

# BF UTILITIES

CIN:L40108PN2000PLC015323

BFUL/NSE/BSE/

December 26, 2020

National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (E),  
Mumbai – 400 051  
SYMBOL – BFUTILITIE

Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Tower  
Dalal Street,  
Mumbai – 400 001.  
Scrip Code – 532430

Dear Sirs,

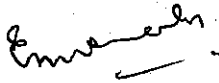
**Re: Consolidated Unaudited Financial Results for the quarter ended on 30<sup>th</sup> September, 2020 & Limited Review Report of Auditors**

In pursuance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Consolidated Unaudited Financial Results of the Company for the quarter ended 30<sup>th</sup> September, 2020 & Limited Review Report of our Auditors M/s. Joshi Apte & Co., Chartered Accountants, for the quarter ended 30<sup>th</sup> September, 2020.

The Board meeting started at 11.15 Hrs. and concluded at 11.50 Hrs.

Thanking You,

Yours Faithfully,  
For BF Utilities Limited



B. S. Mitkari  
Company Secretary

Encl : As Above



**KALYANI**  
GROUP COMPANY

BF UTILITIES LIMITED, MUNDHWA, PUNE CANTONMENT, PUNE 411 036, MAHARASHTRA, INDIA

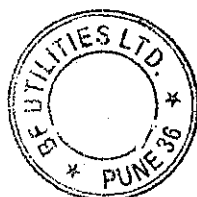
Website : [www.bfutilities.com](http://www.bfutilities.com)

Phone: +91-020-26725257 Email: [Secretarial@bfutilities.com](mailto:Secretarial@bfutilities.com)

**BF UTILITIES LIMITED**  
 Regd. Office : Mundhwa, Pune Cantonment, Pune 411 036  
 CIN : L40108PN2000PLC015323

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020							Rs. in Lakhs
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 Sept., 2020	30 June, 2020	30 Sept., 2019	30 Sept., 2020	30 Sept., 2019	31 March, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	9,328.24	5,263.54	11,269.91	14,591.78	22,697.73	53,518.87
2	Other income	448.59	938.17	574.09	1,386.76	1,242.74	2,940.50
3	<b>Total revenue (1+2)</b>	<b>9,776.83</b>	<b>6,201.71</b>	<b>11,844.00</b>	<b>15,978.54</b>	<b>23,940.47</b>	<b>56,459.37</b>
4	<b>Expenses</b>						
	Changes in inventories	1.20	2.67	(0.11)	3.87	(1.81)	(1.53)
	Employee benefit expenses	1,293.05	1,273.73	1,314.35	2,566.78	2,665.34	5,710.75
	Finance costs	5,682.51	5,411.91	5,449.49	11,094.42	10,739.08	21,376.22
	Depreciation and amortization expense	1,426.28	1,415.19	1,330.15	2,841.47	2,648.32	5,314.03
	Other expenses	3,625.57	1,630.17	1,955.85	5,255.74	3,208.32	18,138.70
	<b>Total expenses</b>	<b>12,028.61</b>	<b>9,733.67</b>	<b>10,049.73</b>	<b>21,762.28</b>	<b>19,259.25</b>	<b>50,538.17</b>
5	Profit / (Loss) before tax and exceptional items (3-4)	(2,251.78)	(3,531.96)	1,794.27	(5,783.74)	4,681.22	5,921.20
6	Exceptional items	-	-	-	-	-	2,536.48
7	<b>Profit / (Loss) before tax (5 + 6)</b>	<b>(2,251.78)</b>	<b>(3,531.96)</b>	<b>1,794.27</b>	<b>(5,783.74)</b>	<b>4,681.22</b>	<b>3,384.72</b>
8	<b>Tax expense :</b>						
	a) Current tax	135.95	20.81	141.28	156.76	376.46	686.00
	b) Deferred tax	(144.65)	(47.55)	(64.35)	(192.20)	(97.32)	(36.81)
		(8.70)	(26.74)	76.93	(35.44)	279.14	649.19
	Tax expenses pertaining to earlier years	(8.70)	(26.74)	76.93	(35.44)	279.14	649.19
9	<b>Profit / (Loss) for the year after taxation (7-8)</b>	<b>(2,243.08)</b>	<b>(3,505.22)</b>	<b>1,717.34</b>	<b>(5,748.30)</b>	<b>4,402.08</b>	<b>2,735.53</b>
10	Adjustments relating to earlier years :						
	Excess / (Short) provision for taxation and tax payments	1.47	5.00	-	6.47	-	-
11	<b>Profit / (Loss) for the period (9+10)</b>	<b>(2,241.61)</b>	<b>(3,500.22)</b>	<b>1,717.34</b>	<b>(5,741.83)</b>	<b>4,402.08</b>	<b>2,735.53</b>
12	<b>Other Comprehensive Income</b>						
	A. (i) Items that will not be reclassified to Profit and Loss (net of tax)	(3.74)	5.72	(1.41)	1.98	(3.48)	(25.47)
	B. Items that will be reclassified to Profit and Loss	-	-	-	-	-	-
13	<b>Total Comprehensive income for the period (11 + 12)</b>	<b>(2,245.35)</b>	<b>(3,494.50)</b>	<b>1,715.93</b>	<b>(5,739.85)</b>	<b>4,398.60</b>	<b>2,710.06</b>
14	<b>Total comprehensive income above attributed to:</b>						
	- Owners of the parent	(625.34)	(1,417.97)	959.53	(2,043.31)	2,357.10	1,957.90
	- Non-controlling interest	(1,620.01)	(2,076.53)	756.40	(3,696.54)	2,041.50	752.16
		(2,245.35)	(3,494.50)	1,715.93	(5,739.85)	4,398.60	2,710.06
15	<b>Total comprehensive income above attributed to:</b>						
	Profit for the year attributable to:						
	- Owners of the parent	(621.60)	(1,423.69)	960.94	(2,045.29)	2,360.58	1,972.75
	- Non-controlling interest	(1,620.01)	(2,076.53)	756.40	(3,696.54)	2,041.50	762.78
		(2,241.61)	(3,500.22)	1,717.34	(5,741.83)	4,402.08	2,735.53
16	<b>Total comprehensive income above attributed to:</b>						
	Other comprehensive income for the year attributable to:						
	- Owners of the parent	(3.74)	5.72	(1.41)	1.98	(3.48)	(14.86)
	- Non-controlling interest	-	-	-	-	-	(10.61)
		(3.74)	5.72	(1.41)	1.98	(3.48)	(25.47)
17	<b>Earnings per share: (Rs.)</b>						
	(Face value of Rs. 5 each)						
	Basic & Diluted	(5.95)	(9.29)	4.56	(15.24)	11.69	7.26
	Paid-up Equity Share Capital (Face value of Rs. 5 each)	1,883.38	1,883.38	1,883.38	1,883.38	1,883.38	1,883.38

For BF Utilities Limited



*B S MITKARI*  
 B S MITKARI  
 Director  
 DIN : 03632549

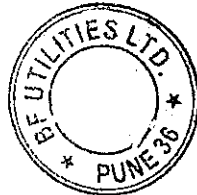
Place : Pune  
 Date : 26 December, 2020

BF UTILITIES LIMITED

SEGMENTWISE CONSOLIDATED REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER, 2020.

Rs. in Lakhs

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 Sept., 2020	30 June, 2020	30 Sept., 2019	30 Sept., 2020	30 Sept., 2019	31 March, 2020
		(Unaudited)	(Unaudited)	(see note 5)	(Unaudited)	(see note 5)	(Audited)
1	Segment Revenue						
	a. Wind Mills	678.79	374.67	810.08	1,053.46	1,298.65	1,925.04
	b. Infrastructure	8,449.42	4,988.90	9,873.27	13,438.32	21,399.04	51,593.84
	<b>Total</b>	<b>9,128.21</b>	<b>5,363.57</b>	<b>10,683.35</b>	<b>14,491.78</b>	<b>22,697.69</b>	<b>53,518.88</b>
	Less : Inter segment revenue						
	Net Revenue	9,128.21	5,363.57	10,683.35	14,491.78	22,697.69	53,518.88
2	Segment results (segment)						
	a. Wind Mills	(22.43)	(126.28)	112.44	(148.71)	106.86	(0.10)
	b. Infrastructure	2,811.65	1,172.47	5,996.40	3,984.12	14,081.00	24,379.40
	<b>Total</b>	<b>2,789.22</b>	<b>1,046.19</b>	<b>6,108.84</b>	<b>3,835.41</b>	<b>14,187.86</b>	<b>24,379.30</b>
	Less:						
	i) Finance cost	5,682.51	5,411.91	5,449.49	11,094.42	10,739.08	21,376.22
	ii) Other unallocable expenditure net off unallocable income	(641.51)	(833.76)	(1,134.92)	(1,475.27)	(1,232.44)	(2,918.12)
	Total Profit / (Loss) before tax and exceptional items	(2,251.78)	(3,531.96)	1,794.27	(5,783.74)	4,681.22	5,921.20
	Exceptional Items						(2,536.48)
	Total Profit / (Loss) before tax	(2,251.78)	(3,531.96)	1,794.27	(5,783.74)	4,681.22	3,384.72
3	Capital Employed						
	Segment Assets						
	a. Wind Mills	5,146.22	4,615.74	5,943.08	5,146.22	5,943.08	5,750.26
	b. Infrastructure	189,422.18	191,136.60	179,156.01	189,422.18	179,156.01	191,418.39
	c. Unallocable	25,423.61	22,928.62	20,415.39	25,423.61	20,415.39	19,922.69
	<b>Total</b>	<b>219,992.01</b>	<b>218,680.96</b>	<b>205,514.48</b>	<b>219,992.01</b>	<b>205,514.48</b>	<b>217,091.34</b>
	Segment Liabilities						
	a. Wind Mills	3,695.75	3,881.89	3,941.74	3,695.75	3,941.74	3,790.79
	b. Infrastructure	44,116.64	43,686.88	29,547.45	44,116.64	29,547.45	42,450.97
	c. Unallocable	10.93	31.56	13.53	10.93	13.53	9.39
	<b>Total</b>	<b>47,823.32</b>	<b>47,600.33</b>	<b>33,502.72</b>	<b>47,823.32</b>	<b>33,502.72</b>	<b>46,251.15</b>
	Capital Employed (Segment Assets - Segment Liabilities)						
	a. Wind Mills	1,450.47	733.85	2,001.34	1,450.47	2,001.34	1,959.47
	b. Infrastructure	145,305.54	147,449.72	149,608.56	145,305.54	149,608.56	148,967.42
	c. Unallocable	25,412.68	22,897.06	20,401.86	25,412.68	20,401.86	19,913.30
	<b>Total</b>	<b>172,168.69</b>	<b>171,080.63</b>	<b>172,011.76</b>	<b>172,168.69</b>	<b>172,011.76</b>	<b>170,840.19</b>



For BF Utilities Limited

B S MITKARI  
Director  
DIN : 03632549

Place : Pune  
Date : 26 December, 2020

**BF UTILITIES LIMITED**  
**Consolidated Statement of Assets and Liabilities**

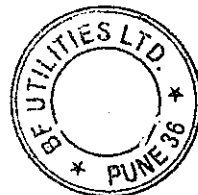
(Rs. In Lakhs)

Particulars	Consolidated	
	30-Sep-2020	31-Mar-2020
	(Unaudited)	(Audited)
<b>ASSETS</b>		
1 Non-current assets		
(a) Property Plant Equipments	2,309.56	2,602.04
(b) Capital Work in progress	3,535.09	3,535.09
(c) Investment Property	10.39	10.39
(d) Goodwill	635.09	635.09
(e) Right to use	363.00	403.33
(f) Other Intangible assets	109,993.74	112,501.29
(g) Intangible assets - under development	850.29	850.12
(h) Financial Assets		
i) Investments	9.45	9.45
ii) Loans & advances	339.00	337.23
ii) Other non current financial assets	362.76	362.77
(i) Income tax assets (net)	1,382.57	1,240.86
(j) Deferred Tax asset	71.99	-
(k) Other non-current assets	42,746.69	42,716.99
<b>Sub-total - Non-current assets</b>	<b>162,609.62</b>	<b>165,204.65</b>
2 Current Assets		
(a) Inventories	22,321.49	22,325.36
(b) Financial Assets		
i) Investments	23,995.21	19,812.06
ii) Trade receivables	47.37	71.52
iii) Cash and cash equivalents	2,539.45	2,709.97
iv) Other bank balances	5,094.58	3,494.58
v) Loans & advances	2,459.36	2,460.15
vi) other current financial assets	208.13	334.34
(c) Other current assets	788.79	657.36
<b>Sub-total - Current assets</b>	<b>57,454.38</b>	<b>51,865.34</b>
<b>TOTAL - ASSETS</b>	<b>220,064.00</b>	<b>217,069.99</b>
<b>EQUITY AND LIABILITIES</b>		
1 Shareholders' funds		
(a) Equity share Capital	1,883.38	1,883.38
(b) Other equity	(26,060.24)	(24,016.93)
Equity attributable to equity holders of the parent	(24,176.86)	(22,133.55)
(c) Non Controlling Interest	18,191.28	21,887.81
<b>Total Equity</b>	<b>(5,985.58)</b>	<b>(245.74)</b>
2 Non-current liabilities		
(a) Financial Liabilities		
i) Borrowings	167,285.91	161,998.49
ii) Other financial liabilities	14,332.16	11,659.13
(b) Provisions	1,099.82	884.05
(c) Deferred tax liabilities (net)	-	119.46
(d) Other non current liabilities	8,931.08	8,948.31
<b>Sub-total-Non current liabilities</b>	<b>191,648.97</b>	<b>183,609.44</b>
3 Current liabilities		
(a) Financial Liabilities		
i) Borrowings	2,086.08	2,123.00
ii) Trade payables	5,606.23	4,889.74
iii) Other financial liabilities	12,112.44	12,104.63
(b) Other current liabilities	12,493.32	12,434.27
(c) Provision	2,102.54	2,154.65
<b>Sub-total-Current liabilities</b>	<b>34,400.61</b>	<b>33,706.29</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>220,064.00</b>	<b>217,069.99</b>

For BF Utilities Limited



B S MITKARI  
 Director  
 DIN : 03632549



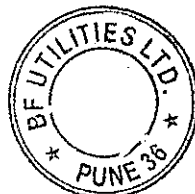
Pune  
 Dated : 26 December, 2020

**BF UTILITIES LIMITED**
**Consolidated Cash Flow Statement for the period ended 30 September, 2020**
**(Rs. In Lakhs)**

	Consolidated	
	30 Sept., 2020	31 March 2020
<b>Cash Flow from Operating Activities</b>		
Profit before tax	(5,783.74)	3,384.72
Adjustment for:		
Depreciation	2,841.47	5,314.02
Interest expense	11,060.35	21,267.67
Government grants sales tax deferral income (being non cash)	34.06	108.56
Ind AS adjustments not related to cash flow	-	-
Interest income	(173.88)	(427.09)
Dividend received	(1.10)	(0.72)
Loss on sale of assets	1.16	1.69
Gain on sale of Investments	(183.86)	(1,048.17)
Net fair value gain on current investments at FVTPL	(926.92)	(418.92)
Government grants sales tax deferral income (being non cash)	(34.06)	(108.56)
<b>Operating Profit before working capital changes</b>	<b>6,833.48</b>	<b>28,073.20</b>
Movements in working capital:		
(Increase) / Decrease in Inventories	3.87	(5,182.21)
(Increase) / Decrease in Trade receivable	24.15	131.05
(Increase) / Decrease in Other financial asset	13.84	(40.27)
(Increase) / Decrease in Other current asset	(129.56)	(29.10)
(Increase) / Decrease in short term loans and advances	0.80	(2,447.67)
Increase / (Decrease) in Trade payable	716.49	(596.32)
Increase / (Decrease) in Other financial liability	8,305.57	758.09
Increase / (Decrease) in Other liability	59.03	11,985.95
Increase / (Decrease) in Short term provisions	(53.97)	(286.85)
<b>Operating Profit after working capital changes</b>	<b>15,773.70</b>	<b>32,365.87</b>
Direct taxes paid (Net of refunds)	(291.99)	(1,301.31)
<b>Net cash generated from Operating Activities (A)</b>	<b>15,481.71</b>	<b>31,064.56</b>
<b>Cash Flow from Investing Activities</b>		
Payment towards capital expenditure	(4.37)	(10,643.82)
Proceeds from sale of assets	1.93	5.88
Payment towards investments	(4,183.15)	(5,521.30)
Payments towards Capital WIP	-	(0.68)
Proceeds from sale of investments	183.86	1,048.17
Current Financial Investment (including SOCIE)	929.66	3,748.63
Interest Income	286.26	394.60
Dividend received	1.10	0.72
Redemption / (Investment) of term deposits with bank	(1,600.00)	2,659.18
<b>Net cash generated from Investing Activities (B)</b>	<b>(4,384.71)</b>	<b>(8,308.62)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Long term borrowings	997.87	-
Repayment of borrowings	(1,420.83)	(4,180.20)
Long Term loans and advances	(1.77)	(194.01)
Other Non current assets	(29.70)	(109.95)
Provisions	215.77	519.38
Dividend paid	-	-
Other noncurrent liabilities	(17.23)	2,399.98
Interest paid	(11,011.63)	(20,648.68)
<b>Net cash generated from Financing Activities (C)</b>	<b>(11,267.52)</b>	<b>(22,213.48)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(170.52)</b>	<b>542.46</b>
Cash and cash equivalents at the beginning of the year	2,709.97	2,167.51
Cash and cash equivalents at the end of the year/period	2,539.45	2,709.97

Place : Pune

Date : 26 December, 2020



For BF Utilities Limited

B S MITKARI

Director

DIN : 03632549

Notes:

1 The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 26<sup>th</sup> December, 2020.

2 Certain litigations by and against the Company are pending in various Courts, and the matter is subjudice. No cognizance thereof is taken in the above results, pending final outcome of the cases.

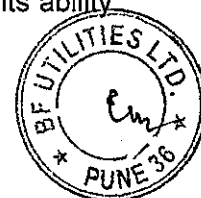
3 In respect of Nandi Economic Corridor Enterprises Limited (NECE)

a. It had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House of Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by NECE. Further, it had also been reported in the print media that the House Committee tabled its report during November 2016 in the Karnataka Legislative Assembly, wherein NECE and various departments of GoK have been accused of violations of several terms of FWA and recommendations have been made to initiate appropriate actions which include recovery of excess land given for the project, recovery of illegal toll collected by NECE and further probe by national agencies such as the Central Bureau of Investigation (CBI), Enforcement of Directorate, central vigilance commission or investigative agencies of equal standing. While NECE has still not been provided with any notice of the formation of the committee or its reports, the Management of NECE has assessed the findings of the said Committee reported in the print media and is of the opinion that the allegations made therein are baseless, politically motivated and hence lack legal withstanding. Further, NECE had faced similar situations in the past, where NECE has received favorable orders from the Hon'ble High Court and the Supreme Court. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee itself is unconstitutional, illegal, and invalid and any findings/report, given by the aforesaid House Committee would also be illegal and untenable in law.

Based on the aforesaid legal opinion, the Management of NECE has evaluated the above developments and in its assessment, since every aspect of the implementation of the BMIC Project has been judicially scrutinized in earlier instances by the Hon'ble High Court of Karnataka and Hon'ble Supreme Court of India and as the Hon'ble Courts have pronounced detailed favorable judgements regarding the same, including upholding the process adopted by NICE/ NECE in implementing the BMIC project as per FWA, the Management of NECE is of the view that NECE has followed the FWA in letter and spirit and that all concerned laws have been adhered to in implementing the BMIC project. As such, NECE intends to legally contest any matters that may arise in this regard to safeguard of its interests.

NECE's township development activities carried out as part of the BMIC project are dependent upon receiving necessary approvals from the Bangalore Mysore Infrastructure Corridor Area Planning authority.

The Management of NECE is of the opinion that the requisite regulatory approvals would be received by NECE in the normal course of business for the township development activities; various litigations would be decided in the favor of NECE and, hence, there would be no adverse effect on the operations of NECE including its ability to continue operations in foreseeable future.



- b. As at the Balance sheet date, there are various cases pending against the NECE challenging the execution of the BMICP (the 'Project') which can be categorized under the following broad heads: a) Land acquisition and allotment related b) Litigation against layout approvals c) Enhanced compensation. NECE has been legally advised that none of these pending litigation or threatened litigation is likely to affect the execution of the Project. The Management of NECE believes that aforesaid litigations will not have any material impact upon the financial statements of NECE.
- 4 Corona virus (COVID -19) has badly affected the world economy, including India. COVID-19 is likely to affect the business activities of the Company, the impact of which cannot be reasonably estimated at this early stage.

However, based on the preliminary estimates, the Company does not anticipate any major challenge in meeting its Financial obligations, on long term basis and does not carry any risk in the recoverability and carrying values of its assets including advances given for specific purpose to the subsidiary companies and does not anticipate any additional liability as at the Balance Sheet date.

There may be a fall in the fair value of investments in equities, which the Company expects to be temporary in nature, since all the investments are held for long term basis and as a promoter of the respective subsidiary companies.

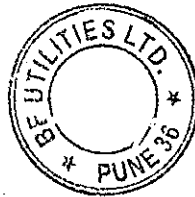
The Company will closely monitor any material changes that may take place in future that may impact its business.

• **Impact on revenue:**

The majority of source of income of the Group is in the form of Toll Road income, sale of power and related products. The Company feels that it is too early to estimate the exact impact, if any, on the revenue from sale of power, due to COVID-19.

However, impact assessment of COVID – 19 is a continuing process given the uncertainties associated with its nature and duration, and the Company will evaluate the same at a regular interval.

- 5 The Company has reclassified previous year's figures to confirm to current year's classification.



Pune, 26 December, 2020.

For BF Utilities Ltd.

**B S MITKARI**

Director

DIN : 03632549

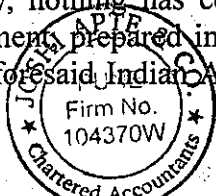
**Independent Auditor's Review Report on the Quarterly and Half year ended Unaudited Consolidated Ind AS Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended**

**Review Report To  
The Board of Directors  
BF Utilities Limited**

1. We have reviewed the accompanying Statement of unaudited Consolidated Ind AS Financial Results of **BF Utilities Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and half year ended September 30, 2020 ("the Statement"), attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended ('the regulation').
2. This Statement which is responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by the Securities and Exchange board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

4. The Statement includes the results of the entities as mentioned in Annexure I.
5. Based on our Review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the Review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying statements, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act,





2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the Ind AS financial results and Ind AS financial information of 3(three) subsidiaries, and 1 (one) step down subsidiary included in the consolidated unaudited Ind AS financial results, whose Ind AS financial result reflect total assets of Rs. 1,99,827.24 lakhs total revenues of Rs. 8,549.43 lakhs and Rs. 13,438.32 lakhs, total net loss after tax Rs. 2,365.19 lakhs and Rs. 5,818.16 lakhs, total comprehensive loss of Rs. 2365.19 lakhs and Rs. 5818.16 lakhs for the quarter and half year ended September 30, 2020, respectively, as considered in the consolidated unaudited Ind AS financial results. These Ind AS financial results and Ind AS financial information have been reviewed by other auditors, whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the reports of the other auditor and procedures performed by us as stated in Paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.

## 7. Emphasis of Matter

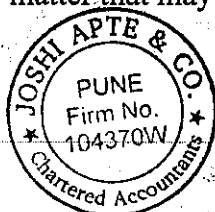
Without qualifying our opinion, we draw attention to the following matters in the Notes to the Statement:

- (a) We draw attention to Note No. 2 of the Statement. As mentioned therein there are certain litigations by and against the Company that are yet to be decided by various courts and the matter is subjudice. No cognizance thereof is taken in the preparation of the financial statements, pending the final outcome of these cases.

*Note No. 2-*

*Certain litigations by and against the Company are pending in various Courts, and the matter is subjudice. No cognizance thereof is taken in the above results, pending final outcome of the cases.*

- (b) We draw attention to Note No. 3 (a) of the Statement regarding the reported constitution of an House Committee consisting of members of the Karnataka Legislative Assembly, and its findings on the alleged violations in implementation of the Framework Agreement ('FWA') in the construction of Peripheral Road, development of Townships and Utilities undertaken by NECE as part of the Bangalore Mysore Infrastructure Corridor Project ('BMIC Project'). As explained in the said Note, based on the legal opinion obtained by NECE in this regard, the Management of NECE has evaluated the above development and, in their assessment, since every aspect of the implementation of the BMIC Project has been judicially scrutinized in earlier instances by the Hon'ble High Court of Karnataka and Hon'ble Supreme Court of India and the Hon'ble Courts have pronounced detailed favorable judgments regarding the same, including upholding the process adopted by NECE in implementing the BMIC Project as per FWA, they are of the view that NECE has followed the FWA in letter and spirit and that all concerned laws have been adhered to in implementing the BMIC Project. Accordingly, NECE intends to legally contest any matter that may arise consequent to the reported findings of the Assembly Panel.



Note No.3(a)-

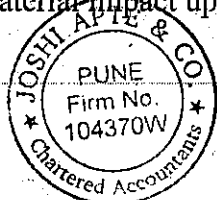
*It had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House of Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by NECE. Further, it had also been reported in the print media that the House Committee tabled its report during November 2016 in the Karnataka Legislative Assembly, wherein NECE had various departments of GoK have been accused of violations of several terms of FWA and recommendations have been made to initiate appropriate actions which include recovery of excess land given for the project, recovery of illegal toll collected by NECE and further probe by national agencies such as the Central Bureau of Investigation (CBI), Enforcement of Directorate, central vigilance commission or investigative agencies of equal standing. While NECE has still not been provided with any notice of the formation of the committee or its reports, the Management of NECE has assessed the findings of the said Committee reported in the print media and is of the opinion that the allegations made therein are baseless, politically motivated and hence lack legal withstanding. Further, NECE had faced similar situations in the past, where NECE has received favorable orders from the Hon'ble High Court and the Supreme Court. NECE has also obtained a legal opinion in this regard and as per the said opinion, the constitution of the House Committee itself is unconstitutional, illegal, and invalid and any findings/report, given by the aforesaid House Committee would also be illegal and untenable in law.*

*Based on the aforesaid legal opinion, the Management of NECE has evaluated the above developments and in its assessment, since every aspect of the implementation of the BMIC Project has been judicially scrutinized in earlier instances by the Hon'ble High Court of Karnataka and Hon'ble Supreme Court of India and as the Hon'ble Courts have pronounced detailed favorable judgements regarding the same, including upholding the process adopted by NICE/ NECE in implementing the BMIC project as per FWA, the Management of NECE is of the view that NECE has followed the FWA in letter and spirit and that all concerned laws have been adhered to in implementing the BMIC project. As such, NECE intends to legally contest any matters that may arise in this regard to safeguard of its interests.*

*NECE's township development activities carried out as part of the BMIC project are dependent upon receiving necessary approvals from the Bangalore Mysore Infrastructure Corridor Area Planning authority.*

*The Management of NECE is of the opinion that the requisite regulatory approvals would be received by NECE in the normal course of business for the township development activities; various litigations would be decided in the favor of NECE and, hence, there would be no adverse effect on the operations of NECE including its ability to continue operations in foreseeable future.*

- (c) We draw attention to Note No. 3 (b) of the Statement. As mentioned therein, as at the Balance sheet date, there are various cases pending against the NECE challenging the execution of the BMICP (the 'Project') which can be categorized under the following broad heads: a) Land acquisition and allotment related b) Litigation against layout approvals c) Enhanced compensation. NECE has been legally advised that none of these pending litigations or threatened litigation is likely to affect the execution of the Project. The Management of NECE believes that aforesaid litigations will not have any material impact upon the financial statements.



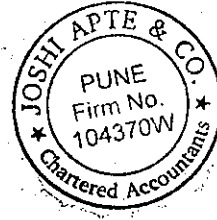
Note No.3(b)-

*As at the Balance sheet date, there are various cases pending against the NECE challenging the execution of the BMICP (the 'Project') which can be categorized under the following broad heads: a) Land acquisition and allotment related b) Litigation against layout approvals c) Enhanced compensation. NECE has been legally advised that none of these pending litigations or threatened litigation is likely to affect the execution of the Project. The Management of NECE believes that aforesaid litigations will not have any material impact upon the financial statements.*

FOR JOSHI APTE & CO.

Chartered Accountants

ICAI Firm Registration No. 104370W



A handwritten signature in black ink, appearing to be "C. K. Joshi".

C. K. Joshi

Partner

Membership no.: 030428

UDIN:

20030428 AAAATH9237

Place: Pune

Date: December 26, 2020

Annexure – 1

I. List of Subsidiaries:

Sr. No.	Name of the Company	Country of Incorporation
1.	Avichal Resources Private Limited	India
2.	Nandi Highway Developers Limited ("NHDL")	India
3.	Nandi Infrastructure Corridor Enterprise Limited ("NICE")	India
4.	Nandi Economic Corridor Enterprise Limited ("NECE")	India

