

# Nandi Infrastructure Corridor Enterprise Limited

No.1, Midford House, Midford Gardens, off MG Road  
Bangalore - 560 001

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Email : niceltd@vsnl.com CIN : U85110KA1996PLC019619



# 25th Annual Report

## 2020-2021

**NANDI INFRASTRUCTURE CORRIDOR ENTERPRISE LIMITED**

**CIN:U85110KA1996PLC019619**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr. A.B. Shiva Subramanyam, Director

Mr. Ashok Kumar Kheny, Managing Director

Mr. B. S. Mitkari, Director

Mrs. Deepti R. Puranik, Director

Mr. Kishore Saletore, Director

Mr. J.G. Patwardhan, Director

Mr. Shrikrishna K. Adivarekar , Director

**BANKERS AND FINANCIAL INSTITUTIONS**

\* Bank of India

**STATUTORY AUDITORS**

M/s. Baligeri & Co.

Chartered Accountants

**SECRETARIAL AUDITORS**

CS Hari Babu Thota

**COMPANY SECRETARY**

Mr. N. Balaji Naidu

## NANDI INFRASTRUCTURE CORRIDOR ENTERPRISE LIMITED

Registered Office: 1, Midford House, Midford Garden, Off: M.G. Road, Bangalore – 560 001, INDIA

Telephone: (80) 25559819, 25595252 Fax: (80) 25559998

Email: [nandi@nicelimited.com](mailto:nandi@nicelimited.com), CIN: U85110KA1996PLC019619

### BOARD'S REPORT

for the financial year ended March 31, 2021

To the Members,

Your Directors have pleasure in presenting their Twenty Fifth Annual Report on the business and operations of the Company together with Audited Financial Statements for the Financial Year ended as on 31<sup>st</sup> March 2021.

#### 1. FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended March 31, 2021 as compared to previous financial year is summarized in the following table:

(Rupees in lakhs)

| Particulars   | For the Year ended<br>31 <sup>st</sup> March 2021 | For the Year ended<br>31 <sup>st</sup> March 2020 |
|---|---|---|
| Income from Business Operations                                 | -   | -   |
| Other Income  | 171.79  | 564.73  |
| Total Income  | 171.79  | 564.73  |
| Total Expenditure   | 364.14  | 530.57  |
| (Loss)/ Profit before tax                                       | <b>(192.35)</b>                                   | <b>34.16</b>                                      |
| Current Income Tax  | -   | 94.81   |
| Deferred Tax  | (40.75)   | (66.23)   |
| Net profit/(loss) after tax attributable to equity shareholders | <b>(151.60)</b>                                   | <b>5.58</b>                                       |
| Dividend (including Interim, if any and final )                 | -   | -   |
| Other Comprehensive Loss  | -   | -   |
| Net Profit / (Loss )  | <b>(151.60)</b>                                   | <b>5.58</b>                                       |
| Earnings per share of Rs.10/- each (Basic)                      | (0.15)  | (0.01)  |
| Earnings per Share of Rs.10/- each (Diluted)                    | (0.15)  | (0.01)  |

#### 2. DIVIDEND

Your Directors do not recommend any dividend on the equity shares for the year under review as on 31<sup>st</sup> March 2021.

### **3. RESERVES**

During the year under review, the Company does not propose to transfer any amount to the General Reserve. The details of Reserves and accumulated losses are disclosed at note no.10 of notes to accounts forming part of audited financial statements.

### **4. PERFORMANCE OF THE COMPANY - REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS**

Your Directors wish to present the details of business operations carried out during the year under review (FY 2020-21):

The Company through its subsidiary namely Nandi Economic Corridor Enterprises Limited has till date completed the Right of Way (ROW) of the Peripheral Road, substantial section of the Link Road, and portion of the Express Way being part of substantial portion of the Toll Road component of the Bangalore-Mysore Infrastructure Corridor Project (Section-A,) to the extent on Land that was made available to it by the Government of Karnataka (GoK). Small part/s of lands required for the Toll Road Component, though notified for acquisition, is yet to be made available to the Company by GoK.

The Link Road, Peripheral Road and the Expressway have been completed up to 55 KMs out of 63 Kilometers of Toll Road in Section–A (Part) and the balance 8 KMs (portion of Expressway) is yet to be completed. Even though majority of this land has been made available by GoK to the Company, the Company could not take up the work since balance land for the project, which is crucial for the completion, has not been made available. Simultaneous construction-work in this parcel of the land is required to make the Expressway operational.

The company, through its subsidiary had received pre-requisite statutory approvals for the proposed applications for developments in several Interchange lands, had applied for formal clearance and approval under the Karnataka Town and Planning Act before the competent authority–BMIC Area Planning Authority (BMICAPA). The Authority considered the applications of the company and proceeded to place the same before the Empowered Committee and rejected several applications on untenable grounds.

These rejections were challenged by the company and its subsidiary company before the Hon'ble High Court of Karnataka and the Hon'ble High Court of Karnataka after hearing both sides, was pleased to allow our petition on 15.10.2019 and directed the BMICAPA to issue commencement certificate to one such application made in 5/7 Interchange for the development of Group Housing Development.

This order of the Hon'ble High Court of Karnataka was challenged by BMICAPA and the State Government before the Hon'ble Supreme Court and the Hon'ble Supreme Court after hearing both parties on caveat, set aside the High Court order on 19.05.2020 and have directed the company to approach the State Government for prior formal approval for the proposed developments in the Interchange area lands and also directed the State

Government, that they should respond to the request of the company within 6 months from the date of such request made by the company.

Based on the above judgement of the Hon'ble Supreme Court of India, the Company (NECE) approached the State Government with its proposals to develop Group Housing in Interchange lands on 19.05.2020, while keeping all its (NECE) contentions open (as per FWA). NECE has submitted a confidential comprehensive proposal to the Government of Karnataka on 5<sup>th</sup> Sep 2020. Due to Covid 19 restrictions, the progress has been on the slower side.

However, the Government of Karnataka has constituted a Cabinet Sub Committee to resolve all (legal) issues pertaining to the implementation of BMIC Project.

The Cabinet Sub Committee on BMICP held its meeting on 12<sup>th</sup> March 2021 and has indicated to the concerned departments to place before it – the committee, all our pending issues, including our proposal, so that a final decision to resolve the issue can be taken. The Company is aggressively pursuing the same.

The Company and its subsidiary has also been continuously pursuing with the GoK to expeditiously clear the pending issues connected with the implementation of the Project in accordance with the Judgments and Directions of the Hon'ble High Court of Karnataka and the Hon'ble Supreme Court of India. Your Directors are expecting that required balance land would be made available by GOK enabling the Company to complete balance portion of the work on the Project and opening the balance roads to the public, in the next financial year 2021 - 22, being part of Section-A of the Project.

#### **a) OTHER LEGAL MATTERS**

As reported in the previous years, the Company and its subsidiary company were subjected to several Public Interest Litigations (PIL) and other cases on land acquisition matters. The Hon'ble High Court of Karnataka has vide its judgment dated 28<sup>th</sup> February 2005 and 3<sup>rd</sup> May 2005 upheld the validity of acquisition of the lands for the Project in its entirety and also once again upheld the validity of Framework Agreement and directed the Government of Karnataka to implement the Project in letter and spirit of the Framework Agreement.

The Special Leave Petitions filed by the GoK, KIADB, Land Owners and Petitioners in the PIL before the Hon'ble Supreme Court against the Judgment of the Hon'ble High Court dated 28<sup>th</sup> February 2005 and 3<sup>rd</sup> May 2005 were dismissed by the Hon'ble Supreme Court vide its judgment dated 20<sup>th</sup> April 2006 with cost of Rs.5 lakhs on GoK for malicious prosecution to be payable to the Company. The GoK, KIADB and some land owners preferred Review Petitions against the judgment of the Hon'ble Supreme Court, which was also dismissed on 02.11.2006.

In view of the delay in handing over of the land and non-co-operation by the GoK, the Company and its subsidiary had filed a Contempt Petition during the year 2007 before the Hon'ble Supreme Court. The Hon'ble Supreme Court admitted the matter and issued contempt notices to the Contemnors and various orders have been issued towards

implementation of the Project from time to time. At the instance of Hon'ble Supreme Court, the High court has clubbed all the cases filed subsequent to the above proceedings and pending cases in the High Court and dismissed the same on 15<sup>th</sup> June 2011, which enabled the Company to take up some important pending works. However, certain land losers have also challenged the said judgment dated 15<sup>th</sup> June 2011 before the Hon'ble Supreme Court and the same are pending for consideration. Also in the month of February 2011, the Hon'ble Supreme Court again directed the GOK to implement the Project expeditiously and also directed the GOK that it should not do anything including releasing of any land acquired for the project, that will impede the implementation of project which is in public importance.

With respect to the acquisition of land for Section-A, the KIADB had acquired and transferred the lands to your subsidiary company as per the Framework Agreement out of which an extent of 344 Acres of land comprised in various Villages possession has been handed over to company but award not passed in spite of Your Company had repeatedly requested the concerned authorities to pass Awards and pay compensation to the land owners in respect of these lands. The Hon'ble High Court of Karnataka has in a Writ Petition filed by your Company directed the concerned authorities to pass the Awards. But the authorities have not passed the Awards Your Company has filed a Contempt Petition in the Hon'ble High Court for disobedience of the said Order. It is also placed on record that the High Court has in the above proceedings further directed the KIADB to execute the Sale Deeds for these lands in favour of your Company upon disbursement of compensation. Your Directors submit that the authorities have passed the Awards in respect of substantial extent of the above stated 344 acres of lands without adhering to law on determination of compensation and were in the process of disbursing the compensation to the landowners out of the deposit made by your Company. The said action of authorities has been challenged by your company in the Hon'ble High Court of Karnataka. The Hon'ble Court restrained the authorities not to disburse the compensation based on the above illegal awards. Further, the Hon'ble Court has framed the charges against the authorities for non-compliance of the above said direction within time frame fixed and are being tried.

The Authorities in turn have approached the Hon'ble Supreme Court and after hearing, the Hon'ble Court has granted stay on further proceedings with respect to the contempt proceedings pending before the Hon'ble High Court.

It is submitted that the GOK has initiated Land Acquisition proceedings for the benefit of Bengaluru Metro rail project in various part of Bengaluru, for that the land acquired for your project also notified. The acquisition authority has acquired/notified lands without following the due procedure of law. Therefore your Company has filed Writ Petitions before the Hon'ble High Court challenging the said act of the GOK. The Hon'ble High Court has granted an interim Order of stay staying all further acquisition proceedings against the GOK & BMRCL for taking possession from your Company. Thereafter the stay order has been modified and directed your Company to handover the possession of the lands to Metro authority to complete the work, accordingly your Company has handed over possession, further the court directed the BMRCL to offer "Regular/Normal Package Compensation" to your company and you are waiting the Offer to be made by the BMRCL.

Presently, due to the Global Pandemic of COVID 19, both – Hon’ble High Court of Karnataka and Hon’ble Supreme Court of India are not fully functional and are only taking matters of utmost urgency through video conferencing methods. Our cases are likely to be taken post normalization of the Court Proceedings and the same is being monitored and pursued by your Directors.

**b) GOING FORWARD :**

In view of the judgments and directions of the Hon’ble High Court and the Hon’ble Supreme Court, your Company is confident of completing the balance work related to the Project, Section-A, and start the toll operations in the remaining sections of the Toll Roads, including development of project lands and monetization thereon.

**c) MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

During the Financial Year ended March 31, 2021, your company incurred net loss of Rs.151.60 lakhs as compared to net profit of Rs.5.59 lakhs for the year ended March 31, 2020.

As per the provisions of the Framework Agreement dated April 3, 1997 entered into with GoK, the Company is eligible for exemption from various State levies and duties. Accordingly, the Company has applied to GoK for exemption from such levies including Sales Tax, Value Added Tax, Entry Tax, Stamp Duty etc. While some of the exemptions have already been granted to your Company’s subsidiary, the subsidiary Company is persistently pursuing for getting other exemptions and refund of eligible taxes from the GoK. The Subsidiary Company’s Writ Appeal in the High Court of Karnataka for total exemption of VAT for the project was partly allowed, and the same is under challenge vide a Special Leave Petition with the Hon’ble Supreme Court. Further, the Company and the subsidiary company have been continuously communicating to the GOK that they have not yet performed all their obligations under the Framework Agreement.

The Financial Year 2020-21 was a turbulent year due to unforeseen Covid19 Pandemic situation and your subsidiary company’s Toll operations of Q1 of FY 2021-22 was also affected due to second wave of Covid 19 pandemic situation.

Your subsidiary company continued its toll operations during second wave of COVID 19 pandemic situation and has taken all precautions and safety standards to safeguard the well-being of its employees and customers by following strict measures suggested by the Ministry of Home Affairs, Government of India.

As operating curbs were progressively lifted by the Government, people started moving and there is a study growth in vehicular traffic and normalcy in your subsidiary company’s toll operations is expected soon.

## **5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Particulars of loans, guarantees and investments covered under section 186 of the Companies Act, 2013, forms part of the notes to the financial statements provided in this Annual Report.

## **6. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All Related Party Transactions entered into by the Company during the financial year were in the ordinary course of business and at arm's length basis. Particulars of material contracts / arrangements entered into by the Company with related parties referred to Section 188(1) of the Companies Act, 2013, are provided in Form AOC-2, which is annexed herewith as **Annexure-A**. Related party disclosures as per IND AS 24 have been provided in Note 39 to the Financial Statements.

## **7. DEPOSITS**

During the year under review, the Company has not accepted any deposit under Chapter V of the Act.

## **8. INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial Statements, commensurate with size and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in design or operation were observed. The audit committee of the Board monitors the adequacy and effectiveness of Company's internal control framework.

## **9. RISK MANAGEMENT**

The Company has a robust risk management framework. The audit committee has oversight in the areas of financial risks and controls. The major risks identified by the Company are systematically addressed through mitigating actions on a continuous basis.

## **10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no adverse material changes or commitments occurred after March 31, 2021 which may affect the financial position of the company or may require disclosure.

## **11. SIGNIFICANT AND MATERIAL ORDERS**

There are no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future other than the items disclosed in the financial statements at note no.1.2(c) (ii).

There are no applications made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 as at the end of the financial year, nor the Company has done any onetime settlement with any bank or financial institutions.

## **12. SHARE CAPITAL AND SHARES**

There was no change in share capital of the company during the financial year 2020-21 and the present paid-up Equity Share Capital of the Company continues to stand at Rs. 104,09,36,880/- and the total paid up share capital of the company as on March 31, 2021 stood at 1,25,093,880/- including 7%, 2,10,00,000 Cumulative Redeemable Preference shares of Rs.10/- each.

During the year under review the company has not issued shares with the differential voting rights nor has granted any stock options or sweat equity.

## **13. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply to the Company as there were no dividends declared by the Company and no other amounts specified under section 125(2) of the Companies Act, 2013 are available with the Company to transfer to the Investor Education and Protection Fund.

## **14. DIRECTOR'S RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms that:—

- a) in the preparation of the annual accounts for the Financial Year ended March 31<sup>st</sup> 2021, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended March 31, 2021 and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down proper internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **15. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors of your Company consists of Mr. Ashok Kumar Kheny, Managing Director, Mr. Kishore Saletore, Mr. Bhalchandra Shankar Mitkari, Mr. Jeewanprasad Govind Patwardhan, Mr. Srikrishna Kiran Adivarekar, Mr. Shiva Subramanyam Basappa Arehalli and Mrs. Deepti Rajeev Puranik.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company, Mr. Kishore M. Saletore and Mr. Bhalchandra Shankar Mitkari are liable to retire by rotation at the ensuing AGM, and being eligible have offered themselves for re-appointment. Accordingly the resolution for their re-appointment is being placed for your approval at the ensuing AGM.

Mr. Ashok Kumar Kheny has been re-appointed as Managing Director of the Company for a period from 01<sup>st</sup> April 2021 to March 31, 2022 and your Board proposes to seek approval of shareholders at the ensuing Annual General Meeting.

The Board of Directors of your Company have appointed Mr. N. Balaji Naidu as Company Secretary of the Company in terms of the provisions of section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Board of Directors of your Company hereby places on record its appreciation for the assistance and guidance provided by Mr. A. Rudra Goud during his long tenure as Chief Financial Officer (CFO) of the Company, who has attained superannuation w.e.f. 31<sup>st</sup> March 2021. The Board of Directors of the Company are in the process of appointing a Chief Financial Officer of the Company in terms of the provisions of section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **16. DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures and declarations to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed and continuing as Independent Directors under the provisions of the Companies Act, 2013 and the rules made there under.

## **17. NUMBER OF MEETINGS OF THE BOARD**

The Board met 5 (Five) times during the year on the following dates - 24/07/2020, 04/09/2020, 21/10/2020, 17/12/2020 and 02/03/2021. The intervening gap between meetings was within the period prescribed under the Companies Act, 2013.

## **18. BOARD EVALUATION**

The Board has carried out an annual evaluation of its own performance, board committees and individual Directors. The performance of the Board was evaluated by the Board after seeking inputs from all Directors on the basis of criteria such as Board composition and structure, effectiveness of Board processes, Information and functioning etc.

The performance of the committees were evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, effectiveness of committee meetings etc.

## **19. INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The information relating to the remuneration of employees and key managerial personnel of the company as required under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are enclosed as **Annexure-B** to this report.

## **20. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

M/s. Nandi Economic Corridor Enterprises Limited is the subsidiary of the Company. The Company does not have any Joint venture or Associate Company.

A statement showing salient features of the financial statements of subsidiaries in the prescribed form AOC - 1 is annexed to the Directors Report as **Annexure – C**.

## **21. AUDIT COMMITTEE**

The Audit Committee comprises of Mr. A.B. Shiva Subramanyam- Chairman of the Committee and Independent Director, Mr. Srikrishna Kiran Adivarekar – Independent director and Mr. B S Mitkari, non-executive Director.

The above composition of the Audit Committee consists of two independent Directors viz., Mr. A.B. Shiva Subramanyam and Mr. Srikrishna Kiran Adivarekar who form the majority.

## **22. AUDITORS**

### **A. STATUTORY AUDITORS**

M/s. Balligeri & Co. (Firm Registration No- 014732S) Chartered Accountants, were appointed as Statutory Auditors of the Company at 21<sup>st</sup> Annual General Meeting of the company for a period of 5 years, to conduct statutory audit and to hold office up to the conclusion of 26<sup>th</sup> Annual General Meeting.

There were no observations and qualifications made by the Statutory Auditors in their report, which requires explanations and clarifications from the Board of Directors of the Company. The Notes on Financial Statements referred to in the Auditors' Report are self-

explanatory and hence do not call for any further comments. The information and explanations by the Board on the emphasis matter made by the Auditors in their report to the members are mentioned in the Note No. 1.2 (c) (ii) of Notes to Accounts, which form part of the Audited financial statements for the year ended 31<sup>st</sup> March, 2021.

## **B. SECRETARIAL AUDITORS**

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board has appointed Mr. Hari Babu Thota, Practicing Company Secretaries, Bangalore, to conduct Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Audit Report in Form No.MR-3, for the Financial Year ended March 31, 2021 is enclosed as **Annexure-D**.

There are no qualifications or adverse remarks reported by the Secretarial auditors for the above said financial year. However they have made an observation regarding the subsequent approval obtained from the Nomination and Remuneration Committee, Board of Directors and Shareholders of the Company relating to the appointment of Managing Director with effect from 01<sup>st</sup> April 2020.

The Board of Directors noted the above observation and are of the view that the approval of NRC, Board and the Shareholders were obtained for the appointment of Managing Director at the earliest possible time period during 2020-21 as there was a Covid-19 pandemic situation disrupting the normal functioning of business operations of the Company including conducting of meetings.

## **C. COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is not required to maintain the cost records as specified by the Central Government.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the relating to appointment of cost auditor is not applicable to the Company.

## **D. INTERNAL AUDITORS**

Pursuant to the Section 138 of the Companies Act, 2013, the Company had appointed M/s. R. Shashidhara & Co, Chartered Accountants, as Internal Auditors for the financial year 2020-21. The Audit Committee of the Board reviews the Internal Audit process and the adequacy and effectiveness of internal audit and controls periodically.

## **E. REPORTING OF FRAUD BY AUDITORS**

During the year under review, the Statutory Auditors of the Company have not reported any fraud as specified u/s 143(12) of the Companies Act, 2013 to the Audit Committee.

### **23. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Provisions of Corporate Social Responsibility (CSR) are not applicable to the Company as the Company does not have required profits as envisaged in the CSR Rules.

### **24. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee consists of the following members

- a. Mr. A.B. Shiva Subramanyam
- b. Mr. SriKrishna Kiran Adivarekar
- c. Mr. B S Mitkari

The above composition of the Nomination and Remuneration Committee consists of two Independent Directors viz., Mr. A.B. Shiva Subramanyam and Mr. SriKrishna Kiran Adivarekar who form the majority.

### **POLICY LAID DOWN BY THE NOMINATION AND REMUNERATION COMMITTEE FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) & OTHER EMPLOYEES AND THE CRITERIA FORMULATED BY THE COMMITTEE FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR**

The Company has adopted a Nomination and Remuneration Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013. The Policy is available at the registered office of the Company.

Role of Nomination and Remuneration Committee:

- Formulate the criteria for determining qualification, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

### **25. RISK MANAGEMENT COMMITTEE**

The Risk Management Committee consists of the following members:

- a. Mr. A.B. Shiva Subramanyam
- b. Mr. SriKrishna Kiran Adivarekar
- c. Mr. B S Mitkari

## **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company has formulated Risk Management Policy to identify and manage risks /threats that could have impact on the goals and objectives of the Company.

Within the framework of the Risk Management Policy, the Committee reviews the risks trends, exposure, potential impact analysis and mitigation plan.

The Audit Committee has additional oversight in the area of financial risks and controls, the major risks identified by the business functional heads are systematically addressed through mitigating actions on a continuing basis.

### **26. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has complied with provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made there under for prevention and redressal of complaints of sexual harassment at workplace. During the year under review no complaints received by the Internal Complaint Committee constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **27. VIGIL MECHANISM**

Pursuant to the provisions of section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014, the Company has established a vigil mechanism to oversee the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees of the Company.

## **28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 are appended as **Annexure-E** to this report.

## **29. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## **30. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in form MGT – 9, pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013 is appended as **Annexure-F** to this Report. The Company doesn't have a website.

## **31. ACKNOWLEDGEMENT**

Your Directors place on record their sincere thanks to bankers, financial institutions, business associates, consultants and various Government Authorities for their continued support extended to your Company's activities during the year under review.

Your Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

For and on behalf of the Board of Directors

|                   |                        |
|-------------------|------------------------|
| Ashok Kumar Kheny | A.B. Shiva Subramanyam |
| Managing Director | Director               |
| DIN: 00248397     | DIN: 06822431          |

Date:

Place: Bangalore

**ANNEXURE-A**

**FORM AOC – 2**

**Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**1. Details of contracts / arrangements or transactions not at arm's length basis;**

|   |   |                |
|---|---|----------------|
| A | Name(s) of the related party and nature of relationship   | Not Applicable |
| B | Nature of contracts / arrangements / transactions   | Not Applicable |
| C | Duration of contracts / arrangements / transactions   | Not Applicable |
| D | Salient terms of the contracts / arrangements / transactions including the value, if any                          | Not Applicable |
| E | Justification for entering into such contracts / arrangements / transactions                                      | Not Applicable |
| F | Date(s) of approval by the Board  | Not Applicable |
| G | Amount paid as advance, if any  | Not Applicable |
| H | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | Not Applicable |

**2. Details of material contracts / arrangements or transactions at arm's length basis:**

|   |  |                |
|---|--|----------------|
| A | Name(s) of the related party and nature of relationship      | Not Applicable |
| B | Nature of contracts / arrangements / transactions            | Not Applicable |
| C | Duration of contracts / arrangements / transactions          | Not Applicable |
| D | Salient terms of the contracts / arrangements / transactions | Not Applicable |
| E | Date(s) of approval by the Board                             | Not Applicable |
| F | Amount paid  | Not Applicable |

For and on behalf of the Board of Directors

Date:  
Place: Bangalore

Ashok Kumar Kheny  
Managing Director  
DIN: 00248397

A.B. Shiva Subramanyam  
Director  
DIN: 00963838

## ANNEXURE- B

### Particulars of remuneration of KMPs and employees

Information required as per Section 134(3) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended 31<sup>st</sup> March 2021.

| Particulars   | Managing Director                              | Chief Financial Officer (CFO)    | Company Secretary (CS)             |
|---|--|----------------------------------|------------------------------------|
| Name of Employee  | Ashok Kumar Kheny                              | Avula Rudra Goud                 | N. Balaji Naidu                    |
| Designation of the employee   | Managing Director                              | Chief Financial Officer (CFO)    | Company Secretary                  |
| Remuneration received   | -  | -                                | -                                  |
| Nature of employment, whether contractual or otherwise  | Contractual                                    | Permanent                        | Permanent                          |
| Qualifications and experience of the employee   | M.S. Mgmt. (Science & Engineering)<br>45 years | Chartered Accountant<br>33 years | Company Secretary<br>22 years      |
| Date of commencement of employment  | 17-April-2000                                  | 13-Oct-2017                      | 18-Jul-2017                        |
| The age of such employee  | 71 years                                       | 61 years                         | 47 years                           |
| The last employment held by such employee before joining the company  | -  | Swan Silks Limited               | Artha Real Estate Corporation Ltd. |
| The percentage of equity shares held by the employee in the company   | 0.00%  | Nil                              | Nil                                |
| Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager | No   | No                               | No                                 |

#### Notes:

1. Designation denotes the nature of duties also.
2. Gross remuneration includes Salary, Company's contribution to Provident Fund and Superannuation Scheme, Allowances, perquisites but excludes Gratuity unless paid / payable.
3. Net remuneration is exclusive of contribution to Provident Fund, Gratuity Fund, Superannuation Fund and tax deducted.
4. Experience includes number of years of service elsewhere, wherever applicable.
5. None of the above employees / Directors is related to any of the Directors.

For and on behalf of the Board of Directors

Ashok Kumar Kheny  
Managing Director  
DIN: 00248397

A.B. Shiva Subramanyam  
Director  
DIN: 00963838

Date:

Place: Bangalore

**Annexure -C  
Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

( Rs. In lakhs)

| Sl no. | Particulars   | Details                                 |
|--------|---|---|
| 1      | Name of the subsidiary  | Nandi Economic Corridor Enterprises Ltd |
| 2      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | 31 <sup>st</sup> March, 2021            |
| 3      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR                                     |
| 4      | Share capital   | 24,904.66                               |
| 5      | Reserves & surplus  | (37,692.93)                             |
| 6      | Total assets  | 1,85,790.08                             |
| 7      | Total Liabilities   | 1,85,790.08                             |
| 8      | Investments   | 22,315.23                               |
| 9      | Turnover  | 28,799.44                               |
| 10     | Profit / (loss) before Taxation   | (4,626.90)                              |
| 11     | Provision for Taxation  | -                                       |
| 12     | Profit / (loss) after taxation  | (4,626.90)                              |
| 13     | Proposed dividend   | -                                       |
| 14     | % age Shareholding  | 54.22%                                  |
|        | Names of subsidiaries which are yet to commence operations  | NIL                                     |
|        | Names of subsidiaries which have been liquidated or sold during the year.   | NIL                                     |

**ANNEXURE- D**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

For the Financial Year Ended 31<sup>st</sup> March 2021

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Nandi Infrastructure Corridor Enterprise Limited  
No.1, Midford House, Midford Gardens Off  
M.G. Road, Bangalore – 560001, Karnataka

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nandi Infrastructure Corridor Enterprises Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup>March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup>March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under (in so far as they are made applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;  
**(Not applicable)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;**(Not applicable)**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992;**(Not applicable)**
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009; **(Not applicable)**;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines,1999; **(Not applicable)**;
- e)The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable)**;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;**(Not applicable)**;
- g)The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable)** and
- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 **(Not applicable)**;and
- i) The Company being an unlisted Public Company, Listing Agreement and SEBI (Listing, Obligations and Disclosure Requirements) Regulations, 2015;**(Not applicable)**.

(v) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

I have also examined compliance of the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

We have not examined compliance by the Company relating to the applicable financial laws, such as direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

***The Nomination and Remuneration Committee and Board of Directors at their meeting held on 04<sup>th</sup> September 2020 approved the appointment of Mr. Ashok Kumar Kheny, Managing Director of the Company retrospectively w.e.f. 01<sup>st</sup> April 2020 and approved in the Annual General Meeting held on 30<sup>th</sup> September 2020.***

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Hari Babu Thota  
Company Secretary in Practice  
ACS: 17645; CP No.15090  
UDIN No.A017645C000674114

Place: Bengaluru

Date: 22-07-2021

**Note:** This report is to be read with my letter of even date which is annexed and forms an integral part of this report.

**ANNEXURE**

To

*Nandi Infrastructure Corridor Enterprises Limited Bengaluru*

*My report of even date is to be read along with this letter.*

*(1) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.*

*(2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed provide a reasonable basis for my opinion.*

*(3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.*

*(4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of eventsetc.*

*(5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.*

*(6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management is conducted the affairs of the Company.*

Place: Bengaluru

Date: 22-07-2021

Hari Babu Thota  
Company Secretary in Practice  
ACS No. 17645; CP No.15090  
UDIN No.A017645C000674224

## ANNEXURE- E

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

#### (A) Conservation of energy-

(i) the steps taken or impact on conservation of energy:

The Company's main line of activity is toll road operation and civil construction. The Company is taking all efforts to conserve the usage of power by switching to LED lights, installing solar lights wherever possible to reduce power consumption.

(ii) the steps taken by the Company for utilising alternate sources of energy:

The Company has plans to use alternate sources of energy, like solar energy, wind energy, wherever possible as one above and minimize the usage of power consumption

(iii) the capital investment on energy conservation equipments:

As the Company is in the process of implementation of all components of mega infrastructure project and the emphasis for capital investment on energy conservation equipment would be intensified at appropriate time.

#### (B) Technology absorption-

( i ) the efforts made towards technology absorption;

The Company continues to strive for new technological innovations that can enhance the product quality, increase process speed and reduce adverse impact on the environment. The Company has already used latest techniques for construction of toll roads, bridges, under pass and over passes which enabled early completion of Roads and made available for public usage in a short span of time.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

The Company's main line of activity is construction of toll roads. The Company achieving substantial savings in cost reduction measures during the implementation of the project components. The company has undertaken development of residential and commercial plots with latest technology which ensures minimum maintenance cost for seamless flow of electricity, water and sewage etc. which are environmental friendly.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported: Not imported any technology as all technology has been indigenously developed the system relating to toll operation and maintenance.

(b) the year of import: Not applicable

(c) whether the technology been fully absorbed: Not applicable

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not applicable

(iv) the expenditure incurred on Research and Development: Not applicable

#### (C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows and the Foreign Exchange outgo during the year under review in terms of actual outflows: Nil

**ANNEXURE – F**  
**Extract of Annual Return – Form MGT-9**  
Enclosed

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

| I. REGISTRATION & OTHER DETAILS: |  |  |
|----------------------------------|--|--|
| 1                                | CIN  | U85110KA1996PLC019619  |
| 2                                | Registration Date  | 19-01-1996   |
| 3                                | Name of the Company  | Nandi Infrastructure Corridor Enterprise Ltd                       |
| 4                                | Category/Sub-category of the Company                                       | Non-Govt. Company / Public Limited                                 |
| 5                                | Address of the Registered office & contact details                         | No.1, Midford House, Midford Garden, Off MG Road, Bangalore 560001 |
| 6                                | Whether listed company   | No   |
| 7                                | Name, Address & contact details of the Registrar & Transfer Agent, if any. | TSR Darashaw Ltd, Bangalore  |

| II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY   |  |                                 |                                    |
|--|--|---------------------------------|------------------------------------|
| (All the business activities contributing 10 % or more of the total turnover of the company shall be stated) |  |                                 |                                    |
| S. No.   | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
| 1  | Toll Road operations                             | 63031                           |                                    |
| 2  | Township development                             | 70109                           |                                    |
| 3  |  |                                 |                                    |

| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES |   |                       |                                |                  |                    |
|---|---|-----------------------|--------------------------------|------------------|--------------------|
| SN  | Name and address of the Company         | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
| 1   | BF Utilities Ltd                        | L40108PN2000PLC015323 | Holding                        | 74.52%           | 2(87)(ii)          |
| 2   | Nandi Economic Corridor Enterprises Ltd | U85110KA2000PLC026939 | Subsidiary                     | 54.22%           | 2(87)(ii)          |
| 3   |   |                       |                                |                  |                    |

| IV. SHARE HOLDING PATTERN                                    |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| (Equity share capital breakup as percentage of total equity) |  |  |  |  |  |  |  |  |  |

| Category of Shareholders | No. of Shares held at the beginning of the year<br>[As on 1-Apr-2017] |             |              |                   | No. of Shares held at the end of the year<br>[As on 31-March-2018] |             |              |                   | % Change during the year |
|--------------------------|---|-------------|--------------|-------------------|--|-------------|--------------|-------------------|--------------------------|
|                          | Demat   | Physical    | Total        | % of Total Shares | Demat  | Physical    | Total        | % of Total Shares |                          |
| <b>A. Promoters</b>      |   |             |              |                   |  |             |              |                   |                          |
| (1) Indian               |   |             |              |                   |  |             |              |                   |                          |
| a) Individual/ HUF       | -   | 2,54,24,576 | 2,54,24,576  | 24.42%            |  | 2,54,24,576 | 2,54,24,576  | 24.42%            | 0.00%                    |
| b) Central Govt          |   |             | -            | 0.00%             |  |             | -            | 0.00%             | 0.00%                    |
| c) State Govt(s)         |   |             | -            | 0.00%             |  |             | -            | 0.00%             | 0.00%                    |
| d) Bodies Corp.          | 7,85,69,111   | 1,00,000    | 7,86,69,111  | 75.58%            | 7,85,69,111  | 1,00,000    | 7,86,69,111  | 75.58%            | 0.00%                    |
| e) Banks / FI            |   |             | -            | 0.00%             |  |             | -            | 0.00%             | 0.00%                    |
| f) Any other             |   |             | -            | 0.00%             |  |             | -            | 0.00%             | 0.00%                    |
| <b>Sub Total (A) (1)</b> | 7,85,69,111   | 2,55,24,576 | 10,40,93,687 | 100.00%           | 7,85,69,111  | 2,55,24,576 | 10,40,93,687 | 100.00%           | 0.00%                    |
| (2) Foreign              |   |             |              |                   |  |             |              |                   |                          |
| a) NRI Individuals       |   |             | -            | 0.00%             |  |             | -            | 0.00%             | 0.00%                    |
| b) Other Individuals     |   |             | -            | 0.00%             |  |             | -            | 0.00%             | 0.00%                    |
| c) Bodies Corp.          | -   | 1           | 1            | 0.00%             | 1  | -           | 1            | 0.00%             | 0.00%                    |
| d) Any other             |   |             | -            | 0.00%             |  |             | -            | 0.00%             | 0.00%                    |
| <b>Sub Total (A) (2)</b> | -   | 1           | 1            | 0.00%             | 1  | -           | 1            | 0.00%             | 0.00%                    |
| <b>TOTAL (A)</b>         | 7,85,69,111   | 2,55,24,577 | 10,40,93,688 | 100.00%           | 7,85,69,112  | 2,55,24,576 | 10,40,93,688 | 100.00%           | 0.00%                    |

| <b>B. Public Shareholding</b>  |                    |                    |                     |                |                    |                    |                     |                |              |
|--|--------------------|--------------------|---------------------|----------------|--------------------|--------------------|---------------------|----------------|--------------|
| <b>1. Institutions</b>   |                    |                    |                     |                |                    |                    |                     |                |              |
| a) Mutual Funds  |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| b) Banks / FI  |                    |                    |                     | 0.00%          | -                  | -                  | -                   | 0.00%          | 0.00%        |
| c) Central Govt  |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| d) State Govt(s)   |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| e) Venture Capital Funds   |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| f) Insurance Companies   | -                  |                    | -                   | 0.00%          | -                  |                    | -                   | 0.00%          | 0.00%        |
| g) FIs   |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| h) Foreign Venture Capital Funds   |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| i) Others (specify)  |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| <b>Sub-total (B)(1):-</b>  | -                  | -                  | -                   | 0.00%          | -                  | -                  | -                   | 0.00%          | 0.00%        |
| <b>2. Non-Institutions</b>   |                    |                    |                     |                |                    |                    |                     |                |              |
| a) Bodies Corp.  |                    |                    |                     |                |                    |                    |                     |                |              |
| i) Indian  | 0                  |                    | -                   | 0.00%          | 0                  |                    | -                   | 0.00%          | 0.00%        |
| ii) Overseas   |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| b) Individuals   |                    |                    |                     |                |                    |                    |                     |                |              |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| c) Others (specify)  |                    |                    |                     |                |                    |                    |                     |                |              |
| Non Resident Indians   |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| Overseas Corporate Bodies  |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| Foreign Nationals  |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| FVCI   | -                  | -                  | -                   | 0.00%          | 0                  |                    | -                   | 0.00%          | 0.00%        |
| Trusts   |                    |                    | -                   | 0.00%          |                    |                    | -                   | 0.00%          | 0.00%        |
| Foreign Bodies - D R   | -                  | -                  | -                   | 0.00%          | -                  | -                  | -                   | 0.00%          | 0.00%        |
| <b>Sub-total (B)(2):-</b>  | -                  | -                  | -                   | 0.00%          | -                  | -                  | -                   | 0.00%          | 0.00%        |
| <b>Total Public (B)</b>  | -                  | -                  | -                   | 0.00%          | -                  | -                  | -                   | 0.00%          | 0.00%        |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           |                    |                    | -                   | 0.00%          |                    |                    |                     | 0.00%          | 0.00%        |
| <b>Grand Total (A+B+C)</b>   | <b>7,85,69,111</b> | <b>2,55,24,577</b> | <b>10,40,93,688</b> | <b>100.00%</b> | <b>7,85,69,112</b> | <b>2,55,24,576</b> | <b>10,40,93,688</b> | <b>100.00%</b> | <b>0.00%</b> |

**(ii) Shareholding of Promoter**

| SN | Shareholder's Name                               | Shareholding at the beginning of the year |                                  |   | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|----|--|---|----------------------------------|---|-------------------------------------|----------------------------------|--|--|
|    |  | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1  | BF Utilities Ltd                                 | 7,75,69,111                               | 74.52%                           | -   | 7,75,69,111                         | 74.52%                           | -  | 0.00%                                    |
| 2  | Mr. Ashok Kumar Kheny                            | 2,06,18,738                               | 19.81%                           | -   | 2,06,18,738                         | 19.81%                           | -  | 0.00%                                    |
| 3  | Mr. Baba N Kalyani                               | 48,05,838                                 | 4.62%                            | -   | 48,05,838                           | 4.62%                            | -  | 0.00%                                    |
| 4  | Kalyani Infrastructure Projects Ltd              | 8,00,000                                  | 0.77%                            | -   | 8,00,000                            | 0.77%                            | -  | 0.00%                                    |
| 5  | Nandi Intellectual Properties Pvt Ltd            | 2,00,000                                  | 0.19%                            | -   | 2,00,000                            | 0.19%                            | -  | 0.00%                                    |
| 6  | India International Infrastructure Engineers Ltd | 1,00,000                                  | 0.10%                            | -   | 1,00,000                            | 0.10%                            | -  | 0.00%                                    |
| 7  | SAB Engineers & Construction Inc,                | 1   | 0.00%                            | -   | 1                                   | 0.00%                            | -  | 0.00%                                    |
|    | <b>Total</b>                                     | <b>10,40,93,688</b>                       | <b>100.00%</b>                   |   | <b>10,40,93,688</b>                 | <b>100.00%</b>                   |  |  |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

NO CHANGE

| SN | Particulars                  | Date | Reason | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|------------------------------|------|--------|---|-------------------|---|-------------------|
|    |                              |      |        | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  | At the beginning of the year |      |        |   | 0.00%             |   | 0.00%             |
|    | Changes during the year      |      |        |   | 0.00%             |   | 0.00%             |
|    |                              |      |        |   | 0.00%             |   | 0.00%             |
|    |                              |      |        |   | 0.00%             |   | 0.00%             |
|    | At the end of the year       |      |        |   | 0.00%             |   | 0.00%             |

**(iv) Shareholding Pattern of top ten Shareholders**

NIL

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|-------------------------------------|------|--------|---|-------------------|---|-------------------|
|    |                                     |      |        | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  |                                     |      |        |   |                   |   |                   |
|    | At the beginning of the year        |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | Changes during the year             |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | At the end of the year              |      |        | -   | 0.00%             | -                                       | 0.00%             |
| 2  |                                     |      |        |   |                   |   |                   |
|    | At the beginning of the year        |      |        | -   | 0.00%             | -                                       | 0.00%             |
|    | Changes during the year             |      |        |   | 0.00%             |   | 0.00%             |
|    | At the end of the year              |      |        | -   | 0.00%             | -                                       | 0.00%             |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| SN | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|--|------|--------|---|-------------------|---|-------------------|
|    |  |      |        | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  | Ashok Kumar Kheny  |      |        |   |                   |   |                   |
|    | At the beginning of the year                                     |      |        | 2,06,18,738                               | 19.81%            | 2,06,18,738                             | 19.81%            |
|    | Changes during the year  |      |        |   | 0.00%             |   | 0.00%             |
|    | At the end of the year   |      |        | 2,06,18,738                               | 19.81%            | 2,06,18,738                             | 19.81%            |

Other Directors and KMPS do not hold any shares at the beginning of the year and at the end of the year. They have neither acquired nor sold any shares during the year.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs. in Lakhs)

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  |                                  | 264.32          | -        | 264.32             |
| ii) Interest due but not paid                              |                                  | -               | -        | -                  |
| iii) Interest accrued but not due                          |                                  | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | 264.32          | -        | 264.32             |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| * Addition   | -                                | 35.68           | -        | 35.68              |
| * Reduction  | -                                | -               | -        | -                  |
| Net Change   | -                                | 35.68           | -        | 35.68              |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  |                                  | 300.00          |          | 300.00             |
| ii) Interest due but not paid                              |                                  | -               | -        | -                  |
| iii) Interest accrued but not due                          |                                  | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | 300.00          | -        | 300.00             |

During the year, the term loans were refinanced, and there was a change in the composition of the lenders of the consortium.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| SN. | Particulars of Remuneration   | Name of MD/WTD/ Manager |  | Total Amount |
|-----|---|-------------------------|--|--------------|
|     | Name  | Ashok Kumar Kheny       |  | (Rs.)        |
|     | Designation   | Managing Director       |  |              |
| 1   | Gross salary  |                         |  |              |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                       |  | -            |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                       |  | -            |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                         |  | -            |
| 2   | Stock Option  | -                       |  | -            |
| 3   | Sweat Equity  | -                       |  | -            |
| 4   | Commission  |                         |  | -            |
|     | - as % of profit  | -                       |  | -            |
|     | - others, specify   | -                       |  | -            |
| 5   | Others, please specify  | -                       |  | -            |
|     | Total (A)   | -                       |  | -            |
|     | Ceiling as per the Act  |                         |  |              |

**Remuneration of Managing Director is being paid from its subsidiary company**
**B. Remuneration to other Directors**

| SN. | Particulars of Remuneration                | Name of Directors |   |   | Total Amount |
|-----|--|-------------------|---|---|--------------|
|     |  |                   |   |   | (Rs)         |
| 1   | Independent Directors                      | -                 | - | - |              |
|     | Fee for attending board committee meetings | -                 | - | - | -            |
|     | Commission                                 | -                 | - | - | -            |
|     | Others, please specify                     | -                 | - | - | -            |
|     | Total (1)                                  | -                 | - | - | -            |
| 2   | Other Non-Executive Directors              | -                 | - | - | -            |
|     | Fee for attending board committee meetings | -                 | - | - | -            |
|     | Commission                                 | -                 | - | - | -            |
|     | Others, please specify                     | -                 | - | - | -            |
|     | Total (2)                                  | -                 | - | - | -            |
|     | Total (B)=(1+2)                            | -                 | - | - | -            |
|     | Total Managerial Remuneration              | -                 | - | - | -            |
|     | Overall Ceiling as per the Act             | -                 | - | - | -            |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

| SN. | Particulars of Remuneration   | Name of Key Managerial Personnel* |                     | Total Amount |
|-----|---|-----------------------------------|---------------------|--------------|
|     | Name  | Mr. A Rudra Goud                  | Mr. N. Balaji Naidu | (Rs)         |
|     | Designation   | Chief Financial Officer           | Company Secretary   | 0            |
| 1   | Gross salary  | -                                 | -                   | -            |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                                 | -                   | -            |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act,                                  | -                                 | -                   | -            |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                                 | -                   | -            |
| 2   | Stock Option  | -                                 | -                   | -            |
| 3   | Sweat Equity  | -                                 | -                   | -            |
| 4   | Commission  |                                   |                     |              |
|     | - as % of profit  | -                                 | -                   | -            |
|     | - others, specify   | -                                 | -                   | -            |
| 5   | Others, please specify  | -                                 | -                   | -            |
|     | Total   | -                                 | -                   | -            |

\* Note: Remuneration KMPs (CFO and CS) are being paid from its subsidiary company

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             |                              | NIL               | NIL   | NIL                          | NIL                                |
| Punishment                          |                              | NIL               | NIL   | NIL                          | NIL                                |
| Compounding                         |                              | NIL               | NIL   | NIL                          | NIL                                |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             |                              | NIL               | NIL   | NIL                          | NIL                                |
| Punishment                          |                              | NIL               | NIL   | NIL                          | NIL                                |
| Compounding                         |                              | NIL               | NIL   | NIL                          | NIL                                |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             |                              | NIL               | NIL   | NIL                          | NIL                                |
| Punishment                          |                              | NIL               | NIL   | NIL                          | NIL                                |
| Compounding                         |                              | NIL               | NIL   | NIL                          | NIL                                |



## BALIGERI & CO

*Chartered Accountants*

No. 33, Cubbon Peth Main Road, Bangalore - 560 002

Phone : 080-48907288 Mobile : 99011 7728

Email : mahesh.baligeri@gmail.com

Website: www.cabaligeri.com

### Independent Auditor's Report

To the Members of Nandi Infrastructure Corridor Enterprise Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Nandi Infrastructure Corridor Enterprises Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2021, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

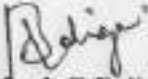
#### Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 23/06/2021 as per Annexure II expressed unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended) in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, has disclosed in the financial significant accounting policies the impact of pending litigations on Bangalore Mysore Infrastructure Corridor Project.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company;

**Baligeri & Co**  
Chartered Accountants  
Firm's Registration No.: 014732S

  
**Mahesh G Baligeri**  
Proprietor  
Membership No. 233654



Date: 23/06/2021  
Place: Bangalore

UDINo.: 21233654AAAACA34R9

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) With respect to the immovable properties of the Company under fixed assets, according to the information and explanations given to us, there were no immovable properties held by the Company.
- (ii) The Company does not have Inventory. Accordingly, the provision of Clause 3(ii) of the Order is not applicable.
- (iii) The Company not has granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provision of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act in respect of the activities carried on by the company.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31 2021



## Baligeri & Co

Chartered Accountants

Continued Sheet

- (b) According to the information and explanation given to us, there are no dues of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax outstanding on account of any dispute.
- (vii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Based upon the audit procedures performed and the information and explanation given by the management, no managerial remuneration has been paid or provided and accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

### Baligeri & Co

Chartered Accountants

Firm's Registration No.: 014732S

Mahesh G Baligeri

Proprietor

Membership No. 233654



Date: 23/06/2021

Place: Bangalore

UDINo.: 21233654AAAACA3489

Annexure II to the Independent Auditor's Report of even date to the members of Nandi Infrastructure Corridor Enterprises Limited on the financial statements for the year ended 31 March 2021

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the financial statements of Nandi Infrastructure Corridor Enterprises Limited ("the Company") as at and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting ('Guidance note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.



**Meaning of Internal Financial Controls over Financial Reporting**

6. company's IFCoFR is a process designed to provide reasonable assurance regarding the policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Opinion
8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2021, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI

Baligeri & Co  
Chartered Accountants  
Firm's Registration No.: 014732S

  
Mahesh G Baligeri  
Proprietor  
Membership No. 233654



Date: 23/06/2021  
Place: Bangalore

UDINo.: 21233654AAAA CA3489

Nand Infrastructure Corridor Enterprise Limited  
Balance Sheet as at 31 March 2021  
(All amounts in ₹ Lakhs, unless otherwise specified)

|                                      | Notes | 31-Mar-21        | 31-Mar-20        |
|--------------------------------------|-------|------------------|------------------|
| <b>ASSETS</b>                        |       |                  |                  |
| <b>Non-current assets</b>            |       |                  |                  |
| Property, plant and equipment        | 7     | 1.13             | 1.00             |
| Capital work-in-progress             | 1     | 984.26           | 984.26           |
| Financial assets                     |       |                  |                  |
| Investments                          | 8     | 13,829.09        | 13,664.86        |
| Loans                                |       |                  |                  |
| Deferred tax assets (net)            | 6     | -                | -                |
| Other non-current assets             | 5A    | 51.84            | 51.27            |
| <b>Total non-current assets</b>      |       | <b>14,862.32</b> | <b>14,701.39</b> |
| <b>Current assets</b>                |       |                  |                  |
| Financial assets                     |       |                  |                  |
| Cash and cash equivalents            | 8     | 1.03             | 7.13             |
| Loans                                | 9     | 2,541.00         | 2,441.90         |
| Other financial assets               |       |                  |                  |
| Other current assets                 | 7B    | 10.17            | 3.22             |
| <b>Total current assets</b>          |       | <b>2,498.10</b>  | <b>2,492.25</b>  |
| <b>Total assets</b>                  |       | <b>17,320.44</b> | <b>17,194.36</b> |
| <b>EQUITY AND LIABILITIES</b>        |       |                  |                  |
| <b>Equity</b>                        |       |                  |                  |
| Equity share capital                 | 9     | 10,000.33        | 10,000.33        |
| Other equity                         | 10    | 381.27           | 332.87           |
| <b>Total equity</b>                  |       | <b>10,381.60</b> | <b>10,333.20</b> |
| <b>Liabilities</b>                   |       |                  |                  |
| <b>Non-current liabilities</b>       |       |                  |                  |
| Financial liabilities                |       |                  |                  |
| Borrowings                           | 11    | 2,893.22         | 3,349.00         |
| Other non-current liabilities        | 12    | 2,798.43         | 2,720.33         |
| Deferred tax liabilities (net)       | 5     | 200.55           | 201.70           |
| <b>Total non-current liabilities</b> |       | <b>5,892.20</b>  | <b>6,271.03</b>  |
| <b>Current liabilities</b>           |       |                  |                  |
| Financial liabilities                |       |                  |                  |
| Trade payables                       | 13    | 497.20           | 483.50           |
| Provisions                           | 10    | -                | 10.48            |
| <b>Total current liabilities</b>     |       | <b>497.20</b>    | <b>493.98</b>    |
| <b>Total equity and liabilities</b>  |       | <b>17,320.44</b> | <b>17,194.36</b> |

Significant accounting policies  
The accompanying notes related to above form an integral part of the financial statements

As per report of our firm:

For Baligeri & Co.  
Chartered Accountants  
Firm's Registration No. 0187128

Mahesh D Baligeri  
Partner  
Membership No. 233654

Bangalore  
23 June 2021



For and on behalf of the Board of Directors of  
Nand Infrastructure Corridor Enterprise Limited

*(Signature)*  
Anshu Kumar Khosla  
Managing Director  
DIN: 00208791

Bangalore  
23 June 2021

*(Signature)*  
A B Shivanubramanian  
Director  
DIN: 00903833

Bangalore  
23 June 2021

*(Signature)*  
N. Prasad  
Company Secretary  
M.No. 10174

Bangalore  
23 June 2021

Naxal Infrastructure Corridor Enterprise Limited  
 Statement of profit and loss for the year ended 31st March 2021  
 (All amounts in ₹ Lakhs, unless otherwise specified)

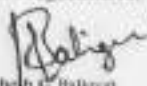
|   | Note | 31-Mar-21 | 31-Mar-20 |
|---|------|-----------|-----------|
| <b>Revenue</b>  |      |           |           |
| Revenue from operations   |      |           |           |
| Other income  |      |           |           |
| <b>Total revenue</b>  | 13   | 171.79    | 564.73    |
| <b>EXPENSES</b>   |      |           |           |
| Cost of sale of land and land development                                     |      |           |           |
| Employee benefits expense   |      |           |           |
| Finance costs   | 16   | 144.14    | 455.77    |
| Depreciation and amortisation expense   | 7    | 0.40      | 0.08      |
| Other expenses  | 17   | 19.51     | 74.71     |
| <b>Total expenses</b>   |      | 364.14    | 736.56    |
| <b>(Loss) before tax</b>  |      | (192.35)  | 34.17     |
| <b>Tax expense</b>  | 18   |           |           |
| Current tax   |      |           | 94.81     |
| Deferred tax  |      | (40.75)   | (26.23)   |
| <b>(Loss) after tax</b>   |      | (151.68)  | 5.99      |
| <b>Other comprehensive income/(loss)</b>                                      |      |           |           |
| Items that will not be reclassified to profit or loss                         |      |           |           |
| Re-measurement of gain/(loss) on defined benefit plans                        |      |           |           |
| Decrease in relating to items that will not be reclassified to profit or loss |      |           |           |
| Items that will be reclassified to profit or loss                             |      |           |           |
| <b>Total other comprehensive income for the year</b>                          |      | (151.68)  | 5.99      |
| <b>Total comprehensive income/(loss) for the year</b>                         |      | -         | -         |
| <b>Earnings/(loss) per share (Nominal value ₹ 10 per share)</b>               | 19   |           |           |
| Basic (₹)   |      | (0.15)    | 0.01      |
| Diluted (₹)   |      | (0.15)    | 0.01      |

**Significant accounting policies**

The accompanying notes referred to above form an integral part of the financial statements

As per report of even date

For Baliger & Co.  
 Chartered Accountants  
 Firm's Registration No. 0147325

  
 Mahesh C. Baliger  
 Proprietor  
 Membership No. 233654

Bangalore  
 23 June 2021



For and on behalf of the Board of Directors of  
 Naxal Infrastructure Corridor Enterprise Limited

  
 Ashok Kumar Khosla  
 Managing Director  
 DIN: 00248107

Bangalore  
 23 June 2021

  
 AB Shrivastava  
 Director  
 DIN: 00963019

Bangalore  
 23 June 2021

  
 N. Balaji Prasad  
 Company Secretary  
 M.No. Ind 74

Bangalore  
 23 June 2021

**Saudi Infrastructure Corridor Enterprise Limited**  
**Statement of cash flows for the year ended 31st March 2021**  
 (All amounts in ₹ Lakhs, unless otherwise specified)

|  | 31-Mar-21     | 31-Mar-20       |
|--|---------------|-----------------|
| <b>A Cash flow from operating activities</b>                           |               |                 |
| Income before tax  | 152.55        | 44.17           |
| Adjustments to arrive to profit after tax to net cash flow:            |               |                 |
| Construction income  | -             | -               |
| Interest income on Capitalized Fully Costed Assets (CFCA)              | (107.98)      | (599.10)        |
| Goodwill income  | -             | 486.89          |
| Depreciation   | 6.47          | 0.04            |
| Interest on deposits   | 6.17          | 9.14            |
| Finance cost   | 541.14        | 454.27          |
| Construction expense   | -             | -               |
| Operating profit/(loss) before working capital changes                 | (13.52)       | 753.61          |
| Change in working capital  | -             | -               |
| Decrease for increase in interest on capitalized assets                | -             | -               |
| Decrease/increase in loans   | -             | (2,480.00)      |
| Decrease/increase in other non-current assets                          | (0.01)        | (0.50)          |
| Decrease/increase in other financial assets                            | (4.00)        | 7.21            |
| Decrease/increase in other current assets                              | (7.26)        | (2,446.49)      |
| Adjustment for increase/decrease in construction liabilities           | -             | -               |
| Increase/decrease in trade payables                                    | 11.78         | 2,176.81        |
| Increase/decrease in provisions  | (19.44)       | (75.13)         |
|  | 12.54         | 1,002.51        |
| <b>Net cash flow from operating activities (A)</b>                     | <b>(0.27)</b> | <b>40.26</b>    |
| <b>Cash flow from financing activities</b>                             |               |                 |
| Interest received on deposits  | (0.17)        | (7.74)          |
| Goodwill income  | -             | (486.89)        |
| Dividend of Fixed assets   | -             | (1.57)          |
| TDI paid on interest on Capitalized Fully Costed Assets (CFCA)         | 5.25          | 7.00            |
| <b>Net cash flow from financing activities (B)</b>                     | <b>5.00</b>   | <b>(489.20)</b> |
| <b>Cash flow from financing activities</b>                             |               |                 |
| Bank Charges   | (7.93)        | (9.09)          |
| <b>Net Cash flow used in/from financing activities (C)</b>             | <b>(4.93)</b> | <b>(48.00)</b>  |
| <b>Net increase/decrease in cash &amp; cash equivalents (A+B+C)</b>    | <b>(0.27)</b> | <b>5.26</b>     |
| Cash and cash equivalents at beginning of the year                     | 7.15          | 1.87            |
| Cash and cash equivalents at the end of the year*                      | 1.00          | 7.13            |
| * Comprising:  |               |                 |
| (a) Cash on hand   | 0.02          | 0.02            |
| (b) Balance with banks - current accounts                              | 0.98          | 7.11            |
| <b>Cash &amp; cash equivalents at the end of the year (see note 6)</b> | <b>1.02</b>   | <b>7.13</b>     |

For Baligeri & Co.  
 Chartered Accountants  
 Firm's Registration No. 21477325

*Baligeri*  
 Baligeri & Co.  
 Proprietor  
 Membership No. 221634

Bangalore  
 27 June 2021



For and on behalf of the Board of Directors of  
 Saudi Infrastructure Corridor Enterprise Limited

*Abdul Kader Khan*

Abdul Kader Khan  
 Managing Director  
 DIN: 00248092

Bangalore  
 29 June 2021

Ali Shrivastava  
 Director  
 DIN: 00061038

Bangalore  
 31 June 2021

*Ali Shrivastava*

Company Secretary  
 M.No. 25174

Bangalore  
 27 June 2021

**Nandi Infrastructure Corridor Enterprises Limited**  
**Summary of significant accounting policies and other explanatory information**

**1 Company overview and significant accounting policies**

**1.1 Company overview**

Nandi Infrastructure Corridor Enterprises Limited ("NICE" or the "Company"), was incorporated on January 19, 1996. The Government of Karnataka ("Govt.") and Nandi Infrastructure Corridor Enterprises Limited ("NICE"), have entered into a Power Work Agreement (PWA) dated April 3, 1997 (as amended) under which the Govt. has granted rights to NICE for the development, maintenance and operation of integrated infrastructure corridor situated between Bangalore and Mysore in Karnataka, consisting of residential, industrial, and commercial facilities such as, among other things, self-sustaining townships, expressways, utilities and amenities, including power plants, industrial plants, water treatment plants and other infrastructural developments (together referred to as the "Bangalore Mysore Infrastructure Corridor Project" or "BMBCP").

The Govt. and NICE have also entered into Toll Concession Agreement (the "TCA") dated September 4, 2003, wherein the Govt. has granted to NICE, the right to collect toll and other revenues from the BMBCP.

The PWA and TCA provide inter alia that the NICE may assign the whole or part of NICE's rights, privileges, benefits, amounts and obligations under either of the above mentioned PWA and TCA to any project company or successor of NICE.

Accordingly, the Nandi Economic Corridor Enterprises Limited ("NECE" or the "Subsidiary Company") was incorporated and NICE has assigned Section A of the BMBCP (as defined in the PWA) to the Subsidiary Company and the same has been endorsed by the Govt. vide Toposite Agreement dated August 9, 2002 ("the Toposite Agreement"). The above mentioned privileges, benefits, amounts and obligations under PWA and TCA with respect to Section A of the BMBCP were also assigned to the Subsidiary Company. The Section A of the BMBCP comprises: (a) development of Toll Road comprising 40 kms of Peripheral Road, 9.8 kms of Link Road and 13 kms of Expressway (b) acquisition of the land and such rights, title and interests therein as may be required for the above mentioned road and for development and sale of land (c) basic development and sale of land, (including that at 10 meter charged) and (d) basic development and sale of land in corporate townships.

As per the terms of the reference to PWA read with concessionary agreements namely Toposite Agreement and the TCA, NICE / NICEE have a period of 10 years for construction of the Toll Road and a right to collect toll from the users of the Toll Road for a Concession period of 30 years. Under these agreements, the collection of toll can commence as and when the sections of the toll roads are completed.

The time periods specified in the PWA and TCA is subject to conditions precedent as per Article 2.1 specified in the PWA and all of the land required for the BMBCP being transferred to the NICE/NICEE as per Article 2.2, 2.2.1 or 2.2.2 of the TCA. Further, as per Article 2.3 of the TCA, in case all of the land required for the execution of the BMBCP are not provided to the Subsidiary Company, upon the Subsidiary Company providing a written notice to the Govt. with regard to the same, the Toll Concession Period would be deemed to be extended for a corresponding period of time for the duration or continuance of such event or circumstance.

In accordance with the above mentioned terms and conditions as per the PWA and TCA, the period of 30 years toll term to be calculated from the time the Subsidiary Company is handed over all of the land required for completing the Section A of the BMBCP. Since all the lands required for the execution of the Section A of the BMBCP has not been transferred to the Subsidiary Company, the Subsidiary Company has given written notice to the Govt. of the continued delay in providing the required land for the BMBCP. Accordingly, the Concession period is deemed to have been extended as per the provisions of PWA and TCA.

In December 2008, the Subsidiary Company had completed 40 kms of peripheral road and in October 2009, 8 kms of link road was also completed ("Toll road assets - Section A") and the Subsidiary Company has commenced collecting tolls as per the rights under the PWA and TCA. Toll road assets - Section A created under Build, Own, Operate and Transfer ("BOOT") is considered as an intangible asset since the asset will be transferred to the Govt. at the end of the concession period.

**1.2 Significant accounting policies**

**a. Statement of compliance**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules 2015 notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 23 June, 2021.

**b. Overall considerations**

The financial statements have been prepared using the significant accounting policies and measurement bases that are in effect as at 31 March 2021. The accounting policies used in the preparation of financial statements are consistent with that of previous year.



**c. Basis of preparation of financial statements**

- (i) The financial statements have been prepared on going concern basis unless the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, Leases, and measurements that have some similarities to fair value but are not fair value, or value in use in Ind AS 36 Impairment of assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data only as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on the observable market data (unobservable inputs).

- (ii) 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 the company. Further, it had also been reported in the print media that the House Committee tabled its report during November 2014 in the Karnataka Legislative Assembly, wherein the company had various departments of Govt. have been accused of violations of several norms 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 the Company 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 the company has still not been provided with any notice of the formation of the committee or its reports, the management of the Company 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, publicly motivated and hence lack legal standing. Further, the Company had filed similar statements in the past, where the Company has received favourable orders from the Hon'ble High Court and the Supreme Court. The Company 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 unenforceable in law.

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

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

Based on the above, in the opinion of the Management, the requisite regulatory approvals would be received by the Company in the normal course of business for the township development activities of the Company and hence, there would be no adverse effect on the operations of the Company.

**d. Functional and presentation currency**

The financial statements are presented in Indian Rupee (₹) which is also the functional and presentation currency of the Company.

**e. Use of estimates**

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.3 and 1.4.

**f. Recent accounting pronouncements**

The Company has adopted Ind AS 116 "Leases" effective April 1, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2018, using modified retrospective method. The adoption of this standard did not have any material impact on the books of the current year.



**g. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

- (i) An asset is classified as current when it is
  - Expected to be realized or intended to be sold or consumed in normal operating cycle,
  - Held primarily for the purpose of trading,
  - Expected to be realized within twelve months after the reporting period, or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- (ii) All other assets are classified as non-current.
- (iii) A liability is classified as current when:
  - It is expected to be settled in normal operating cycle,
  - It is held primarily for the purpose of trading,
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- (iv) All other liabilities are classified as non-current.
- (v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The business operations of the Company are classified into (a) Toll road and (b) Township developments. Based on the nature of business operations of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined the operating cycle as 12 months for Toll road operations and 5 years for Township development from the date of acquisition of land in the name of the Company and after getting the required regulatory approval for township/estate development activities.

**h. Foreign currency transaction**

**(i) Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded are recognized in the statement of profit and loss in the year in which they arise.

**i. Revenue recognition**

**Sale of land**

Revenue from sale of land is recognized when all significant risks and rewards of ownership of land is transferred to the buyer and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or things collected on behalf of the government.

**Construction revenue and construction expenses:**

Construction revenue from contracts covered under service concession arrangements are recognized in line with the Appendix A to Ind AS 11 – Service Concession Arrangements.

Under Appendix A to Ind AS 11 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the operator receives a right (or a commitment) to charge users of the public service.

**Interest income**

Interest income is accounted on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in the finance income in the statement of profit or loss.

**j. Investments**

Stock of land and related developments are valued at lower of cost and net realizable value. Cost is the aggregate of land cost and development cost which includes materials, contract works, direct expenses and approved borrowing costs.



**k. Property, Plant and Equipment (PPE)**

**Recognition and initial measurement**

Properties, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met, any expected costs of decommissioning and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted as arriving at the purchase price.

**Subsequent measurement**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

**Depreciation and useful lives**

Depreciation/amortisation on fixed assets is provided on the straight line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the guideline useful life prescribed in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Office equipment**

5 years

Cost of assets not ready for use at the balance sheet date are disclosed under capital work in progress.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**l. Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

**m. Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**n. Leases**

The Company's lease assets classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, in exception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to cancel or terminate the lease before the end of the lease term. Lease term includes these options when it is reasonably certain that they will be exercised.

**o. Tax expense**

**Income taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax laws and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Company operates and generates taxable income.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which these deductible temporary differences can be utilised.



**Nandi Infrastructure Corridor Enterprise Limited**

**Summary of significant accounting policies and other explanatory information**

**o. Tax expense (Cont'd.)**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is highly probable that future economic benefits associated with it will flow to the company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Current and deferred tax for the period**

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**p. Earnings per share**

Basic earnings per share is computed by dividing the profit / loss after tax including the prior tax effect of extraordinary items, if any, by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / loss after tax (including the prior tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share (or increase net loss per share) from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**q. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**r. Financial instruments**

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

**Subsequent measurement**

**Debt instruments**

**Debt instruments at amortised cost**

A 'Debt instrument' is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income or the profit or loss. The losses arising from impairment are recognised in the statement of Profit or Loss at fair value through other comprehensive income (OCI).

**Debt instruments at fair value through other comprehensive income (FVOCI)**

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognised in other comprehensive income (OCI).

**Debt instruments at Fair value through profit and loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.



**2. Financial instruments (Cont'd.)**

*Equity instruments*

All equity investments in the scope of Ind AS 109, 'Financial Instruments', are measured at fair value. Equity instruments which are held for trading and contingent consideration has been recognized by an acquirer in a business combination to which Ind AS 103, 'Business Combinations' applies, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present as OCI with subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI.

There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

*De-recognition of financial assets*

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

*Investment in subsidiaries and joint ventures*

The Company's investment in equity instruments of subsidiaries and joint ventures are accounted for at cost.

**3. Financial liabilities**

*Initial recognition*

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liability is also adjusted. These liabilities are classified as amortized cost.

*Subsequent measurement*

These liabilities include the borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

*De-recognition of financial liabilities*

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**4. Impairment of financial assets**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case these are measured at lifetime ECL. The amount of expected credit losses are revealed that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

**5. Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



Nandi Infrastructure Corridor Enterprise Limited  
 Statement of changes in equity as at 31 March 2021  
 (All amounts in ₹, unless otherwise specified)

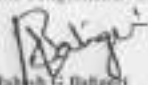
A. Equity share capital

|   | Amount    |
|---|-----------|
| Balance as at 01 April 2019                     | 18,489.37 |
| Changes in equity share capital during the year | -         |
| Balance as at 31 March 2020                     | 18,489.37 |
| Changes in equity share capital during the year | -         |
| Balance as at 31 March 2021                     | 18,489.37 |

B. Other equity

|  | Reserve fund (s) as per<br>ICU of the 1980 Act,<br>1934 | Surplus / (deficit)<br>in statement of<br>profit and loss | Measurement of<br>below market rate<br>financial liability<br>at fair value | Total    |
|--|---|---|---|----------|
| Balance as at 01 April 2019                          | 46.59   | (1,946.30)  | 1,691.95  | (177.76) |
| Add: Additions                                       | -   | -   | 1,284.82  | 1,284.82 |
| Deferred tax on assets directly recognized in equity | -   | -   | (203.78)  | (203.78) |
| Loss for the period                                  | -   | 3.89  | -   | 3.89     |
| Other comprehensive income                           | -   | -   | -   | -        |
| Deferred tax on items directly recognized in equity  | -   | -   | -   | -        |
| Balance as at 31 March 2020                          | 46.59   | (1,946.71)  | 1,972.99  | 72.87    |
| Add: Additions                                       | -   | -   | -   | -        |
| Profit / (Loss) for the period                       | -   | (171.40)  | -   | (171.40) |
| Other comprehensive income                           | -   | -   | -   | -        |
| Deferred tax on items directly recognized in equity  | -   | -   | -   | -        |
| Balance as at 31 March 2021                          | 46.59   | (2,052.31)  | 1,972.99  | 58.27    |

For Baligeri & Co.  
 Chartered Accountants  
 Firm's Registration No.: 111073711

  
 Mahesh K. Baligeri  
 Proprietor  
 Membership No.: 233654

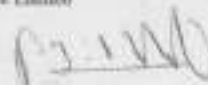
Bangalore  
 23 June 2021



For and on behalf of the Board of Directors of  
 Nandi Infrastructure Corridor Enterprise Limited

  
 Ashok Kumar Khem  
 Managing Director  
 DIN: 00248802

Bangalore  
 23 June 2021



AB Shrivastava  
 Director  
 DIN: 00961838

Bangalore  
 23 June 2021



N. Balaji Narayana  
 Company Secretary  
 M.No.: 28174

Bangalore  
 23 June 2021

**Nandi Infrastructure Corridor Enterprise Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ Lakhs, unless otherwise specified)**

**2. Property, plant and equipment**  
 Details of the Company's property, plant and equipment and revaluation of their carrying amounts from beginning to end of reporting period is as follows:

|                                 | Other Equipments |      |
|---------------------------------|------------------|------|
| <b>Gross carrying amount</b>    |                  |      |
| At 01 April 2019                |                  | 0.05 |
| Additions                       |                  | 1.63 |
| Deposits                        |                  |      |
| At 31 March 2020                |                  | 1.68 |
| Additions                       |                  |      |
| Deposits                        |                  |      |
| At 31 March 2021                |                  | 1.68 |
| <b>Accumulated depreciation</b> |                  |      |
| At 01 April 2019                |                  |      |
| Charge for the year             |                  | 0.09 |
| Deposits/adjustment             |                  |      |
| At 31 March 2020                |                  | 0.09 |
| Charge for the year             |                  | 0.47 |
| Deposits/adjustments            |                  |      |
| At 31 March 2021                |                  | 0.57 |
| <b>Net book</b>                 |                  |      |
| As at 01 April 2019             |                  | 0.05 |
| As at 31 March 2020             |                  | 1.60 |
| As at 31 March 2021             |                  | 1.11 |

**3. Capital work-in-progress**

|                          | 31-Mar-21     | 31-Mar-20     |
|--------------------------|---------------|---------------|
| Capital work-in-progress | 984.26        | 984.26        |
|                          | <u>984.26</u> | <u>984.26</u> |

**4. Investments**

|   | 31-Mar-21        | 31-Mar-20        |
|---|------------------|------------------|
| <b>Non-current investments (continued)</b>                          |                  |                  |
| <b>Investment in equity shares (carried at cost)</b>                |                  |                  |
| - Nandi Economic Corridor Enterprises Limited- Subsidiary Company*  | 12,384.22        | 12,384.22        |
| - Nandi Engineering Limited   | 0.63             | 0.63             |
| <b>Investments in debentures (carried at fair value)</b>            |                  |                  |
| - Nandi Economic Corridor Enterprises Limited- Subsidiary Company** | 1,490.24         | 1,330.01         |
| <b>Investment in govt. securities/bonds</b>                         |                  |                  |
| - India Vias Paris  | 0.00             | 0.00             |
|   | <u>13,875.09</u> | <u>13,644.86</u> |

\* The Company has pledged 11,31,31,000 equity shares accumulated amount to IIFM Trusteehip Services Limited for structuring the credit facilities amounting to ₹ 1650 crores to Subsidiary Company Nandi Economic Corridor Enterprises Limited by conversion of bonds.

\*\* Optionally Fully Convertible Debentures (OFCDs) initially issued in favour of Life Insurance Corporation of India by Nandi Economic Corridor Enterprises Ltd, a subsidiary of the Company, are secured by way of a first charge on the assets of the Company in favour of debenture trust deed dated 23 April 2019. The charge is created in favour of WTCI trust DEB, acting in their capacity as the Trustee for the debenture holders. These OFCDs were acquired by the Company in May 2019.

**5. Loans**

|   | 31-Mar-21       | 31-Mar-20       |
|---|-----------------|-----------------|
| <b>4. Current Assets</b>  |                 |                 |
| Loans given to Nandi Engineering Limited (receivable on demand) | 2,444.00        | 2,444.00        |
|   | <u>2,444.00</u> | <u>2,444.00</u> |



| 6. Deferred tax (Liabilities) / assets (Net)       |                 |                 |
|--|-----------------|-----------------|
|  | 31-Mar-21       | 31-Mar-20       |
| <b>A. Non-current</b>                              |                 |                 |
| Deferred tax asset arising on account of:          |                 |                 |
| Financial assets carried at fair value             | 157.74          | 152.74          |
| Loss   |                 |                 |
| Deferred tax liabilities arising on account of:    |                 |                 |
| Financial instruments carried at amortised cost    | (171.69)        | (158.84)        |
|  | <u>(206.65)</u> | <u>(241.70)</u> |
| <b>7. Other assets</b>                             |                 |                 |
|  | 31-Mar-21       | 31-Mar-20       |
| <b>A. Non-current</b>                              |                 |                 |
| Unsecured, considered good unless otherwise stated |                 |                 |
| Advance revenues                                   |                 |                 |
| Advance to suppliers/service providers             | 51.89           | 51.27           |
|  | <u>51.89</u>    | <u>51.27</u>    |
| <b>B. Current</b>                                  |                 |                 |
| Unsecured, considered good unless otherwise stated |                 |                 |
| Prepaid expenses                                   | 0.82            | 0.82            |
| Duties and taxes receivable                        | 9.35            | 2.80            |
|  | <u>10.17</u>    | <u>3.22</u>     |
| <b>8. Cash and cash equivalents</b>                |                 |                 |
|  | 31-Mar-21       | 31-Mar-20       |
| Cash on hand                                       | 8.02            | 8.02            |
| Balances with banks                                |                 |                 |
| - in current accounts                              | 3.91            | 2.13            |
|  | <u>3.91</u>     | <u>2.13</u>     |



**Notes to the Financial Statements of Baligeri & Co. Ltd.**  
**Statement of Significant Accounting Policies and Other Explanatory Information**  
 (All amounts in ₹ Lakhs, unless otherwise specified)

**9. Equity share capital**

| Authorised Equity share of ₹ 10/- each | 31-Mar-21     |          | 31-Mar-20     |             |
|--|---------------|----------|---------------|-------------|
|  | No. of shares | Amount   | No. of shares | Amount      |
| 10,00,00,000                           | 10,000        | 1,00,000 | 10,10,00,000  | 1,01,00,000 |
| 10,00,00,000                           | 10,000        | 1,00,000 | 10,48,93,500  | 1,04,89,350 |
| 10,00,00,000                           | 10,000        | 1,00,000 | 10,48,93,500  | 1,04,89,350 |

(a) Disclosures of the number of shares and amount outstanding at the beginning and at the end of the reporting period

| Equity share of ₹ 10/- each<br>Opening balance<br>Additions during the year<br>Closing balance | 31-Mar-21     |          | 31-Mar-20     |             |
|--|---------------|----------|---------------|-------------|
|  | No. of shares | Amount   | No. of shares | Amount      |
| 10,48,93,500   | 10,489        | 1,04,893 | 10,48,93,500  | 1,04,89,350 |
| 10,48,93,500   | 10,489        | 1,04,893 | 10,48,93,500  | 1,04,89,350 |

(b) Terms, Rights attached to equity share holders  
 The Company has only one class of equity shares, having a par value of ₹ 10/-. The holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares is entitled to the assets of the Company in proportion to the number of shares held by each shareholder holding more than 5% of shares.

| Equity share of ₹ 10/- each<br>1. Mr. Chandra Lakshmi Reddy, Chennai<br>2. Mr. Madhav Kumar Reddy<br>3. Mr. Siva Subramanian Reddy | 31-Mar-21     |             | 31-Mar-20     |   |
|--|---------------|-------------|---------------|---|
|  | No. of shares | %           | No. of shares | % |
| 1,23,00,000  | 7%            | 1,23,00,000 | 7%            |   |
| 2,00,00,000  | 2%            | 2,00,00,000 | 2%            |   |
| 48,00,000  | 0.5%          | 48,00,000   | 0.5%          |   |

(c) Aggregate number of equity share owned and shares bought for consideration other than cash during the year of the year based on the following details:  
 The company has not issued any equity share or done any buy back of shares during the year ended on 31-Mar-2021.

**10. Other notes**

| Particulars                                | 31-Mar-21   | 31-Mar-20   |
|--|-------------|-------------|
| Reserve fund (including ₹ 1,00,00,000) 100 | 1,00,00,000 | 1,00,00,000 |
| Provision for contingencies 100            | 1,00,00,000 | 1,00,00,000 |
| Provision for depreciation 100             | 1,00,00,000 | 1,00,00,000 |
| Provision for other contingencies 100      | 1,00,00,000 | 1,00,00,000 |



Nandi Infrastructure Credit for Enterprise Limited  
 Summary of significant accounting policies and other explanatory information  
 (All amounts in ₹ Lakhs, unless otherwise specified)

11. Borrowings

|  | 31-Mar-21       | 31-Mar-20       |
|--|-----------------|-----------------|
| Non-current  |                 |                 |
| Unsecured loans  |                 |                 |
| Other loans  |                 |                 |
| 7% cumulative redeemable preference shares of ₹ 10/- each* | 2,398.22        | 2,284.77        |
| Interest free loan from related parties**                  | 200.00          | 264.32          |
|  | <u>2,598.22</u> | <u>2,549.09</u> |

\* As per the original repayment terms, 7% cumulative redeemable preference shares are due for redemption within 7 years i.e. on 20 March 2017. However, as at 31 March 2017, the Company has revised the terms of redemption for further one year i.e. 20 March 2018. Further, vide board resolution passed at 131st meeting of the board of directors of NICE held on 28 February 2019 the terms of repayment has been further extended for a period of 2 years, i.e. from 20 March 2019 to 25 March 2020. Further, vide board resolution passed at 141st meeting of the board of directors of NICE held on 04 February 2020 the terms of repayment has been further extended for a period of 5 years, i.e. from 25 March 2020 to 25 March 2025.

\*\* Interest free unsecured loan from IIF (Investments) Limited is repayable since the basic position of of the Company permits the same.

12. Other liabilities

|                                    | 31-Mar-21       | 31-Mar-20       |
|------------------------------------|-----------------|-----------------|
| Non-current                        |                 |                 |
| Advances received for sale of land | 2,720.15        | 2,720.15        |
| Advances - Others                  | 18.08           | -               |
|                                    | <u>2,738.23</u> | <u>2,720.15</u> |

13. Trade payables

|  | 31-Mar-21     | 31-Mar-20     |
|--|---------------|---------------|
| Dues to micro-enterprises and small enterprises                      |               |               |
| Dues to creditors other than micro enterprises and small enterprises | 497.20        | 483.50        |
|  | <u>497.20</u> | <u>483.50</u> |

14. Provisions

|                     | 31-Mar-21 | 31-Mar-20    |
|---------------------|-----------|--------------|
| Short-term          |           |              |
| Warranty provisions |           | 19.48        |
|                     |           | <u>19.48</u> |

15. Other income

|  | 31-Mar-21     | 31-Mar-20     |
|--|---------------|---------------|
| Interest income on financial instruments | 165.49        | 148.11        |
| Interest on deposits                     | 0.17          | 5.34          |
| Rental income                            | -             | 406.19        |
| Provisioner written back                 | 6.14          | 4.86          |
|  | <u>171.79</u> | <u>564.50</u> |

16. Finance costs

|                                   | 31-Mar-21     | 31-Mar-20     |
|-----------------------------------|---------------|---------------|
| Bank charges                      | 0.01          | 0.00          |
| Interest on financial instruments | 141.13        | 455.33        |
|                                   | <u>141.14</u> | <u>455.33</u> |



**17. Other expenses**

|  | 31-Mar-21    | 31-Mar-20    |
|--|--------------|--------------|
| Office maintenance & administration Expenses | 1.22         | 37.80        |
| Rent including lease rentals                 | -            | -            |
| Traveling expenses                           | 9.03         | 0.61         |
| Professional fees                            | 14.07        | 11.11        |
| Interest to auditors                         | -            | -            |
| Statutory Audit Fees                         | 1.75         | 1.73         |
| Annual Review Fees                           | 0.45         | 0.45         |
|  | <b>19.52</b> | <b>51.71</b> |

**18. Tax expense**

|  | 31-Mar-21      | 31-Mar-20    |
|--|----------------|--------------|
| <b>Tax expense comprises of:</b>                                       |                |              |
| Current tax  | -              | 50.81        |
| Deferred tax   | (40.75)        | (66.23)      |
| <b>Income tax expense reported in the statement of profit and loss</b> | <b>(40.75)</b> | <b>18.58</b> |

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

The major components of income tax expense and the reconciliation of reported tax expense

Accounting profit/(loss) before tax from continuing operations

|  |                 |              |
|--|-----------------|--------------|
|  | (152.33)        | 31.17        |
| <b>Accounting loss before income tax</b>   | <b>(152.35)</b> | <b>34.17</b> |
| Effective tax rate in India  | 25.17%          | 27.82%       |
| Unreported tax expenses (charged)/credited   | (48.41)         | 9.90         |
| Tax effect of amounts which are not deductible/(taxable) in calculating taxable income | -               | -            |
| Effect of non-deductible expenses  | 7.66            | 19.07        |
| <b>Income tax expense</b>  | <b>(40.75)</b>  | <b>18.58</b> |

**19. Loss per share (EPS)**

|   | 31-Mar-21           | 31-Mar-20           |
|---|---------------------|---------------------|
| Weighted average number of shares outstanding during the year   | 10,40,53,688        | 10,40,53,688        |
| Add: Dilutive effect of stock options                           | -                   | -                   |
| Weighted average number of shares used to compute diluted EPS   | <b>10,40,53,688</b> | <b>10,40,53,688</b> |
| Net profit/(loss) after tax attributable to equity shareholders | (154.00)            | 5.59                |
| Profit / (Loss) per share                                       |                     |                     |
| Basic (₹)   | (0.13)              | 0.01                |
| Diluted (₹)   | (0.13)              | 0.01                |
| Nominal value - Rupees (₹) per equity share                     | 10                  | 10                  |

**20. Assets pledged as security**

The carrying amounts of assets pledged as security for non-current borrowings (only note 4)



**Nandi Infrastructure Corridor Enterprise Limited**  
**Summary of significant accounting policies and other explanatory information**  
 (All amounts in ₹ lakhs, unless otherwise specified)

**23 Financial instruments**

**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows:

|   | Note | FVTPL | FVTOCI | Amortized cost | Total carrying value | Total fair value |
|---|------|-------|--------|----------------|----------------------|------------------|
| <b>Financial assets:</b>                                |      |       |        |                |                      |                  |
| Investments   |      | -     | -      | -              | -                    | -                |
| Loans and advances                                      | 4    | -     | -      | 1,496.24       | 1,496.24             | 1,466.24         |
| Cash and cash equivalents including other bank balances | 5    | -     | -      | 2,444.00       | 2,444.00             | 2,444.00         |
| Other financial assets                                  | 6    | -     | -      | 2.53           | 2.53                 | 2.53             |
| <b>Total financial assets</b>                           |      | -     | -      | 3,942.77       | 3,942.77             | 3,912.77         |
| <b>Financial liabilities:</b>                           |      |       |        |                |                      |                  |
| Securities  |      | -     | -      | 3,938.18       | 3,938.18             | 3,938.18         |
| Trade payables  | 11   | -     | -      | 2,893.22       | 2,893.22             | 2,893.22         |
| <b>Total financial liabilities</b>                      | 13   | -     | -      | 6,831.40       | 6,831.40             | 6,831.40         |
| <b>Total financial instruments</b>                      |      | -     | -      | 3,990.42       | 3,990.42             | 3,990.42         |

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows:

|   | Note | FVTPL | FVTOCI | Amortized cost | Total carrying value | Total fair value |
|---|------|-------|--------|----------------|----------------------|------------------|
| <b>Financial assets:</b>                                |      |       |        |                |                      |                  |
| Investments   |      | -     | -      | -              | -                    | -                |
| Loans and advances                                      | 4    | -     | -      | 1,550.04       | 1,550.04             | 1,530.04         |
| Cash and cash equivalents including other bank balances | 5    | -     | -      | 2,444.00       | 2,444.00             | 2,444.00         |
| Other financial assets                                  | 6    | -     | -      | 7.15           | 7.15                 | 7.15             |
| <b>Total financial assets</b>                           |      | -     | -      | 3,991.19       | 3,991.19             | 3,981.19         |
| <b>Financial liabilities:</b>                           |      |       |        |                |                      |                  |
| Securities  |      | -     | -      | 3,781.16       | 3,781.16             | 3,781.16         |
| Trade payables  | 11   | -     | -      | 2,540.00       | 2,540.00             | 2,540.00         |
| <b>Total financial liabilities</b>                      | 13   | -     | -      | 6,321.16       | 6,321.16             | 6,321.16         |
| <b>Total financial instruments</b>                      |      | -     | -      | 3,990.42       | 3,990.42             | 3,990.42         |



**Notes to financial instruments**

- The management assessed the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and other financial liabilities approximates the carrying amount largely due to short-term maturity of these instruments.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- Fair value hierarchy**  
 Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:  
 Level 1: Quoted prices (unadjusted) in active markets for identical instruments.  
 Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and minimize the use of unobservable information.  
 Level 3: Inputs for the assets or liabilities that are not based on the observable market data (unobservable inputs).  
**Measurement of fair value of financial instruments**  
 The Company's finance team performs valuation of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of measuring the fair value of market-based information.  
**Investment in debentures**  
 Investments in, especially fully convertible debentures of subsidiary have been measured at fair value as per Ind AS 109, Financial Instruments.

**22 Financial risk management**

**Financial risk factors**

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk                        | Exposure arising from   | Measurement                 |
|-----------------------------|---|-----------------------------|
| Credit risk                 | Cash and cash equivalents, trade receivables, financial assets measured at amortized cost | Ageing analysis             |
| Liquidity risk              | Borrowings and other financial liabilities  | Rolling cash flow forecasts |
| Market risk - Interest rate | Long term borrowings at variable rates  | Sensitivity analysis        |

The Company's risk management is carried out by the management under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

**a. Credit risk**

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

*Credit risk management*

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is perceived that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. The definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**b. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



**Nandi Infrastructure Corridor Enterprise Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ lakhs, unless otherwise specified)**

**Maturity of financial liabilities**

The tables below analyse the Company's financial liabilities into adequate maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

| As at                  | Less than 1 year | 1 years to 5 years | 5 years and above | Total        |
|------------------------|------------------|--------------------|-------------------|--------------|
| 31 March 2021          |                  |                    |                   |              |
| <b>Non-derivatives</b> |                  |                    |                   |              |
| Borrowings*            | 707              | 1,795              | -                 | 2,502        |
| Trade payables         | 497              | -                  | -                 | 497          |
| <b>Total</b>           | <b>797</b>       | <b>1,795</b>       | <b>-</b>          | <b>2,502</b> |

| As at 31 March 2020    | Less than 1 year | 1 years to 5 years | 5 years and above | Total        |
|------------------------|------------------|--------------------|-------------------|--------------|
| <b>Non-derivatives</b> |                  |                    |                   |              |
| Borrowings*            | 310              | 1,795              | -                 | 2,105        |
| Trade payables         | 483              | -                  | -                 | 483          |
| <b>Total</b>           | <b>793</b>       | <b>1,795</b>       | <b>-</b>          | <b>2,088</b> |

**c. Interest rate risk**

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowings are subject to interest rate. Below is the overall exposure of the borrowings:

|                         | 31 March 2021 | 31 March 2020 |
|-------------------------|---------------|---------------|
| Variable rate borrowing |               |               |
| Fixed rate borrowing    | 2,505         | 2,105         |
| Interest free borrowing | 300           | 304           |
| <b>Total borrowings</b> | <b>2,893</b>  | <b>2,409</b>  |

**Interest rate risk**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's borrowings are primarily in fixed rate and interest free borrowings, which do not expose it to significant interest rate risk.

**2) Capital Management**

The Company's objective when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

|  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Long term borrowings                       | 2,893         | 2,549         |
| Current maturities of long term borrowings | -             | -             |
| Less: Cash and cash equivalents            | 4             | (1)           |
| <b>Net debt</b>                            | <b>2,897</b>  | <b>2,548</b>  |
| Total equity                               | 10,991        | 11,140        |
| <b>Gearing ratio</b>                       | <b>0.26</b>   | <b>0.23</b>   |

(i) Equity includes all capital and reserves of the Company that are managed as capital

(ii) Debt is defined long term and short term borrowings



Nandi Infrastructure Corridor Enterprise Limited  
Summary of significant accounting policies and other explanatory information  
(All amounts in ₹ lakhs, unless otherwise specified)

24 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2021 and the date of authorization of these financial statements.

25 Contingent liabilities

|   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Claims against the Company not acknowledged as debts                                      | 553.64        | 553.64        |
| 7% dividend on cumulative preference shares issued to Nandi Engineering Ltd. 10,29,00,000 | 10,29,00,000  | 10,29,00,000  |

\* The preference shares were to be redeemed by the Company after 7 years from the date of allotment, subject to the provisions of the Companies Act, 2013. The Company has revised the terms of redemption for further one year and five year subsequently.

(the year has been intentionally left blank)



**North Infrastructure Corridor Enterprise Limited**  
 Summary of significant accounting policies and other explanatory information  
 (All amounts in ₹ lakhs, unless otherwise specified)

**B. Related party transactions**

**A. Details of related parties:**

| Description of relationship                           | Name of related parties   |
|---|---|
| Trading Company (TC)                                  | IT Unicom Limited   |
| Subsidiary Company (SC)                               | North Infrastructure Corridor Enterprise Limited (NICE)   |
| Key Managerial Personnel (KMP)                        | Mr. Ashok Khery, Managing Director, N. Balaji Naidu, Company Secretary, A. Balaji Gowd, CFO   |
| Relative of KMP                                       | Mr. Madhavan Khery  |
| Enterprises over which KMP have significant influence | SKK Entertainment Limited (SKKEL)<br>Ashok Khery Productions Private Limited (AKPP)<br>Ashok Khery Infrastructure Limited (AKIL)<br>BE Investments Limited<br>SAR Engineering Inc., USA (SEI)<br>South Infrastructure Limited (SIL) ( till 29th October 2019) |

**B. Details of related party transactions during the year ended 31 March 2021 and 31 March 2020**

| Nature of Transaction   | FC | SC        | KMP | Enterprises over which KMP have significant influence | Relative of KMP |
|---|----|-----------|-----|---|-----------------|
| <b>Interest expense / (income) from financial instruments</b> |    |           |     |   |                 |
| For the Year 2020-21  |    | 100.04    |     |   | 344.13          |
| For the Year 2019-20  |    | 118.15    |     |   | 335.77          |
| <b>Received / (paid) towards advance / loans</b>              |    |           |     |   |                 |
| For the Year 2020-21  |    | 4.65      |     |   |                 |
| For the Year 2019-20  |    | (1,12.31) |     |   |                 |

**C. Details of related party balance outstanding as at 31 March 2021 and 31 March 2020**

| Nature of Transaction  | FC | SC       | KMP | Enterprises over which KMP have significant influence | Relative of KMP |
|--|----|----------|-----|---|-----------------|
| <b>Balance of Optionally Fully Convertible Debentures (OFCD)</b> |    |          |     |   |                 |
| as at 31 March 2021  |    | 1,490.24 |     |   |                 |
| as at 31 March 2020  |    | 1,330.00 |     |   |                 |
| <b>Balance of Cumulative Redeemable Preference Shares (CRPS)</b> |    |          |     |   |                 |
| as at 31 March 2021  |    |          |     |   | 3,593.22        |
| as at 31 March 2020  |    |          |     |   | 3,254.77        |
| <b>Balance of advances / loans outstanding</b>                   |    |          |     |   |                 |
| as at 31 March 2021  |    | 577.08   |     | (2,007.00)  |                 |
| as at 31 March 2020  |    | 522.05   |     | (2,447.10)  |                 |
| <b>Balance of interest free loans</b>                            |    |          |     |   |                 |
| as at 31 March 2021  |    |          |     |   | 200.00          |
| as at 31 March 2020  |    |          |     |   | 204.52          |

For Balgiri & Co.  
 Chartered Accountants  
 Firm's Registration No. 6247121  
 M. Balgiri  
 Proprietor  
 Membership No. - 233654  
 Bangalore  
 23 June 2021



For and on behalf of the Board of Directors of  
 North Infrastructure Corridor Enterprise Limited  
 Ashok Khery  
 Managing Director  
 DIN: 00261197  
 Bangalore  
 23 June 2021  
 A. Balaji Naidu  
 Director  
 DIN: 00563658  
 Bangalore  
 23 June 2021  
 N. Balaji Naidu  
 Company Secretary  
 M No. 30174  
 Bangalore  
 23 June 2021