

# **BF UTILITIES LIMITED**



**KALYANI**



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## BOARD OF DIRECTORS

B. N. KALYANI  
Chairman

A. B. KALYANI

G. K. AGARWAL

B. B. HATTARKI

S. S. VAIDYA

## BANKERS

AXIS Bank Limited

IDBI Bank Limited

ICICI Bank Limited

HDFC Bank Limited

## AUDITORS

Joshi Apte & Co., Chartered Accountants

## REGISTERED OFFICE

BF Utilities Limited  
Mundhwa, Pune Cantonment,  
Pune 411 036, Maharashtra, India  
Phone : (020) 26822552 / 67042300  
Fax : (020) 26823061  
E-mail : bfutilitiesltd@vsnl.net

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



## BF UTILITIES LIMITED

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

### NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of BF Utilities Limited will be held at Kalyani Steels Limited, Mundhwa, Pune 411 036 on Monday, 24<sup>th</sup> Day of March, 2014 at 10.30 A.M. (IST) to transact the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 30<sup>th</sup> September, 2013 and the Profit and Loss Account for the year ended 30<sup>th</sup> September, 2013 and the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. A. B. KALYANI, who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. B. B. HATTARKI, who retires by rotation but being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION :

"Resolved that the Company's Auditors, M/s. Joshi Apte & Co., Chartered Accountants, (Firm Registration No. 104370W) be and they are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration for the period."

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Members who hold shares in dematerialised form are requested to bring their CLIENT ID AND DP ID numbers for easy identification of attendance at the meeting.
3. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details etc. to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Registrar & Share Transfer Agent of the Company.
4. The Share Transfer Books and the Register of Members of the Company will remain closed on Monday, 24<sup>th</sup> Day of March, 2014.
5. Members who wish to obtain all the Notices, Annual Reports and other communications from the Company on email, are requested to update their email id's in their Depository Account. Shareholders holding shares in Physical form, and wish to avail the above information on email, can send their request to the Company, with the details of their email id's.

Mundhwa,  
Pune Cantonment,  
Pune 411 036.  
27<sup>th</sup> November, 2013

By Order of the Board of Directors  
For BF Utilities Limited

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

## Management Discussion And Analysis

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### Wind Power Development - International Scenario

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

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

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

### Wind Power Development - Domestic Scenario

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

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

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

### Performance of Company's Windmill Projects

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

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

### Cautionary Statement

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

## CORPORATE GOVERNANCE

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

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

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

### 1. BOARD LEVEL ISSUES :

#### ● Composition of the Board

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

#### ● Number of Board Meetings

During the year, Seven Board meetings were held. These were on 30<sup>th</sup> November, 2012, 7<sup>th</sup> December, 2012, 17<sup>th</sup> December, 2012, 9<sup>th</sup> February, 2013, 15<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013 and 5<sup>th</sup> September, 2013. The maximum gap between any two Board Meetings was less than four months.

#### ● Directors' Attendance Record and Directorships

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

Name of Director	Category	Number of meetings held	Number of meetings attended	Whether attended last AGM	Number of other directorships of public limited companies	Materially significant pecuniary or business relationship with the Company
B. N. KALYANI (Chairman)	Promoter, Non- executive	7	6	Yes	12	None
A. B. KALYANI	Non- executive	7	7	Yes	11	None
G. K. AGARWAL	Non- executive	7	7	Yes	1	None
B. B. HATTARKI	Non- executive Independent ***	7	7	No	8	None
S. S. VAIDYA	Non- executive Independent ***	7	7	Yes	10	None

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

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

#### ● Information Supplied to the Board

Among others, information supplied to the Board includes ;

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

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

#### ● Directors with materially pecuniary or business relationship with the Company

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and/or independent Directors during the year 2012-13.

- **Remuneration of Directors**

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

<b>Table 2 - Remuneration paid to Directors during 2012-13 and relationship with each other</b>					
<b>Name of Director</b>	<b>Relationship with other Directors</b>	<b>Sitting Fees (in Rs.)</b>	<b>Salaries and perquisites (in Rs.)</b>	<b>Commissions (in Rs.)</b>	<b>Total (in Rs.)</b>
B. N. KALYANI (Chairman)	*	30,000	Nil	Nil	30,000
A. B. KALYANI	*	35,000	Nil	Nil	35,000
G. K. AGARWAL	None	35,000	Nil	Nil	35,000
B. B. HATTARKI	None	35,000	Nil	Nil	35,000
S. S. VAIDYA	None	35,000	Nil	Nil	35,000

The Company does not have a Remuneration Committee.

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

- **Audit Committee**

The Audit Committee performs the following functions :

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

The Audit Committee consists of qualified and non-executive directors. It comprises of Mr. S. S. Vaidya (Chairman), Mr. B. B. Hattarki and Mr. A. B. Kalyani. The internal auditor is M/s. P. V. Deo & Co., Chartered Accountants, Pune. The committee met five times during the course of the year on 30<sup>th</sup> November, 2012, 7<sup>th</sup> December, 2012, 9<sup>th</sup> February, 2013, 15<sup>th</sup> May, 2013 and 13<sup>th</sup> August, 2013. Table 3 gives attendance record. The Chairman of the Board is invited to attend the meetings of the Audit Committee as a permanent invitee. The committee has access to all records of the Company.

<b>Table 3 - Attendance record of Audit Committee members for 2012-13</b>		
<b>Name of the Director</b>	<b>No. of meetings</b>	<b>Meetings attended</b>
Mr. S. S. Vaidya	5	5
Mr. A. B. Kalyani	5	5
Mr. B. B. Hattarki	5	5

## 2. MANAGEMENT :

- **Management Discussion and Analysis**

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

- **Disclosures by Management to the Board**

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



### 3. SHAREHOLDERS :

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

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

- ❖ Mr. Amit B. Kalyani, B.E.(Mech.) born on 26th July, 1975. Mr. Amit Kalyani joined Bharat Forge Limited w.e.f.24th October, 1999 as Chief Technology Officer and has since been instrumental in induction of Technology in the Company and providing system support services to the Company's process. He also designed and implemented e-Commerce strategies and is contributing significantly in manufacturing, marketing, exports and technology upgradation areas in the Company.
- ❖ Mr. B. B. Hattarki is a Metallurgy and Mechanical Engineer. Born on 10<sup>th</sup> October, 1941. He also serves on the Boards of Kalyani International, BF Investment, Kalyani Investment Co., Hospet Steels, Precision Seals Manufacturing, Kalyani Steels, and Kalyani Mukand.

- **Communication to shareholders**

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

- **Investor Grievances**

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

- **Share Transfer**

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

- **Details of Non-Compliance**

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

- **General Body Meetings**

Financial Year	Date	Time	Venue
2009-10	29 <sup>th</sup> March, 2011	10.30 A. M.	Training Centre, Kalyani Steels Limited.
2010-11	13 <sup>th</sup> February, 2012	10.30 A. M.	Kalyani Steels Limited.
2011-12 (EGM)	5 <sup>th</sup> January, 2013	11.00 A. M.	Kalyani Steels Limited.
2012-13	30 <sup>th</sup> March, 2013	10.30 A. M.	Kalyani Steels Limited.

### SHAREHOLDER INFORMATION

- **Annual General Meeting**

Date :- Monday, 24<sup>th</sup> Day of March, 2014, At 10.30 A.M.

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

- **Financial Calendar**

1<sup>st</sup> October to 30<sup>th</sup> September

- **Book Closure**

The books will be closed on Monday, 24<sup>th</sup> Day of March, 2014 as annual closure for the purpose of AGM.

- **Dividend Date**

The Board has not recommended any dividend on Equity Shares.

- **Listing**

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

➤ **Stock Codes**

NSE : BFUTILITIE

BSE : 532430

PSE : BFUTI - 160284

➤ **Stock Data**

Table 1 below gives the monthly high and low prices and volumes of the Company's Equity Shares at BSE Ltd. and National Stock Exchange of India Ltd., for the year 2012-13.

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

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

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

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

➤ **Shareholding pattern**

The following tables 2 & 3 give the Pattern of Shareholding as on 30<sup>th</sup> September, 2013.

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

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