

# **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

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

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 Eleventh Annual General Meeting of the Members of BF Utilities Limited will be held at Kalyani Steels Limited, Mundhwa, Pune 411 036 on Monday, 13<sup>th</sup> Day of February, 2012 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, 2011 and the Profit and Loss Account for the year ended 30<sup>th</sup> September, 2011 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. 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."

#### 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, 13<sup>th</sup> February, 2012.
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.  
23<sup>rd</sup> November, 2011

By Order of the Board of Directors  
For BF Utilities Limited

B. S. Mitkari  
VP-Finance & Company Secretary

## Management Discussion And Analysis

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### Wind Power Development - International Scenario

#### Europe crisis

European economy is expected to continue with another year of dismal economic performance, while the United States and emerging markets may have to struggle to keep themselves afloat. Spain, having the fourth largest windpower installations, is feared to have gone into a painful recession. Moreover, this trend has forced other countries to tread cautiously and this has further added woes to the industrial climate.

A strong growth in China in the recent years has helped it to add wind power capacities on a large scale. The European slowdown has affected its global growth and may shrink its margins due to severe competition.

Also, fall in global oil demand and prices may not help the renewable energy sector. The future of Kyoto Protocol post 2012 is expected to be discussed at length during the Durban talks on Climate Change in December 2011. This is another opportunity to bank on for the renewable sector.

### Wind Power Development - Domestic Scenario

During the year, the government has implemented the REC mechanism (Renewable Energy Certificates) in its efforts to promote the various kinds of renewable energy. It has also received a good response from the RE generators and obligatories of the mechanism and can be seen from the steady rise in traded volumes.

#### Performance of Company's Windmill Projects

Due to better wind conditions, the windmill projects of your company have shown an increase in the generation during the year. The trend is similar to other such projects in the state. The generation of wind power from your Company's projects increased by 15% as compared to the previous year.

The projects of your company have been successfully registered under the REC mechanism. The RECs issued would be traded on power exchanges and would be eligible for additional revenue. In respect of issues regarding grant of open access for windmill projects wheeling energy to third parties, certain clarifications are being sought from the regulatory authority. Although the power generation and revenue has not been affected due to this, the realization of revenues have been delayed.

The windmill generators of your Company are undergoing thorough overhaul in phases to ensure that the life of the windmills is enhanced and are able to perform better.

#### 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 2010-2011.

### 1. BOARD LEVEL ISSUES :

#### ● Composition of the Board

As on 30<sup>th</sup> September, 2011 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, Four Board meetings were held. These were on 29<sup>th</sup> November, 2010, 7<sup>th</sup> February, 2011, 11<sup>th</sup> May, 2011, and 12<sup>th</sup> August, 2011. 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	4	3	Yes	14	None
A. B. KALYANI	Non- executive	4	3	Yes	12	None
G. K. AGARWAL	Non- executive	4	4	Yes	1	None
B. B. HATTARKI	Non- executive Independent ***	4	4	Yes	8	None
S. S. VAIDYA	Non- executive Independent ***	4	4	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 2010- 11.

- **Remuneration of Directors**

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

Table 2 - Remuneration paid to Directors during 2010-11 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	*	15,000	Nil	Nil	15,000
G. K. AGARWAL	None	20,000	Nil	Nil	20,000
B. B. HATTARKI	None	20,000	Nil	Nil	20,000
S. S. VAIDYA	None	20,000	Nil	Nil	20,000

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, Chartered Accountants, Pune. The committee met four times during the course of the year on 29<sup>th</sup> November, 2010, 7<sup>th</sup> February, 2011, 11<sup>th</sup> May, 2011 and 12<sup>th</sup> August, 2011. 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 2010-11		
Name of the Director	No. of meetings	Meetings attended
Mr. S. S. Vaidya	4	4
Mr. A. B. Kalyani	4	3
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. Amit B. Kalyani and Mr. S. S. Vaidya - 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. He has over ten years of working experience

- Mr. S. S. Vaidya born on 9<sup>th</sup> 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 24 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
2007-08	30 <sup>th</sup> March, 2009	10.30 A. M.	Training Centre, Kalyani Steels Limited.
2008-09	30 <sup>th</sup> June, 2010	10.30 A. M.	Training Centre, Kalyani Steels Limited.
2009-10	29 <sup>th</sup> March, 2011	10.30 A. M.	Training Centre, Kalyani Steels Limited.

## SHAREHOLDER INFORMATION

➤ **Annual General Meeting**

Date :- 13<sup>th</sup> February, 2012, 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 13<sup>th</sup> February, 2012 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., Bombay Stock Exchange 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 Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd., for the year 2010-11.

**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-10	1108.00	914.00	2572469	1107.90	915.25	4355205
Nov-10	1054.90	700.00	3194913	1054.80	685.00	5038118
Dec-10	986.00	652.00	10936325	987.80	645.05	20857004
Jan-11	943.25	680.00	5955813	943.50	680.20	9344107
Feb-11	931.00	649.20	12718710	912.00	648.50	19075595
Mar-11	814.00	675.00	8184429	814.00	674.20	12667005
Apr-11	906.40	711.80	9234976	904.60	770.15	13673572
May-11	836.90	716.10	4680352	836.70	714.95	6357290
Jun-11	785.00	658.00	3386057	784.80	652.65	5065804
Jul-11	786.80	678.05	7486275	786.65	678.20	13557193
Aug-11	738.85	403.15	6325671	738.80	402.20	12890175
Sep-11	564.45	376.70	8638238	564.75	429.05	19762207

➤ **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, four 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, 2011.

**Table 2 Pattern of shareholding by ownership as on 30<sup>th</sup> September, 2011**

Company	No. of shares held	Shareholding %
Promoters	24928975	66.18
Financial Institutions	0	0.00
Mutual Funds	30559	0.08
Nationalised Banks	69422	0.18
Insurance Companies	129655	0.34
Foreign Institutional Investors/ Foreign Banks	785803	2.09
Private Corporate Bodies	4393026	11.66
Indian Public	7160406	19.01
NRIs	169782	0.45
<b>TOTAL</b>	<b>37667628</b>	<b>100.00</b>

Table 3 Pattern of shareholding by share class as on 30<sup>th</sup> September, 2011

Shareholding class	No. of shareholders	No. of shares held	Shareholding %
Up to 5000	46911	5822012	15.46
5001 to 10000	121	848141	2.25
10001 to 20000	39	534628	1.42
20001 to 30000	18	450132	1.19
30001 to 40000	12	410665	1.09
40001 to 50000	8	358595	0.95
50001 to 100000	14	1054617	2.80
100001 and above	24	28188838	74.84
<b>TOTAL</b>	<b>47147</b>	<b>37667628</b>	<b>100.00</b>

➤ **Dematerialisation**

As on 30<sup>th</sup> September, 2011 dematerialised shares accounted for 40.21% of the total equity.

➤ **Site Location**

The Company's Wind Farm is located at Village Maloshi, Boposhi and Kadve Khurd, Taluka Patan, District Satara, in the state of Maharashtra, India.

➤ **Investors Correspondence Address**

1. Secretarial Department  
BF Utilities Ltd.,  
Mundhwa, Pune Cantonment, Pune - 411 036 Maharashtra, India.  
Phone No. 020 - 26702618, 26822552, Fax No.26823061,  
E-mail : bfutilitiesltd@vsnl.net
2. Link Intime India Private Limited  
Registrar & Transfer Agents  
202, Akshay Complex, Off Dhole Patil Road,  
Near Ganesh Mandir, Pune 411 001.  
Phone No.: 020-26161629 Fax No.020-26163503  
Email : pune@linkintime.co.in

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of *BF Utilities Limited*

We have examined the compliance of conditions of Corporate Governance by BF Utilities Limited, for the year ended September 30, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except that the composition of independent directors is below 50% of the Board of Directors and below 2/3<sup>rd</sup> of the Audit Committee.

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

For Dalal & Shah  
Firm Registration Number: 102021W  
Chartered Accountants

Anish Amin  
Partner

Place : Mumbai  
Date : 23<sup>rd</sup> November, 2011

Membership Number 40451