Walker Chandiok & Co LLP
7th Floor, Block III,
White House, Kundan Bagh,
Begumpet,
Hyderabad - 500 016
India

T +91 40 4859 7178
F +91 40 6630 8230

Independent Auditor's Report

To the Members of Nandi Economic Corridor Enterprises Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Nandi Economic Corridor Enterprises Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, 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 of the Company as at 31 March 2020, and its profit (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.

Emphasis of Matter

4. We draw attention to note 1.2(c)(ii) and note 38(i) to the accompanying financial statements regarding the reported constitution of an House Committee consisting of members of the Karnataka Legislative Assembly, its findings on the alleged violations in implementation of the Framework Agreement (FWA) in the construction of peripheral road, development of Townships and Utilities undertaken by the Company as part of the Bangalore Mysore Infrastructure Corridor project ('BMIC Project') and various cases pending against the Company challenging the execution of the BMICP(the 'Project'). As explained in the said note, based on the legal opinion obtained by the Company, the Management believes that matters will be decided in the favour of the Company and will not impact the ability of the Company to be in operations in foreseeable future. Our opinion is not modified in respect of this matter.

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

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but 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.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 of 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.

7. 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.

8. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

9. 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.

10. 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 with reference to financial statements 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;

11. 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

12. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

13. 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.

14. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 of the accompanying financial statements;

    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 financial statements comply with Ind AS specified under section 133 of the Act;

    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 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 04 September 2020 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, as detailed in note 38 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020.

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020.;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 20213356AAAACI4399

Hyderabad
04 September 2020

Annexure I to the Independent Auditor's Report of even date to the members of Nandi Economic Corridor Enterprises Limited on the financial statements for the year ended 31 March 2020

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 and based on confirmations received from the lenders with whom the title deeds have been pledged as security for loans, we report that title deeds of such immovable properties (which are included under the head 'Property, plant and equipment and 'Intangible assets') are held in the name of the Company except for the following:

Nature of property	Total number of cases	Gross block as on 31 March 2020	Net block as on 31 March 2020	Remarks
Land admeasuring 35.92 acres (classified under 'Toll road' under 'Intangible assets')	1	102,642,059	71,984,803	The land has been notified for the project by KIADB and the property titles are not yet transferred in the name of the Company due to pending disputes.

(ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of inspection of title deeds and site visits by the management, was conducted at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income-tax, goods and service tax and duty of customs on account of any dispute, are as follows:

Name of the statute	Nature of dues	(Amount in ₹ Lakhs)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income tax Act, 1961	Income tax	1,191.79	-	FY 2016-17	Commissioner of Income tax (Appeals)	

(viii) 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). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(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) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(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 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-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nikhil Vaid
Partner
Membership No.: 213356
UDIN No.: 20213356AAAACI4399

Hyderabad
04 September 2020

Annexure II to the Independent Auditor's Report of even date to the members of Nandi Economic Corridor Enterprises Limited on the financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Nandi Economic Corridor Enterprises Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance 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 the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, 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 audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those 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 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 20213356AAAACI4399

Hyderabad
04 September 2020

Nandi Economic Corridor Enterprises Limited
Balance Sheet as at 31 March 2020
(All amounts in ₹ lakhs, unless otherwise stated)

	Note	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,124.26	1,286.46
Capital work-in-progress	3	2,550.14	2,550.14
Intangibles under development		850.12	881.86
Intangible assets	4	1,10,838.77	1,05,099.18
Financial assets			
Loans	5A	134.91	140.92
Other non-current assets	6A	27,592.50	27,520.26
Total non-current assets		**1,43,090.70**	**1,37,478.82**
Current assets			
Inventories	7	22,315.23	17,135.71
Financial assets			
Investments	8	19,785.24	14,194.79
Trade receivables	9	36.30	20.16
Cash and cash equivalents	10	244.98	1,854.93
Loans	5B	389.00	522.83
Other current assets	6B	436.74	526.93
Total current assets		**43,207.49**	**34,255.35**
Total assets		**1,86,298.19**	**1,71,734.17**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	20,904.67	20,904.67
Other equity	12	(33,165.18)	(35,243.72)
Total equity		**(12,260.51)**	**(14,339.05)**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	1,53,183.13	1,54,368.70
Other financial liabilities	14A	11,220.04	10,604.99
Other non-current liabilities	16A	9,697.23	9,697.23
Provisions	17A	136.51	186.88
Total non-current liabilities		**1,74,236.91**	**1,74,857.80**
Current liabilities			
Financial Liabilities			
Trade payables	15	4,044.78	4,505.90
Other financial liabilities	14B	7,123.55	5,798.10
Other current liabilities	16B	12,242.06	109.19
Provisions	17B	911.40	802.23
Total current liabilities		**24,321.79**	**11,215.42**
Total equity and liabilities		**1,86,298.19**	**1,71,734.17**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nikhil Vaid
Nikhil Vaid
Partner
Membership No.: 213356

Hyderabad
04 September 2020

For and on behalf of the Board of Directors of
Nandi Economic Corridor Enterprises Limited

Ashok Kumar Kheny
Managing Director
DIN: 00248397

AB Shiva Subramanyam
Director
DIN: 00963838

A Rudra Goud
Chief Financial Officer

Bengaluru
04 September 2020

N. Balaji Naidu
Company Secretary
Membership No: F6174
Bengaluru
04 September 2020

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

Nandi Economic Corridor Enterprises Limited
Statement of profit and loss for the year ended 31 March 2020
(All amounts in ₹ lakhs, unless otherwise stated)

	Note	31 March 2020	31 March 2019
Revenue			
Revenue from operations	18	44,823.15	35,480.55
Other income	19	1,943.43	1,488.63
Total revenue		**46,766.58**	**36,969.18**
Expenses			
Cost of sale of land	20	1.17	-
Employee benefits expenses	21	4,738.88	4,339.85
Finance expenses	22	19,557.64	19,123.02
Depreciation and amortisation expense	2 & 4	4,403.32	4,403.11
Other expenses	23	15,504.47	3,645.62
Total expenses		**44,205.48**	**31,511.60**
Profit before exceptional item and tax		**2,561.10**	**5,457.58**
Exceptional item	36	**2,536.48**	**1,519.55**
Profit before tax		**24.62**	**3,938.03**
Tax expense	24		
Current tax		-	-
Deferred tax		-	-
Profit after tax		**24.62**	**3,938.03**
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement of losses on defined benefit plans		(21.15)	(74.10)
Income tax relating to above		-	-
Items that will be reclassified to profit or loss		-	-
Other comprehensive loss for the year		**(21.15)**	**(74.10)**
Total comprehensive income for the year		**3.47**	**3,863.93**
Earnings per share	25		
Basic		0.00	1.85
Diluted		0.00	1.85

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nikhil Vaid
Nikhil Vaid
Partner
Membership No.: 213356

Hyderabad
04 September 2020

For and on behalf of the Board of Directors of
Nandi Economic Corridor Enterprises Limited

Ashok Kumar Khetty
Managing Director
DIN: 00248397

AB Shiva Subramanyam
Director
DIN: 00963838

A Rudra Goud
Chief Financial Officer

Bengaluru
04 September 2020

N. Balaji Naidu
Company Secretary
Membership No: F6174
Bengaluru
04 September 2020

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED
Bangalore

Nandi Economic Corridor Enterprises Limited
Statement of changes in equity as at 31 March 2020
(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

	Amount
Balance as at 01 April 2018	20,904.67
Changes in equity share capital during the year	-
Balance as at 31 March 2019	20,904.67
Changes in equity share capital during the year	-
Balance as at 31 March 2020	20,904.67

B. Other equity

	Securities premium account	Foreign currency monetary items translation difference account	Deficit in Statement of Profit and Loss	Measurement of below market rate financial liability at fair value	Actuarial losses	Total
Balance as at 01 April 2018	35,171.48	(895.22)	(86,399.92)	14,495.54	(299.69)	(37,927.81)
Effect of foreign exchange rate variations during the year	-	(1,341.13)	-	-	-	(1,341.13)
Amortisation for the year	-	161.29	-	-	-	161.29
Profit for the year	-	-	3,938.03	-	-	3,938.03
Actuarial losses	-	-	-	-	(74.10)	(74.10)
Balance as at 31 March 2019	35,171.48	(2,075.06)	(82,461.89)	14,495.54	(373.79)	(35,243.72)
Profit for the year	-		24.62	-	-	24.62
Effect of foreign exchange rate variations during the year	-	(619.19)	-	-	-	(619.19)
Amortisation for the year	-	157.78	-	-	-	157.78
Transfer to Statement of profit and loss on change in currency of loan	-	2,536.48	-	-	-	2,536.48
Actuarial losses	-		-	-	(21.15)	(21.15)
Balance as at 31 March 2020	35,171.48	-	(82,437.27)	14,495.54	(394.94)	(33,165.18)

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nikhil Vaid
Partner
Membership No.: 213356

Hyderabad
04 September 2020

For and on behalf of the Board of Directors of
Nandi Economic Corridor Enterprises Limited

Ashok Kumar Kheny
Managing Director
DIN: 00248397

A Rudra Goud
Chief Financial Officer

Bengaluru
04 September 2020

AB Shiva Subramanyam
Director
DIN: 00963838

N. Balaji Naidu
Company Secretary
M. No: F6174

Bengaluru
04 September 2020

Nandi Economic Corridor Enterprises Limited
Cash Flow statement for the year ended 31 March 2020
(All amounts in ₹ lakhs, unless otherwise stated)

	31 March 2020	31 March 2019
A Cash flow from operating activities		
Profit before tax	**24.62**	**3,938.03**
Adjustments to reconcile profit after tax to net cash flows		
Interest income	(3.46)	(18.33)
Net gain on sale of current investments	(1,048.17)	(266.56)
Net fair value gain on current investments at FVTPL	(418.92)	(318.95)
Finance expenses	19,399.86	18,961.73
Exchange loss on foreign currency loan	2,694.26	161.29
Depreciation and amortisation expense	4,403.32	4,403.11
Provisions no longer required written back	(277.87)	(764.78)
Provision for doubtful advances	-	55.45
Loss on fixed assets sold (net)	1.69	6.67
Operating profit before working capital changes	**24,775.33**	**26,157.66**
Working capital adjustments:		
(Increase)/decrease in trade receivables	(16.14)	26.14
Increase in inventories	(5,179.52)	(1.64)
Decrease in loans and advances and other assets	491.27	4,404.71
Increase in current liabilities and provisions	4,877.20	252.60
Cash generated from operations	**24,948.14**	**30,839.47**
Income taxes paid (net)	(17.62)	(12.86)
Net cash flow from operating activities (A)	**24,930.52**	**30,826.61**
B. Cash flows from investing activities		
Purchase of fixed assets	(2,954.76)	(127.15)
Sale of Fixed assets	5.77	0.75
Sale of mutual funds	52,165.38	24,604.28
Purchase of mutual funds	(56,288.74)	(37,437.81)
Interest received	3.46	18.33
Receipt of inter-corporate deposits	-	184.55
Net cash flow used in investing activities (B)	**(7,068.89)**	**(12,757.05)**
C. Cash flows from financing activities		
Repayment of long term borrowings	(2,997.07)	(2,673.73)
Interest paid	(16,474.50)	(15,030.75)
Net cash used in financing activities (C)	**(19,471.57)**	**(17,704.48)**
Net (decrease) /increase in cash and cash equivalents (A+B+C)	**(1,609.95)**	**365.08**
Cash & cash equivalents at beginning of the year	1,854.93	1,489.85
Cash & cash equivalents at the end of the year (refer note 10)	**244.98**	**1,854.93**

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nikhil Vaid
Nikhil Vaid
Partner
Membership No.: 213356

Hyderabad
04 September 2020

For and on behalf of the Board of Directors of
Nandi Economic Corridor Enterprises Limited

Ashok Kumar Kheny
Managing Director
DIN: 00248397

AB Shiva Subramanyam
Director
DIN: 00963838

A Rudra Goud
Chief Financial Officer

N. Balaji Naidu
Company Secretary
Membership No: F6174

Bengaluru
04 September 2020

Bengaluru
04 September 2020

Nandi Economic Corridor Enterprises Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ lakhs, unless otherwise stated)

1 Company overview and significant accounting policies

1.1 Company overview

Nandi Economic Corridor Enterprises Limited ("NECE" or "the Company") was incorporated on April 17, 2000. The Government of Karnataka ("GoK") and Nandi Infrastructure Corridor Enterprises Limited ("NICE"), the Holding company have entered into a Frame Work Agreement (FWA) dated April 3, 1997 (as amended) under which the GoK 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 as the "Bangalore Mysore Infrastructure Corridor Project" or "BMICP").

The GoK and NICE have also entered into Toll Concession Agreement (the "TCA") dated September 4, 2000, wherein the GoK has granted to NICE, the right to collect toll and other revenues from the BMICP.

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

Accordingly, the Company was incorporated and NICE has assigned Section A of the BMICP (as defined in the FWA) to the Company and the same has been endorsed by the GoK vide Tripartite Agreement dated August 9, 2002 ("the Tripartite Agreement"). The above mentioned privileges, benefits, interests and obligations under FWA and TCA with respect to Section A of the BMICP were also assigned to the Company. The Section A of the BMICP comprises: (a) development of Toll Road comprising 41 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 roads and for development and sale of land (c) basic development and sale of land, (including that at 10 inter changes) and (d) basic development and sale of land in corporate town-ship.

As per the terms of the reference in FWA read with concomitant agreements namely Tripartite Agreement and the TCA, NICE / NECE 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 FWA and TCA is subject to conditions precedent as per Article 2.1 specified in the FWA and all of the land required for the BMICP being transferred to the NICE/NECE as per Article 2.2, 2.2.1 & 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 BMICP are not provided to the Company, upon the Company providing a written notice to the GoK 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 FWA and TCA, the period of 30 years will need to be calculated from the time the Company is handed over all of the land required for completing the Section A of the BMICP. Since all the lands required for the execution of the Section A of the BMICP has not been transferred to the Company, the Company has given written notices to the GoK of the continued delay in providing the required land for the BMICP.

In December 2008, the 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 Company has commenced collecting tolls as per the rights under the FWA 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 GoK 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 notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (by Ministry of Corporate Affairs ('MCA')).

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 04

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 2020. The accouting polices used in the preparation of finanical statements are consistent with that of prevoius year.

c. Basis of preparation of financial statements

(i) The financial statements have been prepared on going concern basis under 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

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 in to 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.

In addition, for financial reporting purposes, fair value measurements are categorized 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

Level 1: Quoted prices (unadjusted) in active markets for financial 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 rely as little as possible on entity specific estimates.

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

c. Basis of preparation of financial statements (Cont'd.)

(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 2016 in the Karnataka Legislative Assembly, wherein the Company and various departments of GoK have been accused of violations of several terms of FWA and recommendations have been made to initiate appropriate actions which include recovery of excess land given for the project, recovery of illegal toll collected by the Company and further probe by national agencies such as the Central Bureau of Investigation (CBI), Enforcement 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, politically motivated and hence lack legal standing. Further, the Company had faced similar situations 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 untenable in law.

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

The Company's township development activities carried out as part of the BMIC project are dependent upon receiving necessary approvals from the Bangalore Mysore Infrastructure Corridor Area Planning authority. The Management is of the opinion that the requisite regulatory approvals would be received by the Company in the normal course of business for the township development activities; various litigations (including litigations as detailed in note 38 (i)) would be decided in the favour of the Company and hence, there would be no adverse effect on the operations of the Company including its ability to continue operations in foreseeable future.

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 judgements, 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 Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the losses 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 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 development. 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 registration of land in the name of the Company and after getting the required regulatory approval for commencing the development activities.

NV

NANDI ECONOMIC CORRIDOR ENTERPRISES LTD. Bangalore

h. Foreign currency transactions

(a) Initial recognition

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

(b) 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

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 recognised 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 duties collected on behalf of the government.

Toll collections

Income from toll collections is recognised on the basis of actual collection.

Interest income

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

Dividend income

Dividend income is recognised, when right to collection is established.

Construction revenue and construction expenses:

Construction revenue from contracts covered under service concession agreements are recognised in line with the Appendix C to Ind AS 115 – Service Concession Arrangements.

Under Appendix C to Ind AS 115 – 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 (i.e a concessionaire) to charge users of the public service.

j. Inventories

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 apportioned borrowing costs.

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED
Bangalore

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 capitalization 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 in arriving at the purchase price.

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset 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 recognized in statement of profit and loss as incurred.

Depreciation and useful lives

Depreciation 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 indicative 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.

Buildings	60 years
Plant and machinery	12 years
Electrical Items	10 years
Laboratory Equipments	10 years
Towers	13 years
Office equipments	5 years
Furniture & fixtures	10 years
Computers	3 years
Vehicles	10 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 recognized is derecognized 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 derecognized.

l. Intangible assets

Recognition and initial measurement

Toll road assets, created under Build, Own, Operate and Transfer ("BOOT") model is considered as intangible asset since the asset will be transferred to GoK at the end of the concession period. The cost of such intangible asset comprises of land acquisition cost, direct and indirect expense incurred on procurement / construction of roads, bridges, culverts, including toll plazas, other equipment and utilities used in or in connection with operation of toll road including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), borrowing cost if capitalization criteria are met and any directly attributable expenditure for making the asset ready for its intended use and net of any trade discounts and

Amortisation

The concession period is not determinable pending fulfilment of the conditions precedent in the FWA and TCA (as more fully described in Note 1.1 above), and hence the Company has, as a matter of prudence, commenced amortization of the toll road as follows:

- Solely for purposes of amortisation of the toll road assets, the Company has considered a period of 40 years (i.e., 10 years of construction period and 30 years of concession period) from the initial financial closure achieved in year 2004.
- The amortisation is provided on straight line basis over the above mentioned 40 year period.

m. 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 recognized 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.

n. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original 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.

o. Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception 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 contact 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 recognizes 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend 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

NEC CORRIDOR ENTERPRISES LIMITED Bangalore

NV

p. Employee benefits

Defined contribution plan

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are charged to the statement of profit and loss or inventorised as a part of project under development, as the case may be. The Company's contributions towards provident fund and employee state insurance scheme are deposited with the regulatory authorities under a defined contribution plan, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948 respectively.

Defined benefit plan

The Company has funded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognized in the balance sheet for defined benefit plans as the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries who use the projected unit credit method to calculate the defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Actuarial gain or loss arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the year in which such gain or loss arise.

Other short-term benefits

Short-term employee benefits comprising employee costs including performance incentive and compensated absences are recognized in the statement of profit and loss on the basis of the amount paid or payable for the period during which services are rendered by the employee.

q. 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 rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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 recognized as an asset in the balance sheet when it is highly probable that future economic benefit 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 realized, based on tax 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.

r. Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax 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 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.

s. Provisions

Provisions are recognized 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 recognized 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. When 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 (when 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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NW

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

t. **Financial instruments**

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted, except for financial asses classified as fair value through profit and loss.

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

A 'Debt instruments' is subsequently measured at amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit and loss.

Debt Instruments at fair value through other comprehensive income (FVTOCI)

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 recognized 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 categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in the scope of Ind AS 109,' Financial Instruments', are measured at fair value.

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.

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 liabilities classified as amortised cost is also adjusted, except for transaction cost incurred for financial liabilities classified as fair value through profit and loss.

Subsequent measurement- finanical instruments classified as amortised cost

These liabilities include borrowings, deposits etc. 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.

Impairment of financial assets

The Company recognizes loss allowances 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 those are measured at lifetime ECL. The amount of expected credit losses (or reversal) 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.

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

NV

u. 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.

v. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets/ liabilities".

1.3 Significant estimates in applying accounting policies

a. Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

b. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.

c. Defined Benefit Obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

d. Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.4 Critical judgements in applying accounting policies

a. Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

b. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c. Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions. However the actual future outcome may be different from this judgement.

d. Service concession arrangements (SCA)- The evaluation of applicability of SCA requires the Management to assess whether the Company has right to operate the asset/infrastructure or has ownership of the asset. The Management among other factors considers who regulates the prices and controls residual interest in the asset for determining application of guidance relating to SCA.

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED
Bangalore

2 Property, plant and equipment

	Land	Buildings	Plant and machinery	Electrical Items	Laboratory Equipments	Towers	Computers	Vehicles	Office Equipments	Furniture & Fixtures	Total
Gross block											
At 1 April 2018	92.26	683.09	46.86	370.55	26.70	38.08	76.15	383.72	78.17	45.27	1,840.85
Additions	-	8.67	2.54	-	-	-	45.68	-	12.97	4.03	73.89
Disposals	-	-	(10.90)	-	-	-	(26.93)	(14.79)	(39.67)	(4.94)	(97.23)
At 31 March 2019	92.26	691.76	38.50	370.55	26.70	38.08	94.90	368.93	51.47	44.36	1,817.51
Additions	-	-	-	-	-	-	6.34	-	9.35	2.50	18.19
Disposals/Discarded	-	-	(3.45)	-	-	(1.36)	(27.53)	(12.79)	(22.29)	(0.58)	(68.00)
At 31 March 2020	92.26	691.76	35.05	370.55	26.70	36.72	73.71	356.14	38.53	46.28	1,767.70
Accumulated depreciation											
Upto 1 April 2018	-	48.35	14.69	95.26	12.48	8.96	32.56	162.70	25.96	17.38	418.34
Charge for the year	-	24.36	8.05	44.65	2.95	4.48	19.45	75.64	16.54	6.40	202.52
Adjustments for disposals	-	-	(8.96)	-	-	-	(25.61)	(14.05)	(36.79)	(4.40)	(89.81)
Upto 31 March 2019	-	72.71	13.78	139.91	15.43	13.44	26.40	224.29	5.71	19.38	531.05
Charge for the year	-	24.52	5.52	38.29	2.79	4.49	23.35	50.66	17.25	6.07	172.94
Adjustments for disposals /discarded			(3.28)			(0.64)	(26.09)	(11.14)	(18.84)	(0.56)	(60.55)
Upto 31 March 2020	-	97.23	16.02	178.20	18.22	17.29	23.66	263.81	4.12	24.89	643.44
Net block											
As at 31 March 2019	92.26	619.05	24.72	230.64	11.27	24.64	68.50	144.64	45.76	24.98	1,286.46
As at 31 March 2020	92.26	594.53	19.03	192.35	8.48	19.43	50.05	92.33	34.41	21.39	1,124.26

a. **Contractual obligations**
There are no contractual commitments pending for the acquisition of property, plant and equipment as at balance sheet date.

b. **Property, plant and equipment pledged as security**
Details of properties pledged are given in note no. 26

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED * Bangalore

3 Capital work-in-progress

	31 March 2020	31 March 2019
Capital work-in-progress	2,550.14	2,550.14
	2,550.14	**2,550.14**

4 Intangible assets

	Amount
Gross block	
At 1 April 2018	1,13,267.48
Additions	-
Disposals	224.42
At 31 March 2019	-
Additions	**1,13,491.90**
Disposals	9,969.97
At 31 March 2020	-
	1,23,461.87
Accumulated amortisation	
Upto 1 April 2018	4,192.12
Charge for the year	4,200.60
Disposals/adjustments	-
Upto 31 March 2019	**8,392.72**
Charge for the year	4,230.38
Disposals/adjustments	-
Upto 31 March 2020	**12,623.10**
Net block	
As at 31 March 2019	**1,05,099.18**
As at 31 March 2020	**1,10,838.77**

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED
Bangalore

5 Loans

	31 March 2020	31 March 2019
A Non-current assets		
(Unsecured, considered good unless otherwise stated)		
Security deposits	126.40	133.85
Inter-corporate deposits (Refer Note (i))	55.45	55.45
-Considered Doubtful	(55.45)	(55.45)
Interest accrued on inter-corporate deposits	-	-
Advances to related parties and others		
- considered good	8.51	7.07
- considered doubtful	6,946.25	6,946.25
Less: Provision for doubtful advances	(6,946.25)	(6,946.25)
	8.51	7.07
	134.91	**140.92**
B Current assets		
(Unsecured, considered good unless otherwise stated)		
Advances to related parties	372.85	510.35
Loans and advances to employees	16.15	12.48
	389.00	**522.83**

Note (i): The intercorporate deposit has been provided to Nandi Engineering Limited (NEL) at an interest rate of 13% p.a. and is secured by the personal guarantee and immovable property of the MD of the Company. The deposit has been provided to NEL towards general corporate purposes.

6 Other assets

	31 March 2020	31 March 2019
A Non-current		
(Unsecured, considered good unless otherwise stated)		
Capital advances	1,474.19	1,436.20
Capital advances to related parties		
- considered good	-	-
- considered doubtful	5,326.18	5,326.18
	5,326.18	5,326.18
Less: Provision for doubtful advances	(5,326.18)	(5,326.18)
	-	-
Advance income tax [net of provision]	552.32	534.70
Others loans and advances:		
Advance towards land acquisition and projects		
- considered good	25,286.70	25,475.20
- considered doubtful	105.00	340.50
	25,391.70	**25,815.70**
Less: Provision for doubtful advances	(105.00)	(340.50)
	25,286.70	**25,475.20**
Advances to suppliers/service providers		
- considered good	279.29	74.16
- considered doubtful	713.95	713.95
	993.24	**788.11**
Less: Provision for doubtful advances	(713.95)	(713.95)
	279.29	**74.16**
	27,592.50	**27,520.26**
B Current		
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	154.39	244.58
Advances to suppliers/ service providers		
- considered good	282.35	282.35
- considered doubtful	9.65	9.65
	292.00	**292.00**
Less: Provision for doubtful advances	(9.65)	(9.65)
	282.35	**282.35**
	436.74	**526.93**

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

7 Inventories

	31 March 2020	31 March 2019
Land and related development cost	22,315.23	17,135.71
	22,315.23	**17,135.71**

8 Investments

		31 March 2020	31 March 2019
Current investments			
(Carried at fair value through profit or loss (FVTPL))			
Investment in mutual funds *(Unquoted)*			
Axis Treasury Advantage Fund (83,837.568 units)		1,949.35	-
HDFC Corporate Bond Fund (8,090,164.051 Units)		1,867.50	-
Axis Banking & PSU Fund-D-G (180,312.553 Units)		3,499.86	-
Axis Short Term Fund-D-G (9,657,465.862 Units)		2,257.47	-
Aditya Birla Floating Rate Fund-D-G (523,437.093 Units)		1,320.61	-
IDFC Banking & PSU Debt Fund-D-G (41,805,498.041 units)		7,509.98	-
IDFC Ultra Short Term Fund (7,911,663.309 Units)		902.44	-
IDFC Cash Fund-growth (Direct Plan) (Nil Units)	(31 March 2019 - 2,80,491.962 units))	-	6,357.41
BoI AXA-Ultra Short Term Fund (19,455.436 Units)	(31 March 2019 - 142,853.285 units))	478.03	4,924.43
BOI - AXA liquid fund growth (Nil Units)	(31 March 2019 - 48,804.712 units))	-	1,051.42
BOI AXA Arbitrage Fund-Growth (Nil units)	(31 March 2019 - 1,77,66,752.165 units))		1,861.53
		19,785.24	**14,194.79**
Aggregate book value of unquoted investments		19,785.24	14,194.79

9 Trade receivables

	31 March 2020	31 March 2019
Outstanding for a period exceeding six months from the date they were due for payment:	-	-
Other receivables:		
- Unsecured, considered good	36.30	20.16
	36.30	**20.16**

10 Cash and cash equivalents

	31 March 2020	31 March 2019
Cash on hand	130.58	288.84
Balances with banks:		
- in current accounts	114.40	1,566.09
	244.98	**1,854.93**

NEC... Bangalore

11 Equity share capital

	31 March 2020		31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity share of Rs. 10/- each	20,90,47,692	20,904.77	20,90,47,692	20,904.77
7% Cumulative Reedemable preference shares of Rs. 10/- each	4,00,00,000	4,000.00	4,00,00,000	4,000.00
0.01% Cumulative Compulsorily Convertibel Preference shares of Rs. 100/- each	4,99,98,531	49,998.53	4,99,98,531	49,998.53
		74,903.30		**74,903.30**
Issued, subscribed and fully paid-up				
Equity share of Rs. 10/- each	20,90,46,692	20,905	20,90,46,692	20,905
	20,90,46,692	**20,905**	**20,90,46,692**	**20,905**

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

	31 March 2020		31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity share of Rs. 10/- each				
Opening balance	20,90,46,692	20,904.67	20,90,46,692	20,904.67
Issued during year pursuant to the conversion of CCPS	-	-	-	-
Closing balance	**20,90,46,692**	**20,904.67**	**20,90,46,692**	**20,904.67**

(b) Terms/ Rights attached to equity shares:

The Company has only one class of equity share, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

(c) Details of shares held by each shareholder holding more than 5% of shares:

	31 March 2020		31 March 2019	
	No. of Shares	%	No. of Shares	%
Equity share of Rs. 10/- each				
1. Nandi Infrastructure Corridor Enterprises Limited*	11,33,50,000	54.22%	11,33,50,000	54.22%
2. Airro Mauritius Holdings V	3,74,46,692	17.91%	3,74,46,692	17.91%
3. AM Nice Mauritius Holdings	2,10,00,000	10.05%	2,10,00,000	10.05%
4. Jaypatri Investments Private Limited	1,12,21,626	5.37%	1,12,21,626	5.37%
5. 2i Capital PCC, Mauritius	1,05,00,000	5.02%	1,05,00,000	5.02%

* Nandi Infrastructure Corridor Enterprises Limited (NICE) is Holding Company and BF Utilities Limited is the Ultimate Holding Company of the entity.

(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the year of five years immediately preceding the reporting date

The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2020.

12 Other equity

	31 March 2020	31 March 2019
Securities premium account	35,171.48	35,171.48
Foreign currency monetary items translation difference account (FCMITDA)	-	(2,075.06)
Deficit in statement of profit and loss	(82,437.27)	(82,461.89)
Measurement of below market rate financial liability at fair value	14,495.54	14,495.54
Actuarial losses	(394.94)	(373.79)
	(33,165.18)	**(35,243.72)**

13 Borrowings

	31 March 2020	31 March 2019
Secured loans		
1,400,000 (31 March 2019 - 1,400,000) 5% Optionally Fully Convertible Redeemable Debentures of Rs.100/- each	1,330.01	1,188.88
Term loans		
- From banks	1,04,147.39	1,06,952.24
- From others	39,871.81	39,602.62
Other loans		
7% Cumulative Redeemable Preference shares of Rs.10/- each	5,825.08	5,130.45
Unsecured loans		
Interest free loan from related parties	6,000.84	4,987.51
	1,57,175.13	**1,57,861.70**
Amount disclosed under "Other current liabilities" (refer note 14B)	(3,992.00)	(3,493.00)
	1,53,183.13	**1,54,368.70**

NU

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED
Bangalore

13 Borrowings

Particulars	Nature of Security	Repayment details	31 March 2020	31 March 2019
Debentures				
- 1,400,000, 5% Optionally Fully Convertible Redeemable Debentures of Rs.100/- each	The 5% Optionally Fully Convertible Redeemable Debentures (OFCD) are secured by second charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands, whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; and - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company.	The OFCDs are due for redemption after the entire term loans are repaid in full and exit is provided to investors as per the Shareholders agreement.	1,330.01	1,188.88
			1,330.01	**1,188.88**
Term Loans from banks and others				
Facility 1	Term loan from banks and others are secured by a first pari-passu charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company; and - Pledge of shares held by NICE in the Company.	Repayable in 50 unequal quarterly installments starting from June 2017 to September 2029	89,047.39	92,202.24
			89,047.39	**92,202.24**
The interest on above term loans from banks are linked to the respective banks base rates.				
Term Loans from banks and others				
Facility 2	Term loan from banks and others are secured by a first pari-passu charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company; and - Pledge of shares held by NICE in the Company	Repayable in one single payment on September 2029	15,900.00	15,900.00
			15,900.00	**15,900.00**
The interest on above term loans from banks are linked to the respective banks base rates.				

NICE ECONOMIC CORRIDOR ENTERPRISES LTD Bangalore

13 Borrowings

Particulars	Nature of Security	Repayment details	31 March 2020	31 March 2019
Term loans from others				
Facility 3	Term loan from others is secured by a pari-passu first charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company; - Pledge of shares held by NICE in the Company; and - First ranking pari passu pledge over 1.15% of the shares of the Company held by Jaypatri Investments Private Limited.	Repayable in 38 unequal instalments from June 2022 to September 2031.	23,071.81	22,452.62
			23,071.81	22,452.62
The interest on above term loans from others are linked to the base rates.				
Term loans from banks				
Facility 4	Term loan from others is secured by a pari-passu first charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company; - Pledge of shares held by NICE in the Company; and - First ranking pari passu pledge over 1.15% of the shares of the Company held by Jaypatri Investments Private Limited.	Repayable in 38 unequal instalments from June 2022 to September 2031.	16,000.00	16,000.00
			16,000.00	16,000.00
The interest on above term loans from banks are linked to the respective banks base rates.				
Loan from related parties				
	Unsecured			
Interest free loan from related parties		The loan is repayable once the fund position of the company permits the same i.e. after the secured term loans are repaid in full and exit is provided to the investors as per the shareholders agreement..	6,000.84	4,987.51
Total			6,000.84	4,987.51

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

13 Borrowings

Particulars	Nature of Security	Repayment details	31 March 2020	31 March 2019
Other Loans				
7% Cumulative Redeemable Preference shares of Rs.10/- each	Unsecured	*	5,825.08	5,130.45
Total			**5,825.08**	**5,130.45**

* 7% CRPS are not redeemable until the entire "Senior Loan"(i.e. the aggregate amount of rupee term loans from banks and financial institutions) is paid in full with all interest, premium and other sums as may be payable in respect thereof and a full, unconditional and complete discharge is given by the senior lenders.

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED
Bangalore

14 Other financial liabilities

		31 March 2020	31 March 2019
A	**Non-current**		
	Interest accrued but not due on borrowings	6,764.06	6,480.38
	Advances received towards sale of land and joint development agreements	4,455.98	4,124.61
		11,220.04	**10,604.99**
B	**Current**		
	Current maturities of long-term debt (refer note 13)	3,992.00	3,493.00
	Interest accrued but not due on borrowings	2,691.92	2,072.92
	Security deposits	31.76	33.59
	Retention money payable	155.26	45.05
	- Others (payable to superannuation trust)	252.61	153.54
		7,123.55	**5,798.10**

15 Trade payables

	31 March 2020	31 March 2019
Dues to micro enterprises and small enterprises	11.79	-
Dues to creditors other than micro enterprises and small enterprises	4,032.99	4,505.90
	4,044.78	**4,505.90**

16 Other liabilities

		31 March 2020	31 March 2019
A	**Non-current**		
	Advances received towards sale of land and joint development agreements	5,620.00	5,620.00
	Deferred revenue	4,077.23	4,077.23
		9,697.23	**9,697.23**
B	**Current**		
	Statutory dues	122.63	99.88
	Payable for purchase of fixed assets	9.30	9.31
	Land acquisition related accruals	12,110.13	-
		12,242.06	**109.19**

17 Provisions

		31 March 2020	31 March 2019
A	**Long term**		
	Provision for employee benefits:		
	- Provision for gratuity	136.51	186.88
		136.51	**186.88**
B	**Short term**		
	Provision for employee benefits:		
	- Provision for gratuity	-	15.00
	- Provision for compensated absences	911.40	787.23
		911.40	**802.23**

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

18 Revenue from operations

	31 March 2020	31 March 2019
Revenue from toll collections	34,835.46	35,440.02
Revenue from sale of land	17.72	-
Construction revenues	9,969.97	40.53
	44,823.15	**35,480.55**

19 Other income

	31 March 2020	31 March 2019
Interest income	3.46	18.33
Net gain on sale of current investments	1,048.17	266.56
Net fair value gain on current investments at FVTPL	418.92	318.95
Provisions/liabilities written back	277.87	764.78
Rental income	170.79	120.00
Parking charges	6.31	-
Miscellaneous income	17.91	0.01
	1,943.43	**1,488.63**

20 Cost of sale of land

	31 March 2020	31 March 2019
Opening stock	17,135.71	17,134.08
Add: Cost of purchase of land and land development costs	5,180.69	1.63
	22,316.40	17,135.71
Less: Closing stock	(22,315.23)	(17,135.71)
	1.17	**-**

21 Employee benefits expenses

	31 March 2020	31 March 2019
Salaries and wages	3,984.23	3,646.56
Contributions to provident and other funds	437.62	412.19
Gratuity expense	128.38	127.78
Staff welfare expenses	188.65	153.32
	4,738.88	**4,339.85**

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED
Bangalore

22 Finance expenses

	31 March 2020	31 March 2019
Interest expense	18,736.38	18,262.66
Other borrowing costs	821.26	860.36
	19,557.64	**19,123.02**

23 Other expenses

	31 March 2020	31 March 2019
Toll road operation expense	2,756.54	544.69
Security charges	661.41	607.03
Electricity and water charges	28.34	20.70
Short term lease rentals	89.13	86.76
Rates and taxes	16.76	18.31
Repairs and maintenance		
- Buildings	13.14	39.36
- Plant and machinery	20.96	44.08
- Others	174.55	168.23
Insurance	66.80	38.54
Communication	21.95	25.86
Travelling and conveyance	355.34	325.34
Corporate social responsibility expenses	7.05	-
Printing and stationery	43.14	54.92
Advertisement and business promotion	11.22	22.58
Payment to auditors for		
- Statutory audit	25.00	25.00
- Tax audit	3.50	3.50
Tax on the above	5.13	5.13
Termination of development contract	-	405.17
Design and engineering	146.57	145.26
Legal and professional fees	1,070.77	941.78
Provision for doubtful advances	-	55.45
Obsolete assets written off	1.69	6.68
Construction expenses	9,969.97	40.53
Miscellaneous expenses	15.51	20.72
	15,504.47	**3,645.62**

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

24 Tax expense

		31 March 2020	31 March 2019
A.	**Tax expense comprises of:**		
	Current tax	-	-
	Deferred tax	-	-
	Income tax expense reported in the statement of profit or loss	-	-
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 expected tax expense based on the domestic effective tax rate of the Company at 27.82% (31 March 2019: 34.94%) and the reported tax expense in profit or loss are as follows:		
	Accounting profit before tax from continuing operations	24.62	3,938.03
	Accounting profit before income tax	24.62	3,938.03
	At India's statutory income tax rate	6.85	1,376.00
	Less: Unabsorbed carry forward losses and other temporary differences	(6.85)	(1,376.00)
	Income tax expense	-	-

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

25 Earnings per share (EPS)

	31 March 2020	31 March 2019
Weighted average number of shares outstanding during the year	20,90,46,692	20,90,46,692
Add: Dilutive shares upon conversion of OFCD	15,38,462	15,38,462
Weighted average number of shares used to compute diluted EPS	**21,05,85,154**	**21,05,85,154**
Net profit after tax attributable to equity shareholders	3.47	3,863.93
Add: Savings of interest upon conversion of debentures	148.13	131.88
Net profit after tax attributable to equity shareholders for calculating diluted earning per share	**151.60**	**3,995.81**
Earnings per share		
Basic (₹)	0.00	1.85
Diluted (₹)	0.00	1.85
Nominal value - (₹) per equity share	10	10

26 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings (refer note 13).

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

NV

27 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets:						
Investments	8	19,785.24	-	-	19,785.24	19,785.24
Trade receivables	9	-	-	36.30	36.30	36.30
Loans	5	-	-	523.91	523.91	523.91
Cash and cash equivalents	10	-	-	244.98	244.98	244.98
Total financial assets		**19,785.24**	**-**	**805.19**	**20,590.43**	**20,590.43**
Financial liabilities:						
Borrowings	13	-	-	1,57,175.13	1,57,175.13	1,57,175.13
Trade payables	15	-	-	4,044.78	4,044.78	4,044.78
Other financial liabilities	14	-	-	14,351.59	14,351.59	14,351.59
Total financial liabilities		-	-	**1,75,571.50**	**1,75,571.50**	**1,75,571.50**

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets						
Investments	8	14,194.79	-	-	14,194.79	14,194.79
Trade receivables	9	-	-	20.16	20.16	20.16
Loans	5	-	-	663.75	663.75	663.75
Cash and cash equivalents	10	-	-	1,854.93	1,854.93	1,854.93
Total financial assets		**14,194.79**	**-**	**2,538.84**	**16,733.63**	**16,733.63**
Financial liabilities :						
Borrowings	13	-	-	1,57,861.70	1,57,861.70	1,57,861.70
Trade payables	15	-	-	4,505.90	4,505.90	4,505.90
Other financial liabilities	14	-	-	12,910.09	12,910.09	12,910.09
Total financial liabilities		-	-	**1,75,277.69**	**1,75,277.69**	**1,75,277.69**

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED
Bangalore

Notes to financial instruments

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The management assessed that the fair value of borrowings approximate the carrying amount largely due to such borrowings carry floating interest rates or rates are negotiable.

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.

ii. **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 financial 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 rely as little as possible on entity specific estimates.

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

Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Borrowings- preference shares

The fair values of the preference shares are estimated using a discounted cash flow approach, which discounts the estimated contractual cash flows using discount rates derived from observable market interest rates of similar bonds with similar risk.

Investment in mutual funds

The fair value of the mutual funds are measured with reference to the fair value of the underlying assets.

The following table shows the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2020 and 31 March 2019:

As at 31 March 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investment	-	19,785.24	-	19,785.24
	-	**19,785.24**	-	**19,785.24**
Financial liabilities	-	-	-	-
	-	-	-	-
Net Fair value	-	**19,785.24**	-	**19,785.24**

As at 31 March 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investment	-	14,194.79	-	14,194.79
	-	**14,194.79**	-	**14,194.79**
Financial liabilities	-	-	-	-
	-	-	-	-
Net Fair value	-	**14,194.79**	-	**14,194.79**

28 A. Defined benefit plan

The Company has funded gratuity plan The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2020 and 31 March 2019 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements :

	31 March 2020	31 March 2019
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	1,264.18	1,056.62
Fair value of plan assets as at the end of the year	(1,127.67)	(854.74)
Net liability recognized in the Balance Sheet	**136.51**	**201.88**
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	1,056.62	839.60
Current Service cost	103.00	106.35
Past Service cost	13.17	-
Interest cost	50.52	58.80
Actuarial losses/(gains) arising from		
- change in demographic assumptions	-	0.22
- change in financial assumptions	(50.08)	18.90
- experience variance	98.95	53.56
Benefits paid	(24.48)	(20.81)
Liabilities assumed/(settled) on account of inter group transfer	16.48	-
Defined benefit obligation as at the end of the year	**1,264.18**	**1,056.62**
3 Changes in the fair value of plan assets		
Fair value as at the beginning of the year	854.74	542.95
Return on plan assets	38.31	37.37
Actuarial (losses)/gains	27.72	(1.42)
Contributions	200.86	296.65
Benefits paid	(24.48)	(20.81)
Liabilities assumed/(settled) on account of inter group transfer	30.52	-
Fair value as at the end of the year	**1,127.67**	**854.74**
Non-current	136.51	186.88
Current	-	15.00
Assumptions used in the above valuations are as under:		
Interest rate	12.00%	12.00%
Discount rate	6.05%	7.60%
Salary increase	9.00%	12.00%
Attrition rate		
21-30	15.00%	15.00%
31-40	6.00%	6.00%
41-57	4.00%	4.00%
Retirement age (in years)	60.00	58.00
Mortality	Indian Assured lives (2012-14)	
4 Net gratuity cost for the year ended 31 March 2020 and 31 March 2019 comprises of following components.		
Service cost	116.17	106.35
Net interest cost on the net defined benefit liability	12.21	21.43
	128.38	**127.78**
5 Other Comprehensive income/(loss)		
Change in financial assumptions	50.08	(18.90)
Experience variance (i.e. actual experience vs assumptions)	(98.95)	(53.56)
Return on plan assets, excluding amount recognized in net interest expense	27.72	(1.42)
Change in demographic assumptions	-	(0.22)
	(21.15)	**(74.10)**

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

28 **B. Defined contribution plan**

The Company provides benefits in the nature of defined contribution plans viz, employee state insurance scheme, provident fund and superannuation fund for qualifying employees. Under these Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 437.62 (31 March 2019: ₹ 412.19 towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

C. Sensitivity analysis

Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

Interest rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity risk: This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 20).

Asset Liability mismatching or market risk: The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Gratuity

Particulars	31 March 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.5%)	-4.82%	5.25%	-5.21%	5.69%
Salary Growth Rate (- / + 0.5%)	4.86%	-4.54%	5.49%	-5.09%

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

D. Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

	31 March 2020
b) Expected Contribution during the next annual reporting period	
The Company's best estimate of Contribution during the next year	-
c) Maturity Profile of Defined Benefit Obligation	
Weighted average duration (based on discounted cash flows)	10.06 years
Expected cash flows over the next (valued on undiscounted basis):	
1 year	162.06
2 to 5 years	349.93
6 to 10 years & above	2,178.15

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

29 Segmental information

Primary Business Segment: The company is engaged in the development of integrated infrastructure corridor project which consists of two business segments, viz 'Toll road' and 'Integrated township development'.

Secondary geographical segment: Geographical segment is determined based on the location of the customers and geographical presence of the company and the company opearted only in India. Hence, there is only one geographical segment and as such separate secondary segment disclosures

Financial information on the business segments is given below:

	31 March 2020	31 March 2019
Segment revenue		
Toll road	44,805.43	35,480.55
Integrated township development	17.72	-
Total segment revenue	**44,823.15**	**35,480.55**
Segment result		
Toll road	37,836.63	30,735.26
Integrated township development	16.55	-
Total segment results	**37,853.18**	**30,735.26**
Unallocable expense	(17,677.87)	(7,643.29)
Finance costs	(19,557.64)	(19,123.02)
Other income	1,943.43	1,488.63
Net profit for the year before exceptional items	**2,561.10**	**5,457.58**
Segment assets		
Toll road	1,13,199.37	1,07,437.41
Integrated township development	47,610.45	42,617.98
Unallocable assets	25,488.37	21,678.78
Total Assets	**1,86,298.19**	**1,71,734.17**
Segment liabilities		
Toll road	31.76	33.59
Integrated township development	10,075.98	9,744.61
Unallocable liabilities	1,88,450.96	1,76,294.69
Total Liabilities	**1,98,558.70**	**1,86,072.89**

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

30 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 equivalent, trade receivables, financial assers 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 a central treasury department (of the group) 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 interest rate risk, credit risk and investment of excess liquidity.

a. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments 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 presumed 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. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

The Company recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

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 ECONOMIC CORRIDOR ENTERPRISES LIMITED
Bangalore

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant 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 31 March 2020	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	3,992.00	29,921.05	1,32,703.03	1,66,616.08
Future interest payments	15,467.75	55,668.74	40,064.66	1,11,201.15
Trade payables	4,044.78	-	-	4,044.78
Security deposits	-	31.76	-	31.76
Other financial liabilities	3,099.79	4,455.97	6,764.06	14,319.82
Total	**26,604.32**	**90,077.52**	**1,79,531.75**	**2,96,213.59**

As at 31 March 2019	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	3,493.00	24,517.00	1,40,785.27	1,68,795.27
Future interest payments	15,230.14	55,990.87	49,724.86	1,20,945.87
Trade payables	4,505.90	-	-	4,505.90
Security deposits	33.59	-	-	33.59
Other financial liabilities	2,271.52	4,124.61	6,480.38	12,876.51
Total	**25,534.15**	**84,632.48**	**1,96,990.51**	**3,07,157.14**

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 borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

	31 March 2020	31 March 2019
Variable rate borrowing	1,51,174.29	1,52,874.19
Fixed rate borrowing	-	-
Interest free borrowing	6,000.84	4,987.51
Total borrowings	**1,57,175.13**	**1,57,861.70**

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	31 March 2020	31 March 2019
Interest rates – increase by 50 basis points (50 bps)	(772.70)	(782.97)
Interest rates – decrease by 50 basis points (50 bps)	772.70	782.97

31 Capital Management

The Company's objectives 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 2020	31 March 2019
Long term borrowings (including current maturities)	1,57,175.13	1,57,861.70
Less: Cash and cash equivalents	(244.98)	(1,854.93)
Net debt	1,56,930.15	1,56,006.77
Total equity	(12,260.51)	(14,339.05)
Gearing ratio	(12.80)	(10.88)

NANDI ECONOMIC CORRIDOR ENTERPRISES LTD. Bangalore

32 Leases

The company has taken various residential / commercial premises on cancellable operating leases. As per the terms and conditions mentioned in the respective lease agreements, the same are generally renewed on expiry of the lease period and there is no lock-in-period in such operating lease taken by the company. Rent expense debited to statement of profit and loss for above mentioned cancellable operating leases for the year ended 31 March 2020 is 89.13 (for the year ended 31 March 2019 Rs. 86.76).

33 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2020 and the date of authorization of these financial statements.

34 The Company has negative net worth at 31 March 2020 and has incurred losses during the current year. Notwithstanding the above, the financial statements have been prepared on going concern basis as the Company has earned positive cash flow from operations; and the Management on the basis of projections believe that the Company will be able to meet the liabilities as they arise in foreseeable future.

35 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. Gross amount required to be spent by the Company during the year was ₹ 7.05 (March 31, 2019: ₹ Nil). The expenses incurred towards CSR activities amounting to ₹ 7.05 (March 31, 2019: ₹ Nil) has been charged to the Statement of Profit and Loss and is disclosed under other expenses.

36 Exceptional item during the year represents exchange loss transferred from equity to Statement of profit and loss on conversion of dollar loan in to INR loan (refer Statement of changes in equity). Previous year amount represented compensation paid to Managing Director upon approval by Ministry of Corporate Affairs.

37 Commitments

	31 March 2020	31 March 2019
a Estimated amount of contracts remaining to be executed and not provided for (net of advances)	3,601.05	1,717.12

38 Contingent liabilities:

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

(ii) The Company has received claims from certain suppliers for payment of statutory dues aggregating to Rs. 4,606.43 (31 March 2019: Rs. 4,606.43) as at 31 March 2020 . The Company has not acknowledged them as debt and is in discussion with vendors. The Management believes that even if the aforesaid amounts are paid by the Company , they will be reimbursed by the Government, hence claims will not have any material impact upon the financial statements.

(iii) The Company has received tax demand from the income tax authorities aggregating to ₹ 1,191.79 in respect of various deductions claimed in the tax return, unexplained cash deposits during demonetization period and other matters relating to the assessment year 2017-18. The Company has filed an appeal before Commissioner of Income Tax (Appeals) on 24 January 2020 and basis its assessment believe that no liaility would devolve upon the Company.

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

39 Related party transactions

A. Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company (UHC)	BF Utilities Limited
Holding Company (HC)	Nandi Infrastructure Corridor Enterprises Limited (NICE)
Key Managerial Personnel (KMP)	Mr. Ashok Kumar Kheny, Managing Director
	A Rudra Goud, CFO
	N Balaji Naidu, Company Secretary
Relative of KMP	Mr. Shivkumar Kheny
Enterprises over which KMP have significant influence	AKK Entertainment Limited (AKKEL)
	Ashok Kheny Production Private Limited (AKPPL)
	Ashok Kheny Infrastructure Limited (AKIL)
	SAB Engineering Inc., USA (SEI)
	BF Investments Limited (BIL)
	India International Infrastructure Engineers Limited(IIIE)
	Nandi Engineering Limited (NEL) (till 29th October 2018)

B. Details of related party transactions during the year ended 31 March 2020 and 31 March 2019 :

Nature of Transaction	UHC	HC	KMP	Enterprises over which KMP have significant influence	Relatives of KMP
Managerial remuneration					
For the Year 2019-20	-	-	412.05	-	-
For the Year 2018-19	-	-	408.88	-	-
Professional fees					
For the Year 2019-20	-	-	-	141.60	-
For the Year 2018-19	-	-	-	141.60	-
Rent					
For the Year 2019-20	-	-	-	-	23.94
For the Year 2018-19	-	-	-	-	22.80
Interest expense on Optionally Fully Convertible Debentures (OFCD)					
For the Year 2019-20	-	148.13	-	-	-
For the Year 2018-19	-	131.88	-	-	-
Refund of Inter-corporate deposit					
For the Year 2019-20	-	-	-	-	-
For the Year 2018-19	-	-	-	184.55	-
Interest income from Inter-corporate deposits (ICD)					
For the Year 2019-20	-	-	-	-	-
For the Year 2018-19	-	-	-	17.40	-
Advances (paid)/ received					
For the Year 2019-20	-	137.50	-	(1.44)	-
For the Year 2018-19	-	0.13	-	(1.29)	-

NICE ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

39 Related party transactions

C. Details of related party balance outstanding as at 31 March 2020 and 31 March 2019

Nature of Transaction	UHC	HC	KMP	Enterprises over which KMP have significant influence	Relatives of KMP
Remuneration payable					
As at 31 March 2020	-	-	-	-	-
As at 31 March 2019	-	-	387.58	-	-
Deposit received under a Joint development agreement					
As at 31 March 2020	3,700.00	-	-	-	-
As at 31 March 2019	3,700.00	-	-	-	-
Outstanding against OFCD					
As at 31 March 2020	-	1,330.01	-	-	-
As at 31 March 2019	-	1,188.88	-	-	-
Outstanding against ICD					
As at 31 March 2020	-	-	-	-	-
As at 31 March 2019	-	-	-	55.45	-
Balance of advances outstanding					
As at 31 March 2020	-	372.85	-	-	-
As at 31 March 2019	-	510.35	-	-	-
Balance of loans outstanding and Interest					
As at 31 March 2020	-	-	-	8,497.60	-
As at 31 March 2019	-	-	-	7,484.27	-
Balance of advance to suppliers					
As at 31 March 2020	-	-	-	295.05	-
As at 31 March 2019	-	-	-	348.80	-

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nikhil Vaid
Partner
Membership No.: 213356

Hyderabad
04 September 2020

For and on behalf of the Board of Directors of Nandi Economic Corridor Enterprises Limited

Ashok Kumar Kheny
Managing Director
DIN: 00248397

A Rudra Goud
Chief Financial Officer

Bengaluru
04 September 2020

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

AB Shiva Subramanyam
Director
DIN: 00963838

N. Balaji Naidu
Company Secretary
Membership No: F6174
Bengaluru
04 September 2020