

# **BF UTILITIES LIMITED**



**KALYANI**

## CONTENTS

|                                   |    |
|-----------------------------------|----|
| 1. Board of Directors etc.        | 1  |
| 2. Notice                         | 2  |
| 3. Report on Corporate Governance | 8  |
| 4. Directors' Report              | 21 |
| 5. Business Responsibility Report | 45 |
| 6. Independent Auditors' Report   | 51 |
| 7. Standalone Financials          | 56 |
| 8. Consolidated Auditors' Report  | 85 |
| 9. Consolidated Financials        | 92 |

Annual Report for the year ended on 31<sup>st</sup> March, 2017

#### BOARD OF DIRECTORS

|                    |                                    |
|--------------------|------------------------------------|
| Mr. B. N. Kalyani  | Chairman                           |
| Mr. A. B. Kalyani  | Non-Executive Director             |
| Mr. B. B. Hattarki | Non-Executive Independent Director |
| Mr. S. S. Vaidya   | Non-Executive Independent Director |
| Ms. A. A. Sathe    | Non-Executive Independent 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](mailto: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 : [bfutilitiesltd@vsnl.net](mailto:bfutilitiesltd@vsnl.net)  
Website : <http://www.bfutilities.com>  
CIN : L40108PN2000PLC015323

#### INFORMATION FOR SHAREHOLDERS

Annual General Meeting  
Day & Date : Monday, 6<sup>th</sup> November, 2017  
Time : 11.00 a.m.  
Venue : Kalyani Steels Ltd. Mundhwa, Pune - 411 036  
Date of Book Closure : 6<sup>th</sup> November, 2017



## BF UTILITIES LIMITED

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

CIN : L40108PN2000PLC015323

### NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of BF Utilities Limited will be held at Kalyani Steels Ltd at Mundhwa, Pune 411 036 on Monday, the 6<sup>th</sup> day of November, 2017 at 11.00 a.m. (IST), to transact the following business

#### ORDINARY BUSINESS :

##### ITEM NO.1:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017 and the Reports of the Board of Directors and Auditors thereon.

##### ITEM NO.2:

To appoint a Director in place of Mr. A. B. Kalyani, (DIN : 00089430), who retires by rotation and being eligible offers himself for re-appointment.

##### ITEM NO.3:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable rules, if any, M/s. Joshi Apte & Co., Chartered Accountant, Pune (Firm Registration No.104370W), be and is hereby re-appointed as the Statutory Auditors of the Company, to hold the office for a period of four (4) consecutive years commencing from the conclusion of this Annual General meeting (AGM) till the conclusion of the 21<sup>st</sup> AGM of the Company to be held in the year 2021 (subject to ratification of their appointment at every AGM) on such remuneration plus Service Tax and/or such other tax(es) as may be applicable and reimbursement of out of pocket and travelling expenses etc. on progressive billing basis as may be mutually agreed between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee".

By Order of the Board of Directors  
For BF Utilities Limited

Pune 411 036  
2<sup>nd</sup> September, 2017

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

#### 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. 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.
3. 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.

4. 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.
5. The Share Transfer Books and the Register of Members of the Company will remain closed on Monday, 6<sup>th</sup> November, 2017, as an Annual Closure for Annual General Meeting.
6. 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.
7. 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.
8. 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.
9. 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, 2<sup>nd</sup> 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 2016-17 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.

10. 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.
11. 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.
12. 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.
13. 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 Seventeenth 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 Friday, 3<sup>rd</sup> November, 2017 (9:00 am) and ends on Sunday, 5<sup>th</sup> November, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 30<sup>th</sup> October, 2017, 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 [sridhar@clcindia.net](mailto:sridhar@clcindia.net) with a copy marked to [evoting@nsdl.co.in](mailto: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 Seventeenth 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](http://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](http://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 Friday, 30<sup>th</sup> October, 2017.

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. 30<sup>th</sup> October, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pune@linkintime.co.in](mailto: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](http://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 No. 965) / Mr. Sridhar G. Mudaliar (Membership No. FCS 6156 & CP No. 2664) of SVD & Associates, Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the Seventeenth 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](http://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.

14. 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.

15. In terms of Section 152 of the Companies Act, 2013, Mr. A. B. Kalyani (DIN:00089430) Director retires by rotation at the Meeting and being eligible offers himself for reappointment. The information as required under 'Regulations, 2015' with the Stock Exchanges, with respect to the retiring director is as under:

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           | Executive Director  | Corporate Social Responsibility Committee | Member          |
| Kalyani Steels Limited         | Director            | Nomination and Remuneration Committee     | Member          |
| BF Investment Limited          | Director            | Corporate Social Responsibility Committee | Member          |
|                                |                     | Nomination and Remuneration Committee     | Member          |
| Kalyani Investment Co. Limited | Chairman            | Nomination and Remuneration Committee     | Member          |
| BF-NTPC Energy Systems Limited | Director            | -   | -               |
| Hikal Limited                  | Director            | -   | -               |

Mr. A. B. Kalyani is holding 28,270 Equity Shares of Rs. 5/- each of the Company. He is son of Mr. B. N. Kalyani, Chairman of the company.

Save and except, Mr. B. N. Kalyani, Mr. A. B. Kalyani, 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.

16. Disclosure of Shareholding of Directors recommended by the Board of Directors for Appointment / Re-appointment at the Annual General Meeting :

| Sr. No. | Name of Director  | No. of Shares held |
|---------|-------------------|--------------------|
| 1       | Mr. A. B. Kalyani | 28,270             |
| 2       | Mr. B. N. Kalyani | 7,204              |

By Order of the Board of Directors  
For BF Utilities Limited

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

Pune 411 036  
2<sup>nd</sup> September, 2017

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



## Management Discussion And Analysis

---

### Wind Power : International Scenario

As per the report released by the Global Wind Energy Council (GWEC), more than 54 GW of renewable wind power was installed across the global market in 2016, which now comprises more than 90 countries, including 9 with more than 10,000 MW installed, and 29 which have now passed the 1,000 MW mark. Cumulative capacity grew by 12.6% to reach a total of 486.8 GW.

Wind power penetration levels continue to increase, led by Denmark pushing 40%, followed by Uruguay, Portugal and Ireland with well over 20%, Spain and Cyprus around 20%, Germany at 16%; and the big markets of China, the US and Canada get 4%, 5.5%, and 6% of their power from wind, respectively. GWEC's rolling five year forecast sees almost 60 GW of new wind installations in 2017, rising to an annual market of about 75 GW by 2021, to bring cumulative installed capacity of over 800 GW by the end of 2021.

Growth will be led by Asia: China will continue to lead all markets, but India set a new record for installations this past year and has a real shot to meet the government's very ambitious targets for the sector; and there are a number of exciting new markets in the region with great potential.

As the technology continues to improve, prices continue to go down and the call for clean, renewable power to reduce emissions, clean our air and create new jobs and new industries only gets stronger with each passing year.

### Wind Power : Domestic Scenario

Wind power capacity in the country could be ramped up to 185GW - an eight-fold increase over 15 years from 2015. This would require \$42 billion worth of investment before 2030,

Additionally, power generated by renewable sources is expected to increase by 137TWh a year to 595TWh, with wind power making up 345TWh of this.

Ministry of New and Renewable Energy (MNRE) officially announced the government's target of 175GW installed renewable energy capacity by 2022 - including 60GW from wind - in its 2015-16 annual report.

India is projected to have approximately 32.6GW of wind power installed by this yearend.

Increasing renewable energy deployment could save India's economy 12 times more than its costs by the year 2030. This would also create jobs, reduce carbon dioxide emissions and ensure cleaner air and water, with savings on health-related costs.

Furthermore, increased renewables capacity would lower the demand for coal and oil products by 17-23% by 2030.

### Company's Performance :

The operations were disturbed during the year due to problem at the service provider.

The Company has taken various steps to restart the machines with alternate means.

## CORPORATE GOVERNANCE

### 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 31<sup>st</sup> March, 2017, 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, Four Board Meetings were held on 16<sup>th</sup> May, 2016, 6<sup>th</sup> August, 2016, 10<sup>th</sup> November, 2016 and 7<sup>th</sup> February, 2017.

##### c. Directors' attendance record and directorships held

The information on composition and category of the Board of Directors as at 31<sup>st</sup> March, 2017, attendance of each Director at Board Meetings held during the Financial Year 2016-17 and the Annual General Meeting (AGM) held on 30<sup>th</sup> September, 2016, 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 ®                     | 7204  | 6  | 2  | 1      | 4                          | 3                          | 1   |
| 2       | Mr. A. B. Kalyani                       | 28270   | 6  | 0  | 1      | 4                          | 4                          | 1   |
|         | Independent and Non-Executive Directors |   |  |  |        |                            |                            |     |
| 3       | Mr. B. B. Hattarki                      | 0   | 7  | 4  | 3      | 4                          | 4                          | 1   |
| 4       | Mr. S. S. Vaidya                        | 0   | 4  | 3  | 3      | 4                          | 4                          | 1   |
| 5       | Ms. A. A. Sathe                         | 0   | 1  | 0  | 1      | 4                          | 3                          | 1   |

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.

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