the basis of electricity wheeled into MSEB grid and jointly certified.

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

Claims / Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income from investments is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in other income in the statement of profit and loss.

Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

k. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

l. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 - Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Minimum alternate tax (MAT)

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

m. Borrowing costs

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

Amendment to Ind AS 23 Borrowing costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact related to this amendment.

n. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangements contain a lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the same is in line with inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The Company is currently evaluating the effect of this amendments on the financial statement.

o. Inventories

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

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

Costs are determined on unsold Certified 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. The cost is assigned to inventories on First in First Out (FIFO) basis. This CERs and RECs are valued at lower of cost or net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

p. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cashflow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Intangible assets under development are tested for impairment annually. Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

q. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value (unless the effect of time value of money is material) and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets, if any, are disclosed in the notes to accounts.

r. **Post-employment and other employee benefits**

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

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.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet as asset/liability with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Superannuation

Superannuation is a defined contribution plan covering eligible employees. The contribution to the superannuation fund managed by the insurer is equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contribution to this scheme is charged to the statement of profit and loss on an accrual basis. There are no other contributions payable other than contribution payable to the respective fund.

Privilege Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave encashment liability as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

s. Financial instruments

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply following exceptions/exemptions prospectively from April 1, 2016.

- Classification and measurement of financial assets have been done based on facts and circumstances existed on transition date.
- Elected to continue carrying value of equity instruments in subsidiaries, associates and jointly controlled entities as deemed cost on transition date.
- De-recognition of financial assets and financial liabilities have been applied prospectively.
- Applied the requirements of relating to accounting for difference between fair value of financial asset or financial liability from its transaction price of Ind-AS 109 prospectively.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS11 and Ind-AS 18

d) Loan commitments which are not measured as at FVTPL

e) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

- The balance sheet presentation for various financial instruments is described below:

  Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

  ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI:

  Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 11.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

u. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

v. Dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

w. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

x. **Earnings per share**

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) 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 or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

y. **Recent accounting pronouncements**

Appendix B to Ind AS 21, foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

z. **Amendment to Ind AS 19: plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Notes forming part of Standalone Financial Statements for the year ended 31st March, 2019 :

(Million Rs.)

Sr. no.	Particulars	Gross block				Depreciation				Net block	
		As at 1/04/2018	Additions during the year	Deductions during the year	As at 31/03/2019	Up to 1/04/2018	On deductions & adjustments	For the year	Up to 31/03/2019	As at 31/03/2019	As at 31/03/2018
2.1	**Property, Plant, Equipment (PPE) :**										
1	Land	15.20	-	-	15.20	-	-	-	-	15.20	15.20
2	Building	13.11	-	-	13.11	12.00	-	0.03	12.03	1.08	1.11
3	Plant & Machinery	1,144.69	-	-	1,144.69	985.06	-	37.89	1,022.95	121.74	159.63
4	Electrical Installation	3.64	-	-	3.64	2.06	-	0.64	2.70	0.94	1.58
5	Tools & Equipments	0.09	-	-	0.09	0.02	-	0.01	0.03	0.06	0.07
6	Furniture & Fixtures	0.21	-	-	0.21	0.20	-	-	0.20	0.01	0.01
7	Computers etc.	0.99	0.18	-	1.17	0.98	-	0.05	1.03	0.14	0.01
8	Office Equipments	0.17	0.12	0.08	0.21	0.17	0.08	0.02	0.11	0.10	-
9	Vehicles	1.93	-	-	1.93	1.93	-	-	1.93	-	-
	Total A	**1,180.03**	**0.30**	**0.08**	**1,180.25**	**1,002.42**	**0.08**	**38.64**	**1,040.98**	**139.27**	**177.61**
	Previous year Total	1,180.02	0.02	-	1,180.04	963.84	-	38.59	1,002.43	177.61	216.18
2.2	**Intangible assets under development :**										
1	Intangible asset	-	-	-	-	-	-	-	-	-	-
	Total B	-	-	-	-	-	-	-	-	-	-
	Previous year Total	111.91	5.65	117.56	-	-	-	-	-	-	111.91
	Grand Total (A+B)	**1,180.03**	**0.30**	**0.08**	**1,180.25**	**1,002.42**	**0.08**	**38.64**	**1,040.98**	**139.27**	**177.61**
	Previous year Grand Total	1,291.93	5.67	117.56	1,180.04	963.84	-	38.59	1,002.43	177.61	328.09

Note: Refer Significant accounting policies referred to in note no. 1

3 Investments

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Non Current Investment		
Equity instruments (unquoted)		
Investment in Subsidiaries		
Investment in wholly owned subsidiary		
10,200(31 March 2018 : 10,200) Equity shares of Rs. 10/- each fully paid up in Avichal Resources Pvt. Ltd.	65.17	65.17
Total	65.17	65.17
Investment in other subsidiaries where Company holds 51% or more of the equity share capital		
77,569,111(31 March, 2018 : 77,569,111) Equity shares of Rs. 10/- each fully paid up in Nandi Infrastructure Corridor Enterprises Ltd.	775.69	775.69
26,071,902(31 March, 2018 : 26,071,902) Equity shares of Rs. 10/- each fully paid up in Nandi Highway Developers Ltd. *	260.72	260.72
Total	1,036.41	1,036.41
Total Investment in Subsidiaries	1,101.58	1,101.58
Investment in others		
25,000(31 March, 2018 : 25,000) Equity shares of Rs. 10/- each fully paid up in SKH Metals Ltd.	0.88	0.88
Total Investment in others	0.88	0.88
Total Non Current Investments	1,102.46	1,102.46
Current Investment		
Investments in Bonds		
1 (31 March, 2018 : 1) 10.70% Tata Motors Finance Ltd., Bonds 2020	0.52	0.52
- (31 March, 2018 : 1) 11.30% IDBI Bank Bonds	-	1.04
- (31 March, 2018 : 2) 11% Power Finance Corporation Bonds	-	2.09
2 (31 March, 2018 : 2) 10.40% Vijaya Bank Perpetual Bonds	2.05	2.05
	2.57	5.70
Investment in Equity		
Equity Instruments (Quoted)		
300 (31 March, 2018: 300) equity shares of Rs. 10/- each fully paid up in Metalyst Forging Ltd.#	-	0.01
800 (31 March, 2018 : 400) equity shares of Rs. 10/- each fully paid up in MM Forging Ltd.	0.43	0.42
100 (31 March, 2018 : 100) equity shares of Rs. 10/- each fully paid up in EL Forge Ltd.	-	-
84 (31 March, 2018 : 84) equity shares of Rs. 10/- each fully paid up in Finolex Industries Ltd.	0.04	0.05
140 (31 March, 2018 : 140) equity shares of Rs. 1/- each fully paid up in Hindalco Industries Ltd.	0.03	0.03
112 (31 March, 2018 : 112) equity shares of Rs. 10/- each fully paid up in NIIT Technologies Ltd.	0.15	0.10
10,800 (31 March, 2018 : 10,800) equity shares of Rs. 1/- each fully paid up in ITC Ltd.	3.20	2.76
	3.85	3.37
Total current investments	6.42	9.07
Total investments	1,108.88	1,111.53

* 26,071,902 (previous year- Nil) shares pledged with Banks for loans taken by related party. (See note no. 24)

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

Details of quoted/ unquoted instruments :

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
(a) Aggregate amount of quoted investments and market value thereof;		
Book value	3.85	3.37
Market value	3.85	3.37
(b) Aggregate amount of unquoted investments		
Book value	1,105.02	1,108.15
(c) Aggregate amount of diminution in value of investments	-	-

4 Other financial assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Non-current		
Financial guarantee contract receivable	89.05	96.79
Total non current financial assets	89.05	96.79
Current		
Energy credit receivable	9.51	4.70
Interest receivable	14.33	4.35
Financial Guarantee Contract Receivable	7.74	7.74
Other receivable	-	22.45
Total current financial assets	31.58	39.24
Total	120.63	136.03

5 Other assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Non-current		
(Unsecured, considered good)		
Loans and advances to related parties (See note no. 26)		
Advances for purchase of land	370.00	370.00
Total other non current assets	370.00	370.00
Current		
Balances with statutory / government authorities	0.06	-
Gratuity plan asset	0.26	-
Prepaid expenses	3.14	2.94
Other advances	2.20	2.14
Total other current assets	5.66	5.08
Total	375.66	375.08

6 Inventories

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Stock of renewable energy certificates (RECs)	-	-
Stock of consumables, stores and spares	0.74	1.60
Total	0.74	1.60

Note: Quantitative details of Stock

Sr. no.	Description	Units	Units
1	No. of RECs held as inventory	-	-
2	No. of consumables, stores and spares	480	646

7 Trade receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Current (Unsecured)		
Considered good*	18.24	16.65
Considered doubtful	-	-
	18.24	16.65
Less : Provision	-	-
	18.24	16.65
Total	18.24	16.65

*Includes dues from related parties (Refer Note No. 26)

8 Cash & bank balances :

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
i) Cash & cash equivalents		
Cash on hand	0.01	0.03
Balances with banks - in current accounts	9.24	24.02
Fixed deposits (original maturity less than three months)	-	2.00
Total cash & cash equivalents	9.25	26.05
ii) Other bank balances		
Balance with banks		
Fixed deposits (original maturity more than three months but less than twelve months from the date of Balance sheet)	86.20	-
Fixed deposits (original maturity more than three months but less -twelve months)	307.40	205.07
Total other bank balances	393.60	205.07
Total	402.85	231.12

9 Share capital :

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Authorised		
60,000,000 (31 March, 2018 : 60,000,000) Equity shares of Rs. 5/- each	300.00	300.00
Issued, subscribed & fully paid up		
37,667,628 (31 March, 2018 : 37,667,628) Equity shares of Rs. 5/- each	188.34	188.34
Total	188.34	188.34

9(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 March, 2019		As at 31 March, 2018	
	No. of shares	Million Rs.	No. of shares	Million Rs.
At the beginning of the year	37,667,628	188.34	37,667,628	188.34
Issued /(reduction) if any during the year	-	-	-	-
Outstanding at the end of the year	37,667,628	188.34	37,667,628	188.34

9(b) Terms / rights attached to equity shares

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

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

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

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

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

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

9(e) Details of shareholder holding more than 5% shares in the Company

Name of the shareholder*	Equity shares			
	As at 31 March, 2019		As at 31 March, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Ajinkya Investment & Trading Company	6,648,886	17.65	6,648,886	17.65
Kalyani Investment Company Ltd.	6,195,046	16.45	6,195,046	16.45
KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472	11.56

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

10 Other equity

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Other Comprehensive Reserve	1.76	1.97
Transferred to retained Earnings	-	(1.10)
OCI Income	0.36	0.89
	2.12	1.76
Surplus in statement of profit & loss :		
As per last financial statement	819.01	659.39
Transferred from OCI	-	1.10
Add: Other comprehensive income	(0.11)	0.30
Add: Net profit for the year	271.69	158.22
	1,090.59	819.01
Total	1,092.71	820.77

11 Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Non-current borrowings		
Deferred payment liabilities (unsecured)		
Sales tax deferral obligation collected under Government of Maharashtra package scheme of incentive by a beneficiary under an arrangement	70.60	137.99
Total	70.60	137.99
Current borrowings		
Current maturities of long term borrowings(unsecured)	77.57	102.85
Loan from others (unsecured)	221.73	223.30
Total	299.30	326.15
Total	369.90	464.14

11(a) Sales tax deferral

Balance outstanding Rs. 174.98 Million (as at 31 March, 2018- Rs.277.83)

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

<u>Repayment schedule</u>

Year	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
2018-19	-	102.85
2019-20	77.57	77.57
2020-21	52.29	52.29
2021-22	31.92	31.92
2022-23	13.20	13.20
Total	174.98	277.83

12 Other financial liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Other Non current financial liabilities		
Fair Value Financial guarantee contract	89.05	96.79
Total	89.05	96.79
Other Current financial liabilities		
Capital creditors	10.10	10.10
Interest free security deposit received from related party (Refer note no. 26)	210.00	210.00
Interest accrued on borrowings	-	10.82
Fair Value Financial guarantee contract	7.74	7.74
Other payables	0.53	0.51
Total	228.37	239.17
Total	317.42	335.96

13 Deferred tax liabilities (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
I Deferred tax liabilities :		
On account of timing difference		
a) Depreciation	33.14	43.68
b) Financial Assets	0.89	0.75
Total	34.03	44.43
II Deferred tax assets :		
On account of timing difference		
a) Disallowances under Income Tax Act, 1961	24.92	29.11
Total	24.92	29.11
Deferred tax liability (Net) (I - II)	9.11	15.32

14 Other liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Other Non current liabilities		
Sales tax deferral revenue - Government grants	14.25	18.87
Total - other non current liabilities	14.25	18.87
Other current liabilities		
Sales tax deferral revenue - Government grants	12.56	18.12
Directors' commission payable	8.00	-
Statutory dues payable including tax deducted at source	1.48	31.91
Total - other current liabilities	22.04	50.03
Total Other liabilities	36.29	68.90

Refer Schedule 11(a) for repayment schedule and terms for sales tax deferral

15 Trade payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Dues to micro and small enterprises	-	-
Dues to other than micro & small enterprises	69.07	65.58
Total Trade payable	69.07	65.58

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.

16 Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Provision for employee benefits :		
Leave encashment	0.76	0.74
Gratuity (Refer note no. 28)	-	0.25
Other provisions :		
Electricity duty	86.38	103.66
Wheeling & transmission charges	2.52	1.28
Total	89.66	105.93

17 Revenue from operations

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Wind power generated	149.11	72.45
Renewable energy certificate units (REC)	28.94	76.08
Total	178.05	148.53

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts and also those which pertain to contracts with original expected duration of one year or less.

18 Other income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Dividend received (Refer note no. 26)	273.99	139.11
Interest on bank fixed deposits and bonds	18.14	6.56
Profit on sale of intangible asset under development	-	0.44
Provision no longer required	1.40	-
Government grants sales tax deferral income	18.12	26.72
Financial guarantee contract income	7.74	7.74
Profit on sale of assets	0.02	-
Miscellaneous income	-	0.34
Total	319.41	180.91

19 Changes in inventories

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
(Increase) / decrease in inventory:		
Closing stock of renewable energy certificates (RECs), stores and spares	0.74	1.60
Opening stock of renewable energy certificates (RECs), stores and spares	1.60	2.81
Total	0.86	1.21

20 Employee benefit expense

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Salaries, allowances etc.	15.35	13.83
Contribution to provident & other funds	0.62	0.60
Gratuity expenses	0.24	0.26
Staff welfare expenses	0.21	0.21
Total	16.42	14.90

21 Finance costs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Interest on electricity duty	5.76	8.32
Interest on sales tax deferral liabilities (unwinding)	18.12	26.72
Interest on shortfall of advance tax & GST	0.55	0.67
Bank charges	0.02	0.01
Total	24.45	35.72

22 Other expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Operating expenses		
Operations, maintenance & CDM expenses- wind mills	23.58	16.56
Lease rent - land	0.60	0.60
Insurance	1.12	1.12
Electricity duty	18.41	8.46
Cross subsidy	36.33	20.25
Open Access - Wheeling charges	2.62	1.24
Open Access - Transmission charges	7.48	4.14
Open Access - Other charges	28.03	14.86
Other operating expenses	2.57	2.80
(A)	120.74	70.03
Administrative expenses		
Insurance - others	0.13	0.15
Rent	-	0.14
Rates & taxes	1.01	0.95
Repairs & maintenance (Machinery)	1.71	1.32
Repairs & maintenance (others)	0.02	0.02
Director's sitting fees	0.16	0.10
Directors' commission	8.00	-
Payment to auditors :		
Audit fee	1.29	1.41
Tax audit fee	0.13	0.13
Reimbursement of expenses	0.01	0.03
	1.43	1.57
Foreign currency exchange Loss	0.02	-
Commission on financial guarantee unrecoverable	7.74	7.74
Amortisation of premium on bonds	0.12	-
Asset written off	-	1.27
Printing and stationery	0.95	0.88
Listing and custodial charges	1.19	3.49
Miscellaneous expenses including postage, travelling, telephone etc.	4.04	3.86
Professional & consultancy expenses	3.99	5.06
(B)	30.51	26.55
Total (A)+ (B)	151.25	96.58

23 Earnings per share (EPS)

Million Rs.

Particulars	Year ended 31st March, 2019		Year ended 31st March, 2018	
Numerator for basic and diluted EPS				
Net profit attributable to shareholders		**271.69**		158.23
Weighted average number of equity shares		**37,667,628**		37,667,628
Basic earnings per share of face value of Rs. 5/- each	**Rs.**	**7.21**	Rs.	4.20
Diluted earnings per share of face value of Rs. 5/- each	**Rs.**	**7.21**	Rs.	4.20

24. Contingent Liability and Commitments

	Particulars of Contingent liabilities	As at 31st March, 2019	As at 31st March, 2018
		Million Rs.	Million Rs.
I	Estimated amount of Contracts remaining to be executed on capital accounts and not provided for.	-	0.12
II	Contingent Liabilities not provided for in respect of		
	a) Claims against the Company not acknowledged as debt.	184.65	184.65
	b) Others	0.68	0.10

Commitments

a. In case of Nandi Economic Corridor Enterprises Ltd. (NECE), the Company along with Nandi Infrastructure Corridor Enterprises Ltd. (NICE) as a joint sponsor, has given an Undertaking to IDFC Limited, acting as a Lenders' Agent, in connection with the consortium loan total amounting to Rs. 4000 Million (out of total exposure of Rs 16,500 Million) advanced to NECE, whereby the Company, along with NICE, has undertaken to ensure continuance of the of the Project undertaken by NECE, maintenance of shareholding and management control over NECE and provision of requisite technical, financial and managerial expertise, etc. until the final settlement date of the consortium loan. The Company has recognised it as Financial Guarantee contract to the extent of Letter of Comfort issued by it.

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

b. The Company has given undertaking to Axis Finance Limited in respect of term loan facility granted by it to Nandi Highway Developers Limited (NHDL) of Rs. 1200 Million. The Company has agreed that-

- It shall not dispose off its interest in the entire shareholding in the NHDL till the final settlement date of the term loan; and
- It shall not sell/ transfer/ encumber in any form, the shares of the NHDL held by the Company, without prior written approval of Axis Finance Limited.

26,071,902 shares of NHDL are pledged with Axis Finance Limited.

C. The disclosure required by Ind AS 37- "Provisions, Contingent Liabilities and Contingent Assets" prescribed by Rules, as amended are as follows.

(In Rs. Million)

Class of provision	Carrying amount as on April 1, 2018	Charge during the year	Amount used during the year	Amount paid during the year	Carrying amount as on March 31, 2019
Electricity Duty	103.66	18.41	-	(35.69)	86.38
(Previous year)	103.49	8.46	-	(8.29)	103.66

Nature of provision

In terms of various notifications/ circulars issued by Government of Maharashtra, electricity duty is payable in respect of wind power sold to third parties.

25. Un hedged foreign Currency Exposure

Un-hedged Receivables and Payables	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Trade payables	-	1.46

26. Related party disclosures

Name of the related parties and related party relationship

Subsidiaries	Nandi Infrastructure Corridor Enterprises Ltd. (NICE) Nandi Highway Developers Ltd. (NHDL) Avichal Resources Pvt. Ltd. (Avichal)
Companies under same management control	Nandi Economic Corridor Enterprises Ltd. (NECE)

Related parties with whom transactions have taken place during the year

Enterprises under common control	Bharat Forge Ltd. BF Investment Limited
Key management personnel	Mr. B S Mitkari (CEO & CS) Mr. S S Joshi (CFO)

Related party transactions

Sr No	Nature of transaction	Name of the Related Party	Year ended March 31, 2019	Year ended March 31, 2018
			Million Rs.	Million Rs.
I	**Income**			
A	Sales	Bharat Forge Ltd.	144.31	68.23
B	Sale of intangible asset under development	Bharat Forge Ltd.	-	118.00
C	Compensation received	Bharat Forge Ltd.	-	(3.23)
D	Dividend received	NHDL	273.93	139.05
E	Employee deputation cost (including taxes)	BF Investment Ltd.	4.32	3.75
F	Other receipt	Bharat Forge Ltd.	-	0.14
G	Financial guarantee contract	NECE	7.74	7.74
II	**Expenses**			
A	Purchases of spares / Debit Note raised.	Bharat Forge Ltd.	(1.60)	1.86
B	Reimbursement of expenses	Bharat Forge Ltd.	90.82	46.25
C	Interest on ICD / Loan	Bharat Forge Ltd.	-	5.65
D	Rent	Avichal Resources Pvt. Ltd.	0.60	0.60
E	Financial guarantee contract (amount written off)	NECE	7.74	7.74
F	Remuneration paid to KMP		11.83	10.49
G	Directors' fees, etc.	Mr. B.N Kalyani	0.03	0.02
		Mr. A.B. Kalyani	0.03	0.01
		Mr. B.B. Hattarki	0.04	0.03
		Mr. S.S. Vaidya*	0.01	0.03
		Ms. A.A. Sathe	0.05	0.03
		Mr.S.K. Adivarekar#	0.03	-
H	Commission to directors	Mr. B.N Kalyani	3.77	-
		Mr. A.B. Kalyani	3.77	-
		Mr. B.B. Hattarki	0.15	-
		Mr. S.S. Vaidya	-	-
		Ms. A.A. Sathe	0.15	-
		Mr.S.K. Adivarekar	0.15	-
III	**Others**			
A	Loan / ICD Taken / (Repaid)	Bharat Forge Ltd.	-	(75.00)
		BF Investment Ltd.	(1.57)	-
B	Advance given	Avichal resources Pvt. Ltd.	-	(0.10)
C	Security deposit taken /repaid	Bharat Forge Ltd.	-	(30.00)

Balance outstanding as at the year end

Sr No	Nature of transaction	Name of the Related Party	March 31, 2019 Receivable / (Payable)	March 31, 2018 Receivable / (Payable)
			Million Rs.	Million Rs.
01	Trade Receivable	Bharat Forge Ltd	18.24	11.44
02	Other Receivable	Bharat Forge Ltd	-	22.44
03	Trade payable	Bharat Forge Ltd. Avichal Resources Pvt. Ltd.	- (1.50)	(1.86) (0.98)
04	Loan / Inter Corporate Deposits	BF Investment Ltd.	(209.43)	(211.00)
05	Interest Payable	Bharat Forge Ltd. BF Investment Ltd.	- -	(5.09) (5.74)
06	Security deposit	Bharat Forge Ltd.	(210.00)	(210.00)
07	Advance Given	NECE Bharat Forge Ltd.	370.00 0.20	370.00 0.20
08	Investment balance	NICE NHDL Avichal Resources Pvt. Ltd.	775.69 260.72 65.17	775.69 260.72 65.17
09	Commission to directors	Mr. B.N Kalyani Mr. A.B. Kalyani Mr. B.B. Hattarki Ms. A.A. Sathe Mr.S.K.Adivarekar	3.77 3.77 1.50 1.50 1.50	- - - -
10	Remuneration Payable to KMP		(0.14)	(0.13)

*Up to May 30, 2018.

from May 30, 2018.

27. Financial Instruments

Capital management:

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. The capital structure of the Company consists of debt and total equity of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company is not subject to any externally imposed capital requirements.

Total debt includes all long- and short-term debts as disclosed in note 11 to the financial statements.

The gearing ratio at the end of the reporting year was as follows

Particulars	March 31, 2019	March 31, 2018
	Million Rs.	Million Rs.
Loans and Borrowings	369.90	464.14
Less - Cash and Cash Equivalents	9.25	26.05
Net Debt	360.65	438.09
Equity	1,281.05	1,009.11
Capital and Net Debt	1,641.70	1,447.20
Debt to Equity Ratio	0.22	0.30

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2019, other than those with carrying amounts that are reasonable approximates of fair values:

(Million Rs.)

Particulars	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Investments	**1,108.88**	1,111.53	**1,108.88**	1,111.53
Trade receivables	**18.24**	16.65	**18.24**	16.65
Cash and cash equivalents - Bank balance	**402.85**	231.12	**402.85**	231.12
Other financial assets	**120.63**	136.03	**120.63**	136.03
Total Financial Assets	**1,650.60**	1,495.33	**1,650.60**	1,495.33
Borrowings	**369.90**	464.14	**369.90**	464.14
Trade payables	**69.07**	65.58	**69.07**	65.58
Other Financial Liabilities	**317.42**	335.96	**317.42**	335.96
Total Financial Liabilities	**756.09**	865.68	**756.09**	865.68

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Further the management assessed that the fair value of security deposits and other non-current receivables approximate their carrying amounts largely due to discounting at rates which are an approximation of current lending rates.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
2. The Company has not performed a fair valuation of its investment in unquoted ordinary shares which are classified as FVTOCI, as the Company believes that the impact of change on account of fair value is insignificant.

Financial risk management framework:

The Company is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the interest rates and other market changes.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Company maintains its cash and cash equivalents and deposits with banks having good reputation and high-quality credit ratings.

The Company has only one customer i.e. Bharat Forge Ltd. To mitigate the credit risk, the company has taken security deposit of Rs. 200 Million (Rs. 200 Million as on March 31, 2018) which covers the sales made by Company to it over next year(s).

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, liquid cash and bank balance by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below provides details regarding the contractual maturities of significant financial liabilities:

(Million Rs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Less than 1 Year	More than 1 Year	Less than 1 Year	More than 1 Year
Borrowings	**299.30**	**70.60**	326.15	137.99
Trade payables	**10.77**	**58.30**	16.56	49.02
Other financial liabilities	**228.37**	**89.05**	239.17	96.79

Fair Value Measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS 113 - Fair Value Measurement.

An explanation of each level is as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

(Million Rs.)

Quantitative disclosure fair value measurement hierarchy for assets	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant un-observable Inputs (Level 3)
Financial assets at FVTOCI			
Equity Instruments (Quoted)			
March 31, 2019	**3.85**	-	-
March 31, 2018	3.37	-	-
Equity Instruments (Un-Quoted)			
March 31, 2019	-	-	**0.88**
March 31, 2018	-	-	0.88
Financial assets at Amortised Cost			
Investments in Bonds			
March 31, 2019	**2.57**	-	-
March 31, 2018	5.70	-	-

28. Gratuity and other post-employment benefit plans

Gratuity plan

Funded scheme

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972 and the Scheme framed by the Company. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years but not more than fifteen years of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. Every employee who has completed fifteen years of service gets a gratuity on departure at one month's salary (last drawn) for each completed year of service, subject to maximum for 20 months salary as per the Scheme of the Company. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long-term obligations to make future benefit payments.

1) Liability risks

a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz. LIC of India and other insurance companies. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also, interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

The principal assumptions used in determining gratuity for the Company's plan is shown below:

Particulars	As at March 31, 2019	As at March 31, 2018
Mortality table	IALM(2012-14) ult	IALM(2006-08) ult
Discount rate	7.10%	7.40%
Rate of increase in compensation levels	7.50%	7.50%
Expected rate of return on plan assets	7.40%	6.80%
Expected average remaining working lives (in years)	5.01	4.14
Withdrawal rate (based on grade and age of employees)		
Age upto 30 years	10%	10%
Age 31 - 44 years	10%	10%
Age 45 - 50 years	10%	10%
Age above 50 years	10%	10%

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
Present value of obligation as at the beginning of the period	4.54	4.25
Interest expense	0.34	0.29
Current service cost	0.25	0.24
Benefits (paid)	-	-
Remeasurements on obligation [Actuarial (Gain) / Loss]	0.01	(0.25)
Closing defined benefit obligation	5.13	4.54

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
Opening fair value of plan assets	4.29	3.97
Interest Income	0.35	0.27
Contributions	0.85	0.01
Benefits paid	-	-
Remeasurements	-	-
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(0.10)	0.05
Closing fair value of plan assets	5.39	4.29
Actual return on plan assets	0.25	0.32

Net Interest (Income/Expense)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Million Rs.	Million Rs.
Interest (Income) / Expense - Obligation	0.34	0.29
Interest (Income) / Expense - Plan assets	(0.35)	(0.27)
Net Interest (Income) / Expense for the period	(0.01)	0.02

Remeasurement for the year [Actuarial (Gain)/loss]

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Million Rs.	Million Rs.
Experience (Gain) / Loss on plan liabilities	(0.07)	(0.18)
Demographic (Gain) / Loss on plan liabilities	0.01	-
Financial (Gain) / Loss on plan liabilities	0.07	(0.07)
Experience (Gain) / Loss on plan assets	0.13	(0.11)
Financial (Gain) / Loss on plan assets	(0.03)	0.06

Amount recognised in Statement of Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Million Rs.	Million Rs.
Opening amount recognised in OCI outside profit and loss account	(0.30)	-
Remeasurement for the year-Obligation (Gain)/Loss	0.01	(0.25)
Remeasurement for the year-Plan assets (Gain)/Loss	0.10	(0.05)
Total Remeasurement cost/(credit) for the period recognised in OCI	0.11	(0.30)
Closing amount recognised in OCI outside profit and loss account	(0.19)	(0.30)

The amounts to be recognised in the Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
Present value of obligation as at the end of the period	5.13	4.54
Fair value of plan assets as at the end of the period	5.39	4.29
Surplus/ (Deficit)	0.26	(0.25)
Current Liability	-	0.25
Non-Current Liability	5.13	4.29
Net asset / (liability) to be recognised in balance sheet	0.26	(0.25)

Expense recognised in the statement of profit and loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Million Rs.	Million Rs.
Current service cost	0.25	0.25
Net Interest (Income) / Expense	(0.01)	0.02
Net periodic benefit cost recognised in the statement of profit and loss	0.24	0.26

Reconciliation of net asset/ (liability) recognised:

Particulars	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
Net asset / (liability) recognised at the beginning of the period	(0.25)	(0.29)
Company contributions	0.85	0.01
Expense recognised at the end of period	(0.24)	(0.26)
Amount recognised outside profit & loss for the period	(0.11)	0.30
Net asset / (liability) recognised at the end of the period	0.26	(0.25)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Funds managed by insurer	**100 %**	100 %

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount Rate	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
6.10%	**5.33**	4.67
8.10%	**4.94**	4.41

B) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Salary Increment Rate	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
6.50%	**4.98**	4.44
8.50%	**5.29**	4.64

C) Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Withdrawal Rate	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
9.00%	5.14	4.52
11.00%	5.12	4.55

The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

Particulars	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
Within one year	**1.55**	1.89
After one year but not more than five years	**2.00**	2.64
After five years but not more than ten years	**2.36**	1.02

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 4.69 years.

Provident Fund

In accordance with the law, all employees of the Company are entitled to receive benefits under the provident fund. Till the Financial Year 2016-17, the Company operated defined benefit plan. Under the defined benefit plan, the Company contributes to the " BFUL Employees Provident Fund Trust ". The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

From the Financial Year 2017-18 onwards the Company operated defined contribution plan. Under the defined contribution plan, provident fund is contributed to the government administered provident fund. The Company has no obligation, other than the contribution payable to the provident fund.

29. Income Taxes

A reconciliation of the Income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Million Rs.	Million Rs.
Accounting profit before tax from operations	265.84	142.44
Enacted tax rate in India	27.82%	27.5525%
Computed tax expense at enacted tax rate	73.96	39.25
Effect of Exempt Income	(76.22)	(38.33)
Effect of non-deductible expenses	14.55	15.89
Effect of deductible expenses	(4.99)	(0.01)
Effect of change in Tax Rates	-	(1.09)
Effect of MAT Credit availed	(6.80)	(12.01)
Effect of timing difference	(6.35)	(16.67)
Others	-	0.30
Tax expense reported in statement of profit and loss	(5.85)	(12.67)

30. Disclosure pursuant to Ind AS 17 "Leases"

The Company as a lessee:

Operating Lease

The Company has taken land on lease under non-cancellable period of 35 years, the future minimum lease payments in respect of which are as follows:

Sr no	Particulars	As at March 31, 2019	As at March 31, 2018
		Million Rs.	Million Rs.
1	Payable not later than 1 year	0.60	0.60
2	Payable later than 1 year and not later than 5 years	2.91	2.77
3	Payable later than 5 years	8.95	9.75
	Total	12.46	13.12

31. Corporate Social Responsibility (CSR)

The Company has formed Corporate Social Responsibility (CSR) Committee and has also adopted a CSR Policy in accordance with the provisions of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company recognises CSR spends as and when incurred. Relevant details for the financial year/ period covered by these statements are as under.

(Million Rs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the Company during the year	**4.68**	3.20
Amount spent during the year	**NIL**	NIL

32. Segment information as required by Ind AS 108 "Operating Segments" as prescribed by Rules, as amended is set out in a separate statement annexed thereto.

33. Certain litigations by and against the Company and subsidiaries of the Company are pending in various Courts, and the matter is subjudice. No cognizance thereof is taken in the above results, pending final outcome of the cases.

34. Nandi Highway Developers Ltd. (NHDL), Nandi Infrastructure Corridor Enterprises Ltd. (NICE) and Nandi Economic Corridor Enterprises Ltd. (NECE) which are the subsidiaries of the Company, are in the process of finalising their accounts for the financial year ended 31st March, 2019 and hence, they have not yet submitted the said audited financials to the Company.

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

35. Nandi Economic Corridor Enterprises Ltd. (NECE), which is a subsidiary of the Company, is in the process of finalising the accounts for the financial year ended 31st March, 2019. However, negative net worth is observed in the provisional financial statements produced before us.

Management of NECE has applied key judgments in estimating the discounted future cash flows. Considering the discounted future cash flows and explanations, the Company's management is of the view that there is no impairment adjustment required in the value of investment in the subsidiary company.

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

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

38. Previous year's figures have been regrouped wherever necessary.

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

per C. K. JOSHI
Partner
Membership No. 030428

Pune, May 18, 2019

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

S. K. ADIVAREKAR
Director
DIN : 06928271

B. S. MITKARI
Director, CEO & Company Secretary
DIN : 03632549

S. S. JOSHI
CFO

Pune, May 18, 2019

Annexure referred to in Note No. 32 of the Financial Statements of BF Utilities Ltd.

Segment Reporting as required by ''Ind AS 108 : Operating Segments'' for the year ended 31st March, 2019

Million Rupees

Sr. No.	Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
1	Segment Revenue		
	a. Wind Energy	**179.45**	148.73
	b. Infrastructure *	**281.67**	139.05
	Total	**461.12**	287.78
	Less : Inter segment revenue	**-**	-
	Net Revenue	**461.12**	287.78
2	Segment results		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind Energy	**(6.82)**	12.89
	b. Infrastructure	**270.49**	134.28
	Total	**263.67**	147.17
	Less : i) Finance Cost	**24.45**	35.72
	ii) Other unallocable expenditure net off unallocable income	**(26.62)**	(30.99)
	Total Profit / (Loss) before tax and Exceptional Items	**265.84**	142.44
	Exceptional Items	**-**	-
	Total Profit / (Loss) before tax	**265.84**	142.44
3	Total Carrying Amount of Segment Assets		
	a. Wind Energy	**655.77**	506.30
	b. Infrastructure	**1,503.20**	1,510.94
	c. Other - Unallocables	**13.53**	47.70
	Total	**2,172.50**	2,064.94
4	Total Carrying Amount of Segment Liabilities		
	a. Wind Energy	**387.60**	429.78
	b. Infrastructure	**96.79**	104.53
	c. Other - Unallocables	**1.24**	5.08
	Total	**485.63**	539.39
5	Capital Employed (Segment Assets - Segment Liabilities)		
	a. Wind Energy	**268.17**	76.52
	b. Infrastructure	**1,406.41**	1,406.41
	c. Other - Unallocables	**12.29**	42.62
	Total	**1,686.87**	1,525.55
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	**0.30**	0.02
	b. Infrastructure	**-**	-
	c. Other - Unallocables	**-**	-
	Total	**0.30**	0.02
7	Depreciation & Amortisation		
	a. Wind Energy	**38.64**	38.59
	b. nfrastructure	**-**	-
	Total	**38.64**	38.59

* Dividend income is earned from subsidiary mainly engaged in infrastructure activity.

Annexure referred to Note No. 37 of Notes forming part of the Financial Statements

Disclosures required as per Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Name of the Company	Year	Loans and Advances Given		Investments	
		Amount Outstanding as at 31 March, 2019	Maximum Balance outstanding during the year/period	Amount Outstanding as at 31 March, 2019	Investments by the loanee in the shares of parent company and subsidiary company as at 31 March, 2019
		Million Rs.	Million Rs.	Million Rs.	Million Rs.
Subsidiaries :					
Nandi Infrastructure Corridor Enterprise Ltd.	**2018-19**	**-**	**-**	**775.69**	**-**
	2017-18	-	-	775.69	-
Nandi Highway Developers Ltd.	**2018-19**	**-**	**-**	**260.72**	**-**
	2017-18	-	-	260.72	-
Avichal Resources Pvt. Ltd.	**2018-19**	**-**	**-**	**65.17**	**-**
	2017-18	-	-	65.17	-
Nandi Economic Corridor Enterprises Ltd.	**2018-19**	**370.00**	**370.00**	**-**	**-**
	2017-18	370.00	370.00	-	-

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

To,
The Members
BF Utilities Limited, Pune

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of BF Utilities Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, (the consolidated statement of changes in equity) and the consolidated cash flows Statement for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit, (consolidated changes in equity) and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Emphasis of Matter

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

(a) We draw attention to Note No. 35 of the Statement. As mentioned therein there are certain litigations by and against the Company that are yet to be decided by various courts and the matter is subjudice. No cognizance thereof is taken in the preparation of the consolidated Ind AS financial statements, pending the final outcome of these cases.

Note No. 35-

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

(b) We draw attention to Note No. 37 of the Statement regarding the reported constitution of an House Committee consisting of members of the Karnataka Legislative Assembly, and its findings on the alleged violations in implementation of the Framework Agreement ('FWA') in the construction of Peripheral Road, development of Townships and Utilities undertaken by NECE as part of the Bangalore Mysore Infrastructure Corridor Project ('BMIC Project'). As explained in the said Note, based on the legal opinion obtained by NECE in this regard, the Management of NECE has evaluated the above development and, in their assessment, since every aspect of the implementation of the BMIC Project has been judicially scrutinized in earlier instances by the Hon'ble High Court of Karnataka and Hon'ble Supreme Court of India and the Hon'ble Courts have pronounced detailed favorable judgments regarding the same, including upholding the process adopted by NECE in implementing the BMIC Project as per FWA, they are of the view that NECE has followed the FWA in letter and spirit and that all concerned laws have been adhered to in implementing the BMIC Project. Accordingly, NECE intends to legally contest any matter that may arise consequent to the reported findings of the Assembly Panel.

Note No.37-

It had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House of Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by NECE. Further, it had also been reported in the print media that the House Committee tabled its report during November 2016 in the Karnataka Legislative Assembly, wherein NECE had various departments of GoK have been accused of violations of several terms of

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

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

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

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

(c) We draw attention to Note No. 28 (i) of the Statement. As mentioned therein, As at the Balance sheet date, there are various cases pending against the NECE challenging the execution of the BMICP (the 'Project') which can be categorized under the following broad heads: a) Land acquisition and allotment related b) Litigation against layout approvals c) Enhanced compensation. NECE has been legally advised that none of these pending litigations or threatened litigation is likely to affect the execution of the Project. The Management of NECE believes that aforesaid litigations will not have any material impact upon the financial statements.

Note No.28(i)-

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

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Report of the Directors, Report on Corporate Governance, Business Responsibility Report, Management Discussion and Analysis, and Report on Risk Management (collectively referred as "other information") but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

Paragraph 40(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 40(c) explains that when law, regulation or the applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of 3 (three) subsidiaries and 1 (one) step down subsidiary whose financial statements / financial information reflect total assets of Rs.17,842.61 Million as at 31st March, 2019, total revenues of Rs. 4,196.30 Million and net cash flows amounting to Rs. 7.00 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements, which have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India, is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

    i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note nos. 28(i) & 35 to the consolidated Ind AS financial statements.

    ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

per C. K. Joshi
Partner
Membership Number: 030428
UDIN : 19030428AAAAM06737

Place : Pune
Date : September 25, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

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

In Conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2019, we have audited the internal financial controls over financial reporting of BF Utilities Limited (hereinafter referred to as "the Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to these 3 subsidiary companies, one step down subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

per C. K. Joshi
Partner
Membership Number: 030428
UDIN : 19030428AAAAM06737

Place : Pune
Date : September 25, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

		Note No.	As at 31 st March, 2019 Million Rs.	As at 31st March, 2018 Million Rs.
	ASSETS			
I	Non-current assets			
	(a) Property, plant and equipment	2.1	304.66	351.95
	(b) Capital Work in Progress		353.44	353.52
	(c) Investment Property	2.2	1.04	1.04
	(d) Goodwill	2.3	63.51	63.51
	(e) Other Intangible Assets	2.3	10,713.79	11,137.43
	(f) Intangible assets - under development	2.4	88.18	109.22
	(g) Financial assets			
	(i) Investments	3	0.95	0.95
	(ii) Loans	4	14.33	33.71
	(iii) Other financial assets	5	32.00	-
	(h) Income tax assets (net)		63.73	315.83
	(i) Deferred Tax Asset	6	22.28	1.08
	(j) Other Non Current Assets	7	4,260.70	3,309.77
	Total Non current Assets		15,918.61	15,678.01
II	Current assets			
	(a) Inventories	8	1,714.31	1,715.01
	(b) Financial assets			
	(i) Investments	3	1,425.90	86.64
	(ii) Trade receivables	9	20.26	21.28
	(iii) Cash and cash equivalents	10	216.75	240.90
	(iv) Other bank balances	10	621.99	445.17
	(v) Loans	4	1.25	124.39
	(vi) Other financial assets	5	23.83	31.50
	(c) Other Current Assets	7	62.82	76.24
	Total current Assets		4,087.11	2,741.13
	Total assets		20,005.72	18,419.14
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	11	188.34	188.34
	(b) Other Equity	12	(2,834.40)	(3,111.78)
	Equity attributable to equity holders of the parent		(2,646.06)	(2,923.44)
	(c) Non Controlling Interest		2,052.87	1,936.31
	Total equity		(593.19)	(987.13)
I	Non-current liabilities			
	(a) Financial liabilities			
	Borrowings	13	16,608.43	15,802.92
	other financial liabilities	14	1,060.50	861.84
	(b) Provisions	17	36.47	288.77
	(c) Other non-current liabilities	15	654.84	892.27
	Total Non-Current liabilities		18,360.24	17,845.80
II	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	948.60	625.55
	(ii) Trade payables	16	548.61	265.77
	(iii) Other financial liabilities	14	451.30	422.84
	(b) Other current liabilities	15	44.83	72.71
	(c) Provisions	17	245.33	173.60
	Total Current liabilities		2,238.67	1,560.47
	Total Liabilities		20,598.91	19,406.27
	Total equity and liabilities		20,005.72	18,419.14
	Summary of significant accounting policies	1		

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

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

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
Partner
Membership No. 030428
UDIN : 19030428AAAAM06737

S. S. JOSHI
CFO

B.S. MITKARI
Director, CEO &
Company Secretary
DIN : 03632549

B.B. HATTARKI
Director
DIN : 00145710

Pune, September 25, 2019

Pune, September 25, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

		Note No.	Year ended 31st March, 2019 Million Rs.	Year ended 31st March, 2018 Million Rs.
	Income			
I.	Revenue from operations	18	4,481.38	4,006.09
II.	Other income	19	212.37	110.74
III.	**Total revenue (I + II)**		4,693.75	4,116.83
IV.	**Expenses**			
	Changes in inventories	20	0.86	1.21
	Operational Expense	21	182.39	113.25
	Cost of sale of land and land development	22	-	-
	Employee benefit expenses	23	512.94	471.74
	Finance costs	24	2,052.75	2,084.45
	Depreciation and amortization expense	2.1 & 2.3	520.17	625.99
	Other expenses	25	477.34	410.24
	Total expenses		3,746.45	3,706.88
V.	**Profit / (Loss) before tax and exceptional items (III-IV)**		947.30	409.95
VI.	Exceptional items		(151.95)	-
VII.	**Profit / (Loss) before tax (V + VI)**		795.35	409.95
VIII.	Tax expense :			
	(a) Current tax			
	- pertaining to profit for the year		103.46	103.11
	- MAT Credit utilised in relation to earlier years		(6.80)	(12.18)
	Tax for the year		96.66	90.93
	(b) Deferred tax		(21.33)	(38.07)
			75.33	52.86
IX.	**Profit / (Loss) for the year after taxation (VII-VIII)**		720.02	357.09
X.	Adjustments relating to earlier years :			
	Excess / (Short) provision for taxation and tax payments		(0.04)	3.30
XI.	**Profit / (Loss) for the year after taxation and adjustments relating to earlier years (IX+X)**		719.98	360.39
	Other Comprehensive Income for the period (net of tax)			
	(a) Items that will not be reclassified to Profit or Loss :			
	Remeasurement of the defined benefit plans (net off tax)		(7.61)	(21.38)
	Remeasurement of financial instruments (net off tax)		0.36	0.89
	(b) Items that will be reclassified to Profit or Loss		-	-
			(7.25)	(20.49)
XIII	**Total Comprehensive income for the period Net of tax (XI + XII)**		712.73	339.90
	Profit for the year		719.98	360.39
	Attributable to:			
	Equity holders of the parent		384.02	240.43
	Non-controlling interests		335.96	119.96
			719.98	360.39
	Other Comprehensive Income for the year		(7.25)	(20.49)
	Attributable to:			
	Equity holders of the parent		(2.81)	(5.59)
	Non-controlling interests		(4.44)	(14.89)
			(7.25)	(20.48)
XII.	**Earnings per share:**			
	Basic & Diluted Rs.	26	19.11	9.57
	Summary of significant accounting policies	1		

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

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

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
Partner
Membership No. 030428
UDIN : 19030428AAAAM06737

S. S. JOSHI
CFO

B.S. MITKARI
Director, CEO &
Company Secretary
DIN : 03632549

B.B. HATTARKI
Director
DIN : 00145710

Pune, September 25, 2019

Pune, September 25, 2019

Consolidated Cash Flow Statement For The Year Ended 31st March, 2019

		31st March, 2019 Million Rs.	31th March, 2018 Million Rs.
Cash Flow from Operating Activities			
Profit Before Tax		795.35	409.95
Adjustment for:			
Depreciation		520.17	625.99
Interest Expense		2,034.63	2,057.65
Government Grants Sales Tax Deferral expense (being non cash)		18.12	26.72
Interest income		(40.13)	(24.48)
Dividend		(0.04)	(0.06)
Loss on sale of Assets		0.67	1.69
Gain on Sale of Assets, etc.		(0.02)	(0.44)
Gain on Sale of Investments		(26.66)	(39.13)
Net fair value gain on current investments at FVTPL		(31.90)	(4.60)
Government Grants Sales Tax Deferral Income (being non cash)		(18.12)	(26.72)
Operating Profit before working capital changes		3,252.07	3,026.61
Movements in Working Capital:			
(Increase) / Decrease in Inventories		0.70	1.21
(Increase) / Decrease in Trade Receivable		1.02	73.79
(Increase) / Decrease in Other Financial Asset		(14.34)	(18.19)
(Increase) / Decrease in Other Current Asset		13.40	12.96
(Increase) / Decrease in Short term loans & advances		123.14	16.22
Increase / (Decrease) in Trade Payable		282.83	54.12
Increase / (Decrease) in Other Financial Liability		189.92	(137.37)
Increase / (Decrease) in Other Liability		(27.87)	20.59
Increase / (Decrease) in Short Term Provisions		71.73	(87.02)
Operating Profit after working capital changes		3,892.60	2,962.92
Direct taxes paid (Net of Refunds)		155.39	(150.03)
Net Cash generated from Operating Activities	**(A)**	4,047.99	2,812.89
Cash Flow from Investing Activities			
Payment towards Capital Expenditure		(49.97)	(41.82)
Proceeds from sale of assets		0.09	-
Payment towards Investments		(1,318.23)	-
Proceeds from Sale of Intangible Assets		-	20.72
Payment towards Capital WIP		0.08	0.49
Payment towards Capital advances		-	(11.91)
Proceeds from Sale of Investments		26.66	188.98
Current Financial Investment (including SOCIE)		(93.21)	24.99
Interest Income		30.15	20.68
Dividend Income		0.04	0.06
Fixed Deposits placed with the banks		(176.81)	(445.17)
Net Cash generated from Investing Activities	**(B)**	(1,581.20)	(242.98)
Cash Flow from Financing Activities			
Repayment of Borrowings		1,128.57	(729.62)
Long term loans & advances		19.38	32.36
Other Non current assets		(950.94)	48.47
Provisions		(252.30)	22.40
Dividend paid		(200.79)	(101.67)
Other non-current liabilities		(237.44)	(22.88)
Interest paid		(1,997.41)	(1,898.64)
Net Cash generated from Financing Activities	**(C)**	(2,490.93)	(2,649.58)
Net Increase/ (Decrease) in cash and cash equivalents	**(A+B+C)**	(24.14)	(79.65)
Cash and cash equivalents at the beginning of the year		240.90	320.55
Cash and cash equivalents at the end of the year		216.75	240.90

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

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

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
Partner
Membership No. 030428
UDIN : 19030428AAAAM06737

S. S. JOSHI
CFO

B.S. MITKARI
Director, CEO &
Company Secretary
DIN : 03632549

B.B. HATTARKI
Director
DIN : 00145710

Pune, September 25, 2019

Pune, September 25, 2019

Consolidated Statement of Changes in Equity (SOCIE) for the year ended 31st March, 2019

Particulars	Share Capital	Other Equity									Total Before Non Controlling Interest (NCI)	Non Controlling Interest (NCI)	Total Equity
		Reserves and Surplus							Items of Other Comprehensive Income				
		Share Premium	Reserve Fund U/s 45 IC(1) of the RBI Act, 1934	Special reserve account under section 80-IA (6) of IncomeTax Act, 1961	Measurement of below market rate financial liability at fair value	Foreign currency monetary items translation difference account	General Reserve	Retained Earnings	Equity Instruments FVTOCI	Actuarial Gains / (losses) on defined benefit Plans			
Balance as at 01/04/2017	188.34	1,864.84	4.06	-	1,479.14	(120.51)	0.07	(6,558.68)	1.97	(13.95)	(3,343.06)	1,897.90	(1,256.82)
Impact of changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as on 01/04/2017	188.34	1,864.84	4.06	-	1,479.14	(120.51)	0.07	(6,558.68)	1.97	(13.95)	(3,343.06)	1,897.90	(1,256.82)
Change / Transfers During the Year	-	-	-	-	26.34	(1.58)	-	1.10	(1.10)	-	24.76	6.68	31.44
Profit for the year	-	-	-	-	-	-	-	240.43	-	-	240.43	119.97	360.40
Other comprehensive income for the Year	-	-	-	-	-	-	-	-	0.89	(6.48)	(5.59)	(14.89)	(20.48)
Total	-	-	-	-	26.34	(1.58)	-	241.53	(0.21)	(6.48)	259.60	111.76	371.36
Transactions with the owners of the Company recognised, directly in Equity													
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends including DDT								(28.32)	-	-	(28.32)	(73.35)	(101.67)
Total	-	-	-	-	-	-	-	(28.32)	-	-	(28.32)	(73.35)	(101.67)
Balance as on 31/03/2018	188.34	1,864.84	4.06	-	1,505.48	(122.09)	0.07	(6,345.47)	1.76	(20.43)	(3,111.78)	1,936.31	(987.13)
Restated Balance as on 01/04/2018	188.34	1,864.84	4.06	-	1,505.48	(122.09)	0.07	(6,345.47)	1.76	(20.43)	(3,111.78)	1,936.31	(987.13)
Change / Transfers During the Year	-	-	-	-	-	(47.68)	-	-	-	-	(47.68)	(70.31)	(117.99)
Profit for the year	-	-	-	-	-	-	-	384.02	-	-	384.02	335.96	719.98
Other comprehensive income for the Year	-	-	-	-	-	-	-	-	0.36	(3.17)	(2.81)	(4.44)	(7.25)
Total	-	-	-	-	-	(47.68)	-	384.02	0.36	(3.17)	333.53	261.21	594.74
Transactions with the owners of the Company recognised, directly in Equity													
Dividends Final	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends Interim	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends including DDT	-	-	-	-	-	-	-	(56.15)	-	-	(56.15)	(144.65)	(200.80)
Total	-	-	-	-	-	-	-	(56.15)	-	-	(56.15)	(144.65)	(200.80)
Balance as on 31/03/2019	188.34	1,864.84	4.06	-	1,505.48	(169.77)	0.07	(6,017.60)	2.12	(23.60)	(2,834.40)	2,052.87	(593.19)

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

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

For and on behalf of the Board of Directors of BF UTILITIES LIMITED
CIN : L40108PN2000PLC015323

per C. K. JOSHI
Partner
Membership No. 030428
UDIN : 19030428AAAAM06737

S. S. JOSHI
CFO

B.S. MITKARI
Director, CEO &
Company Secretary
DIN : 03632549

B.B. HATTARKI
Director
DIN : 00145710

Pune, September 25, 2019

Pune, September 25, 2019

Corporate Information:

The consolidated Ind AS financial statements comprise of BF Utilities Ltd. ("the Company" or "BFUL") and its subsidiaries (the Group) for the year ending 31st March, 2019. BF Utilities Ltd is a public company domiciled in India and incorporated on 15 September, 2000 under the provisions of the Companies Act,1956. Its shares are listed on National stock exchange and Bombay stock exchange in India. The Group is engaged in the generation of electricity through wind mills and Infrastructure activities. The Company's CIN is L40108PN2000PLC015323. The registered office of the Company is located at BF Utilities Limited Mundhwa, Pune Cantonment, Pune - 411036, Maharashtra, India.

The financial statements were authorized for issue in accordance with a resolution of the directors on 25th September, 2019.

1. **Significant accounting policies:**

   a. **Statement of compliance**

   The consolidated Ind AS Financial Statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as per Companies (Indian Accounting Standards) Rules 2015 notified under section 133 of the Companies Act, 2013 ("The Act") and other relevant provisions of the Act.

   b. **Overall Considerations**

   The Financial Statements have been prepared using the Significant Accounting Policies and Measurement bases that are in effect as at 31 March 2019. The Accounting Policies used in the preparation of financial statements are consistent with that of previous year.

   c. **Basis of Preparation**

   These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

   The consolidated Ind AS financial statements have been prepared on an accrual basis and under historical cost convention, except Defined benefit Plan - Plan assets and certain financial Assets & Liabilities which are measured at fair value (refer accounting policy regarding financial instruments). The accounting policies are consistently applied by the group during the year and are consistent with those used in previous year.

   d. **Basis of Consolidation**

   The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

   - Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
   - Exposure, or rights, to variable returns from its involvement with the investee, and
   - The ability to use its power over the investee to affect its returns

   Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

   - The contractual arrangement with the other vote holders of the investee
   - Rights arising from other contractual arrangements
   - The Group's voting rights and potential voting rights
   - The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

   The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedure:

The consolidated Ind AS financial statements of the Company and its subsidiaries ("the Group") for the year ended March 31, 2019 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Ind AS Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Company for its separate financial statements.

The Company consolidates entities which it owns or controls. The consolidated Ind AS financial statements comprise the financial statements of the Company, its subsidiaries as disclosed below.

Control exists when the parent -

- has power over the entity,
- is exposed or has rights to variable returns from its involvement with the entity and
- has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Company and its subsidiary companies have been combined by adding together the like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.

The excess of the cost to the Company of its investment in a subsidiary and the Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated Ind AS financial statements.

The excess of the Company's portion of equity of the subsidiary over the cost of investment in the subsidiary is treated as capital reserve in the consolidated financial statements.

Goodwill arising on consolidation is not amortized. It is tested for impairment on a periodic basis and written off if found impaired.

The consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements.

The consolidated Ind AS financial statements are presented in the same manner as the Company's separate financial statements.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The subsidiary companies considered in consolidated Ind AS financial statements are as follows:

Name of the subsidiary and Country of Incorporation	Ownership Percentage as at	
	March 31, 2019	March 31, 2018
Nandi Infrastructure Corridor Enterprises Ltd. (NICE) - India	**74.52 %**	74.52 %
Nandi Highway Developers Ltd.(NHDL) - India	**69.53 %**	69.53 %
Nandi Economic Corridor Enterprises Ltd. * (NECE) - India	**40.41 %**	40.41 %
Avichal Resources Private Ltd. - India	**100.00 %**	100.00 %

* held through subsidiary

Statutory group information is provided in Annexure A.

e. Significant accounting judgements, estimates and assumptions

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

f. Critical Estimates and Judgements

Useful lives of depreciable/amortizable assets

Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.

Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate evaluation model is used.

Recoverability of advances/receivables - At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Evaluation of indicators for impairment of assets - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Service concession arrangements (SCA)

The evaluation of applicability of SCA requires the Management to assess whether the group has right to operate the asset/infrastructure or has ownership of the asset. The Management among other factors considers who regulates the prices and controls residual interest in the asset for determining application of guidance relating to SCA.

Defined Benefit Obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Provisions

Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Estimate of current and deferred tax

The group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the group and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the group operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the statement of profit and loss and tax payments.

g. Property, Plant and Equipment

Recognition and Measurement

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). Internally manufactured property, plant and equipment are capitalised at cost, including non-cenvatable excise duty (blocked ITC credit under GST), wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components, other than Furniture & Fixtures and Vehicles is computed on straight line method, and in case for the Company for Furniture & Fixtures and Vehicles on written down value method based on useful lives, determined based on internal technical evaluation as follows:

Assets	Useful lives
Building	24 to 60 Years
Plant & Machinery	10 to 22 Years
Electrical Installation	10 Years
Computers and mobile phones	3 to 6 Years
Testing Meters	5 Years
Furniture & Fixtures	10 Years
Tools and equipments	10 Years
Office Equipments	5 Years
Vehicles	8 to 10 Years

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

De-recognition / Disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. **Intangible assets**

Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

Toll road assets, created under Build, Own, Operate and Transfer ("BOOT") model is considered as intangible asset since the asset will be transferred to GoK at the end of the concession period. 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), borrowing cost if capitalization criteria are met and any directly attributable expenditure for making the asset ready for its intended use and net of any trade discounts and rebates.

Amortisation

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset, as provided by another Ind-AS.

The summary of amortization policy applied to the group's intangible assets is as below:

Type of asset	**Life (years)**
Computer software	3

- Solely for purposes of amortisation of the toll road assets, the group has considered a period of 26 to 40 years from the initial financial closure.
- The amortisation is provided on the systematic basis over the above-mentioned period.

De-recognition / Disposal

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the net carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred.

Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Such capitalized expenditure is reflected as intangible under development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

i. Investment in subsidiaries and joint ventures

The group has accounted for its investment in subsidiaries and joint ventures at cost less accumulated impairment.

j. Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months (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) as its operating cycle.

k. Financial Instruments

In accordance with Ind AS 101 provisions related to first time adoption, the group has elected to apply following exceptions/exemptions prospectively from April 1, 2016.

- Classification and measurement of financial assets have been done based on facts and circumstances existed on transition date.
- Elected to continue carrying value of equity instruments in subsidiaries, associates and jointly controlled entities as deemed cost on transition date.
- De-recognition of financial assets and financial liabilities have been applied prospectively.
- Applied the requirements of relating to accounting for difference between fair value of financial asset or financial liability from its transaction price of Ind-AS 109 prospectively.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments not held for trading, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS11 and Ind-AS 18

d) Loan commitments which are not measured as at FVTPL

e) Financial guarantee contracts which are not measured as at FVTPL

The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

- The balance sheet presentation for various financial instruments is described below:

  Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

  ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l. Fair value measurement

The group measures financial instruments at fair value on initial recognition. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Please refer to Note No 31.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

m. **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT)

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

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12- Income Taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

n. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. In respect of NECE Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

Amendment to Ind AS 23 Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact related to this amendment.

o. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the group has determined whether the arrangements contain a lease on the basis of facts and circumstances existing on the date of transition.

Finance leases

Assets acquired on lease which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the company with expected inflationary costs.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the group's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

Group as a lessor

Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the same is in line with inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Ind AS 116 Leases:

On March 30,2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expediments are available under the both methods.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. Group is currently evaluating the effect of this amendment on the financial statements.

p. Inventories

Stock of land and related developments are valued at lower of cost and net realizable value. Cost is the aggregate of land cost and development cost which includes materials, contract works, direct expenses and apportioned borrowing costs. Cost of inventories have been computed to include all cost of purchases, cost of conversion and other cost incurred in bringing the inventories of their present location and condition.

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

Costs are determined on unsold Certified 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. The cost is assigned to inventories on First in First Out (FIFO) basis. This CERs and RECs are valued at lower of cost or net realisable value.Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

q. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cashflow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Intangible assets under development are tested for impairment annually. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

r. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the group's cash management.

s. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

t. Provisions

A provision is recognized when the group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value (unless the effect of time value of money is material) and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets, if any, are disclosed in the notes to accounts.

u. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of land - Revenue from sale of land is recognised when all significant risks and rewards of ownership of land is transferred to the buyer and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Toll collections - Income from toll collections is recognised on the basis of actual collection.

Construction revenue and construction expenses - Construction revenue from contracts covered under service concession agreements are recognised in line with the Appendix A to Ind AS 11 - Service Concession Arrangements. Under Appendix A to Ind AS 11 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the operator receives a right (i.e. a concessionaire) to charge users of the public service.

Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on the basis of electricity wheeled into MSEB grid and jointly certified.

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

Claims / Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income from investments is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in other income in the statement of profit and loss.

Ind AS 115 - Revenue from contracts with customers

MCA has notified Ind AS 115 - Revenue from contracts with customer, mandatorily applicable from 1 April 2018. The standard requires the company to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is evaluating the requirements of the new standard and the effect on the financial statements is being evaluated.

v. **Foreign currencies**

The group's financial statements are presented in INR, which is also its functional currency.

Transactions and Translations

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the group's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

w. **Post-employment and other employee benefits**

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Provident fund

Provident fund is a defined contribution plan covering eligible employees. The group and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The group has no obligation, other than the contribution payable to the provident fund.

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.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet as asset/liability with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income

Superannuation

Superannuation is a defined contribution plan covering eligible employees. The contribution to the superannuation fund managed by the insurer is equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contribution to this scheme is charged to the statement of profit and loss on an accrual basis. There are no other contributions payable other than contribution payable to the respective fund.

Privilege Leave Benefits

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

Amendment to Ind AS 19- Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

x. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The group does not recognize a contingent liability but discloses its existence in the financial statements.

y. Dividend to equity holders of the group

The group recognises a liability to make cash or non-cash distributions to equity holders of the group when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

z. Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets/ liabilities".

aa. Earnings per share

The group reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) 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 or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. In respect of NECE Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share (or increase net loss per share) from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2019 :

2.1 Property, Plant, Equipment (PPE) :

(Million Rs.)

Sr. no.	Particulars	Gross block				Depreciation				Net block	
		As at 1/04/2018	Additions during the year	Deductions during the year	As at 31/03/2019	Up to 1/04/2018	On deductions & adjustments	For the year	Up to 31/03/2019	As at 31/03/2019	As at 31/03/2018
1	Land	32.93	-	-	32.93	-	-	-	-	32.93	32.93
2	Building	101.08	1.19	-	102.27	26.79	-	3.93	30.72	71.55	74.29
3	Plant & Machinery	1,228.32	1.16	1.09	1,228.39	1,061.93	0.90	38.99	1,100.02	128.37	166.39
4	Electrical Installation	40.70	-	-	40.70	11.59	-	5.11	16.70	24.00	29.11
5	Tools & Equipments	2.76	-	-	2.76	1.27	-	0.30	1.57	1.19	1.49
6	Furniture & Fixtures	18.95	8.61	0.49	27.07	12.03	0.44	2.14	13.73	13.34	6.92
7	Computers etc.	8.61	4.75	2.69	10.67	4.23	2.56	2.00	3.67	7.00	4.38
8	Office Equipments	15.72	1.61	4.05	13.28	9.73	3.76	2.01	7.98	5.30	5.99
9	Vehicles	53.94	0.75	1.48	53.21	23.49	1.41	10.15	32.23	20.98	30.45
	Total A	**1,503.01**	**18.07**	**9.80**	**1,511.28**	**1,151.06**	**9.07**	**64.63**	**1,206.62**	**304.66**	**351.95**
	Previous period Total	1,491.10	11.91	-	1,503.01	1,087.67	2.76	66.15	1,151.06	351.95	403.43

Details of Property, Plant and Equipment pledged are given in note no 13 - Borrowings

Note: Refer Significant accounting policies referred to in note no. 1

2.2 Investment Property

Particulars	(Million Rs.)
Gross Carrying amount *	
At 01 April 2018 (Deemed cost)	1.04
Additions	-
Disposals	-
Gross carrying amount at 31 March 2019	**1.04**
Accumulated depreciation	
At 01 April 2018	-
Depreciation charged during the year	-
Depreciation on disposal	-
Accumulated depreciation at 31 March 2019	**-**
Net carrying amount	
At 31 March 2019	1.04
At 31 March 2018	1.04

2.3 Other Intangible Assets

(Million Rs.)

Particulars	Goodwill	Rights to Operate Toll Roads	Software	Total
Cost or valuation				
At 1 April 2017	63.51	12,703.68	0.16	12,703.84
Additions	-	-	0.03	0.03
At 31 March 2018 (Total)	63.51	12,703.68	0.19	12,703.87
Additions	-	31.91	-	31.91
At 31 March 2019 (Total)	63.51	12,735.59	0.19	12,735.78
Amortisation and impairment				
At 1 April 2017	-	1,006.46	0.15	1,006.61
Additions	-	559.83	-	559.83
At 31 March 2018	-	1,566.29	0.15	1,566.44
Additions	-	455.54	0.01	455.55
At 31 March 2019	-	2,021.83	0.16	2,021.99
Net book value				
At 31 March 2019	63.51	11,137.39	0.03	10,713.79
At 31 March 2018	63.51	10,713.77	0.03	11,137.43

2.4 Intangible Assets under Development

Intangible Assets Under development :	(Million Rs.)
Cost	
as at 1 April 2017	**85.00**
Additions	**24.22**
Deductions	-
as at 31 March 2018	**109.22**
Additions	-
Deductions	**21.04**
as at 31 March 2019	**88.18**
Amortisation and impairment	
as at 1 April 2017	-
Additions	-
Deductions	-
as at 31 March 2018	-
Additions	-
Deductions	-
as at 31 March 2019	-
Net Block	
as at 31 March 2019	**88.19**
as at 31 March 2018	**109.22**

3 **Investments**

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Non Current Investment		
Investment in others		
Investment in Government Security/ Trust	0.01	0.01
6,251 (31 March, 2018 : 6,251) Equity shares of Rs. 10/- each fully paid up in Nandi Engineering Limited	0.06	0.06
25,000(31 March, 2018 : 25,000) Equity shares of Rs. 10/- each fully paid up in SKH Metals Ltd.	0.88	0.88
Total Non Current Investments	0.95	0.95
Current Investment		
Investments in Bonds (Quoted)		
1 (31 March, 2018 : 1) 10.70% Tata Motors Finance Ltd., Bonds 2020	0.52	0.52
1 (31 March, 2018 : 1) 11.30% IDBI Bank Bonds	-	1.04
2 (31 March, 2018 : 2) 11% Power Finance Corporation Bonds	-	2.09
2 (31 March, 2018 : 2) 10.40% Vijaya Bank Perpetual Bonds	2.05	2.05
	2.57	5.70
Investments in Mutual funds (Quoted)		
Carried at fair value through profit or loss (FVTPL)		
IDFC cash fund-growth (Direct Plan) 280,491.962 units (31 March 2018 - 30,376)	635.74	64.10
- BOI- AXA liquid fund growth [36171.296)31 March 2018 Nil) units	77.93	-
- BOI- AXA Ultra IB (71,741.087)31 March 2018 Nil) units	164.63	-
- BOI- Arbitrage Fund-Growth (13,794,168.971) 31 March 2018 Nil) units	144.53	-
- BOI- AXA Arbitrage Fund-DSRA (3,972,583.194) (31 March 2018 Nil) units	41.62	-
- BOI- AXA Ultra Short duration fund-Growth (142,853.285) (31 March 2018 Nil) units	327.81	-
- BOI AXA Liquid fund growth (12,633.416 units) (31 March 2018 - 6,726)	27.22	13.47
	1,419.48	77.57
Investment in Equity Shares (Quoted)		
300 (31 March, 2018) equity shares of Rs. 10/-each fully paid up in Metalyst Forging Ltd.#	-	0.01
800 (31 March, 2018 : 400) equity shares of Rs. 10/-each fully paid up in MM Forging Ltd.	0.43	0.42
100 (31 March, 2018 : 100) equity shares of Rs. 10/-each fully paid up in EL Forge Ltd.	-	-
84 (31 March, 2018 : 84) equity shares of Rs. 10/-each fully paid up in Finolex Industries Ltd.	0.04	0.05
140 (31 March, 2018 : 140) equity shares of Rs. 10/-each fully paid up in Hindalco Industries Ltd.	0.03	0.03
112 (31 March, 2018 : 112) equity shares of Rs. 10/-each fully paid up in NIIT Technologies Ltd.	0.15	0.10
10,800 (31 March, 2018 : 10,800) equity shares of Rs. 10/-each fully paid up in ITC Ltd.	3.20	2.76
	3.85	3.37
Total current investments	1,425.90	86.64
Total Investments	1,426.85	87.59

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

Details of quoted/ unquoted instruments :

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
(a) Aggregate amount of quoted investments and market value thereof;		
Book Value	1,425.90	86.63
Market Value	1,425.90	86.63
(b) Aggregate amount of unquoted investments		
Book Value	0.95	0.95

4 **Loans - Non-Current**

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Security Deposits	13.62	9.13
Inter-corporate deposits		
- considered good	-	24.00
- considered doubtful	5.54	-
Less: Provision for doubtful advances	(5.54)	-
	-	24.00
Advances to related parties		
- considered good	0.71	0.58
- considered doubtful	694.62	694.62
Less: Provision for doubtful advances	(694.62)	(694.62)
Total loans- non current	14.33	33.71

Loans - Current

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Unsecured, considered good		
Loans and advances to Employees	1.25	1.09
Excess managerial remuneration paid to the Managing Director of the Company	-	123.30
Total loans- current	1.25	124.39
Total loans	15.58	158.10

The intercorporate deposit has been provided to Nandi Engineering Limited (NEL) at an interest rate of 13% p.a. and is secured by the personal guarantee and immovable property of the MD of NECE. The deposit has been provided to NEL towards general corporate purposes.

5 **Other financial assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Non-current		
Balances with Banks	32.00	-
Total non current financial assets	32.00	-
Current		
Energy credit receivable	9.50	4.70
Interest receivable	14.33	4.35
Other receivable	-	22.45
Total current financial assets	23.83	31.50
Total	55.83	31.50

6 Deferred tax Assets (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
I Deferred tax assets :		
On account of timing difference		
a) Other Disallowance u/s 43B of Income Tax Act, 1961	24.92	29.11
b) Financial Assets/ Liabilities	41.41	34.30
	66.33	63.41
II Deferred tax liabilities :		
On account of timing difference		
a) Depreciation	33.14	43.68
b) Financial Assets/ Liabilities	10.91	18.65
	44.05	62.33
Deferred tax Asset (Net) (I - II)	22.28	1.08

7 Other Assets

Particulars		As at 31st March, 2019	As at 31st March, 2018
		Million Rs.	Million Rs.
Non-current			
Capital Advances	(a)	143.62	143.62
Advances Towards land acquisition and projects			
Considered Good		4,073.09	3,120.54
Considered Doubtful		34.05	68.05
Sub-Total		4,107.14	3,188.59
(-) Provision		(34.05)	(68.05)
Total	(b)	4,073.09	3,120.54
Capital Advances to Related Parties			
Considered Good		-	-
Considered Doubtful		532.62	532.62
Sub-Total		532.62	532.62
(-) Provision		(532.62)	(532.62)
Total	(c)	-	-
Advance to Suppliers/ Service Providers			
Considered Good		43.99	45.61
Considered Doubtful		71.39	72.82
Sub-Total		115.38	118.43
(-) Provision		(71.39)	(72.82)
Total	(d)	43.99	45.61
Total other non current assets (a to d)		4,260.70	3,309.77
Current			
Balance with statutory / Government authorities		0.06	-
Prepaid expenses		28.20	37.16
Duties and Taxes Receivable		0.99	-
Advances to suppliers/ service providers			
- considered good		28.23	35.19
- considered doubtful		0.97	42.02
		29.20	77.21
Less: Provision for doubtful advances		(0.97)	(42.02)
		28.23	35.19
Other advances		5.34	3.89
Total other current assets		62.82	76.24
Total		4,323.52	3,386.01

8 Inventories

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Stock of renewable energy certificates (RECs) (Refer note below)	-	-
Stock of consumables, stores and spares	0.74	1.60
Land & Related Development Costs	1,713.57	1,713.41
Total	1,714.31	1,715.01

Note: Quantitative details of Stock

Sr. no.	Description	Units	Units
1	No. of RECs held as inventory	-	-
2	No. of consumables, stores and spares	480	646

9 Trade receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Unsecured, considered good*	-	-
Unsecured, considered doubtful	-	-
	-	-
Less : Provision for doubtful receivables		
	-	-
Others		
Unsecured, considered good*	20.26	21.28
Unsecured, considered doubtful	-	-
	20.26	21.28
Less : Provision	-	-
	20.26	21.28
Total	20.26	21.28

*Includes dues from related parties

10 Cash & bank balances :

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
i) Cash & cash equivalents		
Cash on hand	34.19	22.04
Balances with banks - in current accounts	182.56	216.86
Fixed Deposits (original maturity less than three months)	-	2.00
	216.75	240.90
ii) Other Bank Balances		
Fixed Deposits (original maturity more than three months but less - twelve months from date of balance sheet)	314.59	240.10
Fixed Deposits (original maturity more than three months but less - twelve months)	307.40	205.07
Total	838.74	686.07

11 Equity Share capital :

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Authorised		
60,000,000 (31 March, 2018 : 60,000,000) Equity shares of Rs. 5/- each	300.00	300.00
Issued, subscribed & fully paid up		
37,667,628 (31 March, 2018 : 37,667,628) Equity shares of Rs. 5/- each	188.34	188.34
Total	188.34	188.34

11(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 March, 2019		As at 31 March, 2018	
	No. of shares	Million Rs.	No. of shares	Million Rs.
At the beginning of the year	37,667,628	188.34	37,667,628	188.34
Issued /(reduction) if any during the year	-	-	-	-
Outstanding at the end of the year	37,667,628	188.34	37,667,628	188.34

11(b) Terms / rights attached to equity shares

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

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

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

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

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

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

11(e) Details of shareholder holding more than 5% shares in the Company

Name of the shareholder*	Equity shares			
	As at 31 March, 2019		As at 31 March, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Ajinkya Investment & Trading Company	6,648,886	17.65	6,648,886	17.65
Kalyani Investment Company Ltd.	6,195,046	16.45	6,195,046	16.45
KSL Holdings Pvt. Ltd.	4,353,472	11.56	4,353,472	11.56

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

12 Other equity

Particulars		As at 31st March, 2019	As at 31st March, 2018
		Million Rs.	Million Rs.
Items of Other Comprehensive Reserve			
Equity Instruments FVTOCI			
Opening Balance		1.76	1.97
Add / (Less) Change -		0.36	0.89
Transfer to Retained Earnings		-	(1.10)
Closing Balance	(a)	2.12	1.76
Actuarial Gains / (losses) on defined benefit Plans			
Opening Balance		(20.43)	(13.95)
Add / (Less) Change -		(3.17)	(6.48)
Closing Balance	(b)	(23.60)	(20.43)
Surplus in statement of profit & loss :			
As per last financial statement		(6,345.47)	(6,558.68)
Trf from OCI		-	1.10
Add / (less): Net profit / (net loss) for the year		384.02	240.43
Less : DDT		(56.15)	(28.32)
	(c)	(6,017.60)	(6,345.47)
Share Premium			
Opening Balance		1,864.84	1,864.84
Add / (Less) Change -		-	-
Closing Balance	(d)	1,864.84	1,864.84
Reserve Fund U/s 45 IC(1) of the RBI Act, 1934			
Opening Balance		4.06	4.06
Add / (Less) Change -		-	-
Closing Balance	(e)	4.06	4.06
General Reserve			
Opening Balance		0.07	0.07
Add / (Less) Change -		-	-
Closing Balance	(f)	0.07	0.07
Measurement of below market rate financial liability at fair value			
Opening Balance		1,505.48	1,479.14
Add / (Less) Change -		-	26.34
Closing Balance	(g)	1,505.48	1,505.48
Foreign currency monetary items translation difference account			
Opening Balance		(122.09)	(120.51)
Add / (Less) Change -		(47.68)	(1.58)
Closing Balance	(h)	(169.77)	(122.09)
Total	(a to h)	(2,834.40)	(3,111.78)

13 Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Non-current borrowings		
Secured Loans		
Term Loan From Axis Finance Ltd (NHDL)	**882.08**	-
The Facility together with all Interest, Default Interest, all other costs, charges, expenses, fees or amounts payable to the Lender, the Security Trustee and the Escrow Bank under the Finance Documents shall be secured by the following security ("Security"):		
<u>Repayment:</u> Repayable in 16 equal quarterly instalments starting from June 30, 2019. Rate of Interest 10.70%.		
<u>Security:</u>		
(a)A Security Interest by way of first and exclusive ranking mortgage over the identified non-agricultural land parcel admeasuring approximately 45 acres situate at Bengaluru-Mysuru Infrastructure Corridor (NECE Road), Bangalore owned by the Security Provider, including all the structures thereon both present and future.		
(b) (the properties in clause (a) are hereinafter referred to as the "Mortgaged Property")		
(c) A Security Interest by way of first & exclusive charge on both present and future current assets of the Borrower;		
(d)A Security Interest by way of first & exclusive charge and escrow over the cash flows of the Borrower;		
(e)A Security Interest by way of first & exclusive charge on the Escrow Account, Interest Service Reserve, Major Maintenance Reserve, Retention Monies, etc. and other reserves and any other bank accounts of Borrower wherever maintained;		
(f) A Security Interest by way of assignment of all the Borrower's rights, title, interest, benefits, claims and demands as stipulated: a. in the Project Documents (including but not limited to the Concession Agreement): b. in the permits, approvals and clearances pertaining to the Project; and in any letter of credit, guarantee, performance bond provided by any party to the Project Documents; and c. all insurance contracts/ insurance proceeds pertaining to the project;		
(g)A Security Interest by way of first and exclusive pledge of 69.5% unencumbered fully paid up equity shares of the Borrower held by BFUL;		
(h)Corporate guarantee by the Guarantor;		
(i) Corporate guarantee by the Security Provider to the extent of the Mortgaged Property offered as a security;		
Term Loan from other banks (NECE)	**10,695.22**	10,948.73
Term loan from others (NECE)	-	-
Term loans from banks and others (together referred to as Senior Lenders): During the financial year 2014-15, on the request from NECE, the Senior Lenders of the long term loans have refinanced the respective loans provided to NECE. Post refinancing, the total term loans taken by NECE has been split into 4 Facilities as given below:	**3,960.26**	3,856.15
<u>Facility 1</u> : Million Rs. 9220.22 (Previous year - Million Rs. 9503.73)		
- Repayable in 50 unequal quarterly instalments from June 2017 to September 2029.		
The interest on above term loans from banks are linked to the respective banks base rates. — **31 March 2019: 9.75% to 11%**; 31 March 2018: 9.75% to 11%		

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Facility 2 : Million Rs. 1590.00 (Previous year- Million Rs. 1590.00) - Repayable in one single payment on September 2029. The interest on above term loans from banks are linked to the respective banks base rates. 31 March 2019: **10.25% to 11.50%**; 31 March 2018: 10.25% to 11.50% Facility 3 : Million Rs. 2245.26 (Previous year- Million Rs. 2111.15) - Repayable in 38 unequal instalments from June 2022 to September 2031. The interest on above term loans from banks are linked to the respective banks base rates. 31 March 2019: **6.82%**; 31 March 2018: 6.32% Facility 4 : Million Rs. 1600.00 (Previous year- Million Rs. 1600.00) - Repayable in 38 unequal instalments from June 2022 to September 2031. The interest on above term loans from banks are linked to the respective banks base rates. 31 March 2019: **14.5%**; 31 March 2018: 14.5% Security: Term loan from banks and from others is secured by a first charge: - by way of mortgage of land, buildings and all fixed Assets both present and future. - on all the movable properties of NECE. - on all the right, title, interest, benefit, claims and demands, whatsoever of NECE in respect of project documents, including all guarantees and bonds received by NECE. - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of NECE. The term loan is also secured by pledge of shares held by NICE in NECE. As additional comfort security to lenders of Facility 3 and Facility 4, a First ranking pari passu pledge over 1.15% of the Shares of NECE held by Jaypatri Investments Private Limited has also been created.		
(a)	**15,537.56**	14,804.88
Unsecured Loans		
7% Cumulative Redeemable Preference shares of Rs.10/- each (issued by NICE)	**513.04**	452.02
As per the initial repayment terms, 7% cumulative redeemable preference shares are due for redemption within 7 years i.e. as at 26 March 2017. However, as at 31 March 2017, the terms of redemption were revised for further one year (i.e. 26 March 2018). Further, vide board resolution passed at 131st meeting of the board of directors of NICE held on 28 February 2018 the terms of repayment has been further extended for a period of 2 years, i.e. from 26 March 2018 to 25 March 2020.		
7% Cumulative Redeemable Preference shares of Rs.10/- each (issued by NECE)	**314.50**	277.19
These are not redeemable until the entire "Senior Loan"(i.e. the aggregate amount of rupee term loans from banks and financial institutions) is paid in full with all interest, premium and other sums as may be payable in respect thereof and a full, unconditional and complete discharge is given by the senior lenders.		

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Sales tax deferral obligation collected under Government of Maharashtra package scheme of incentive by a beneficiary under an arrangement	70.60	137.99
Interest free loan from related parties (unsecured)	522.03	430.24
(b)	1,420.17	1,297.44
(a + b)	16,957.73	16,102.32
Amount included in "current borrowings" (unsecured)	(349.30)	(299.40)
Total Non current Borrowings	16,608.43	15,802.92
Current borrowings		
Current maturities of long term borrowings(unsecured)	726.87	402.25
Loan from others (unsecured)	221.73	223.30
Total current Borrowings	948.60	625.55

13(a) Sales tax deferral - Repayment Schedule

Year for repayment	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
2018-19	-	102.85
2019-20	77.57	77.57
2020-21	52.29	52.29
2021-22	31.92	31.92
2022-23	13.20	13.20

14 Other financial liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Other Non current financial liabilities		
Interest accrued on borrowings but not due	648.04	496.06
Advances received towards sale of land and joint development agreements	412.46	365.78
Total other non current financial liabilities	1,060.50	861.84
Other Current financial liabilities		
Capital creditors	10.10	10.10
Interest free security deposit received from related party	210.00	210.00
Interest accrued on borrowings	207.29	170.08
Security Deposits	3.36	8.79
Retention Money	4.51	8.43
Other payables (including payable to superannuation trust)	16.04	15.44
Total other current financial liabilities	451.30	422.84
Total other financial liabilities	1,511.80	1,284.68

15 Other liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Other Non current liabilities		
Other Long Term Liabilities	13.23	3.53
Advances received towards sale of land and joint development agreements	219.64	462.15
Deferred revenue	407.72	407.72
Sales tax deferral revenue - Government grants	14.25	18.87
Total - other non current liabilities	654.84	892.27
Other current liabilities		
Sales tax deferral revenue - Government grants	12.56	18.12
Payable for Purchase of Fixed Assets	0.93	0.93
Director's commission payable	8.00	-
Statutory dues payable including tax deducted at source	23.34	53.66
Total - other current liabilities	44.83	72.71
Total Other liabilities	699.67	964.98

Refer Schedule 11(a) for repayment schedule and terms for sales tax deferral

16 Trade payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Total outstanding dues other than micro & small enterprises	548.61	265.77
Dues to micro & small enterprises	-	-
Total Trade payable	548.61	265.77

Note :

On the basis of information available with the group, 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. This information regarding micro and small enterprises has been determined to the extent such parties have been identified, on the basis of information available with the group.

17 Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Provisions - Non-current		
Provision for employee benefits :		
Gratuity	29.42	38.81
Leave encashment	7.05	5.92
Others	-	244.04
Total Provision Non-Current	36.47	288.77
Provisions - Current		
Provision for employee benefits :		
Leave encashment	79.48	65.82
Gratuity	1.24	1.75
Other provisions :		
Statutory provision	1.18	1.09
Provision for major maintenance expenses	74.53	-
Electricity duty	86.38	103.66
Wheeling & transmission charges	2.52	1.28
Total Provision Current	245.33	173.60
Total Provision Current & Non-Current	281.80	462.37

18 Revenue from operations

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Wind power generated	149.11	72.45
Renewable energy certificate units (REC)	28.94	76.08
Revenue from Toll Operations	4,299.28	3,833.91
Construction Revenue	4.05	23.65
Total	4,481.38	4,006.09

19 Other income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Dividend received	0.04	0.06
Interest on bank fixed deposits and bonds	38.29	19.38
Interest from Others	1.84	5.10
Profit on sale of intangible asset under development	-	0.44
Provision no longer required	78.11	-
Government Grants Sales Tax Deferral Income	18.12	26.72
Gain on Sale of Investments	26.66	39.13
Profit on sale of assets	0.02	-
Net fair value gain on current investments at FVTPL	31.90	4.60
Parking fees	4.28	3.70
Rental Income	12.00	10.26
Miscellaneous income	1.11	1.35
Total	212.37	110.74

20 Changes in inventories

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
(Increase) / decrease in inventory:		
Closing stock	0.74	1.60
Opening sock	1.60	2.81
Total	0.86	1.21

21 Operational Expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Land lease rent	19.29	18.78
Road Repairs and Maintenance	163.10	94.47
Total Operational Expenses	182.39	113.25

22 Cost of Sale of Land & Land Development

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Opening stock	1,713.41	1,713.41
Add: Cost of purchase of land an land development cost incurred	0.16	-
	1,713.57	1,713.41
Less: Closing stock	(1,713.57)	(1,713.41)
Total	-	-

23 Employee benefit expense

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Salaries, allowances etc.	430.23	391.99
Contribution to provident & other funds	66.14	62.50
Staff welfare expenses	16.57	17.25
Total	512.94	471.74

24 Finance costs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Interest on loans	1,860.74	1,933.13
Interest on electricity duty	5.76	8.32
Interest on Sales Tax deferral Liabilities (unwinding)	18.12	26.72
Interest on shortfall of advance tax	0.55	0.67
Interest on major maintenance expenses	48.45	-
Bank charges/ Other Borrowing Costs	119.13	115.61
Total	2,052.75	2,084.45

25 Other expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Million Rs.	Million Rs.
Operating expenses		
Operations, maintenance & CDM expenses	23.58	16.56
Design and engineering	14.53	15.01
Construction expense	4.05	23.65
Termination of Development Contract	40.52	20.00
Insurance	1.12	1.12
Electricity duty	18.41	8.46
Electricity water charges	2.07	1.95
Cross Subsidy	36.33	20.25
Open Access - Wheeling charges	2.62	1.24
Open Access - Transmission charges	7.48	4.14
Open Access - Other charges	28.03	14.86
Telephone & Communication	2.59	3.48
Other operating expenses	2.57	2.80
(A)	183.90	133.52
Administrative expenses		
Insurance - others	3.98	3.87
Rent	0.10	0.24
Rates & taxes	2.84	3.41
Repairs & maintenance (Machinery)	6.03	3.90
Repairs & maintenance (Building)	3.94	1.13
Repairs & maintenance (others)	16.97	19.01
Director's sitting fee & Commission	8.16	0.10
Payment to auditors :		
Audit fee	4.85	4.93
Tax audit fee	0.54	0.54
Reimbursement of expenses	0.01	0.03
Foreign currency exchange loss	0.02	-
Travel & Conveyance	32.54	28.33
Security Charges	60.70	61.38
Corporate Social Responsibility Expenditure	-	5.10
Amortisation of premium on bonds	0.12	-
Asset written off	-	1.27
Provision for doubtful advances	5.54	-
Loss on Fixed Asset Sold	0.67	1.69
Printing and stationery	6.44	4.22
Listing and Custodial charges	1.19	3.49
Advertisement and business promotion	2.26	5.24
Miscellaneous expenses including	-	0.02
postage, travelling, telephone etc.	29.04	26.69
Professional & consultancy expenses	107.50	102.13
(B)	293.44	276.72
Total (A)+ (B)	477.34	410.24

26 Earnings per share (EPS)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Numerator for basic and diluted EPS		
Net profit attributable to shareholders	719.98	360.39
Weighted average number of equity shares	37,667,628	37,667,628
Basic earnings per share of face value of Rs. 5/- each	19.11	9.57
Diluted earnings per share of face value of Rs. 5/- each	19.11	9.57

28. Contingent Liabilities and commitments

Particulars of Contingent liabilities		As at 31st March, 2019	As at 31st March, 2018
		Million Rs.	Million Rs.
1	As at the Balance sheet date, there are various cases pending against NECE challenging the execution of the BMICP (the 'Project') which can be categorised under the following broad heads:		
	a) Land acquisition and allotment related		
	b) Litigation against layout approvals		
	c) Enhanced compensation.		
	NECE has been legally advised that none of these pending litigations or threatened litigation is likely to affect the execution of the Project. The Management of NECE believes that aforesaid litigations will not have any material impact upon the financial statements.	709.34	781.18
2	Estimated Amounts of Contracts remaining to be executed on capital account and not provided for (net of advances)		
	i. in respect of BUFL	-	0.13
	ii. In respect of NECE	171.71	177.53
3	Guarantee given by the Company on behalf of another company	-	-
4	Others	0.68	0.10

As regards NECE -

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

(ii) NECE has received claims from certain suppliers for payment of statutory dues aggregating to Rs. 460.64 Million (31 March 2018: Rs. 460.64 Million) as at 31 March 2019. NECE has not acknowledged them as debt and is in discussion with vendors. The Management believes that even if the aforesaid amounts are paid by NECE, they will be reimbursed by the Government; hence claims will not have any material impact upon the financial statements.

In respect of Managerial Remuneration paid by NECE:

During the year ended March 31, 2016, NECE's application for seeking approval of remuneration to the Managing Director of NECE for the period December 1, 2013 to November 30, 2016, has been rejected by the Ministry of Corporate Affairs ("MCA") vide its letter dated January 20, 2016. The letter also alleges that the MCA's approval of the remuneration to the Managing Director of NECE for the period December 1, 2010 to November 30, 2013 has been tampered with.

In the absence of the original approval from the MCA for the period December 1, 2010 to November 30, 2013, NECE has, based on a reading of the communications with the MCA on the above subject and the MCA's letter dated January 20, 2016, inferred that the managerial remuneration approved by the MCA for the period December 1, 2010 to November 30, 2013 was a sum of Rs. 14.72 Million per annum.

Accordingly, NECE has determined that excess managerial remuneration paid for the period December 1, 2010 to November 30, 2013 amounted to Rs. 130.99 Million. In addition, for the period December 1, 2013 to March 31, 2014, based on the effective capital of NECE in terms of Schedule XIII to the Companies Act, 1956, NECE has determined that Rs. 17.86 Million was the remuneration in excess of the limits specified in the said Schedule. The aforesaid excess remuneration aggregating to Rs.148.86 Million was reversed in the Consolidated Statement of Profit and Loss under Exceptional items and NECE is in the process of obtaining refund of the same.

In respect of the financial year 2015-16, remuneration paid to the Managing Director in excess of limits laid out under Schedule V to the Companies Act, 2013 for the year ended March 31, 2016, amounting to Rs. 3.10 Million was also considered to be held in trust by the Managing Director of NECE as at the March 31, 2016 and NECE has initiated the process of obtaining refund of the same.

The aggregate of amounts held in trust by the Managing Director to be refunded to NECE as at March 31, 2016 on account of the aforesaid remuneration in excess of the limits / approvals was Rs. 151.95 Million.

During the year ended March 31, 2017and March, 31, 2018, , the Managing Director refunded RS 12.90 Million and 15.76 Million respectively towards the aforesaid excess Managerial Remuneration and NECE is in the process of obtaining approval from the Central government for waiver of excess remuneration approved by the shareholders vide extra ordinary general meeting dated 19th January, 2018.

Further, during the current year, the NECE received the communication from the Central Government, confirming that the waiver application(s) submitted by NECE got abated in view of notification of amended provisions of section 197 of the Companies Act, 2013, w.e.f. 12th September, 2018 and accordingly the shareholders of NECE by special resolution approved waiver of aforesaid excess managerial remuneration of Rs. 151.95 Million and the amount has been disclosed as exceptional items.

In respect of BFUL-"Provisions, Contingent Liabilities and Contingent Assets."

The disclosure required by Ind AS 37- "Provisions, Contingent Liabilities and Contingent Assets" prescribed by Rules, as amended are as follows.

(In Rs. Million)

Class of provision	Carrying amount as on April 1, 2018	Charge during the year	Amount used during the year	Amount paid during the year	Carrying amount as on March 31, 2019
Electricity Duty	103.66	18.41	-	(35.69)	86.38
(Previous year)	103.49	8.46	-	(8.29)	103.66

Nature of provision

In terms of various notifications/ circulars issued by Government of Maharashtra, electricity duty is payable in respect of wind power sold to third parties.

Commitments

In case of Nandi Economic Corridor Enterprises Ltd. (NECE), the Company along with Nandi Infrastructure Corridor Enterprises Ltd. (NICE) as a joint sponsor, has given an Undertaking to IDFC Limited, acting as a Lenders' Agent, in connection with the consortium loan total amounting to Rs. 4,000Million (out of total exposure of Rs 16,500 Million) advanced to NECE, whereby the Company, along with NICE, has undertaken to ensure continuance of the of the Project undertaken by NECE, maintenance of shareholding and management control over NECE and provision of requisite technical, financial and managerial expertise, etc. until the final settlement date of the consortium loan. The company has recognised it as Financial Guarantee contract to the extent of Letter of Comfort issued by it.

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

The Company has given undertaking to Axis Finance Limited in respect of term loan facility granted by it to Nandi Highway Developers Limited (NHDL) of Rs. 1,200 Million. The Company has agreed that-

- It shall not dispose off its interest in the entire shareholding in the NHDL till the final settlement date of the term loan; and
- It shall not sell/ transfer/ encumber in any form, the shares of the NHDL held by the Company, without prior written approval of Axis Finance Limited.

26,071,902 shares of NHDL are pledged with Axis Finance Limited.

29. Un hedged Foreign Currency Exposure

Un-hedged Receivables and Payables	As at 31st March, 2019	As at 31st March, 2018
	Million Rs.	Million Rs.
Trade Payables	-	1.46

30. Related Party disclosures

(i) Names of the related parties and related party relationship

Related parties where control exist	Nandi Infrastructure Corridor Enterprises Ltd. (NICE) Nandi Highway Developers Ltd.(NHDL) Nandi Economic Corridor Enterprises Ltd. * (NECE) Avichal Resources Private Ltd.
Enterprises owned or significantly influenced by key management personnel or their relatives / Enterprises under common control	Bharat Forge Ltd. (BFL) BF Investment Ltd. (BFIL) Nandi Engineering Ltd. (NEL) AKK Developers Pvt Ltd. (AKKDPL) AKK Entertainment Ltd. (AKKEL) Ashok Kheny Production Pvt Ltd. (AKPPL) Bonic Developers Pvt. Ltd. (BDPL) Ashok Kheny Infrastructure Ltd. (AKIL) Ashok Kheny Motors Pvt. Ltd. SAB Engineering Inc., USA (SEI) Bhalchandra Investment Ltd. (since merged in BFIL) Forge Investment Ltd. (since merged in BFIL) Mundhwa Investment Ltd. (since merged in BFIL) Jalakamal Invest. & Finance Ltd. (since merged in BFIL) Jalakumbhi Invest. & Finance Ltd. (since merged in BFIL) India International Infrastructure Engineers Ltd (IIIE)
Key Managerial Personnel (KMP)	Mr. B.S. Mitkari (CEO & CS) Mr. S.S. Joshi (CFO) Mr. Ashok Kheny, Managing Director of Subsidiaries Mr. ShivkumarKheny, Managing Director of Subsidiary Mr. A Rudragaud, CFO of NECE Mr. N. Balaji Naidu, Company Secretary of NECE

(ii) Related party transactions

(Amount in Million)

	Nature of transaction	Year	Entities where control exists	Key Management Personnel (KMP)	Enterprise Over which KMP have Significant Influence
I	Income				
a	Sales	2018-19 2017-18	144.31 68.23	- -	- -
b	Sale of Intangible Assets under development	2018-19 2017-18	- 118.00	- -	- -
c	Compensation received	2018-19 2017-18	- (3.23)	- -	- -
d	other receipt	2018-19 2017-18	- 0.14	- -	- -
e	Employee deputation cost received (including Service tax)	2018-19 2017-18	4.32 3.75	- -	- -

(Amount in Million)

	Nature of transaction	Year	Entities where control exists	Key Management Personnel (KMP)	Enterprise Over which KMP have Significant Influence
f	Interest Income on ICD	2018-19 2017-18	- -	- -	1.74 4.59
II	Expenses				
a	Reimbursement of expenses paid	2018-19 2017-18	90.82 46.25	- -	- -
b	Purchases of Raw Material	2018-19 2017-18	10.79 13.66	- -	- -
c	Interest on ICD / Loan	2018-19 2017-18	- 5.65	- -	40.08 41.41
d	Rent	2018-19 2017-18	- -	- -	2.28 2.17
e	Professional fees and others	2018-19 2017-18		- -	14.16 14.07
f	Directors' fees, etc.	2018-19 2017-18	- -	8.16 0.10	- -
g	Remuneration paid to KMP	2018-19 2017-18	- -	57.39 56.69	- -
III	Others				
A	Loan/ICD Taken / (Repaid)	2018-19 2017-18	- (75.00)	- -	(18.58) (57.54)
B	Advance given	2018-19 2017-18	(0.13) (0.24)	- -	- -
C	Security Deposit taken / (Repaid)	2018-19 2017-18	- (30.00)	- -	- -

(iii) Balances outstanding as at the year end

(Amount in Million)

Sr No	Nature of transaction		Entities where control exists Receivable / (Payable)	Key Management Personnel (KMP) Receivable / (Payable)	Enterprise over which KMP have Significant Influence Receivable / (Payable)
1	Trade Receivable	31 March, 2019 31 March, 2018	18.24 11.44	- -	- -
2	Other Receivable	31 March, 2019 31 March, 2018	- 22.44	- -	- -
3	Trade Payable	31 March, 2019 31 March, 2018	- (1.86)	- -	- -
4	Loan / Inter Corporate Deposit	31 March, 2019 31 March, 2018	(209.43) (211.00)	- -	5.54 24.00
5	Interest Receivable / (payable)	31 March, 2019 31 March, 2018	- (10.82)	- -	- -
6	Security deposit received	31 March, 2019 31 March, 2018	(210.00) (210.00)	- -	- -
7	Advance given	31 March, 2019 31 March, 2018	(0.02) 0.20	- -	1,228.25 1,228.25
8	Advance to suppliers	31 March, 2019 31 March, 2018	- -	- -	401.40 412.81
9	Loans outstanding and interest accrued but not due	31 March, 2019 31 March, 2018	- -	- -	771.71 679.92

(Amount in Million)

Sr No	Nature of transaction		Entities where control exists Receivable / (Payable)	Key Management Personnel (KMP) Receivable / (Payable)	Enterprise over which KMP have Significant Influence Receivable / (Payable)
10	Investment balance	31 March, 2019	-	-	-
		31 March, 2018	-	-	-
11	Excess payment of Managerial remuneration receivable for prior years and current year	31 March, 2019	-	-	-
		31 March, 2018	-	123.30	-
12	Remuneration payable to KMP *	31 March, 2019	-	38.62	-
		31 March, 2018	-	(0.13)	-

31. Financial Instruments

Capital Management:

The group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may issue new shares or sell assets to reduce debt.

The capital structure of the group consists of debt and total equity of the group.

The group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and short-term borrowings. The group's policy is aimed at combination of short-term and long-term borrowings. The group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the group.

The group is not subject to any externally imposed capital requirements.

Total debt includes all long and short-term debts as disclosed in note 13 to the financial statements.

The gearing ratio at the end of the reporting period was as follows

Particulars	March 31, 2019	March 31, 2018
	Million Rs.	Million Rs.
Loans and Borrowings	17,557.03	16,428.47
Less - Cash and Cash Equivalents	216.75	240.90
Net Debt	17,340.28	16,187.57
Equity	(593.20)	(987.13)
Capital and Net Debt	16,747.08	15,200.44
Debt to Equity Ratio	1.04	1.06

Set out below is a comparison, by class, of the carrying amounts and fair value of the group's financial instruments as of March 31, 2019, other than those with carrying amounts that are reasonable approximates of fair values:

(Rs. In Million)

Particulars	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Investments	1,426.85	87.59	1,426.85	87.59
Trade receivables	20.26	21.28	20.26	21.28
Cash and cash equivalents - Bank balance	838.74	686.07	838.74	686.07
other current financial assets	55.83	31.50	55.83	31.50
Total Financial Assets	2,341.68	826.44	2,341.68	826.44
Borrowings	17,557.03	16,428.47	17,557.03	16,428.47
Trade payables	548.61	265.77	548.61	265.77
Other Financial Liabilities	1,511.80	1,284.68	1,511.80	1,284.68
Total Financial Liabilities	19,617.44	17,978.92	19,617.44	17,978.92

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Further the management assessed that the fair value of security deposits and other non-current receivables approximate their carrying amounts largely due to discounting at rates which are an approximation of current lending rates.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
2. The group has not performed a fair valuation of its investment in unquoted ordinary shares which are classified as FVTOCI, as the group believes that the impact of change on account of fair value is insignificant.

Financial Risk management framework:

The group is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the group.

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the interest rates and other market changes.

Credit Risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management - The finance function of the group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach - The group recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the group does not have significant credit risk, it does not present the information related to ageing pattern. The group has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the group made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Interest rate risk (mainly in case of NECE)

NECE's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(Rs. In Million)

Particulars	**31 March 2019**	31 March 2018
Variable rate borrowing	**2,245.23**	2,111.15
Fixed rate borrowing	**13,042.19**	13,252.15
Interest free borrowing	**498.75**	409.73
Total borrowings	**15,786.17**	15,773.03

Particulars	31 March 2019	31 March 2018
Interest rates - increase by 50 basis points (50 bps)	(11.23)	(10.55)
Interest rates - decrease by 50 basis points (50 bps)	11.23	10.55

Liquidity Risk

Liquidity risk refers to the risk that the group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group manages liquidity risk by maintaining adequate reserves, liquid cash and bank balance by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below provides details regarding the contractual maturities of significant financial liabilities:

(Rs. In Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Less than 1 Year	More than 1 Year	Less than 1 Year	More than 1 Year
Borrowings	948.60	16,608.43	625.55	15,802.92
Trade payables	548.61	-	265.77	-
Other financial liabilities	451.30	1,060.50	422.84	861.84

Fair Value Measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the Ind AS 113 - Fair Value Measurement. An explanation of each level is as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the group's assets and liabilities.

(Rs. In Million)

Quantitative disclosure fair value measurement hierarchy for assets	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant un-observable Inputs (Level 3)
Financial assets at FVTOCI			
Equity Instruments (Quoted)			
March 31, 2019	3.86	-	-
March 31, 2018	3.37	-	-
Equity Instruments (Un-Quoted)			
March 31, 2019	-	-	0.88
March 31, 2018	-	-	0.88
Financial assets at FVTPL			
Debt Instruments (Quoted)			
March 31, 2019	1,419.48	-	-
March 31, 2018	77.57	-	-
Financial assets at Amortised Cost			
Investments in Bonds			
March 31, 2019	2.63	-	-
March 31, 2018	5.76	-	-

32. Gratuity and other post-employment benefit plans

Gratuity plan

Funded scheme

The group has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972 and the Scheme framed by the group. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years but not more than fifteen years of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. Every employee who has completed fifteen years of service gets a gratuity on departure at one month's salary (last drawn) for each completed year of service, subject to maximum for 20 months' salary as per the Scheme of the group. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long-term obligations to make future benefit payments.

1) **Liability risks**

a) **Asset-liability mismatch risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the group is successfully able to neutralize valuation swings caused by interest rate movements.

b) **Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) **Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) **Asset risks**

All plan assets are maintained in a trust fund managed by a public-sector insurer viz. LIC of India and other insurance companies. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The group has no control over the management of funds but this option provides high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

The principal assumptions used in determining gratuity for the group's plan is shown below:

Particulars	As at March 31, 2019	As at March 31, 2018
Mortality table	**IALM (2012-14) ult**	IALM (2006-08) ult
Discount rate	**7.10%**	7.40%
Rate of increase in compensation levels	**7.50%**	7.50%
Expected rate of return on plan assets	**7.40%**	6.80%
Expected average remaining working lives (in years)	**5.01**	4.14
Withdrawal rate (based on grade and age of employees)		
Age up to 30 years	**10%**	10%
Age 31 - 44 years	**10%**	10%
Age 45 - 50 years	**10%**	10%
Age above 50 years	**10%**	10%

Changes in the present value of the defined benefit obligation recognised in balance sheet are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
Present Value of Obligation as at the beginning of the period	113.75	76.24
Interest Expense	8.10	5.40
Current Service Cost	13.25	12.67
Past service cost	-	2.00
Benefits (Paid)	(2.51)	(2.58)
Remeasurement on obligation (Actuarial Gain/Loss)	7.59	20.02
Closing defined benefit obligation	140.18	113.75

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
Opening fair value of plan assets	73.19	60.85
Interest Income	1.48	1.12
Contributions	33.65	11.91
Benefits paid	(2.51)	(2.58)
Return on Plan asset	3.72	1.90
Interest Income - Gain/(Loss)	-	-
Closing Fair value of Plan Assets	109.52	73.19
Actual Return on Plan Assets	0.25	0.32

Net Interest (Income/Expense)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Million Rs.	Million Rs.
Interest (Income)/Expense- Obligation	0.34	0.29
Interest (Income)/Expense- Plan Assets	(0.35)	(0.27)
Net Interest (Income)/Expense for the period	(0.01)	0.02

Remeasurement for the period [Actuarial (Gain)/loss]

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Million Rs.	Million Rs.
Experience (Gain)/Loss on plan liabilities	(0.07)	(0.18)
Demographic (Gain)/Loss on plan liabilities	-	-
Financial (Gain)/Loss on plan liabilities	0.07	(0.07)
Experience (Gain)/Loss on plan assets	0.13	(0.11)
Financial (Gain)/Loss on plan assets	(0.03)	0.06

Amount recognised in Statement of Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Million Rs.	Million Rs.
Opening Balance of OCI outside profit & loss account	(0.30)	-
Remeasurement for the year-Obligation (Gain)/Loss	(6.81)	(17.27)
Remeasurement for the year-Plan assets (Gain)/Loss	(0.40)	(2.00)
Total Remeasurement cost/(credit) for the period recognised in OCI	0.11	(0.30)
Closing amount recognised in OCI outside profit and loss account	(7.51)	(19.27)

The amounts to be recognised in the Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
Present value of obligation as at the end of the period	140.18	113.74
Fair value of plan assets as at the end of the period	109.52	(73.19)
Surplus/ (Deficit)	(30.66)	(40.55)
Current Liability	1.50	1.75
Non-Current Liability	34.55	43.09
Net liability to be recognised in balance sheet	(30.66)	(40.56)

Expense recognised in the statement of profit and loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Million Rs.	Million Rs.
Current service cost	13.25	12.67
Past Service Cost	-	2.00
Net Interest (Income) / Expense	2.66	1.26
Net periodic benefit cost recognised in the statement of profit and loss	15.92	15.93

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Funds managed by insurer	100 %	100 %

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased present value of obligation

Discount Rate	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
6.10%	5.33	4.67
4.94%	4.94	4.41

B) Impact of change in salary increase rate when base assumption is decreased/increased present value of obligation

Salary Increment Rate	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
6.50%	**4.98**	4.44
8.50%	**5.29**	4.64

C) Impact of change in withdrawal rate when base assumption is decreased/increased present value of obligation

Withdrawal Rate	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
9%	**5.14**	4.52
11%	**5.12**	4.55

The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

Particulars	As at March 31, 2019	As at March 31, 2018
	Million Rs.	Million Rs.
Expected contribution during the next annual reporting period	**3.00**	1.50
Within one Year	**20.18**	16.08
After one year but not more than five years	**38.55**	29.28
After five years but not more than ten years	**371.72**	173.14

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 4.69 years (10.88 years in case of NECE, 12.53 years in case of NHDL)

Provident Fund

In accordance with the law, all employees of the group are entitled to receive benefits under the provident fund. Till the Financial Year 2016-17, the Company operated defined benefit plan. Under the defined benefit plan, the Company contributes to the "BFUL Employees Provident Fund Trust". The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

From the Financial Year 2017-18 onwards, the Company like other entities of the group operated defined contribution plan. Under the defined contribution plan, provident fund is contributed to the government administered provident fund. The group has no obligation, other than the contribution payable to the provident fund.

33. Income Taxes

A reconciliation of the Income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Million Rs.	Million Rs.
Accounting profit before tax from operations	795.36	409.97
Enacted tax rate in India	33.74%	34.61%
Computed tax expense at enacted tax rate	268.37	141.88
Effect of Exempt Income	-	-
Effect of non-deductible expenses	21.48	20.28
Effect of deductible expenses	(70.13)	(14.86)
Effect of change in Tax Rates	-	(17.76)
Effect of MAT Credit availed	(6.80)	(12.01)
Effect of Lower Tax rate applicable to few Co in the Group	-	(51.66)
Effect of set off of tax expense on account of accumulated tax losses.	(137.59)	(12.50)
Others	-	(0.50)
Tax expense reported in statement of profit and loss	75.33	52.86

34. Segment information as required by IND AS 108 "Operating Segments" as prescribed by Rules, as amended is set out in a separate statement annexed thereto.

35. Certain litigations by and against the Company are pending in various Courts, and the matter is subjudice. No cognizance thereof is taken in the above results, pending final outcome of the cases.

36. Statements of Financials of Subsidiary companies in term of Section 129(3) of the Companyís Act, 2013 is annexed.

37. Basis of preparation of financial statements (in respect of NECE)

It had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House of Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by NECE. Further, it had also been reported in the print media that the House Committee tabled its report during November 2016 in the Karnataka Legislative Assembly, wherein NECE had various departments of GoK have been accused of violations of several terms of FWA and recommendations have been made to initiate appropriate actions which include recovery of excess land given for the project, recovery of illegal toll collected by NECE and further probe by national agencies such as the Central Bureau of Investigation (CBI), Enforcement of Directorate, central vigilance commission or investigative agencies of equal standing. While NECE has still not been provided with any notice of the formation of the committee or its reports, the Management of NECE has assessed the findings of the said Committee reported in the print media and is of the opinion that the allegations made therein are baseless, politically motivated and hence lack legal withstanding. Further, NECE had faced similar situations in the past, where NECE has received favourable orders from the Hon'ble High Court and the Supreme Court. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee itself is unconstitutional, illegal, and invalid and any findings/report, given by the aforesaid House Committee would also be illegal and untenable in law.

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

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

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

38. Previous year's figures have been regrouped wherever necessary.

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

As per our report attached For JOSHI APTE & CO. Chartered Accountants ICAI Firm Registration No. 104370W	For and on behalf of the Board of Directors of BF UTILITIES LIMITED CIN : L40108PN2000PLC015323		
per C. K. JOSHI Partner Membership No. 030428 UDIN : 19030428AAAAM06737	S. S. JOSHI CFO	B.S. MITKARI Director, CEO & Company Secretary DIN : 03632549	B.B. HATTARKI Director DIN : 00145710
Pune, September 25, 2019	Pune, September 25, 2019		

Annexure referred to Note No. 34 Notes forming part of the Consolidated Financial Statements of BF Utilities Ltd.

Disclosure of Sement information

Segmentwise Revenue, Results, and Capital Employed based on Consolidated Financial Statements for the year ended 31 March, 2019.

(Rs. In Million)

Sr. No.	Particulars	Year ended 31-Mar-19 (Audited)	Year ended 31-Mar-18 (Audited)
1	**Segment Revenue**		
	a. Wind Mills	**179.45**	148.73
	b. Infrastructure	**4,303.32**	3,861.26
	Total	**4,482.77**	4,009.99
	Less : Inter segment revenue	**-**	-
	Net sales / income from operations	**4,482.77**	4,009.99
2	**Segment results**		
	Profit / (Loss) (before tax and interest from each segment)		
	a. Wind Mills	**(6.38)**	13.26
	b. Infrastructure	**2,805.17**	2,377.18
	Total	**2,798.79**	2,390.44
	Less : i) Interest and Finance Charges	**2,052.74**	2,084.37
	ii) Other unallocable expenditure net off unallocable income	**(201.25)**	(103.88)
	Total Profit / (Loss) before tax and Exceptional Items	**947.30**	409.95
	Exceptional Item	**(151.95)**	-
	Total Profit /(Loss) before tax	**795.35**	409.95
3	**Total Carrying amount of segment assets**		
	a. Wind Mills	**655.39**	506.42
	b. Infrastructure	**17,894.73**	17,535.96
	c. Unallocable	**1,433.31**	125.34
	Total	**19,983.43**	18,167.72
4	**Total segment liablities**		
	a. Wind Mills	**386.26**	428.96
	b. Infrastructure	**2,627.56**	2,293.43
	c. Unallocable	**1.24**	5.09
	Total	**3,015.06**	2,727.48
5	**Capital employed (Segment Assets - Segment Liabilities)**		
	a. Wind Mills	**269.13**	77.46
	b. Infrastructure	**15,267.17**	15,242.53
	c. Other - Unallocable	**1,432.07**	120.25
	Total	**16,968.37**	15,440.24
6	Total cost incurred during the year to acquire segment assets that are expected to be used during more than one period		
	a. Wind Mills	**0.30**	0.02
	b. Infrastructure	**17.77**	36.23
	c. Other - Unallocable	**-**	5.65
	Total	**18.07**	41.90
7	Depreciation and amortisation		
	a. Wind Mills	**38.64**	38.59
	b. Infrastructure	**481.53**	587.40
	Total	**520.17**	625.99

Annexure to Note No. 37

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)Statement containing salient features of the financial statement of subsidiaries.

Amount in Rupees

Sr. No	Particulars	Nandi Infrastructure Corridor Enterprise Limited	Nandi Economic Corridor Enterprises Limited	Nandi Highway Developers Limited	Avichal resources Private Limited
a)	Capital	1,040,936,880	2,090,466,920	375,000,060	102,000
b)	Reserves & Surplus	(17,376,178)	(3,524,372,293)	429,695,062	2,497,385
c)	Total Assets	1,465,090,702	17,173,417,562	2,114,533,563	2,753,410
d)	Total Liabilities	441,530,000	18,607,322,935	1,309,838,441	154,025
e)	Details of Investment (Except in case of investment in susidiaries)	62,710	1,419,479,583	5,500	-
f)	Turnover	13,702,330	3,696,917,630	780,539,056	620,233
g)	Profit before Taxation	(31,668,596)	393,803,475	440,887,971	388,333
h)	Provision for Taxation	(5,443,600)	-	86,514,208	(192,800)
i)	Profit after Taxation	(26,224,996)	393,803,475	354,373,763	581,133
j)	Extent of shareholding (in percentage)	74.52%	40.41%	69.53%	100%

Notes

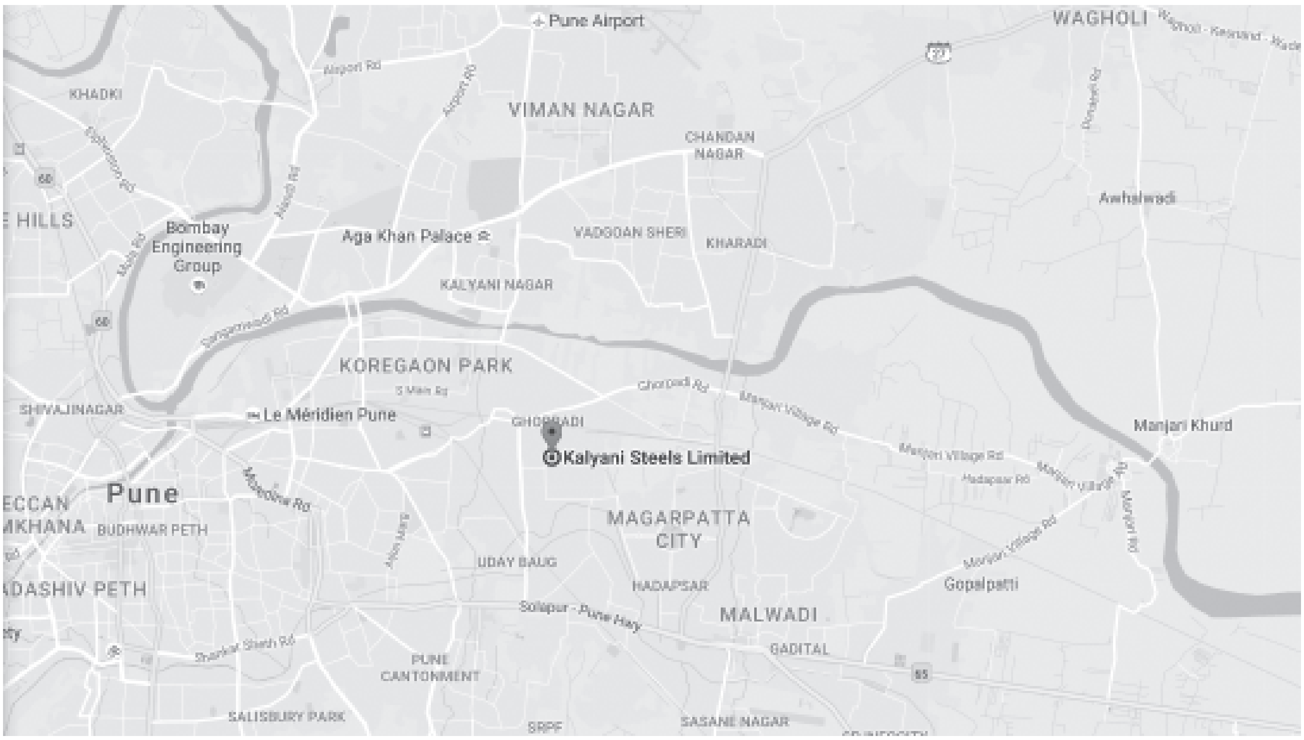
1. Names of subsidiaries which are yet to commence operations : Nil
2. Names of subsidiaries which have been liquidated or sold during the year. : Nil

Annexure A
Statutory Group Information

Annexure referred to Note No. 1 (b) notes forming part of the Consolidated Financial Statements of BF Utilities Ltd.

Name of the entity in the group	Net assets (Total assets - total liabilities)		Share in profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Rs. in Million	As a % of consolidated profit or loss	Rs. in Million	As a % of consolidated other Comprehensive income	Rs. in Million	As a % of consolidated total Comprehensive income	Rs. in Million
Parent								
BF Utilities Ltd								
Balance as at March 31, 2019	34.52%	1,281.04	43.90%	271.69	-	0.25	46.90%	271.94
Balance as at March 31, 2018	26.93%	1,009.10	-24.91%	158.23	-7.25%	1.19	-24.11%	159.42
Subsidiaries (Indian)								
Nandi Infrastructure Corridor Enterprises Ltd. (NICE) - India								
Balance as at March 31, 2019	35.91%	1,023.56	-8.03%	(26.22)	0.00%	-	-8.51%	(26.22)
Balance as at March 31, 2018	33.07%	1,049.79	10.05%	(28.94)	0.00%	-	9.60%	(28.94)
Nandi Highway Developers Ltd.(NHDL) - India								
Balance as at March 31, 2019	31.62%	804.70	92.34%	354.37	6.60%	(0.09)	97.51%	354.28
Balance as at March 31, 2018	26.43%	925.16	-65.80%	333.46	76.68%	(1.35)	-59.36%	331.46
Nandi Economic Corridor Enterprises Ltd. (NECE) - India								
Balance as at March 31, 2019	-58.23%	(1,433.91)	10.02%	393.80	99.21%	(7.41)	4.65%	386.39
Balance as at March 31, 2018	-54.34%	(1,702.31)	180.79%	36.12	30.56%	(20.32)	174.00%	15.80
Avichal Resources Private Ltd. - India								
Balance as at March 31, 2019	-0.09%	2.88	0.16%	0.28	0.00%	-	0.17%	0.28
Balance as at March 31, 2018	-0.06%	2.60	-0.13%	0.58	0.00%	-	-0.13%	0.58
Non-Controlling Interest in all Subsidiaries								
Balance as at March 31, 2018	-66.23%	2,052.87	33.29%	335.96	72.71%	(4.44)	30.91%	331.52
Balance as at March 31, 2017	-60.16%	1,936.31	111.34%	119.97	45.14%	(14.89)	108.35%	105.08
Adjustments arising out of consolidation								
31-Mar-19	-77.68%	2,271.46	5.11%	(62.02)	-72.71%	4.44	9.80%	(57.57)
31-Mar-18	-72.00%	2,271.47	-111.34%	19.07	-45.14%	14.89	-108.35%	33.31
Total after elimination on account of consolidation-2019	100%	(2,646.06)	100%	719.97	100%	(7.25)	100%	712.72
Total after elimination on account of consolidation-2018	100%	(2,923.44)	100%	360.41	100%	(20.48)	100%	339.92

Route Map for Venue of Annual General Meeting



NOTES

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BF UTILITIES LIMITED

CIN :L40108PN2000PLC015323
Registered Office : Mundhwa, Pune 411 036
Correspondence Address : Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar, Pune- 411 013
Phone : +91 20 66292550
Email : secretarial@bfutilities.com Website : www.bfutilities.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of
the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : ____________________

Registered Address : ____________________

____

E-mail Id : ____________________

Folio No. / DP ID & Client ID : ____________________

I/We, being the member (s) of ____________ shares of the above named Company, hereby appoint :

(1) Name ____________ Address ____________

E-mail ID ____________ Signature ____________ or failing him / her

(2) Name ____________ Address ____________

E-mail ID ____________ Signature ____________ or failing him / her

(3) Name ____________ Address ____________

E-mail ID ____________ Signature ____________

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Nineteenth Annual General Meeting of the Company, to be held on Saturday, the 30th day of November, 2019 at 11.00 a.m. (I.S.T.) at Kalyani Steels Limited, Mundhwa, Pune - 411 036 and at any adjournment thereof in respect of such resolutions as are indicated below :

Item No.	Resolution (For details, refer Notice of Nineteenth Annual General Meeting dated 25th September, 2019)	Vote *(Optional See Note 4)		
		For	Against	Abstain
1.	To consider and adopt a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon. b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and the Report of the Auditors thereon			
2.	Appointment of Mr. A. B. Kalyani, (DIN : 0089430) as a Director, who retires by rotation, and being eligible, offers himself for re-appointment			
3.	Appointment of Mr. B. S. Mitkari as Director not liable to retire by rotation			
4.	Appointment of Mr. B S. Mitkari (Din :03632549) as a Whole Time Director			
5.	Approval of Related Party Transaction with Bharat Forge Limited			

Signed this ____________ day of ____________ 2019

Signature of member :

Signature of Proxy holder(s) :

Please affix
Revenue
Stamp of
proper value

(Please refer instructions overleaf)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A Proxy need not be a member of the Company.

3. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. * It is optional to indicate your preference by placing the tick (✓) mark at the appropriate box. If you leave the 'For', 'Against' or Abstain column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.

For Shareholders holding shares in Physical Form only

Date :

To,
Company Secretary
BF Utilities Limited
Cyber City, Tower 15, Level 6, Office 602,
Magarpatta City, Hadapsar, Pune- 411 013
Phone: +91-20-6629 2550 / 26

Sub :- Request to send the Notices, Annual Reports etc. of the Company on e-mail in future.

Dear Sir,

I request the Company to send all the Notices, Annual Reports, etc. of the Company in future on the email, as detailed below.

Email ID - ____________________

Folio No. - ____________________

Name of Shareholder 1) ____________________

2) ____________________

3) ____________________

Thanking you,

Yours faithfully,

Signature of 1st Shareholder	Signature of 2nd Shareholder	Signature of 3rd Shareholder

KALYANI

BF UTILITIES LIMITED

CYBER CITY, TOWER 15, LEVEL 6, OFFICE 602,
MAGARPATTA CITY, HADAPSAR, PUNE 411 013
MAHARASHTRA, INDIA.
website : www.bfutilities.com