

BF UTILITIES



B F Utilities Limited



JULY 2014

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• Kalyani Group is a leading conglomerate in India with presence in the Engineering Steel, Forging, Auto Components , Infrastructure and Speciality Chemical sectors

Division	Division	Highlights
 Engineering Steel	<ul style="list-style-type: none"> ➤ Kalyani Steels (Mkt Cap: ~USD 68 mn) is a leading manufacturer of carbon & alloy steel ➤ Kalyani Carpenter Special Steels 	<p>One of the leading manufacturers of Engineering Steel in India</p>
 Forging	<ul style="list-style-type: none"> ➤ Bharat Forge (Mkt Cap: ~USD 2.45 bn) has forging capacity of 560,000 TPA and has presence in India, Germany and Sweden. 	<p>Amongst the largest forging capacity worldwide</p>
 Auto Components	<ul style="list-style-type: none"> ➤ Automotive Axles (Mkt Cap: ~USD 150 mn) ➤ Kalyani Technoforge ➤ Kalyani Hayes Lemmerz 	<p>One of the leading manufacturers of Axle aggregates in India and major exporters of Wheels</p>
 Infrastructure	<ul style="list-style-type: none"> ➤ BF Utilities Ltd (Mkt Cap: ~USD 378 mn) – Integrated Infrastructure development company ➤ Khed Economic- SEZ 	
 Speciality Chemical	<ul style="list-style-type: none"> ➤ Hikal Chemicals (Mkt Cap: ~USD 167 mn) - Engaged in R&D, manufacturing & marketing of fine chemicals for the Pharma/ Agrochemical industry 	

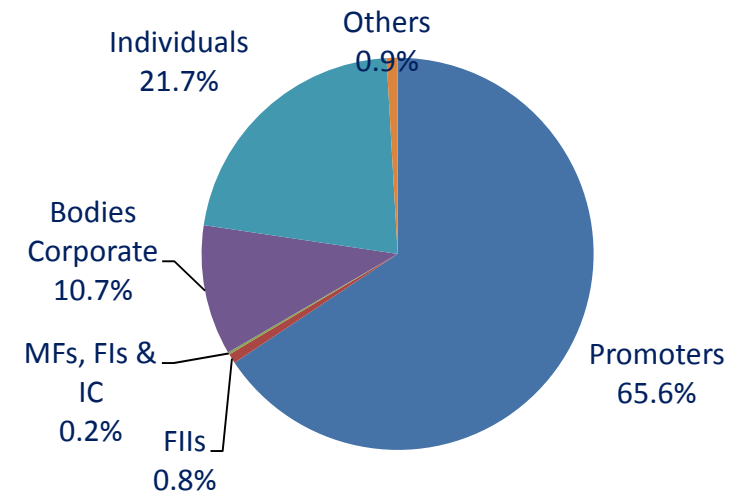
Total Group Turnover of USD ~ 2 bn; Total Group Market Capitalization of ~ USD 3 bn

BF Utilities: Balanced portfolio of Toll Roads & Real Estate

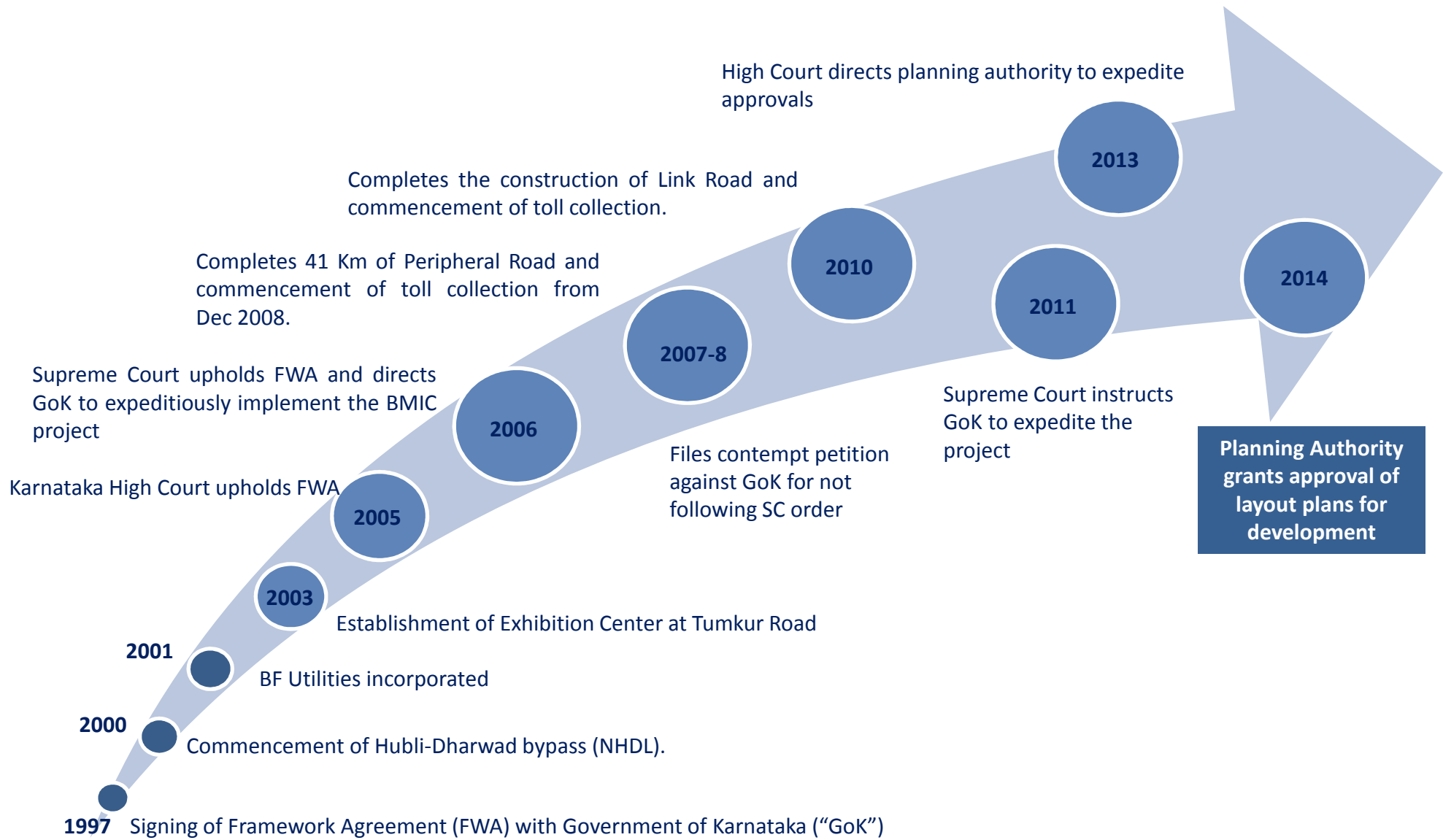
- ❖ BF Utilities, through its subsidiaries, is engaged in the business of integrated infrastructure development in the cities of Bangalore and Mysore in the state of Karnataka, India
- ❖ Flagship project is the Bangalore-Mysore Infrastructure Corridor (“BMIC”) project spanning 20,193 acres of development with real estate projects developed alongside the Toll Roads
- ❖ Key business drivers comprise -
 - Toll Roads: 194.6 km;
 - Wind Power: 18.33 MW (operational);
 - Real Estate: 20,193 acres; and
 - Right to develop & manage utilities (Power, Telecom & Water)
- ❖ The wind business is carried on in BF Utilities itself, while the others are carried out through subsidiaries.



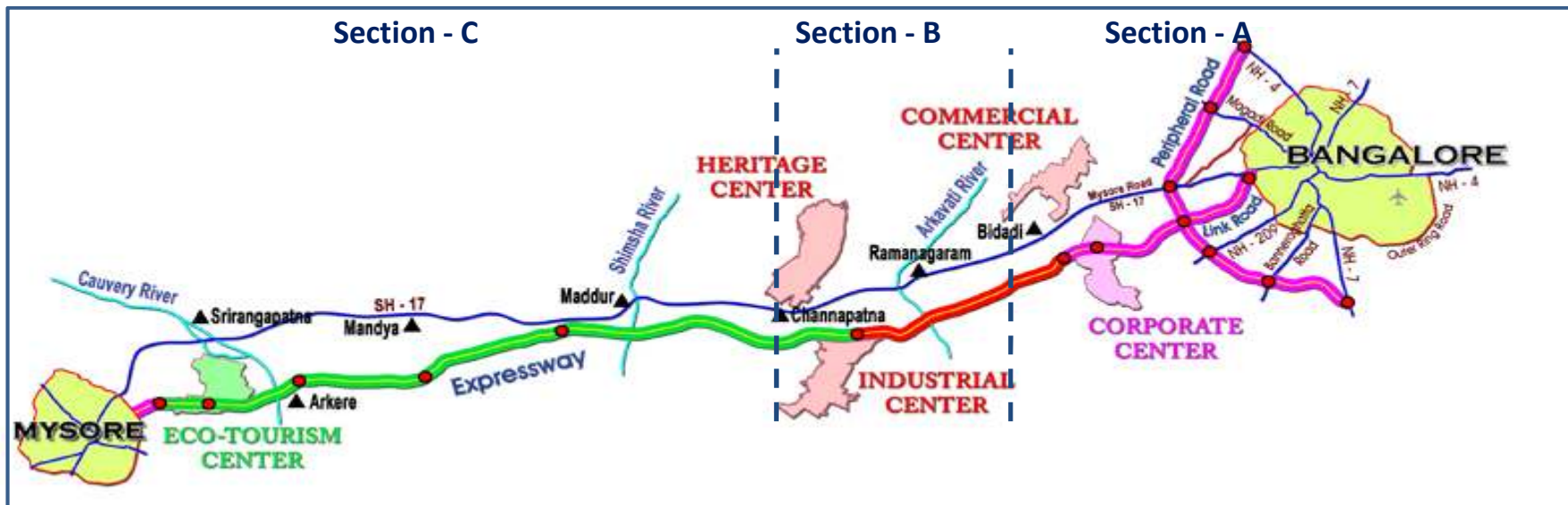
Shareholding Pattern (As of 30th June 2014)



The Journey so far...



- BMIC Project is divided into three sections as described below:



Section C

- Expressway: 37 km to 111 km
- Right to develop 5 Interchanges
- 1 Township: Eco Tourism Center
- 3.1 Kms of Elevated Section of the Link Road on the Bangalore Side

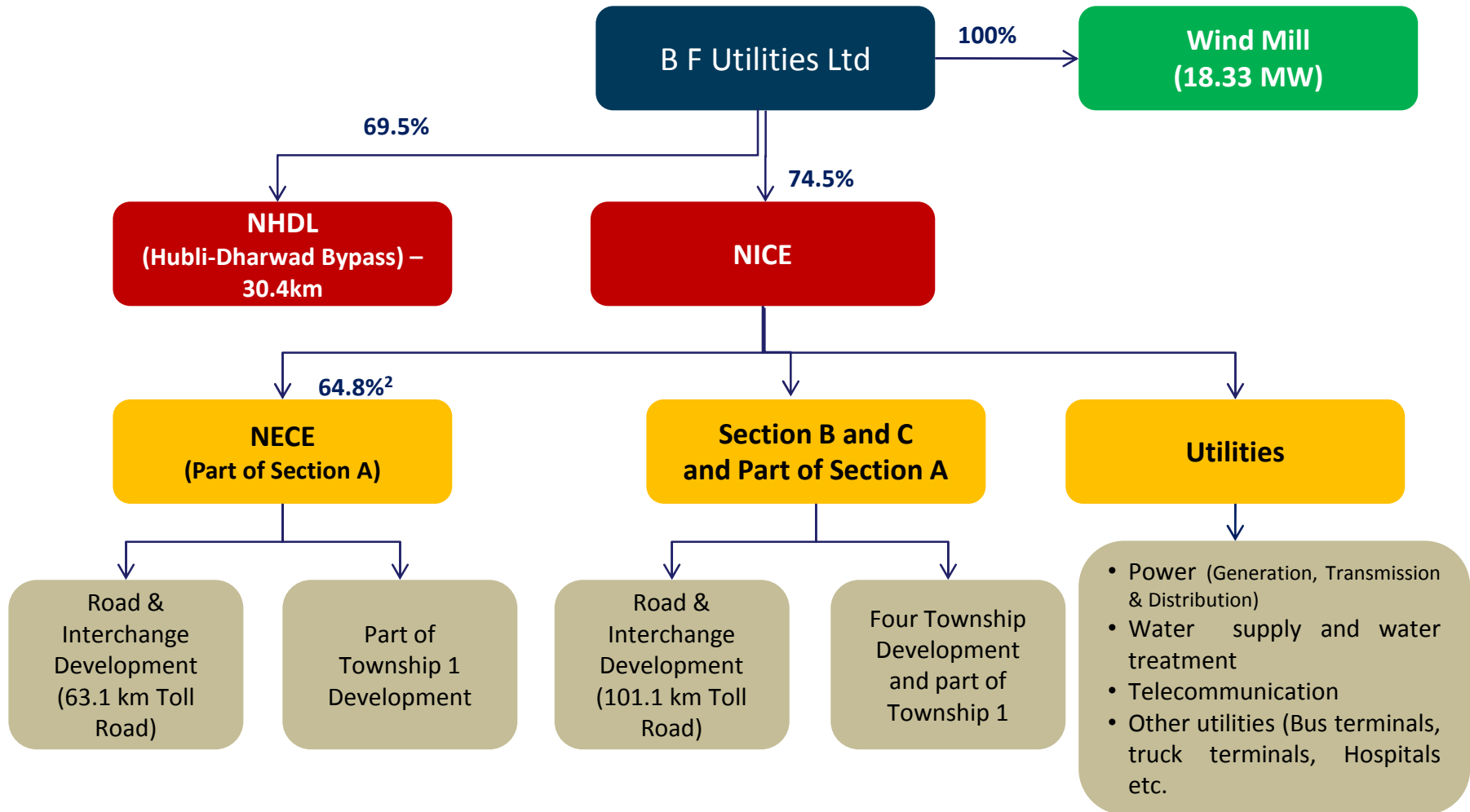
Section B

- Expressway: 13 km to 37 km
- Right to develop 1 Interchange
- Development of 3 Townships including Commercial Center, Heritage Center and Industrial Center

Section A

- Link Road: 9.1 km
- Peripheral Road: 41 km
- Expressway: 0 km to 13 km
- Development of 10 Interchanges
- 1 Township: Corporate Center
- Land Assets: 7,290 acres

Corporate Structure of BF Utilities



Note:

1. NICE- Nandi Infrastructure Corridor Enterprise Ltd.; NECE - Nandi Economic Corridor Enterprises Ltd ; NHDL - Nandi Highway Developers Ltd.
2. NECE has issued 50 mn CCCPS having face value of INR 100 each to AIRRO (Mauritius) which on conversion will result into minimum of 8.3% and maximum of 16.3% holding in NECE

Key highlights

Balanced portfolio

- ❖ Generation of revenue from a combination of tolls and land development
- ❖ Right to develop land in and around the Interchanges
- ❖ JDA/MOU for development of 177 acres in place

Marquee Project in Bangalore city

- ❖ Bangalore- Mysore corridor is widely considered a desirable location for infrastructure development
- ❖ Right to receive 20,193 acres from Government of Karnataka (GoK)
 - 2,935 acres within Bangalore city limits of which 1,879 acres already in possession

Favourable court judgments

- ❖ Recent favorable judgments on land litigations expected to speed-up execution
- ❖ Single planning authority (BMICAPA) for approval process

Credible parentage with strong execution capabilities

- ❖ Experienced management team at the helm, with Kalyani group's expertise and resources readily available
- ❖ Strong in-house execution skills and capabilities.

Right to develop utilities, townships and other facilities within the corridor

- ❖ Exclusive right to supply, transmit, distribute and sell utilities like Power, Water and telecommunication facilities within BMIC project
- ❖ Right to build 400 MW of power plant
- ❖ Right to draw 2 TMC of water p.a. from River Cauvery

Cash flows from Toll Portfolio

	Length (km)	Description	Status	Toll Revenue (INR mn)
				FY13
Section A (NECE)	9.1	Link Roads	Operational	1,358
	41.0	Peripheral Road	Operational	
	13.0	Expressway till Bidadi	~5 km Completed	
NHDL	30.4	Hubli-Dharwad Bypass	Operational	369
Section B & C (NICE)	101.1	Expressway from Bidadi to Mysore (including elevated road)	To be constructed	Nil
Total	194.6			1,727

- ❖ Concession period for toll roads under NECE and NICE is for 30 years.
- ❖ Concession period for NHDL commenced in 1998 (Toll collection commenced from June 2000) and is for 26 years.
- ❖ Agreements give the right to the companies to increase toll rates by 10% per annum.

41 km of Peripheral Road around Bangalore City

9.1 km Link Road from Peripheral Road to Bangalore City

13 km of Expressway from Peripheral Road to the town of Bidadi

Corporate Township at Bidadi

BMICP – Section A



8 Interchanges located within city limits of Bangalore

BMIC Project: 20,193 acres of Land

- ❖ Right to receive land assets aggregating to 20,193 acres of which 5,193 acres is Govt Land and 15,000 acres is Private Land
- ❖ Section A of the project envisages the development of 7,290 acres of land of which 2,092 acres is Govt Land
- ❖ Section B & C of the project envisages the development of 12,903 acres of which 3,101 acres is Govt Land
- ❖ Company has signed Joint Development Agreements (JDAs) for 177 acres with reputed developers for joint development of few parcels of Interchange lands
- ❖ Design and other preliminary work on these JDAs is at a final stage. Internationally renowned architects have been chosen
- ❖ Applications submitted to the authorities for approval of building plans and change of land use
- ❖ Projects will be launched after approval of the plans

Land in Possession	Section A	Section B & C	Total
Toll Roads	1,449	311	1,760
Interchanges	1,879	-	1,879
Townships	912	2,790	3,702
Total	4,240	3,101	7,341

In Section A, ~94.8% of the total land has been notified by the GoK

Experienced Leadership and Management team

BOARD OF DIRECTORS (B F UTILITIES)	
Mr. B N Kalyani	Chairman
Mr. Amit B Kalyani	Non Executive Director
Mr. G K Agarwal	Non Executive Director
Mr. B. B. Hattarki	Independent Director
Mr. S. S. Vaidya	Independent Director
BOARD OF DIRECTORS (NECE) – Executive & Nominee	
Mr. Ashok Kheny	Managing Director
Mr Vijay Pattabhiraman	Nominee Director
Ms Kavita Saha	Nominee Director
Mr. Tanmaya Misra	Nominee Director
BOARD OF DIRECTORS (NICE & NHDL) – Executive	
Mr. Ashok Kheny	Managing Director - NICE
Mr. Shivkumar Kheny	Executive Director - NHDL



Mr. Baba Kalyani
Padma Bhushan - 2008



**CIDC awarded BMIC Project for
Construction of Rigid Pavement as
“Best Construction Project 2014”**



Right to develop Utilities within BMIC Project area

❖ Power

- Generate, transmit and distribute 400 MW of power within the BMIC Project area
- Enter into PPA with Karnataka Power Corporation Limited (“KPCL”)

❖ Telecommunication

- Set up the telecommunications facilities within the BMIC Project area

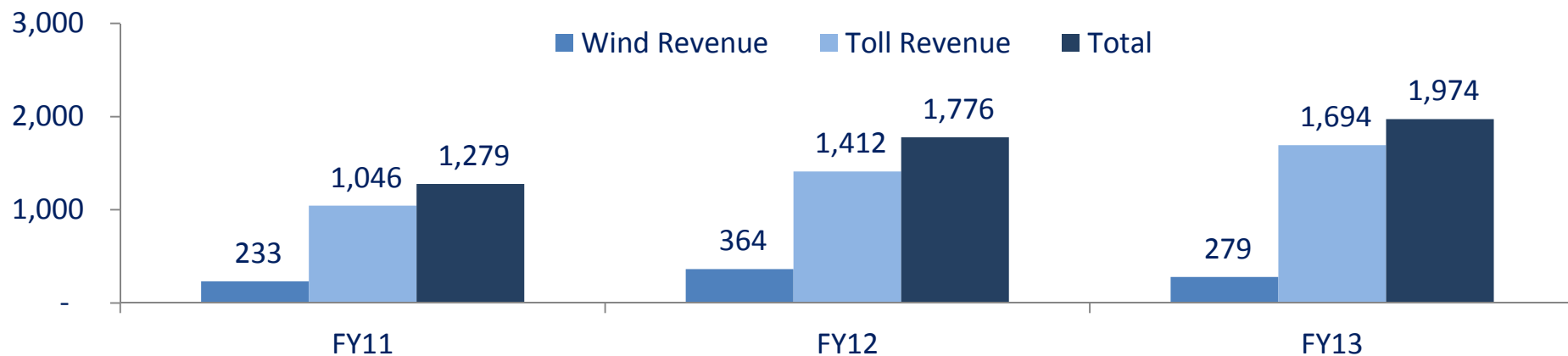
❖ Water Supply and Water Treatment

- Development and maintenance of water/waste water and sewage treatment facilities within the BMIC Project area
- Right to use 2,000 million cubic feet of water per annum from River Cauvery for usage in the BMIC Project area

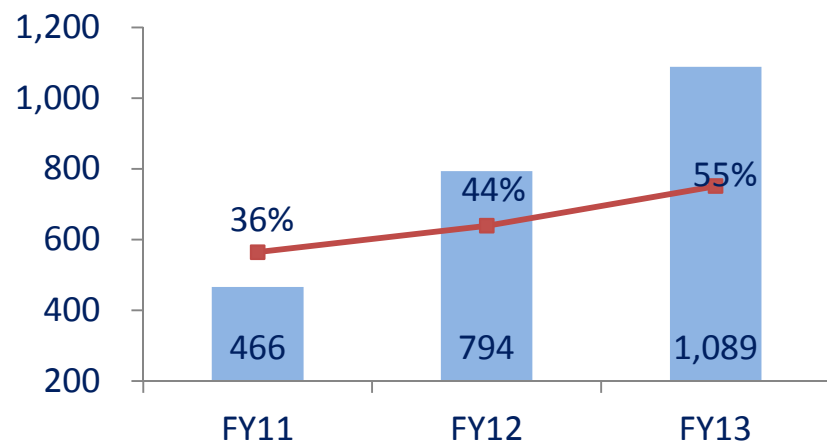
Financial Overview - Consolidated

All figures in INR mn. Financial Year Ending September 30

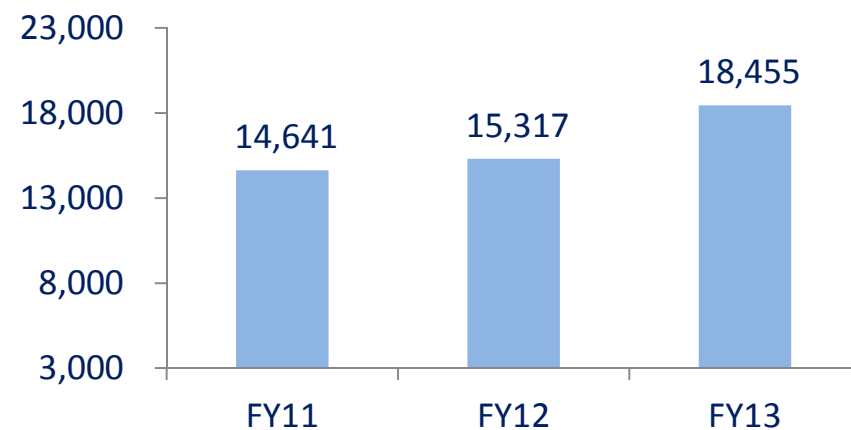
Revenue



EBITDA



Net Debt



Detailed Historical Financials (Consolidated)

Income Statement highlights			
Y/E (INR mn)	Sep-11	Sep-12	Sep-13
Toll Revenue	1,046	1,412	1,694
Wind Power revenue	233	364	279
Other operational income	0.5	33	1
Income from operation	1,279	1,809	1,975
Operating Expenses	813	1,014	886
EBITDA	466	794	1,089
Interest	2,044	1,794	2,030
Depreciation	402	438	205
Other income	27	318	98
PBT	(1,951)	(1,119)	(1,049)
Tax provisions	82	36	39
Adjustments	(32)	(0.3)	(4)
PAT	(2,065)	(1,155)	(1,093)

Balance Sheet highlights			
As at (INR mn)	Sep-11	Sep-12	Sep-13
Equity Share Capital	188	188	188
Reserves & Surplus	(1,502)	(1,988)	(2,472)
Total Shareholder's fund	(1,314)	(1,800)	(2,284)
Minority Interest	5,207	4,537	3,929
Borrowings (Long Term)	15,392	15,937	18,729
Other Liabilities & Provisions	1,654	1,721	2,185
Net Fixed Assets	14,208	13,850	14,568
Investments	4,032	762	370
Cash & Bank balance	877	686	334
Other assets	1,823	5,098	7,287
Total Assets / Liabilities	20,939	20,396	22,559

Current Status of Projects (1/3)

IC-1 / 7 of Peripheral Road



IC-2/7 of Peripheral Road



IC-3 / 7 of Peripheral Road



IC-4 / 7 of Peripheral Road



Current Status of Projects (2/3)

IC-5 / 7 of Peripheral Road



IC-6 / 7 of Peripheral Road



IC-7 / 7 of Peripheral Road



IC- L1 of Link Road



Current Status of Projects (3/3)

Peripheral Road



Peripheral Road



Peripheral Road



Link Road



Thank You

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