

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of Nandi Economic Corridor Enterprises Limited

Report on the Financial Statements

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 2018, 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.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

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circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on these financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to note 1.2(c)(ii) and note 36(i) to the accompanying financial statements regarding the submission of a report by the House Committee consisting of members of the Karnataka Legislative Assembly, which includes its findings on the alleged violations in implementation of the Framework Agreement (FWA) in the construction of the peripheral road, development of Townships and Utilities undertaken by the Company as part of the Bangalore Mysore Infrastructure Corridor project ('BMIC Project'), and various legal cases pending against the Company challenging the execution of the BMIC Project. As explained in the said notes, based on legal opinions obtained by the Company, the Management believes that the matters will be decided in the favour of the Company and will not impact the accompanying financial statement including the ability of the Company to be in operations in foreseeable future. Our opinion is not modified in respect of this matter.

Other Matter

10. The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 and 31 March 2016 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Accounts) Rules, 2006 (as amended) which were audited by the predecessor auditor whose reports dated 18 August 2017 and 28 July 2016 respectively expressed an qualified opinion on the financial statements for the year ended 31 March 2017 and 31 March 2016, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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



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- 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 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 04 May 2018 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 36 to the financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; 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.

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

Nikhil Vaid
per Nikhil Vaid
Partner
Membership No.: 213356

Place: Pune
Date: 4 May 2018



Annexure I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) With respect to the immovable properties of the Company under fixed assets, according to the information and explanations given to us 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 land parcel measuring 35.92 acres classified under Toll road:
 - (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 verification of title deeds and site visits by Management and certification of extent of work completion by competent persons are at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed.
 - (iii) The Company has granted unsecured loans to companies and other parties covered in the register maintained under Section 189 of the Act; and with respect to the same, read with note 39 to the financial statements:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and the receipts of the principal amount and the interest are regular;
 - (c) there is no overdue amount in respect of loans granted to such companies or other parties.
 - (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
 - (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.



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- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in large number of cases. 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) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (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 purpose 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) The Company has paid managerial remuneration which is not in accordance with the requisite approval mandated by the provisions of Section 197 of the Act read with Schedule V to the Act. The details of the same are as follows:

S. No	Payment made to	Amount paid in excess of limits prescribed (₹)	Amount due for Recovery as at 31 March 2018 (₹)	Steps taken to secure the recovery of the amount
1.	Managing Director	151,954,567	123,296,839	The Company has considered these amounts as recoverable as at 31, 2018 and has initiated steps to recover the amounts. The amounts were partially recovered by adjustment of salary payable to Managing Director

- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.



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- (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.

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

Nikhil Vaid
per **Nikhil Vaid**
Partner
Membership No.: 213356



Place: Pune
Date: 4 May 2018

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 2018

Independent Auditor's report on the Internal Financial Controls 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 2018, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, 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.

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

Nikhil Vaid
per Nikhil Vaid
Partner
Membership No.: 213356

Place: Pune
Date: 4 May 2018



Nandi Economic Corridor Enterprises Limited
Balance Sheet as at 31 March 2018
(All amounts in ₹, unless otherwise stated)

	Note	31 March 2018	31 March 2017	1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	2	142,250,202	161,017,017	183,627,284
Capital work-in-progress	3	255,014,365	255,583,725	1,342,563,984
Intangibles under development		109,223,586	85,000,000	85,000,000
Intangible assets	4	10,907,536,581	11,326,748,433	10,658,304,328
Financial assets				
Loans	5A	32,899,912	67,150,336	106,646,068
Other non-current assets	6A	2,980,410,497	2,975,261,174	3,038,063,100
Total non-current assets		14,427,335,143	14,870,760,685	15,414,204,764
Current assets				
Inventories	7	1,713,407,932	1,713,407,932	1,720,435,911
Financial assets				
Investments	8	77,573,925	210,087,139	247,005,145
Trade receivables	9	4,630,564	4,444,390	2,680,596
Cash and cash equivalents	10	148,985,058	118,807,879	70,401,357
Loans	5B	175,433,631	186,250,312	191,415,036
Other current assets	6B	69,058,169	82,366,077	61,677,875
Total current assets		2,189,089,279	2,315,363,729	2,293,615,920
Total assets		16,616,424,422	17,186,124,414	17,707,820,684
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	2,090,466,920	2,090,466,920	1,750,010,000
Other equity	12	(3,792,781,458)	(3,804,670,991)	(6,101,601,182)
Total equity		(1,702,314,538)	(1,714,204,071)	(4,351,591,182)
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	13	15,473,627,752	16,308,465,604	19,553,026,073
Other financial liabilities	14A	861,839,776	691,536,076	589,079,910
Other non-current liabilities	16A	1,212,238,876	1,216,926,876	1,216,926,876
Provisions	17A	28,164,986	5,769,239	4,335,174
Total non-current liabilities		17,575,871,390	18,222,697,795	21,363,368,033
Current liabilities				
Financial liabilities				
Trade payables	15	170,923,037	126,570,686	121,295,699
Other financial liabilities	14B	490,638,370	374,075,390	127,984,745
Other current liabilities	16B	14,721,606	15,298,399	18,785,812
Provisions	17B	66,584,557	161,686,215	427,977,577
Total current liabilities		742,867,570	677,630,690	696,043,833
Total equity and liabilities		16,616,424,422	17,186,124,414	17,707,820,684

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Walker Chandiook & Co LLP
Chartered Accountants

Nikhil Vaid
Nikhil Vaid
Partner

Pune
4 May 2018



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

Ashok Kumar Kheny
Managing Director
DIN: 00248397

Pune
4 May 2018

A Rudra Goud
Chief Financial Officer

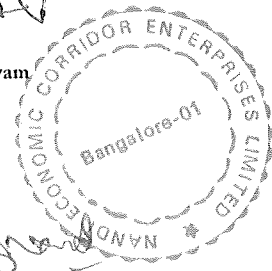
Pune
4 May 2018

AB Shivasubramanyam
Director
DIN: 00963838

Pune
4 May 2018

N. Balaji Naidu
Company Secretary
M. No: F6174

Pune
4 May 2018



Nandi Economic Corridor Enterprises Limited
Statement of profit and loss for the year ended 31 March 2018
(All amounts in ₹, unless otherwise stated)

	Note	31 March 2018	31 March 2017
Revenue			
Revenue from operations	18	3,171,055,821	2,601,822,640
Other income	19	59,057,411	39,780,624
Total revenue		3,230,113,232	2,641,603,264
Expenses			
Cost of sale of land	20	-	7,027,979
Employee benefits expenses	21	393,671,111	342,150,902
Finance expenses	22	2,017,867,529	2,092,883,282
Depreciation and amortisation expense	2 & 4	441,104,768	444,132,237
Other expenses	23	341,348,398	285,346,397
Total expenses		3,193,991,806	3,171,540,797
Profit/(loss) before tax		36,121,426	(529,937,533)
Tax expense	24		
Current tax		-	-
Deferred tax		-	-
Profit/(loss) after tax		36,121,426	(529,937,533)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement of losses on defined benefit plans		(20,322,022)	(4,237,411)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Other comprehensive loss for the year		(20,322,022)	(4,237,411)
Total comprehensive income/(loss) for the year		15,799,404	(534,174,944)
Earnings/(loss) per share			
Basic	25	0.08	(2.56)
Diluted		0.08	(2.56)

The accompanying notes form an integral part of the financial statements

As per our report of even date

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants

Nikhil Vaid
Nikhil Vaid
Partner



Pune
4 May 2018

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

Ashok Kumar Kheny
Ashok Kumar Kheny
Managing Director

DIN: 00248397
Pune
4 May 2018

A Rudra Goud
A Rudra Goud
Chief Financial Officer

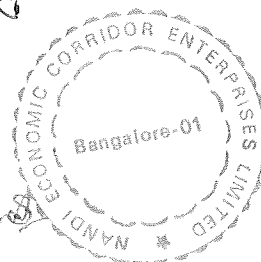
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AB Shivasubramanyam
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Director

DIN: 00963838
Pune
4 May 2018

N Balaji Naidu
N. Balaji Naidu
Company Secretary

M. No: F6174
Pune
4 May 2018



Nandi Economic Corridor Enterprises Limited
Cash Flow statement for the year ended 31 March 2018
(All amounts in ₹, unless otherwise stated)

	31 March 2018	31 March 2017
A. Cash flow from operating activities		
Profit/(loss) for the year	36,121,426	(529,937,533)
Adjustments to reconcile profit after tax to net cash flows		
Interest income	(5,070,120)	(12,296,808)
Net gain on sale of current investments	(39,125,370)	(21,186,578)
Net fair value gain on current investments at FVTPL	(4,595,501)	(87,139)
Unrealised losses on foreign exchange transactions	6,456,365	5,759,041
Finance expenses	2,011,411,164	2,087,124,241
Depreciation and amortisation expense	441,104,768	444,132,237
Provision for doubtful advances	-	(2,948,866)
Loss on fixed assets sold (net)	1,691,578	1,484,385
Operating profit before working capital changes	2,447,994,310	1,972,042,980
<i>Working capital adjustments:</i>		
(Increase)/decrease in trade receivables	(186,174)	(1,763,794)
Decrease in inventories	-	7,027,979
Decrease in loans and advances and other assets	44,228,873	23,154,872
Decrease in current liabilities and provisions	(67,695,463)	(320,394,146)
Cash generated from operations	2,424,341,546	1,680,067,891
Net income taxes (paid) / refund received (net)	(37,160,727)	38,303,424
Net cash flow from operating activities (A)	2,387,180,819	1,718,371,315
B. Cash flows from investing activities		
Purchase of fixed assets	(23,261,847)	(8,741,024)
Sale of mutual funds	2,497,984,510	1,575,851,895
Purchase of mutual funds	(2,321,750,425)	(1,517,660,172)
Interest received	5,070,120	23,975,556
Receipt of inter-corporate deposits	34,250,000	28,493,546
Proceeds from sale of fixed assets	-	684,000
Net cash flow from investing activities (B)	192,292,358	102,603,801
C. Cash flows from financing activities		
Repayment of long term borrowings	(941,061,855)	(23,855,556)
Interest paid	(1,608,234,143)	(1,748,713,038)
Net cash used in financing activities	(2,549,295,998)	(1,772,568,594)
Net increase in cash and cash equivalents	30,177,179	48,406,522
Cash & cash equivalents at beginning of the year	118,807,879	70,401,357
Cash & cash equivalents at the end of the year (refer note 10)	148,985,058	118,807,879

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants

Nikhil Vaid
Nikhil Vaid
Partner
Pune
4 May 2018



Pune
4 May 2018

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

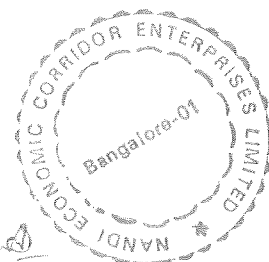
Ashok Kumar Kheny
Managing Director
DIN: 00248397
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Director
DIN: 00963838
Pune
4 May 2018

N. Balaji Naidu
Company Secretary
M. No: F6174
Pune
4 May 2018



Nandi Economic Corridor Enterprises Limited
Statement of changes in equity as at 31 March 2018
(All amounts in ₹, unless otherwise stated)

A. Equity share capital

	Amount
Balance as at 01 April 2016	1,750,010,000
Changes in equity share capital during the year	340,456,920
Balance as at 31 March 2017	2,090,466,920
Changes in equity share capital during the year	-
Balance as at 31 March 2018	2,090,466,920

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 2016 (refer note 38)	744,604,646	(144,174,551)	(8,146,176,160)	1,449,554,296	(5,409,413)	(6,101,601,182)
Pursuant to conversion of CCPS to equity shares	2,772,543,080	-	-	-	-	2,772,543,080
Effect of foreign exchange rate variations during the year	-	52,803,014	-	-	-	52,803,014
Amortisation for the year	-	5,759,041	-	-	-	5,759,041
Loss for the year	-	-	(529,937,533)	-	-	(529,937,533)
Actuarial losses	-	-	-	-	(4,237,411)	(4,237,411)
Balance as at 31 March 2017	<u>3,517,147,726</u>	<u>(85,612,496)</u>	<u>(8,676,113,693)</u>	<u>1,449,554,296</u>	<u>(9,646,824)</u>	<u>(3,804,670,991)</u>
Profit for the year	-	-	36,121,426	-	-	36,121,426
Effect of foreign exchange rate variations during the year	-	(10,366,236)	-	-	-	(10,366,236)
Amortisation for the year	-	6,456,365	-	-	-	6,456,365
Actuarial losses	-	-	-	-	(20,322,022)	(20,322,022)
Balance as at 31 March 2018	<u>3,517,147,726</u>	<u>(89,522,367)</u>	<u>(8,639,992,267)</u>	<u>1,449,554,296</u>	<u>(29,968,846)</u>	<u>(3,792,781,458)</u>

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants

Nikhil Vaid
Nikhil Vaid
Partner



Pune
4 May 2018

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

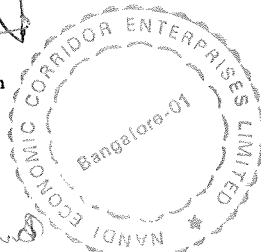
Ashok Kumar Kheny
Managing Director
DIN: 00248397
Pune
4 May 2018

A Rudra Goud
Chief Financial Officer

Pune
4 May 2018

AB Shivasubramanyam
Director
DIN: 00963838
Pune
4 May 2018

N. Balaji Naidu
Company Secretary
M. No: F6174
Pune
4 May 2018



Nandi Economic Corridor Enterprises Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹, 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 per Companies (Indian Accounting Standards) Rules 2015 notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

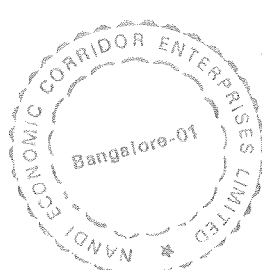
The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarised in Note 38.

The financial statements for the year ended 31 March 2018 were authorized and approved for issue by the Board of Directors on 4 May 2018.

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 2018, as summarized below:

In accordance with Ind AS 101, 'First-time Adoption of Indian Accounting Standards' the Company presents three balance sheets, two statement of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1, 'Presentation of Financial Statements' requires two comparative periods to be presented for the balance sheet only in certain circumstances.



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

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 and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes 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 are described 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.

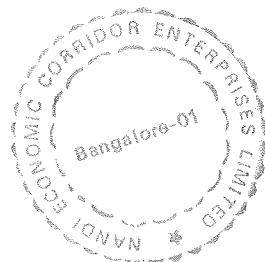
Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)

- (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 had various departments of GoK have been accused of violations of several terms of FWA and recommendations have been made to initiate appropriate actions which include recovery of excess land given for the project, recovery of illegal toll collected by the Company and further probe by national agencies such as the Central Bureau of Investigation (CBI), Enforcement of Directorate, central vigilance commission or investigative agencies of equal standing. While the company has still not been provided with any notice of the formation of the committee or its reports, the Management of the Company has assessed the findings of the said Committee reported in the print media and is of the opinion that the allegations made therein are baseless, politically motivated and hence lack legal withstanding. 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 of 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 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.



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

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. **Standards, not yet effective and have not been adopted early by the Company**

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Ind AS 115 - Revenue from contracts with customers

MCA has notified Ind AS 115 - Revenue from contracts with customer, mandatorily applicable from 1 April 2018. The standard requires the company to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company is evaluating the requirements of the new standard and the effect on the financial statements is being evaluated.

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.

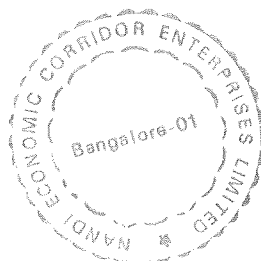
(iii) A liability is classified as current when:

- 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.



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

h. Foreign currency transactions

(a) Initial recognition

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

(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 determined.

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

i. Revenue recognition

Sale of land

Revenue from sale of land is 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

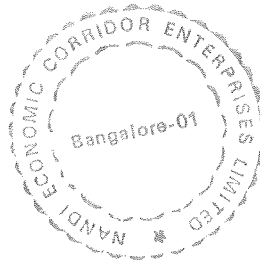
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rates applicable. Interest income is included in the finance income in the statement of profit or loss.

Dividend income

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

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
Summary of significant accounting policies and other explanatory information
(All amounts in ₹, unless otherwise stated)

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.

1. Intangible assets

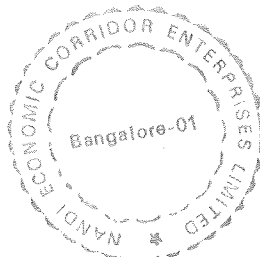
Recognition and initial measurement

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 rebates.

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.



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

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

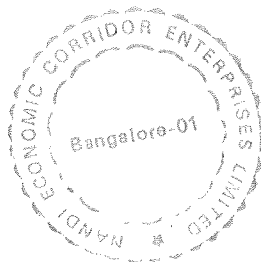
Finance leases

Assets acquired on lease which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the company with expected inflationary costs.



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

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 Regional Provident Fund Commissioner 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

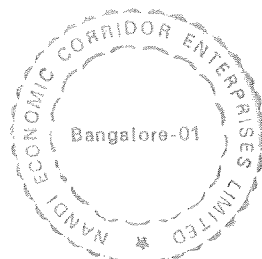
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred 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.



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

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.

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 assets 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.

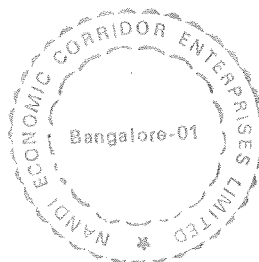
If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI.

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.



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

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 is also adjusted. These liabilities are classified as amortized cost.

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

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.

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.

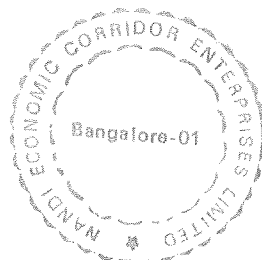
Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment 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".



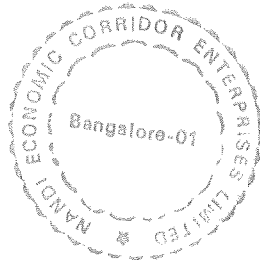
Nandi Economic Corridor Enterprises Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹, unless otherwise stated)

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 against doubtful debts. 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.



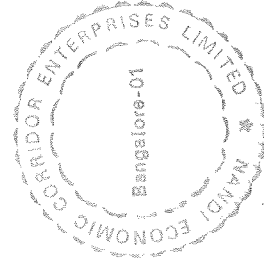
Nandi Economic Corridor Enterprises Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts in ₹, unless otherwise stated)

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 2016	9,226,479	68,308,982	6,932,906	37,271,901	2,641,476	3,808,029	4,761,110	36,292,307	9,417,733	4,966,361	183,627,284
(refer note a)											
Additions	-	-	-	-	98,184	-	419,668	3,930,264	136,725	-	4,584,841
Disposals	-	-	(2,467,622)	(68,503)	-	-	(4,318,158)	(2,722,615)	(1,630,223)	(1,404,764)	(12,611,885)
At 31 March 2017	9,226,479	68,308,982	4,465,284	37,203,398	2,739,660	3,808,029	862,620	37,499,956	7,924,235	3,561,597	175,600,240
Additions	-	-	220,575	62,884	-	-	2,653,404	872,034	660,820	347,962	4,817,679
Disposals	-	-	-	(211,377)	(69,915)	-	(32,243)	-	(768,156)	(609,887)	(1,691,578)
At 31 March 2018	9,226,479	68,308,982	4,685,859	37,054,905	2,669,745	3,808,029	3,483,781	38,371,990	7,816,899	3,299,672	178,726,341
Accumulated depreciation											
Upto 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	2,417,669	1,673,089	4,879,814	887,624	448,019	1,492,430	9,779,284	2,497,459	951,335	25,026,723
Adjustments for disposals	-	-	(1,287,450)	(31,196)	-	-	(4,131,062)	(2,270,695)	(1,495,664)	(1,227,433)	(10,443,500)
Upto 31 March 2017	-	2,417,669	385,639	4,848,618	887,624	448,019	(2,638,632)	7,508,589	1,001,795	(276,098)	14,583,223
Charge for the year	-	2,417,669	1,083,841	4,677,798	360,404	448,021	1,763,404	8,761,560	1,593,739	786,480	21,892,916
Adjustments for disposals	-	-	-	-	-	-	-	-	-	-	-
Upto 31 March 2018	-	4,835,338	1,469,480	9,526,416	1,248,028	896,040	(875,228)	16,270,149	2,595,534	510,382	36,476,139
Net block											
As at 1 April 2016	9,226,479	68,308,982	6,932,906	37,271,901	2,641,476	3,808,029	4,761,110	36,292,307	9,417,733	4,966,361	183,627,284
As at 31 March 2017	9,226,479	65,891,313	4,079,645	32,354,780	1,852,036	3,360,010	3,501,252	29,991,367	6,922,440	3,837,695	161,017,017
As at 31 March 2018	9,226,479	63,473,644	3,216,379	27,528,489	1,421,717	2,911,989	4,359,009	22,101,841	5,221,365	2,789,290	142,250,202

a. Deemed carrying cost
 For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 1 April 2016, the Company has used previous GAAP carrying value as deemed costs.

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

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



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

3 Capital work-in-progress

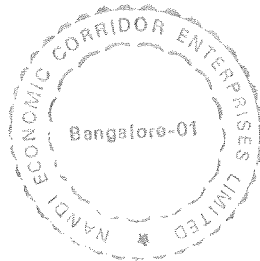
	31 March 2018	31 March 2017	1 April 2016
Capital work-in-progress	255,014,365	255,583,725	1,342,563,984
	<u>255,014,365</u>	<u>255,583,725</u>	<u>1,342,563,984</u>

4 Intangible assets

Gross block			
At 1 April 2016 (refer note a)			10,658,304,328
Additions			1,087,549,619
Disposals			-
At 31 March 2017			<u>11,745,853,947</u>
Additions			-
Disposals			-
At 31 March 2018			<u>11,745,853,947</u>
Accumulated amortisation			
Upto 1 April 2016			-
Charge for the year			419,105,514
Disposals/adjustments			-
Upto 31 March 2017			<u>419,105,514</u>
Charge for the year			419,211,852
Disposals/adjustments			-
Upto 31 March 2018			<u>838,317,366</u>
Net block			
As at 1 April 2016			10,658,304,328
As at 31 March 2017			11,326,748,433
As at 31 March 2018			10,907,536,581

a. Deemed carrying cost

For Intangible assets existing as on the date of transition to Ind AS, i.e., 1 April 2016, the Company has used previous GAAP carrying value as deemed costs after considered other adjust requirements by IND-AS (refer note 38)



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

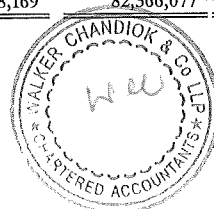
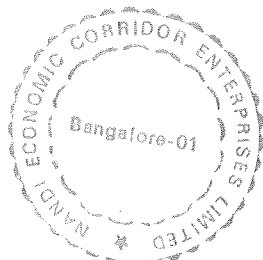
5 Loans

	31 March 2018	31 March 2017	1 April 2016
A Non-current assets			
(Unsecured, considered good unless otherwise stated)			
Security deposits	8,321,732	8,460,704	8,223,774
Inter-corporate deposits (Refer Note (i))	24,000,000	58,250,000	86,743,546
Interest accrued on inter-corporate deposits	-	-	11,678,748
Advances to related parties			
- considered good	578,180	439,632	-
- considered doubtful	694,624,859	694,624,859	694,624,859
Less: Provision for doubtful advances	(694,624,859)	(694,624,859)	(694,624,859)
	578,180	439,632	-
	<u>32,899,912</u>	<u>67,150,336</u>	<u>106,646,068</u>
B Current assets			
(Unsecured, considered good unless otherwise stated)			
Advances to related parties	51,048,804	45,862,378	38,688,210
Loans and advances to employees	1,087,988	1,331,948	772,259
Excess managerial remuneration paid to the Managing Director (MD) of the Company	123,296,839	139,055,986	151,954,567
	<u>175,433,631</u>	<u>186,250,312</u>	<u>191,415,036</u>

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 2018	31 March 2017	1 April 2016
A Non-current			
(Unsecured, considered good unless otherwise stated)			
Capital advances	143,620,029	155,527,573	143,620,029
Capital advances to related parties			
- considered good	-	-	-
- considered doubtful	532,618,392	532,618,392	532,618,392
	532,618,392	532,618,392	532,618,392
Less: Provision for doubtful advances	(532,618,392)	(532,618,392)	(532,618,392)
	-	-	-
Advance income tax [net of provision]	52,184,153	15,023,426	53,326,850
Others loans and advances:			
Advance towards land acquisition and projects			
- considered good	2,776,660,042	2,794,187,542	2,813,687,542
- considered doubtful	68,050,000	68,050,000	68,050,000
	2,844,710,042	2,862,237,542	2,881,737,542
Less: Provision for doubtful advances	(68,050,000)	(68,050,000)	(68,050,000)
	2,776,660,042	2,794,187,542	2,813,687,542
Advances to suppliers/service providers			
- considered good	7,946,273	10,522,633	27,428,679
- considered doubtful	72,816,716	72,816,716	72,691,779
	80,762,989	83,339,349	100,120,458
Less: Provision for doubtful advances	(72,816,716)	(72,816,716)	(72,691,779)
	7,946,273	10,522,633	27,428,679
	<u>2,980,410,497</u>	<u>2,975,261,174</u>	<u>3,038,063,100</u>
B Current			
(Unsecured, considered good unless otherwise stated)			
Prepaid expenses	33,868,876	33,181,546	32,807,013
Advances to suppliers/ service providers			
- considered good	35,189,293	49,184,531	28,870,862
- considered doubtful	42,021,096	42,021,096	45,094,899
	77,210,389	91,205,627	73,965,761
Less: Provision for doubtful advances	(42,021,096)	(42,021,096)	(45,094,899)
	35,189,293	49,184,531	28,870,862
	<u>69,058,169</u>	<u>82,366,077</u>	<u>61,677,875</u>



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

7 Inventories

	31 March 2018	31 March 2017	1 April 2016
Land and related development cost	1,713,407,932	1,713,407,932	1,720,435,911
	<u>1,713,407,932</u>	<u>1,713,407,932</u>	<u>1,720,435,911</u>

8 Investments

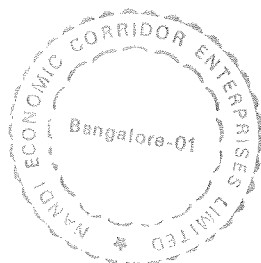
	31 March 2018	31 March 2017	1 April 2016
Current investments (Carried at fair value through profit or loss (FVTPL))			
Investment in mutual funds (Unquoted)			
- IDFC cash fund-growth (Direct Plan) [30,376 units (31 March 2017 - 30,376, 01 April 2016 - 60,051)]	64,100,374	60,015,237	110,602,870
- Bank of India - AXA liquid fund growth [Nil units(31 March 2017 - 76,039 01 April 2016 - 78,165)]	-	150,071,902	136,402,275
- BOI AXA Liquid fund growth [(6,726 units (31 March 2017 - Nil, 1 April 2016 - Nil)]	13,473,551	-	-
	<u>77,573,925</u>	<u>210,087,139</u>	<u>247,005,145</u>
Aggregate book value of unquoted investments	77,573,925	210,087,139	247,005,145

9 Trade receivables

	31 March 2018	31 March 2017	1 April 2016
Outstanding for a period exceeding six months from the date they were due for payment:	-	-	-
Other receivables:			
- Unsecured, considered good	4,630,564	4,444,390	2,680,596
	<u>4,630,564</u>	<u>4,444,390</u>	<u>2,680,596</u>

10 Cash and cash equivalents

	31 March 2018	31 March 2017	1 April 2016
Cash on hand	19,217,306	14,511,060	18,236,266
Balances with banks:			
- in current accounts	129,767,752	104,296,819	52,165,091
	<u>148,985,058</u>	<u>118,807,879</u>	<u>70,401,357</u>



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

11 Equity share capital

	31 March 2018		31-Mar-17		1 April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised						
Equity share of Rs. 10/- each	209,047,692	2,090,476,920	209,047,692	2,090,476,920	209,047,692	2,090,476,920
	209,047,692	2,090,476,920	209,047,692	2,090,476,920	209,047,692	2,090,476,920
Issued, subscribed and fully paid-up						
Equity share of Rs. 10/- each	209,046,692	2,090,466,920	209,046,692	2,090,466,920	175,001,000	1,750,010,000
	209,046,692	2,090,466,920	209,046,692	2,090,466,920	175,001,000	1,750,010,000

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

	31 March 2018		31-Mar-17		1 April 2016	
	No. of Shares	Rs.	No. of Shares	Rs.	No. of Shares	Rs.
Equity share of Rs. 10/- each						
Opening balance	209,046,692	2,090,466,920	175,001,000	1,750,010,000	175,001,000	1,750,010,000
Issued during year pursuant to the conversion of CCPS	-	-	34,045,692	340,456,920	-	-
Closing balance	209,046,692	2,090,466,920	209,046,692	2,090,466,920	175,001,000	1,750,010,000

(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 2018		31-Mar-17		1 April 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Equity share of Rs. 10/- each						
1. Nandi Infrastructure Corridor Enterprises Limited	113,350,000	54%	113,350,000	54%	113,350,000	65%
2. Airro Mauritius Holdings V	37,446,692	18%	37,446,692	18%	3,401,000	2%
3. AM Nice Mauritius Holdings	21,000,000	10%	21,000,000	10%	21,000,000	12%
4. Jayprati Investments Private Limited	11,221,626	5%	11,221,626	5%	11,221,626	6%
5. 2i Capital PCC, Mauritius	10,500,000	5%	10,500,000	5%	10,500,000	6%

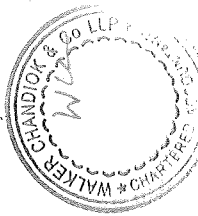
* Nandi Infrastructure Corridor Enterprises Limited (NICE) is Holding Company and BF Utilities Limited is the Ultimate Holding Company of the entity.

(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 2018.

12 Other equity

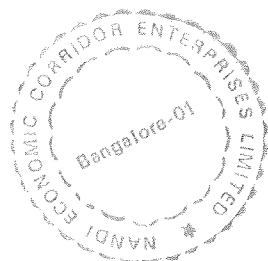
	31 March 2018	31 March 2017	1 April 2016
Securities premium account	3,517,147,726	3,517,147,726	744,604,646
Foreign currency monetary items translation difference account (FCMTTDA)	(89,522,367)	(85,612,496)	(144,174,551)
Deficit in statement of profit and loss	(8,639,992,267)	(8,676,113,693)	(8,146,176,160)
Measurement of below market rate financial liability at fair value	1,449,554,296	1,449,554,296	1,449,554,296
Actuarial losses	(29,968,846)	(9,646,824)	(5,409,413)
	(3,792,781,458)	(3,804,670,991)	(6,101,601,182)



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

13 Borrowings

	31 March 2018	31 March 2017	1 April 2016
Secured loans			
1,400,000 (31 March 2017 - 1,400,000, 1 April 2016 - 1,400,000) 5% optionally fully convertible redeemable debentures of Rs.100/- each	106,399,836	95,324,852	85,511,475
Term loans			
- From banks	10,948,726,124	12,432,701,596	12,587,845,029
- From others	3,856,148,725	3,100,782,489	3,153,585,503
Other loans			
0.01% Cumulative Compulsorily Convertible Preference Shares of Rs.100/- each	-	-	3,113,000,000
7% Cumulative Redeemable Preference shares of Rs.10/- each	452,021,877	398,257,161	350,887,366
Unsecured loans			
Interest free loan from related parties	409,731,190	331,299,506	262,196,700
	15,773,027,752	16,358,365,604	19,553,026,073
Amount disclosed under "Other current liabilities" (refer note 14B)	(299,400,000)	(49,900,000)	-
	15,473,627,752	16,308,465,604	19,553,026,073



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

13 Borrowings	31 March 2018	31 March 2017	1 April 2016
Particulars	Repayment details		
Nature of Security			
project accounts and all bank and other accounts of the Company; and			
- Pledge of shares held by NICE in the Company			
	<u>1,590,000,000</u>	<u>2,490,000,000</u>	<u>2,490,000,000</u>
	10.25% to	10.25% to	10.25% to
	11.50%	11.50%	11.50%
The interest on above term loans from banks are linked to the respective banks base rates.			
Term loans from Others			
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 Jayprati Investments Private Limited.	2,111,148,725	2,100,782,489	2,153,585,503
Facility 3	Repayable in 38 unequal instalments from June 2022 to September 2031.		
	<u>2,111,148,725</u>	<u>2,100,782,489</u>	<u>2,153,585,503</u>
	6.32%	6.82%	6.82%
The interest on above term loans from others are linked to the base rates.			
Term loans from banks			
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 Jayprati Investments Private Limited.	1,600,000,000	1,600,000,000	1,600,000,000
Facility 4	Repayable in 38 unequal instalments from June 2022 to September 2031.		
	<u>1,600,000,000</u>	<u>1,600,000,000</u>	<u>1,600,000,000</u>
	14.5%	14.5%	14.5%
The interest on above term loans from banks are linked to the respective banks base rates.			

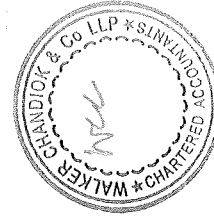


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13 Borrowings		31 March 2018	31 March 2017	1 April 2016
Particulars	Nature of Security	Repayment details		
Loan from Related parties	Unsecured	409,731,190	331,299,506	262,196,700
Interest free loan from related parties		The loan is repayable once the 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 holders of 0.01% CCCPS.		
Total		409,731,190	331,299,506	262,196,700
Other Loans				
0.01% Cumulatively Convertible Preference Shares of Rs.100/- each	Unsecured	*	-	3,113,000,000
7% Cumulative Redeemable Preference shares of Rs.10/- each	Unsecured	**	398,257,161	350,887,366
Total		452,021,877	398,257,161	3,463,887,366

* The CCCPS were convertible into equity shares anytime prior to listing of the Company's share on the BSE or NSE, to result in minimum shareholding of 8.33% and maximum shareholding of 16.29% to the CCCPS holders. The CCCPS were converted in year ended March 31, 2017.

** 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.



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14 Other financial liabilities

	31 March 2018	31 March 2017	1 April 2016
A Non-current			
Interest accrued but not due on borrowings	496,059,552	366,883,896	288,163,892
Advances received towards sale of land and joint development agreements	365,780,224	324,652,180	300,916,018
	<u>861,839,776</u>	<u>691,536,076</u>	<u>589,079,910</u>
B Current			
Current maturities of long-term debt (refer note 13)	299,400,000	49,900,000	-
Interest accrued but not due on borrowings	159,255,805	119,520,615	108,947,527
Security deposits	8,787,217	6,495,994	4,051,568
Retention money payable	8,428,847	15,126,333	6,805,612
Other payables:			
- Payable towards outstanding forward contracts on foreign currency borrowings	-	166,687,130	-
- Others (payable to superannuation trust)	14,766,501	16,345,318	8,180,038
	<u>490,638,370</u>	<u>374,075,390</u>	<u>127,984,745</u>

15 Trade payables

	31 March 2018	31 March 2017	1 April 2016
Dues to micro enterprises and small enterprises	-	-	-
Dues to creditors other than micro enterprises and small enterprises	170,923,037	126,570,686	121,295,699
	<u>170,923,037</u>	<u>126,570,686</u>	<u>121,295,699</u>

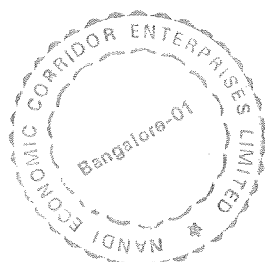
16 Other liabilities

	31 March 2018	31 March 2017	1 April 2016
A Non-current			
Advances received towards sale of land and joint development agreements	804,515,438	809,203,438	809,203,438
Deferred revenue	407,723,438	407,723,438	407,723,438
	<u>1,212,238,876</u>	<u>1,216,926,876</u>	<u>1,216,926,876</u>
B Current			
Statutory dues	13,790,985	14,367,778	17,855,191
Payable for purchase of fixed assets	930,621	930,621	930,621
	<u>14,721,606</u>	<u>15,298,399</u>	<u>18,785,812</u>

17 Provisions

	31 March 2018	31 March 2017	1 April 2016
A Long term			
Provision for employee benefits:			
- Provision for gratuity	28,164,986	5,769,239	4,335,174
	<u>28,164,986</u>	<u>5,769,239</u>	<u>4,335,174</u>
B Short term			
Provision for constructive obligations *	-	106,854,885	378,405,657
Provision for employee benefits:			
- Provision for gratuity	1,500,000	1,500,000	1,500,000
- Provision for compensated absences	65,084,557	53,331,330	48,071,920
	<u>66,584,557</u>	<u>161,686,215</u>	<u>427,977,577</u>

measured at the best estimate of the expenditure that would be required to settle the present obligation at the balance sheet date.



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18 Revenue from operations

	31 March 2018	31 March 2017
Revenue from toll collections	3,147,401,595	2,440,947,640
Revenue from sale of land	-	160,875,000
Construction revenues	23,654,226	-
	3,171,055,821	2,601,822,640

19 Other income

	31 March 2018	31 March 2017
Interest income	5,070,120	12,296,808
Net gain on sale of current investments	39,125,370	21,186,578
Net fair value gain on current investments at FVTPL	4,595,501	87,139
Rental income	10,258,920	5,775,109
Miscellaneous income	7,500	434,990
	59,057,411	39,780,624

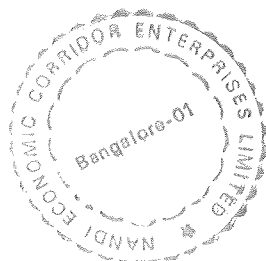
20 Cost of sale of land

	31 March 2018	31 March 2017
Opening stock	1,713,407,932	1,720,435,911
Add: Cost of purchase of land and land development costs		-
	1,713,407,932	1,720,435,911
Less: Closing stock	(1,713,407,932)	(1,713,407,932)
	-	7,027,979

21 Employee benefits expenses

	31 March 2018	31 March 2017
Salaries and wages	327,071,289	288,349,055
Contributions to provident and other funds	50,518,639	40,614,290
Staff welfare expenses	16,081,183	13,187,557
	393,671,111	342,150,902

Employee benefit expense includes expenses of employees of the holding company and of NEL working with the Company on deputation.



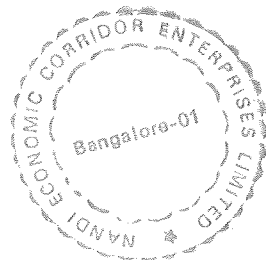
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22 Finance expenses

	31 March 2018	31 March 2017
Interest expense	1,933,127,554	2,009,230,474
Other borrowing costs	84,739,975	83,652,808
	2,017,867,529	2,092,883,282

23 Other expenses

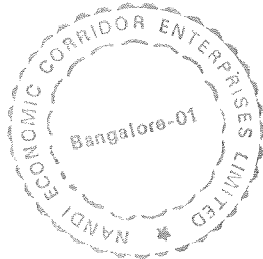
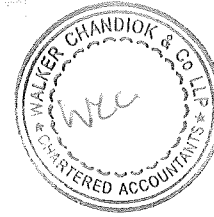
	31 March 2018	31 March 2017
Toll road operation expense	46,188,513	33,783,114
Security charges	61,381,443	64,591,662
Electricity and water charges	1,950,579	1,860,032
Rent including lease rentals	8,693,416	5,649,081
Rates and taxes	2,464,551	3,534,363
Repairs and maintenance		
- Buildings	1,125,410	1,127,576
- Plant and machinery	2,585,736	1,723,858
- Others	18,987,837	21,939,463
Insurance	3,719,739	3,734,893
Communication	3,483,562	3,798,524
Travelling and conveyance	28,322,919	30,388,980
Corporate social responsibility expenses	5,100,000	-
Printing and stationery	3,342,360	3,304,730
Advertisement and business promotion	5,242,294	1,253,372
Payment to auditors for		
- Statutory audit	2,500,000	1,450,000
- Tax audit	350,000	250,000
Tax on the above	450,000	255,000
Termination of development contract	20,000,000	17,500,000
Design and engineering	15,005,267	14,122,918
Legal and professional fees	84,443,501	76,039,175
Provision for doubtful advances	-	(2,948,866)
Loss on fixed assets sold (net)	1,691,578	1,484,385
Construction expenses	23,654,226	-
Miscellaneous expenses	665,467	504,137
	341,348,398	285,346,397



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 Summary of significant accounting policies and other explanatory information
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24 Tax expense

	31 March 2018	31 March 2017
A. Tax expense comprises of:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit or loss	<u>-</u>	<u>-</u>
B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
<p>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 34.608% and the reported tax expense in profit or loss are as follows:</p>		
Accounting profit before tax from continuing operations	36,121,426	(529,937,533)
Accounting profit before income tax	<u>36,121,426</u>	<u>(529,937,533)</u>
At India's statutory income tax rate of 34.608%	12,500,903	(183,400,781)
Less :		
Unabsorbed carry forward losses and other temporary differences	<u>(12,500,903)</u>	<u>183,400,781</u>
Income tax expense	<u>-</u>	<u>-</u>



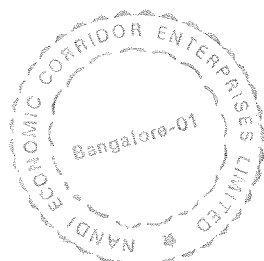
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25 Earnings/(loss) per share (EPS)

	31 March 2018	31 March 2017
Weighted average number of shares outstanding during the year	209,046,692	209,046,692
Add: Dilutive shares upon conversion of OFCD	1,538,462	1,538,462
Weighted average number of shares used to compute diluted EPS	210,585,154	210,585,154
Net profit/(loss) after tax attributable to equity shareholders	15,799,404	(534,174,944)
Add: Savings of interest upon conversion of debentures	11,774,982	10,513,377
Net profit/(loss) after tax attributable to equity shareholders for calculating diluted earning per share	27,574,386	(523,661,567)
Earnings per share		
Basic (₹)	0.08	(2.56)
Diluted (₹)	0.08	(2.56)
Nominal value - Rupees (₹) 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).



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27 Financial instruments

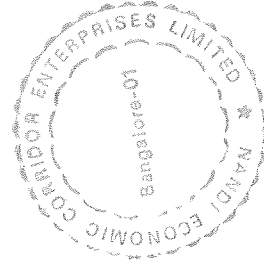
Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March, 2018 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets:						
Investments	8	77,573,925	-	-	77,573,925	77,573,925
Trade receivables	9	-	-	4,630,564	4,630,564	4,630,564
Loans	5	-	-	208,333,543	208,333,543	208,333,543
Cash and cash equivalents	10	-	-	148,985,058	148,985,058	148,985,058
Total financial assets		77,573,925	-	361,949,165	439,523,090	439,523,090
Financial liabilities:						
Borrowings	13	-	-	15,773,027,752	15,773,027,752	15,773,027,752
Trade payables	15	-	-	170,923,037	170,923,037	170,923,037
Other financial liabilities	14	-	-	1,352,478,146	1,352,478,146	1,352,478,146
Total financial liabilities		-	-	17,296,428,935	17,296,428,935	17,296,428,935

The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets						
Investments	8	210,087,139	-	-	210,087,139	210,087,139
Trade receivables	9	-	-	4,444,390	4,444,390	4,444,390
Loans	5	-	-	253,400,648	253,400,648	253,400,648
Cash and cash equivalents	10	-	-	118,807,879	118,807,879	118,807,879
Total financial assets		210,087,139	-	376,652,917	586,740,056	586,740,056
Financial liabilities :						
Borrowings	13	-	-	16,358,365,604	16,358,365,604	16,358,365,604
Trade payables	15	-	-	126,570,686	126,570,686	126,570,686
Other financial liabilities	14	-	-	1,065,611,466	1,065,611,466	1,065,611,466
Total financial liabilities		-	-	17,550,547,756	17,550,547,756	17,550,547,756



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The carrying value and fair value of financial instruments by categories as at 1 April 2016 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Investments	8	247,005,145	-	-	247,005,145	247,005,145
Trade receivables	9	-	-	2,680,596	2,680,596	2,680,596
Loans	5	-	-	298,061,104	298,061,104	298,061,104
Cash and cash equivalents	10	-	-	70,401,357	70,401,357	70,401,357
Total financial assets		247,005,145	-	371,143,057	618,148,202	618,148,202
Financial liabilities:						
Borrowings	13	3,113,000,000	-	16,440,026,073	19,553,026,073	19,553,026,073
Trade payables	15	-	-	121,295,699	121,295,699	121,295,699
Other financial liabilities	14	-	-	717,064,655	717,064,655	717,064,655
Total financial liabilities		3,113,000,000	-	17,278,386,427	20,391,386,427	20,391,386,427

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.



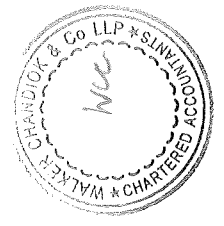
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The following table shows the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2018, 31 March 2017 and 1 April 2016:

	Level 1	Level 2	Level 3	Total
As at 31 March 2018				
Financial assets		77,573,925	-	77,573,925
Investment		77,573,925	-	77,573,925
Financial liabilities		-	-	-
Net Fair value		77,573,925	-	77,573,925
As at 31 March 2017				
Financial assets		210,087,139	-	210,087,139
Investment		210,087,139	-	210,087,139
Financial liabilities		-	-	-
Net Fair value		210,087,139	-	210,087,139
As at 1 April 2016				
Financial assets		247,005,145	-	247,005,145
Investment		247,005,145	-	247,005,145
Financial liabilities		-	-	-
Borrowings		-	3,113,000,000	3,113,000,000
Net Fair value		247,005,145	(3,113,000,000)	(2,865,994,855)

The following table presents the changes in level 3 for the periods ended 31 March 2018 and 31 March 2017:

	Borrowings in preference shares	Total
As at 01 April 2016		
Additions	3,113,000,000	3,113,000,000
Deletions	-	-
As at 31 March 2017	(3,113,000,000)	(3,113,000,000)
Additions	-	-
Deletions	-	-
As at 31 March 2018	-	-



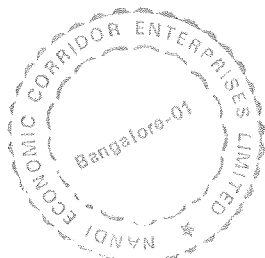
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28 A. Defined benefit plan

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 2018 and 31 March 2017 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 2018	31 March 2017
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	83,960,120	52,297,562
Fair value of plan assets as at the end of the year	(54,295,134)	(45,028,323)
Net liability recognized in the Balance Sheet	<u>29,664,986</u>	<u>7,269,239</u>
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	52,297,562	40,838,352
Service cost	11,177,283	5,428,784
Interest cost	3,675,504	3,241,661
<i>Actuarial losses/ (gains) arising from</i>		
- change in demographic assumptions	1,022,614	-
- change in financial assumptions	15,441,227	850,905
- experience variance	2,688,048	3,182,312
Benefits paid	(2,342,118)	(1,244,452)
Defined benefit obligation as at the end of the year	<u>83,960,120</u>	<u>52,297,562</u>
3 Changes in the fair value of plan assets		
Fair value as at the beginning of the year	45,028,323	35,003,178
Return on plan assets	3,256,870	2,503,566
Actuarial (losses)/gains	(1,170,133)	(204,194)
Contributions	9,522,192	8,970,225
Benefits paid	(2,342,118)	(1,244,452)
Fair value as at the end of the year	<u>54,295,134</u>	<u>45,028,323</u>
Non-current	28,164,986	5,769,239
Current	1,500,000	1,500,000
<i>Assumptions used in the above valuations are as under:</i>		
Interest rate	12.00%	7.50%
Discount rate	7.65%	7.45%
Salary increase	12.00%	7.00%
<i>Attrition rate</i>		
21-30	15.00%	5.00%
31-40	6.00%	3.00%
41-57	4.00%	2.00%
Retirement age (in years)	58	58
Mortality	LIC (2006-08) mortality table	
4 Net gratuity cost for the year ended 31 March 2018 and 31 March 2017 comprises of following components.		
Service cost	11,177,283	5,428,784
Net interest cost on the net defined benefit liability	418,634	738,095
	<u>11,595,917</u>	<u>6,166,879</u>
5 Other Comprehensive income/(loss)		
Change in financial assumptions	(15,441,227)	(850,905)
Experience variance (i.e. actual experience vs assumptions)	(2,688,048)	(3,182,312)
Return on plan assets, excluding amount recognized in net interest expense	(1,170,133)	(204,194)
Change in demographic assumptions	(1,022,614)	-
	<u>(20,322,022)</u>	<u>(4,237,411)</u>



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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 Rs. 50,518,639 (31 March 2017: Rs. 40,614,290) 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 ₹ 10,00,000).

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 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.5%)	5.71%	-5.22%	6.82%	-6.17%
Salary Growth Rate (- / + 0.5%)	-5.10%	5.52%	-6.23%	6.79%

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.

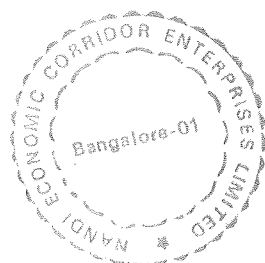
There is no change in the method of valuation for the prior period.

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 2018
b) Expected Contribution during the next annual reporting period	
The Company's best estimate of Contribution during the next year	1,500,000
c) Maturity Profile of Defined Benefit Obligation	
Weighted average duration (based on discounted cash flows)	10.92 years
Expected cash flows over the next (valued on undiscounted basis):	
1 year	14,196,666
2 to 5 years	26,638,519
6 to 10 years & above	172,118,036



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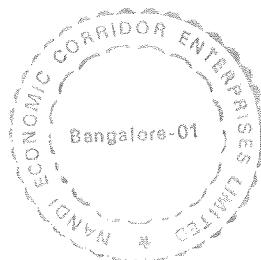
29 Segmental information

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 operated only in India. Hence, there is only one geographical segment and as such separate secondary segment disclosures are not applicable.

Financial information on the business segments is given below:

	31 March 2018	31 March 2017
Segment Revenue		
Toll road	3,171,055,821	2,440,947,640
Integrated township development	-	160,875,000
Total segment revenue	3,171,055,821	2,601,822,640
Segment Result		
Toll road	2,705,655,456	1,988,059,012
Integrated township development	-	153,847,021
Total segment results	2,705,655,456	2,141,906,033
Unallocable expense	(710,723,912)	(618,740,908)
Finance costs	(2,017,867,529)	(2,092,883,282)
Other income	59,057,411	39,780,624
Net profit/(loss) for the year	36,121,426	(529,937,533)
Segment Assets		
Toll road	11,165,010,760	11,571,720,396
Integrated township development	4,490,646,154	4,508,035,106
Unallocable assets	960,767,508	1,106,368,912
Total Assets	16,616,424,422	17,186,124,414
Segment Liabilities		
Toll road	8,787,217	6,495,994
Integrated township development	1,170,295,662	1,133,855,618
Unallocable liabilities	17,139,656,081	17,759,976,873
Total Liabilities	18,318,738,960	18,900,328,485



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

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 assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by 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 carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is 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

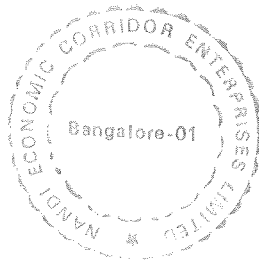
The Company recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base 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.



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 Summary of significant accounting policies and other explanatory information
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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 2018	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	299,400,000	2,040,200,000	14,647,790,669	16,987,390,669
Future interest payments	1,451,409,324	5,413,605,434	5,685,040,962	12,550,055,719
Trade payables	170,923,037	-	-	170,923,037
Security deposits	2,291,223	1,954,112	4,541,882	8,787,217
Other financial liabilities	182,451,153	365,780,224	496,059,552	1,044,290,929
Total	2,106,474,737	7,821,539,770	20,833,433,065	30,761,447,571

As at 31 March 2017	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	49,900,000	2,496,800,000	15,326,459,717	17,873,159,717
Future interest payments	1,801,811,616	5,590,357,972	6,959,697,747	14,351,867,335
Trade payables	126,570,686	-	-	126,570,686
Security deposits	1,700,000	4,028,994	767,000	6,495,994
Other financial liabilities	317,679,396	324,652,180	366,883,896	1,009,215,472
Total	2,297,661,698	8,415,839,146	22,653,808,360	33,367,309,204

As at 1 April 2016	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	3,113,000,000	1,997,800,000	15,880,792,936	20,991,592,936
Future interest payments	1,451,409,324	6,055,283,857	8,296,583,478	15,803,276,659
Trade payables	121,295,699	-	-	121,295,699
Security deposits	2,525,000	809,568	717,000	4,051,568
Other financial liabilities	123,933,177	300,916,018	288,163,892	713,013,087
Total	4,812,163,200	8,354,809,443	24,466,257,306	37,633,229,949

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 2018	31 March 2017	1 April 2016
Variable rate borrowing	2,111,148,725	2,100,782,489	2,153,585,503
Fixed rate borrowing	13,252,147,837	13,926,283,609	17,137,243,870
Interest free borrowing	409,731,190	331,299,506	262,196,700
Total borrowings	15,773,027,752	16,358,365,604	19,553,026,073

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 2018	31 March 2017
Interest rates – increase by 50 basis points (50 bps)	(10,555,744)	(10,503,912)
Interest rates – decrease by 50 basis points (50 bps)	10,555,744	10,503,912

31 Capital Management

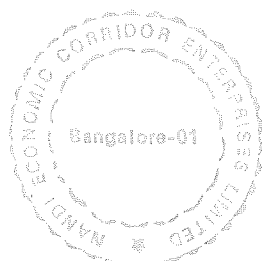
The Company's objectives when managing capital are to:

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 2018	31 March 2017	1 April 2016
Long term borrowings (including current maturities)	15,773,027,752	16,358,365,604	19,553,026,073
Less: Cash and cash equivalents	(148,985,058)	(118,807,879)	(70,401,357)
Net debt	15,624,042,694	16,239,557,725	19,482,624,716
Total equity	-1,702,314,538	-1,714,204,071	-4,351,591,182
Gearing ratio	(9.18)	(9.47)	(4.48)



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

32 Leases

A. Operating lease

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 2018 is Rs. 86,93416 (for the year ended 31 March 2017 Rs. 5,649,081).

33 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2018 and the date of authorization of these standalone financial statements.

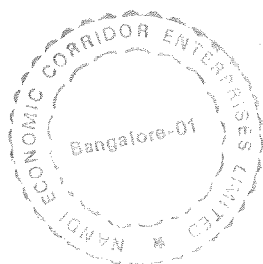
34 The Company has negative net worth at 31 March 2018 and has incurred losses until previous year and also had negative cash flow from operations. Notwithstanding the above, the financial statements have been prepared on going concern basis as the Company has made profits during the year; the Company 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 Commitments

	31 March 2018	31 March 2017	1 April 2016
a Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	177,528,716	246,485,814	171,280,017
b The Company is required to lay a concreted toll road at a specified time during the toll concession period as part of its obligations under the FWA. As at March 31, 2018, the Company has completed concretization work on approximately 14.265 kms of existing bituminous roads and 36.535 kms is pending for concretisation			

36 Contingent liabilities:

- 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.
- The Company has received claims from certain suppliers for payment of statutory dues aggregating to Rs. 460,643,621(31 March 2017: 429,554,921) as at 31 March 2018 . 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.
- The Company received a claim of Rs. 80,516,591 from joint developer towards cancellation of joint development agreement. The Management has partially provided for the amount and believes that the Company will not be required to pay the balance as the matter would be amicably settled.



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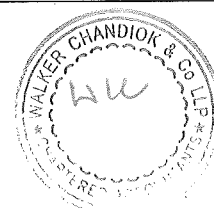
37 Related party transactions

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 Developers Private Limited (AKKDPL) AKK Entertainment Limited (AKKEL) Ashok Kheny Production Private Limited (AKPPL) Bonick Developers Private Limited (BDPL) Ashok Kheny Infrastructure Limited (AKIL) Ashok Kheny Motors Private Limited (AKMPL) SAB Engineering Inc., USA (SEI) BF Investments Limited (BII) India International Infrastructure Engineers Limited (IIIE) Nandi Engineering Limited (NEL)

B. Details of related party transactions during the year ended 31 March 2018 and 31 March 2017:

Nature of Transaction	UHC	HC	KMP	Enterprises over which KMP have significant influence	Relatives of KMP
Managerial remuneration					
For the Year 2017-18	-	-	38,183,195	-	-
For the Year 2016-17	-	-	31,745,818	-	-
Professional fees					
For the Year 2017-18	-	-	-	14,070,000	-
For the Year 2016-17	-	-	-	13,780,000	-
Rent					
For the Year 2017-18	-	-	-	-	2,166,935
For the Year 2016-17	-	-	-	-	2,014,286
Interest expense on Optionally Fully Convertible Debentures (OFCD)					
For the Year 2017-18	-	11,774,982	-	-	-
For the Year 2016-17	-	10,513,377	-	-	-
Refund of Inter-Corporate Deposit					
For the Year 2017-18	-	-	-	34,250,000	-
For the Year 2016-17	-	-	-	28,493,546	-
Interest income from Inter-Corporate Deposits (ICD)					
For the Year 2017-18	-	-	-	4,593,951	-
For the Year 2016-17	-	-	-	8,976,072	-
Advances (paid)/ received					
For the Year 2017-18	-	(5,186,426)	-	(138,548)	-
For the Year 2016-17	-	(7,174,168)	-	(439,632)	-

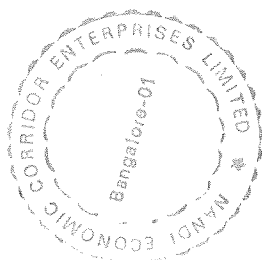


Nandi Economic Corridor Enterprises Limited
 Summary of significant accounting policies and other explanatory information
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37 Related party transactions

C. Details of related party balance outstanding as at 31 March 2018, 31 March 2017 and 1 April 2016:

Nature of Transaction	UHC	HC	KMP	Enterprises over which KMP have significant influence	Relatives of KMP
Excess payment of managerial remuneration recoverable for prior years and current year					
As at 31 March, 2018	-	-	123,296,839	-	-
As at 31 March, 2017	-	-	139,055,986	-	-
As at 1 April, 2016	-	-	151,954,567	-	-
Deposit received under a Joint development agreement					
As at 31 March, 2018	370,000,000	-	-	-	-
As at 31 March, 2017	370,000,000	-	-	-	-
As at 1 April, 2016	370,000,000	-	-	-	-
Outstanding against OFCD					
As at 31 March, 2018	-	109,899,835	-	-	-
As at 31 March, 2017	-	98,124,853	-	-	-
As at 1 April, 2016	-	85,511,475	-	-	-
Outstanding against inter-corporate deposit					
As at 31 March, 2018	-	-	-	24,000,000	-
As at 31 March, 2017	-	-	-	58,250,000	-
As at 1 April, 2016	-	-	-	86,743,546	-
Balance of interest receivable on ICD					
As at 31 March, 2018	-	-	-	-	-
As at 31 March, 2017	-	-	-	-	-
As at 1 April, 2016	-	-	-	11,678,748	-
Balance of advances outstanding					
As at 31 March, 2018	-	51,048,804	-	1,227,821,431	-
As at 31 March, 2017	-	45,862,378	-	1,227,682,883	-
As at 1 April, 2016	-	38,688,210	-	1,227,243,251	-
Balance of loans outstanding and Interest accrued but not due					
As at 31 March, 2018	-	-	-	659,407,127	-
As at 31 March, 2017	-	-	-	580,975,443	-
As at 1 April, 2016	-	-	-	511,872,637	-
Balance of Advance to suppliers					
As at 31 March, 2018	-	-	-	36,946,110	-
As at 31 March, 2017	-	-	-	44,626,775	-
As at 1 April, 2016	-	-	-	54,736,613	-



Nandi Economic Corridor Enterprises Limited
Summary of significant accounting policies and other explanatory information
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38 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Ind AS optional exemptions

Ind-AS 101, 'First-time Adoption of Indian Accounting Standards', allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind-AS. The Company has accordingly applied the following exemptions.

1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 'First-time Adoption of Indian Accounting Standards' permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, 'Intangible Assets'. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value. On the date of transition i.e., 1 April 2016, an entity has elected to measure its assets and liabilities at its deemed cost in accordance with previous GAAP carrying value as permitted under Ind AS 101 First-time Adoption of Indian Accounting Standards in the opening Ind AS Financial Statements.

2 Foreign Currency Monetary Item Translation Difference Account (FCMITDA)

The Company has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements prepared under previous GAAP for the year ended 31 March, 2017. The reserves pertain to exchange differences relating to long term foreign currency monetary items in so far as they do not relate to acquisition of depreciable capital assets, which are accumulated in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" and amortized in the Statement of Profit and Loss over the balance period of such long term foreign currency monetary items.

B Ind AS mandatory exceptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

2 Classification and measurement of financial assets and liabilities

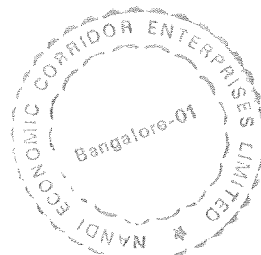
The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109, 'Financial Instruments' are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- a) The effects of the retrospective application or retrospective restatement are not determinable;
- b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.



Nandi Economic Corridor Enterprises Limited

Summary of significant accounting policies and other explanatory information

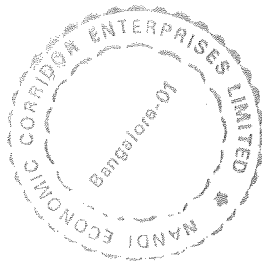
(All amounts in ₹, unless otherwise stated)

3 De-recognition of financial assets and liabilities

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, 'Financial Instruments' prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101, 'First-time Adoption of Indian Accounting Standards' allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, 'Financial Instruments' retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, 'Financial Instruments' to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109, 'Financial Instruments' prospectively from the date of transition to Ind AS.

C Reconciliations between previous GAAP and Ind AS

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' requires an entity to reconcile equity, total comprehensive income and cash flows for prior years. The following tables represent the reconciliations from previous GAAP to Ind AS.



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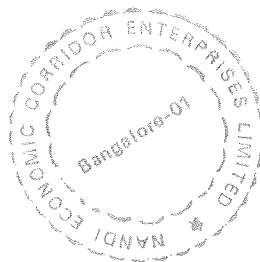
38 First time adoption of Ind AS

Reconciliation of total equity as previously reported under IGAAP and Ind AS

	Notes to first time adoption	31 March 2017	1 April 2016
Total equity as per previous GAAP		844,076,995	1,109,655,513
Total equity		844,076,995	1,109,655,513
Adjustments:			
Impact of financial assets and liabilities carried at FVTPL	II, IV	87,139	(3,112,755,081)
Impact of financial assets and liabilities carried at amortised cost	III, V, VI, VII	225,914,720	111,428,296
Impact of change in amortisation policy	IX	(1,542,856,840)	(1,218,493,825)
Impact of provision for advance to related parties	X	(1,227,243,251)	(1,227,243,251)
Capital Work in Progress written off	X	(14,182,834)	(14,182,834)
Total adjustments		<u>(2,558,281,066)</u>	<u>(5,461,246,695)</u>
Total equity as per Ind AS		<u>(1,714,204,071)</u>	<u>(4,351,591,182)</u>

Reconciliation of total comprehensive income as previously reported under IGAAP and Ind AS

	Notes to first time adoption	31 March 2017
Total comprehensive loss as per previous GAAP		(324,140,573)
Total		(324,140,573)
Adjustments:		
Impact of financial assets and liabilities carried at FVTPL	IV	(157,780)
Impact of financial assets and liabilities carried at amortized cost	III, V, VI, VII	115,328,632
Impact of Change in amortisation policy	IX	(325,205,223)
Total adjustments		<u>(210,034,371)</u>
Total comprehensive loss as per Ind AS		<u>(534,174,944)</u>

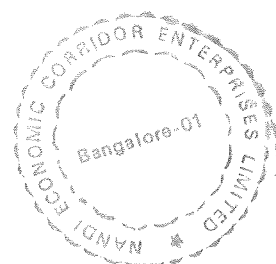


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Summary of significant accounting policies and other explanatory information
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38 First time adoption of Ind AS

Notes

- I To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.
- II **Cumulative compulsorily convertible preference shares:**
The Company had issued Cumulative compulsorily convertible preference shares which carried fixed cumulative dividend. Under Indian GAAP, these were classified as equity and dividend payable thereon was disclosed as Contingent liability.
Under Ind AS, these Cumulative compulsorily convertible preference shares are classified as a financial liability and are measured at fair value with changes in fair value being recognized in profit or loss for the year.
- III **Cumulative redeemable preference shares:**
- The Company had issued Cumulative redeemable preference shares which carried fixed cumulative dividend. Under Indian GAAP, these were classified as equity and dividend payable thereon was disclosed as Contingent liability.
Under Ind AS, these cumulative redeemable preference shares are classified as a financial liability. Interest on liability component is recognised using the effective interest method. Accordingly, equity is reduced with a corresponding increase in borrowings as financial liability component.
 - The Company has capitalized the interest arising on account of the above adjustment up to the date all the activities necessary to prepare the qualifying asset for its intended use was substantially complete, which has resulted in a change in the carrying value of the intangible assets and consequential amortization of intangible asset.
- IV **Investment in mutual funds:**
Investments in mutual funds have been measured at fair value through profit or loss (FVTPL) as against lower of cost or fair value, under the previous GAAP. The difference between the fair value and previous GAAP carrying value on transition date has been recognized as an adjustment to opening retained earnings. Subsequent fair value changes have been recorded in the statement of profit and loss.
- V **Optionally fully convertible debentures and unsecured loans:**
Optionally fully convertible debentures and interest-free unsecured loans from related parties were recognized at transaction value with interest being recorded at coupon rate under previous GAAP. However under Ind AS, they are required to be recognized at fair value. Accordingly, the Company has recognized these optionally fully convertible debentures and unsecured loans at fair value and subsequently measured them at amortized cost. Difference between the fair value and transaction value has been recognized as credit to equity.
- VI **Advances received:**
Under the previous GAAP, advances received towards joint development (that are refundable in cash) were recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognized at fair value. Accordingly, the Company has recognized these advances received at fair value and subsequently measured them at amortized cost. Difference between the fair value and transaction value of the advances received has been recognized as deferred land revenue which would be recognized as revenue when revenue recognition criteria is met.
- VII **Contractual obligations to maintain or restore toll road:**
Under the previous GAAP, provisions are not recognized based on constructive obligations. However under Ind AS, provision is recognized when a past event has created a constructive obligation, provision is recognized and measured at net present value of the amounts expected to be paid to settle the obligation at the balance sheet date. Unwinding of discount has been treated as finance cost.
- VIII **Defined benefit liabilities:**
Both under previous GAAP and Ind AS, the company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognized in the OCI.



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

IX Amortization of intangible assets:

Under previous GAAP, Company used revenue-based model for amortization of toll road assets. Under Ind AS, Intangible asset is required to be amortized over its useful life and it prohibits use of revenue-based amortization method. Accordingly, Company has changed the method of amortization to straight line basis. Differential amount of depreciation as per the previous GAAP and Ind AS has been adjusted to opening retained earnings and in Statement of profit and loss for comparative period.

X Provision for advance to related parties and capital work in progress

The Company has written off certain advances relating to periods prior to 31 March, 2016 in opening retained earnings.

XI Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

XII Retained earnings

Retained earnings as at 1 April 2016 and 31 March 2017 has been adjusted consequent to the above Ind AS transition adjustments.

39 Managerial remuneration

During the year ended 31 March 2016, the Company's application for seeking approval of remuneration to the Managing Director for the period December 1, 2013 to November 30, 2016, was rejected by the Ministry of Corporate Affairs ("MCA") vide its letter dated January 20, 2016. The letter also alleged that MCA's approval for remuneration to the Managing Director for the period December 1, 2010 to November 30, 2013 was tampered with. In the absence of the original approval from the MCA for the period December 10, 2010 to November 30, 2013, based on reading of the communications with the MCA on the above subject and the MCA's letter dated January 20, 2016, the Company inferred that the managerial remuneration approved by the MCA for the period December 1, 2010 to November 30, 2013 was a sum of Rs. 14,717,115 per annum.

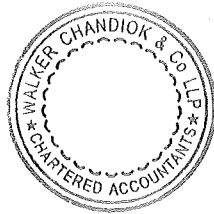
Accordingly, the Company determined the excess managerial remuneration paid for the period December 1, 2010 to November 30, 2013 amounted to Rs. 130,994,619. In addition, for the period December 1, 2013 to March 31, 2014, based on the effective capital of the Company in terms of Schedule XIII to the Companies Act, 1956, the company determined that Rs. 17,860,662 was the remuneration in excess of the limits specified in the said schedule. The aforesaid excess remuneration aggregating to Rs. 148,855,281 was reversed in the Statement of Profit and Loss and the Company initiated the process of obtaining refund the same.

In respect of the financial year 2015-16, remuneration paid to Managing Director in excess of the limits laid out under Schedule V to the Companies Act, 2013 for the year ended March 31, 2016, amounting to Rs. 3,099,286 was also considered to be held in trust by the Managing Director. The aggregate of amounts held in trust by the Managing Director to be refunded to the Company as at March 31, 2016 on account of aforesaid remuneration in excess of the limits/approvals was Rs. 151,954,567 (included under Other current assets).

During the year ended March 31, 2017 and 31 March 2018, the Managing Director refunded Rs. 12,898,581 and Rs.15,759,147 respectively towards the aforesaid excess managerial remuneration recoverable and the Company is in the process of obtaining refund of the remaining balance of Rs. 12,3296,839. The remuneration to the Managing Director for the year ended March 31,2018 of Rs. 29,062,368 is within the limits laid out under Schedule V to the Companies Act, 2013.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants

Nikhil Vaid
Nikhil Vaid
Partner



Pune
4 May 2018

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

Ashok Kumar Khelny
Ashok Kumar Khelny
Managing Director
DIN: 00248397
Pune
4 May 2018

A Rudra Goud
A Rudra Goud
Chief Financial Officer
Pune
4 May 2018

AB Shivasubramanyam
AB Shivasubramanyam
Director
DIN: 00963838
Pune
4 May 2018

N. Balaji Naidu
N. Balaji Naidu
Company Secretary
M. No: F6174
Pune
4 May 2018

