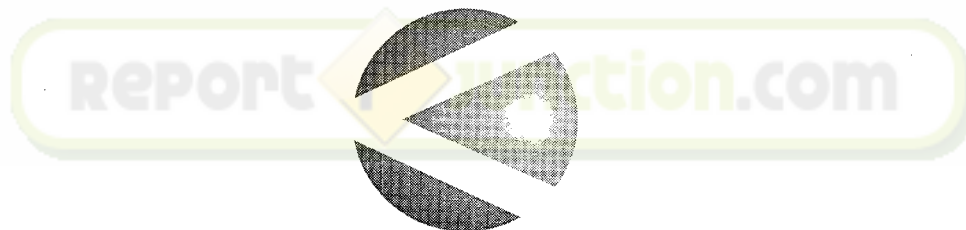


BF UTILITIES LIMITED



KALYANI
DRIVING INNOVATION

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BOARD OF DIRECTORS

B. N. KALYANI
Chairman

A. B. KALYANI

G. K. AGARWAL

B. B. HATTARKI

S. S. VAIDYA

BANKERS

AXIS Bank Limited

IDBI Bank Limited

ICICI Bank Limited

HDFC Bank Limited

AUDITORS

Dalal & Shah, Chartered Accountants

REGISTERED OFFICE

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



BF UTILITIES LIMITED
Registered Office : Mundhwa, Pune Cantonment, Pune 411 036.

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of BF Utilities Limited will be held at Training Centre at Kalyani Steels Limited, Mundhwa, Pune 411 036 on Wednesday, 30th Day of June, 2010 at 10.30 A.M. (IST) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Revised Balance Sheet as at 30th September, 2009 and the Revised Profit and Loss Account for the year ended 30th September, 2009 and the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. B. N. KALYANI, who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. S. VAIDYA, who retires by rotation but being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION :
"Resolved that the Company's Auditors, M/s. Dalal and Shah, Chartered Accountants, (Firm Registration No.102021W) be and they are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration for the period."

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:
"Resolved that pursuant to the provisions of Articles of Association of the Company read with Section 94 of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from Rs.20,00,00,000 (Rupees Twenty Crores) to Rs.30,00,00,000 (Rupees Thirty Crores) by creation of further 2,00,00,000 (Two Crores) Equity Shares of Rs. 5/- each and that the existing Clause V of the Memorandum of Association of the Company be and is hereby altered as under:
the words "The Authorised Share Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores only) divided into 4,00,00,000 (Four crores) Equity Shares of Rs. 5/- each (Five rupees each)", be deleted and the following words be substituted therefor
"The Authorised Share Capital of the Company is Rs. 30,00,00,000 (Rupees Thirty Crores only) divided into 6,00,00,000 (Six crores) Equity Shares of Rs. 5/- each (Five rupees each)."
6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:
"Resolved that Article 3 of the Articles of Association of the Company be and is hereby altered as under:
The words "The Authorised Share Capital of the Company is 20,00,00,000/- (Rupees Twenty Crores only) divided into 4,00,00,000 (Four crores) Equity Shares of Rs.5/- each (Five rupees each)" be deleted and the following words be substituted therefor
"The Authorised Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 6,00,00,000 (Six crores) Equity Shares of Rs.5/- each (Five rupees each)"
7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:
"Resolved that the consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to mortgaging, hypothecating, charging and pledging and/or creating a floating charge and/or also to create liens, charges and all other encumbrances of whatsoever nature on all or any of the Company's fixed assets, current assets or stock in trade (including raw materials, stores, spare parts and components, in stock or in transit)

and work in process and investments, and the whole or substantially the whole of all or any of the undertakings, of the Company, where so ever situate, present and future, together with power to take over the management of the business and concern of the Company in certain events, in such form and in such manner as the Board may think fit and proper, in favour of banks/ institutions/ other lenders/trustees of the holders of securities, aggregating to a nominal value not exceeding Rs.15,000,000,000 (Rupees Fifteen Billion) to be issued from time to time in one or more tranches under its borrowing powers, to secure the principal amount together with interest, compound interest and all costs, charges and expenses and all other monies as may become due and payable by the Company in that behalf and to vary or modify existing securities, from time to time, in such manner and in such form on all or any of the properties or part of any of the property and the undertakings of the Company, both present and future, as may be decided by the Board and as agreed to by the said banks/ institutions/ other lenders/ trustees of the holders of securities issued and the holders / trustees of debentures/bonds, loans, financial facilities as may be obtained by the Company from time to time and as may be deemed appropriate by the Board."

"Further resolved that the Board be and is hereby authorised to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution."

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"Resolved that in supersession of the resolution passed at the Extra-Ordinary General Meeting of the Company held on 15th February, 2001 and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby granted to the Board of Directors of the Company borrowing moneys for and on behalf of the Company from time to time as and when required by the Company, provided that the moneys so borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from time to time by the Company from its bankers in the ordinary course of its business) shall not exceed Rs.15,000,000,000 (Rupees Fifteen Billion) over and above the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may from time to time deem necessary."

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"Resolved that pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 and other prevailing laws, rules and regulations as applicable from time to time and subject to such consents, sanctions and permissions as may be required from the appropriate authorities, consent of the Company be and is hereby accorded for acquiring and holding equity shares of the Company by the Foreign Institutional Investors (FIIs), including their sub-accounts, upto an aggregate limit of 40% of the paid up equity share capital or paid up value of the respective series of the Convertible Debentures, if any, of the Company, as may be applicable or such other maximum limit as may be prescribed from time to time."

"Further resolved that the Board of Directors of the Company be and is hereby authorised to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution."

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Members who hold shares in dematerialised form are requested to bring their CLIENT ID AND DP ID numbers for easy identification of attendance at the meeting.
3. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details etc. to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Secretarial Department at the Registered Office of the Company.
4. The Share Transfer Books and the Register of Members of the Company will remain closed on Wednesday, 30th June, 2010.

By Order of the Board of Directors
For BF Utilities Limited

Mundhwa,
Pune Cantonment,
Pune 411 036.
15th May, 2010

B. S. Mitkari
VP-Finance & Company Secretary

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956.**Item Nos. 5 and 6:**

In order to enable the Company to raise additional long term finance by issue of various securities in the domestic / international markets, the existing Authorised Share Capital may not be sufficient. It is therefore proposed to increase the Authorised Share Capital of the Company from Rs.20,00,00,000 (Rupees Twenty Crores) to Rs.30,00,00,000 (Rupees Thirty Crores) by creation of further 2,00,00,000 (Two Crores) Equity Shares of Rs. 5/- each. The increase in Authorised Capital also involves alteration of Memorandum of Association and Articles of Association of the Company. Resolution under Item No.5 and 6 is proposed as Ordinary and Special Resolution respectively, for creation of 2,00,00,000 Equity Shares and for consequential alterations in the Capital Clause of the Memorandum of Association and Articles of Association. The Resolutions are recommended to the Members for approval. None of the Directors of the Company is concerned or interested in the Resolutions.

Item No. 7 :

Members are aware the Company proposes to raise additional long term finance by issue of various securities in the domestic / international markets. The said Securities or any other borrowings by the Company may be secured by way of mortgage / hypothecation of the Company's assets in favour of the Banks/ Institutions/other lenders/Security Holders/ Trustees for the Holders of the Securities. As the documents to be executed between the Banks/ Institutions/ other Lenders/ Security Holders/ Trustees for the Holders of the Securities and the Company may contain power to take over the management of the Company in certain events, it is necessary for the Company to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, before creation of the said mortgage/ hypothecation.

The Directors of the Company may be deemed to be concerned or interested in the Resolutions to the extent of Securities that may be subscribed by the Banks/ Institutions/ other Lenders of which they are Directors or Members.

Item No. 8 :

The Members at the Extra-ordinary General Meeting of the Company held on 15th February, 2001, accorded consent under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors borrowing moneys upto a limit of Rs. 5,000,000,000 over and above the aggregate of the paid-up capital of the Company and its free reserves. Taking into account Company's financing requirements, it is considered necessary to increase this limit of Rs. 5,000,000,000 to Rs.15,000,000,000 over and above aggregate of paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. The Resolution is to revise the borrowing powers of the Board of Directors in the above manner.

The Directors recommend the Resolution for approval of the Members. None of the Directors of the Company is concerned or interested in the Resolutions.

Item No. 9 :

As on date, the Foreign Institutional Investors (FIIs) hold 10.30% of the paid-up Equity Share Capital of the Company. FIIs frequently purchase/trade in the Company's scrip. As per the norms, pertaining to investments in India by persons resident outside India, issued by the Reserve Bank of India (RBI) under Foreign Exchange Management Act, 1999, investment in Equity Shares by FIIs, including their sub-accounts, is limited to 24% of the Company's paid-up Equity Share Capital. This limit can be increased by a company by passing a Special Resolution by its Members. To improve the free float of the Company's scrip for purchase / trading by FIIs, it is proposed to increase this limit to 40% of the Company's paid-up Equity Share Capital or paid up value of the respective series of the Convertible Debentures, if any. The Resolution set out in the Notice will enable the FIIs to acquire Shares of the Company through authorized dealers within the revised ceiling under the Portfolio Investment Scheme of RBI. The proposed Resolution is, therefore, enabling in nature. The Company seeks the approval of the Members to raise the limit for investment by FIIs to 40% of the Company's paid-up Equity Share Capital or Convertible Debentures, if any.

The Directors recommend the Special Resolution for approval of the Members. None of the Directors of the Company is concerned or interested in the Resolution.

By Order of the Board of Directors
For BF Utilities Limited

Mundhwa,
Pune Cantonment,
Pune 411 036.
15th May, 2010

B. S. Mitkari
VP-Finance & Company Secretary

Management Discussion And Analysis

Wind Power Development – International Scenario

The global Wind Power capacity has witnessed an addition of around 36,000 MW in the year 2009 and the international market continues to grow despite the recent adverse economic conditions seen prevailing globally. The global windpower installed capacity has touched 158 gigawatt, mostly led by USA, Germany, China, Spain and India.

The US wind power capacities have grown by 40% at a time when its economy moved at snail's pace. In Europe too, the sector has recorded impressive growth owing to strict pollution measures and incentives. It is expected that the US market will remain attractive and continue to help to set a similar global trend.

Even as the demand for wind power capacities has maintained an impressive growth trend, a lot of new players have entered the renewable energy space and this is expected to bring about fierce competition among the suppliers. Experts opine that the wind industry would continue to do well due to the awareness of climate change and huge incentives doled out by various governments over the world.

Wind Power Development – Domestic Scenario

A number of new players have entered the business of manufacturing windmills and have set up manufacturing base in India. Some component manufacturers are also catering to the demand of other global manufacturers. There has been a 14% growth in the wind power capacities in the year 2009 in the country. By the end of 2009, India had a total installed capacity of 11 GW and is ranked fifth globally. China, with a growth of more than 100% has jumped to third position globally in terms of total installed capacity,

Performance of Company's Windmill Projects

The windmill projects of your company have performed satisfactorily during the year and have managed to do better than most of the other projects in the state. During the year 2008-09, generation of wind power from your Company's projects has decreased by 8% over last year due to dismal wind conditions which prevailed throughout the country. Though it is likely that the wind patterns may undergo variations due to the changing climatic conditions, the overall effect on the generation on a yearly basis is expected to be insignificant.

The huge shortfall in the power scenario in the state is likely to continue. A renewed demand for renewable energy is expected to create demand for energy from such projects in the state.

Status of Construction work of Bangalore-Mysore Infrastructure Corridor Project, Phase-I

BF Utilities, through its subsidiary, Nandi Infrastructure Corridor Enterprises Ltd. is implementing an integrated infrastructure project (Bangalore – Mysore Infrastructure Corridor (BMIC) project). The status of Phase-I of BMIC project is summarized below:

Project Overview

- The project entails development of 62 km of Toll Road and one Township near Bidadi
 - 9.1km Link Road linking city centre to Outer Peripheral Road
 - 41km Outer Peripheral Road linking Hosur Road to Tumkur Road
 - 12km Expressway up to Bidadi
 - Township – 1 (Corporate Center) near Bidadi with 2775 Acres
 - Total Land for Section – A is 7,290 acres (Out of this NECE Land is 6,173 Acres and NICE Land is 1,117 Acres)
 - Integral part of Bangalore urbanization infrastructure

Project Status

- Almost 88% of toll road work is completed
- Total 4,188 acres out of 7,290 acres of total land has been acquired by GoK and transferred to the NICE / NECE
- Balance expected shortly pending few documentation requirements

Cautionary Statement

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

CORPORATE GOVERNANCE

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

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

This Chapter of the report, plus the information given under 'Management Discussion and Analysis' and 'Shareholder Information' constitutes the report on Corporate Governance for 2008-2009.

1. BOARD LEVEL ISSUES :

• Composition of the Board

As on 30th September, 2009 the Board of Directors of BF Utilities is composed of five Directors. The Board of Directors of Company comprises the Chairman, who is promoter non-executive director and other four non-executive directors, of whom two are independent. In respect of compliance with Corporate Governance norms i.e. Clause-49 with respect to Independent Directors, the Company is in the process of complying the same. Details are given in Table 1.

• Number of Board Meetings

During the year, Five Board meetings were held. These were on 27th December, 2008, 30th January, 2009, 30th April, 2009, 11th July, 2009, 28th July, 2009 and 25th August, 2009. The maximum gap between any two Board Meetings was less than four months.

• Directors' Attendance Record and Directorships

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

Table 1 - Details about Board of Directors of the Company

Name of Director	Category	Number of meetings held	Number of meetings attended	Whether attended last AGM	Number of directorships of public limited companies	Materially significant pecuniary or business relationship with the Company
B. N. KALYANI (Chairman)	Promoter, Non- executive	6	3	Yes	14	None
A. B. KALYANI	Non- executive	6	4	Yes	14	None
G. K. AGARWAL	Non- executive	6	6	Yes	1	None
B. B. HATTARKI	Non- executive Independent ***	6	4	Yes	10	None
S. S. VAIDYA	Non- executive Independent ***	6	6	No	8	None

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

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

• Information Supplied to the Board

Among others, information supplied to the Board includes ;

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

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

• Directors with materially pecuniary or business relationship with the Company

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and/or independent Directors during the year 2008- 09.

- Remuneration of Directors

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

Table 2 - Remuneration paid to Directors during 2008-09 and relationship with each other					
Name of Director	Relationship with other directors	Sitting Fees (in Rs.)	Salaries and perquisites (in Rs.)	Commissions (in Rs.)	Total (in Rs.)
B. N. KALYANI (Chairman)	*	15,000	Nil	Nil	15,000
A. B. KALYANI	*	20,000	Nil	Nil	20,000
G. K. AGARWAL	None	30,000	Nil	Nil	30,000
B. B. HATTARKI	None	20,000	Nil	Nil	20,000
S. S. VAIDYA	None	30,000	Nil	Nil	30,000

The Company does not have a Remuneration Committee.

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

- Audit Committee

The Audit Committee performs the following functions :

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

The Audit Committee consists of qualified and non-executive directors. It comprises of Mr. S. S. Vaidya (Chairman), Mr. B. B. Hattarki and Mr. A. B. Kalyani. The internal auditor is M/s. P. V. Deo & Co., Chartered Accountants, Pune. The committee met four times during the course of the year on 27th December, 2008, 30th January, 2009, 30th April, 2009 and 28th July, 2009. Table 3 gives attendance record. The Chairman of the Board is invited to attend the meetings of the Audit Committee as a permanent invitee. The committee has access to all records of the Company.

Table 3 - Attendance record of Audit Committee members for 2008-09		
Name of the Director	No. of meetings	Meetings attended
Mr. S. S. Vaidya	4	4
Mr. A. B. Kalyani	4	4
Mr. B. B. Hattarki	4	4

2. MANAGEMENT :

- **Management Discussion and Analysis**

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

- **Disclosures by Management to the Board**

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

3. SHAREHOLDERS :

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

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

- Mr. B. N. Kalyani is Chairman and Managing Director of Bharat Forge Limited Born on 7th January, 1949. Mr. Kalyani is a Mechanical Engineer from the Birla Institute of Technology, Pilani. He also has an M. S. from the Massachusetts Institute of Technology, USA. Mr. Kalyani also serves on the Boards of BF Investment, The Ugar Sugar Works, Hikal, Nandi Infrastructure Corridor Enterprises, Kalyani Lemmerz, Kalyani Carpenter Metal Centres, Kalyani Steels, Automotive Axles, Merritor HVS (India), Khed Developers etc..

- Mr. S. S. Vaidya born on 9th August, 1955 is a Chartered Accountant. He is a Partner of M/s. Kunte & Vaidya, Chartered Accountants, Pune. He has been in practice for over 22 years and has vast experience in Corporate & Legal field, Tax Laws, Company Law, Foreign Exchange Laws etc. Mr. Vaidya also serves on the Boards of Sharp India Ltd., MRF and Nandi Infrastructure Corridor Enterprises.

- **Communication to shareholders**

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

- **Investor Grievances**

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

- **Share Transfer**

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

- **Details of Non-Compliance**

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

- **General Body Meetings**

Financial Year	Date	Time	Venue
2005-06	30th March, 2007	10.30 A. M.	Training Centre, Kalyani Steels Limited.
2006-07	25th March, 2008	10.30 A. M.	Training Centre, Kalyani Steels Limited.
2007-08	30th March, 2009	10.30 A. M.	Training Centre, Kalyani Steels Limited.