



Alavandi and Associates  
Chartered Accountants  
Mob No 9448666444

78/2, 1<sup>st</sup> Floor, Surveyor Street,  
Basavanagudi,  
Bangalore - 560004  
Email : malikalavandi@gmail.com

## Independent Auditor's Report

To the Members of Nandi Highway Developers Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Nandi Highway Developers 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 there under.
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 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 Unqualified 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.

#### Report on Other Legal and Regulatory Requirements

9. 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 A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid 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 B expressed unmodified opinion; and



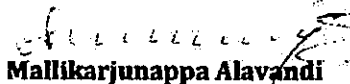


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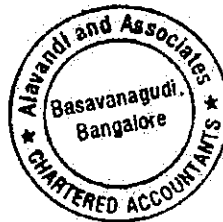
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- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- I. The company does not have any pending litigation which would impact its financial position for the year under review
  - 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.

**For Alavandi and Associates**  
Chartered Accountants  
Firm's Registration No.: 012933S

  
**Mallikarjunappa Alavandi**  
Proprietor  
Membership No.: 202157

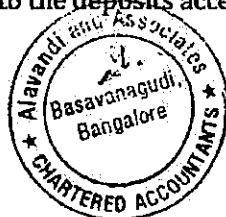
Place: Pune  
Date: 4 May 2018



## **"Annexure A" to the Independent Auditors Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018. 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:

- 1) (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 in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

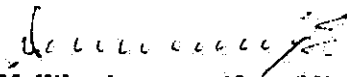


- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess, Goods & Services Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and Goods & Services Tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.



- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Alavandi and Associates  
Chartered Accountants**

  
**Mallikarjunappa Alavandi**

**Proprietor**

**M.No.202157, F.R.No.012933S**

**Place: Pune**

**Date: 04/05/2018**



**Annexure B to the Independent Auditor's Report of even date to the members of Nandi Highway Developers 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 Highway Developers 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**

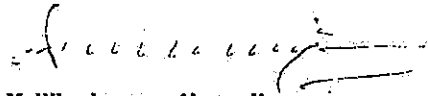
7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk 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.

**For Alavandi and Associates**  
**Chartered Accountants**  
Firm's Registration No.: 012933S



**Mallikarjunappa Alavandi**  
Proprietor  
Membership No.: 202157

Place: Pune  
Date: 4 May 2018





**Nandi Highway Developers Ltd.**  
**Balance sheet as at March 31, 2018**

(All amounts are in Indian Rupees, unless stated otherwise)

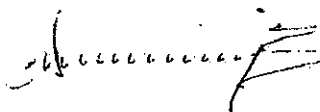
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, plant and equipment	2	3,20,94,615	3,08,45,524	3,21,50,133
Capital work in progress		79,532		
Other Intangible assets	3	22,98,88,390	37,04,77,624	48,10,32,410
Financial assets	4	25,21,63,789	22,17,63,485	25,44,02,401
		<b>51,42,26,326</b>	<b>62,30,86,633</b>	<b>76,75,84,944</b>
<b>Current Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalent	5	5,99,61,950	3,12,76,703	2,98,58,849
Loans	6	-	2,19,000	3,19,000
Other financial assets	7	24,01,03,811	-	-
Deferred Tax Asset	25	1,48,43,373	-	-
Other Current Asset	8	38,28,01,298	38,39,45,800	38,07,83,399
		<b>69,77,10,432</b>	<b>41,54,41,503</b>	<b>41,09,61,248</b>
<b>TOTAL ASSETS</b>		<b>1,21,19,36,758</b>	<b>1,03,85,28,135</b>	<b>1,17,85,46,192</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	9	37,50,00,060	37,50,00,060	37,50,00,060
Other Equity	10	55,01,58,963	45,87,61,220	27,65,16,254
		<b>92,51,59,023</b>	<b>83,37,61,280</b>	<b>65,15,16,314</b>
<b>Non Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	11	-	4,00,00,000	39,97,14,692
Other non Current Liabilities	12	71,73,275	72,44,757	71,90,935
		<b>71,73,275</b>	<b>4,72,44,757</b>	<b>40,69,05,627</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Trade payables	13	12,51,521	24	34,05,108
Other Current Liabilities	14	62,43,570	56,98,922	28,26,082
Provisions	15	27,21,09,368	15,18,23,151	11,38,93,062
		<b>27,96,04,459</b>	<b>15,75,22,097</b>	<b>12,01,24,252</b>
<b>Total Liabilities</b>		<b>28,67,77,734</b>	<b>20,47,66,854</b>	<b>52,70,29,878</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,21,19,36,758</b>	<b>1,03,85,28,135</b>	<b>1,17,85,46,192</b>

Significant accounting policies 1

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


In terms of our report attached  
For Alavandi and Associates  
Chartered Accountants

On behalf of the Board of Directors

  
(Mallikarjunappa Alavandi)  
Proprietor  
M.No.202157, F.R.No.012933S

  
N. Bala Krishna  
CFO and CS

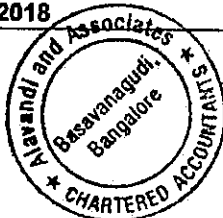
  
Shivkumar Kheny  
Director

  
A.B. Shiva Subramanyam  
Director

Pune  
Date: 04.05.2018

Pune  
Date: 04.05.2018

Pune  
Date: 04.05.2018



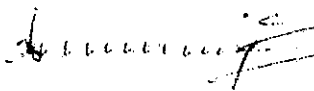
**Nandi Highway Developers Ltd.**  
**Profit and Loss Statement**  
 (All amounts are in Indian Rupees, unless stated otherwise)

	Note No.	For the Year Ended	
		March 31, 2018	March 31, 2017
Revenue From Operations	16	69,02,07,711	53,80,24,551
Other Income	17	1,38,22,897	76,09,675
<b>Total Income</b>		<b>70,40,30,608</b>	<b>54,56,34,226</b>
<b>Expenses</b>			
Operational Expenses	18	4,19,33,188	4,79,00,952
Employee Benefit Expense	19	6,33,01,268	5,57,13,038
Depreciation And Amortisation Expense	2	14,62,90,901	11,48,96,764
Other Expenses	20	4,62,97,560	3,56,31,248
Finance Costs	22	11,38,986	4,50,25,954
<b>Total Expenses</b>		<b>29,89,61,903</b>	<b>29,91,67,956</b>
<b>Profit Before Tax</b>		<b>40,50,68,705</b>	<b>24,64,66,271</b>
Current Tax		8,64,48,142	5,35,88,987
Deferred Tax	25	(1,48,43,373)	-
<b>Total Tax Expense</b>		<b>7,16,04,769</b>	<b>5,35,88,987</b>
<b>Profit after Tax for the year</b>		<b>33,34,63,936</b>	<b>19,28,77,284</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Remeasurements Of Post-Employment Benefit Obligations		(13,50,900)	(1,06,32,318)
Other Comprehensive Income For The Year, Net Of Taxes		(13,50,900)	(1,06,32,318)
<b>Total Comprehensive Income For The Year</b>		<b>33,21,13,036</b>	<b>18,22,44,966</b>
Earnings/(loss) per equity share (of Rs. 10/- each) Basic and Diluted ( in Rs. per share)		<b>8.86</b>	<b>4.86</b>

Significant accounting policies 1  
 The notes referred to above form an integral part of the financial statements.

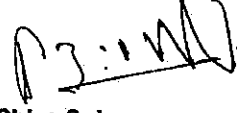
**In terms of our report attached  
 For Alavandi and Associates  
 Chartered Accountants**

**On behalf of the Board of Directors**

  
 (Mallikarjunappa Alavandi)  
 Proprietor  
 M.No.202157, F.R.No.012933S

  
 N. Bala Krishna  
 CFO and CS

  
 Shivkumar Kheny  
 Director

  
 A.B.Shiva Subramanyam  
 Director

Pune  
 Date: 04.05.2018

Pune  
 Date: 04.05.2018

Pune  
 Date: 04.05.2018



NANDI HIGHWAY DEVELOPERS LTD.

IND AS 7 - Cash flow statement for the year ended 31 March, 2018

Particulars	31-Mar-2018		31-Mar-2017	
	Rs.		Rs.	
<b>Cash Flow from Operating activities</b>				
Net Profit before taxation	40,50,68,705		24,64,66,271	
Adjustments for:				
Other Comprehensive Income	(13,50,900)		(1,06,32,318)	
Depreciation	14,62,90,901		11,48,96,764	
Interest on bank deposits and other interest	(1,28,21,778)		(43,33,698)	
Provision Written back	-		-	
Finance Cost-Interim Dividend	(24,07,15,294)		-	
Finance cost	11,38,996		2,97,00,830	
<b>Operating profit before changes in working capital</b>		<b>29,76,10,620</b>		<b>37,60,97,849</b>
<b>Changes in working capital</b>				
<b>Adjustment for (increase)/ decrease in operating assets:</b>				
Long-term loans and advances	(3,04,00,304)		3,26,38,916	
Short-term loans and advances	2,19,000		1,00,000	
Trade receivables	-		-	
Other Financials assets	(24,01,03,811)		-	
Other Current Asset	11,44,502		(31,62,401)	
		<b>(26,91,40,613)</b>		<b>2,95,76,615</b>
<b>Adjustment for increase/ (decrease) in operating liabilities:</b>				
Other long term liabilities	-		-	
Long term provision	(71,482)		53,822	
Trade payables	12,51,497		(34,05,084)	
Other current liabilities	5,44,645		28,72,840	
Short-term provisions	12,02,86,217		3,79,30,089	
		<b>12,20,10,877</b>		<b>3,74,51,667</b>
<b>Cash generated from operations</b>		<b>15,04,80,884</b>		<b>44,31,26,031</b>
Net income taxes (paid) / refund received (net)		(8,64,48,142)		(5,35,88,987)
<b>Net cash flow from operating activities (A)</b>		<b>6,40,32,742</b>		<b>38,95,37,044</b>
<b>Cash Flows from Investing activities</b>				
Capital expenditure on fixed assets	(70,30,290)		(30,37,369)	
Interest received on bank deposits and other deposit	1,28,21,778		43,33,698	
<b>Net cash flow (used in) / from investing activities (B)</b>		<b>57,91,488</b>		<b>12,96,329</b>
<b>Cash flows from Financing activities</b>				
Investments	-		-	
Repayment of long term borrowings	(4,00,00,000)		(35,97,14,692)	
Finance cost	(11,38,983)		(2,97,00,830)	
<b>Net Cash flow (used in) / from financing activities (C)</b>		<b>(4,11,38,983)</b>		<b>(38,94,15,522)</b>
<b>Net (decrease) / increase in cash &amp; cash equivalents (A+B+C)</b>		<b>2,86,85,247</b>		<b>14,17,851</b>
Cash & Cash Equivalents at beginning of the year		3,12,76,703		2,98,58,849
<b>Cash &amp; Cash Equivalents at the end of the year*</b>		<b>5,99,61,950</b>		<b>3,12,76,700</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (refer Note 5)		5,99,61,950		3,12,76,703
<b>Cash &amp; Cash Equivalents at the end of the year*</b>		<b>5,99,61,950</b>		<b>3,12,76,703</b>
* Comprises:				
(a) Cash on hand	27,78,315		30,90,631	
(b) Balances with banks:				
- in current accounts	5,71,83,635		2,81,86,072	
- in deposit accounts				
<b>Total</b>		<b>5,99,61,950</b>		<b>3,12,76,703</b>
See accompanying Notes forming part of the financial statements				

In terms of our report attached For Alavandi and Associates Chartered Accountants

On behalf of the Board of Directors

(Mallikarjunappa Alavandi) Proprietor  
M.No.202157, F.R.No.0129339

N. Bala Krishna CFO and CS

Shiv Kumar Kheriy Director

A.B.Shiva Subramanyam Director

Pune Date: 04.05.2018

Pune Date: 04.05.2018

Pune Date: 04.05.2018

Alavandi and Associates  
Basavanagudi, Bangalore  
\* CHARTERED ACCOUNTANTS \*

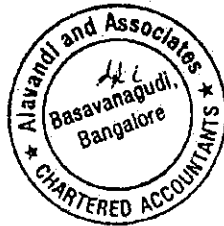
**Nandi Highway Developers Ltd.**  
**Balance sheet as at March 31, 2018**  
 (All amounts are in Indian Rupees, unless stated otherwise)

**2. Property, plant and equipment**

Description	Free hold Land	Buildings	Plant and Machinery	Furniture	Office equipments	Vehicles	Total
<b>Cost or valuation</b>							
At 1 April 2016	85,06,883	1,96,66,701	7,87,33,883	1,08,73,450	71,62,892	68,21,951	13,17,65,760
Additions			8,900		2,33,280	27,99,091	30,41,271
Disposals			10,400	-	62,748	-	73,148
At 31 March 2017	85,06,883	1,96,66,701	7,87,32,383	1,08,73,450	73,33,424	96,21,042	13,47,33,883
Additions			2,13,270	2,09,951	4,63,243	61,90,288	70,76,752
Disposals				6,72,945	68,845	21,77,291	29,19,081
At 31 March 2018	85,06,883	1,96,66,701	7,89,45,653	1,04,10,456	77,27,822	1,36,34,039	13,88,91,554
<b>Depreciation and impairment</b>							
At 1 April 2016	-	70,81,226	7,51,40,198	68,64,690	64,83,627	40,45,886	9,96,15,627
Depreciation charge for the year (X)	-	14,37,064	1,17,580	10,23,115	3,30,425	14,33,794	43,41,978
Disposals			10,400	-	58,846	-	69,246
At 31 March 2017	-	85,18,290	7,52,47,378	78,87,805	67,55,205	54,79,680	10,38,88,359
Depreciation charge for the year (A)		14,37,108	1,48,671	19,39,769	2,79,741	18,63,338	56,68,627
Disposals				6,38,067	65,403	20,56,577	27,60,047
At 31 March 2018	-	99,55,398	7,53,96,049	91,89,507	69,69,544	52,86,441	10,67,96,940
<b>Net book value</b>							
At 31 March 2018	85,06,883	97,11,303	35,49,604	12,20,948	7,58,278	83,47,598	3,20,94,615
At 31 March 2017	85,06,883	1,11,48,412	34,85,005	29,85,644	5,78,219	41,41,362	3,08,45,524
At 1 April 2016	85,06,883	1,25,85,476	35,93,685	40,08,760	6,79,266	27,76,065	3,21,50,133

**3. Intangible assets**

Particulars	Roads	Software	Total
<b>Cost or valuation</b>			
At 1 April 2016	95,78,25,176	1,57,010	95,79,82,186
Additions			
At 31 March 2017 (Total)	95,78,25,176	1,57,010	95,79,82,186
Additions		33,040	33,040
At 31 March 2018 (Total)	95,78,25,176	1,90,050	95,80,15,226
<b>Amortisation and impairment</b>			
At 1 April 2016	47,67,94,950	1,54,827	47,69,49,777
Amortisation (Y)	11,05,54,786	-	11,05,54,786
At 31 March 2017 (Total)	58,73,49,736	1,54,827	58,75,04,563
Amortisation (B)	14,06,18,161	4,113	14,06,22,274
At 31 March 2018 (Total)	72,79,67,897	1,58,940	72,81,26,837
<b>Net book value</b>			
At 31 March 2018	22,98,57,280	31,110	22,98,88,390
At 31 March 2017	37,04,75,441	2,183	37,04,77,624
At 1 April 2016	48,10,30,227	2,183	48,10,32,410
<b>Total Depreciation for the year 2017-18 (A+B)</b>			<b>14,62,98,901</b>
<b>Total Depreciation for the year 2016-17 (X+Y)</b>			<b>11,48,96,764</b>



Nandi Highway Developers Ltd.

Notes to financial statements

(All amounts are in Indian Rupees, except share data or as stated)

4

a Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments in Government Securities - National Securities Certificate	5,500	5,500	5,500
Fixed Deposits with Banks (Maturity Period is More than 12 Months) *	46,02,978	8,08,37,785	12,40,64,594
<b>Total</b>	<b>46,08,478</b>	<b>8,08,43,285</b>	<b>12,40,70,094</b>

\* Fixed Deposits having maturity period of more than 12 months have been

b Advances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
MAT Credit Entitlement	16,05,64,443	8,12,65,733	7,79,72,737

c Income Tax Refund

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income Tax Refund Account	6,75,650	6,75,650	1,42,72,611

d Deposits & Other Advances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits	2,75,593	2,75,593	2,65,886
Other Advances	6,80,110	6,80,110	6,80,110
<b>Total</b>	<b>9,55,703</b>	<b>9,55,703</b>	<b>9,45,996</b>

e Advance Payment of Tax & TDS Receivable

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Payment of Tax	8,20,00,000	5,60,00,000	3,45,00,000
TDS Receivable	33,59,515	20,23,114	26,40,963
<b>Total</b>	<b>8,53,59,515</b>	<b>5,80,23,114</b>	<b>3,71,40,963</b>
<b>Total (a+b+c+d+e)</b>	<b>25,21,63,789</b>	<b>22,17,63,485</b>	<b>25,44,02,401</b>

5 Cash and cash equivalent

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks:			
- On current accounts	3,71,83,635	2,81,86,072	2,58,94,062
Cash on hand	27,78,315	30,90,631	39,64,787
<b>Total Cash and cash equivalent</b>	<b>5,99,61,950</b>	<b>3,12,76,703</b>	<b>2,98,58,849</b>

6 Loans - Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
i) Loans and advances to Employees	-	2,19,000	3,19,000
<b>Total loans</b>	<b>-</b>	<b>2,19,000</b>	<b>3,19,000</b>

7 Other Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed Deposits with Banks	24,01,03,811	-	-
<b>Total Other Financial Assets</b>	<b>24,01,03,811</b>	<b>-</b>	<b>-</b>

Trade advances, Advances to contractors & material supplies are to be receivable/payable/adjusted with future transactions in near future hence no fair value has been carried out.

Fixed Deposits having maturity period of Less than 12 months have been classified as current investments

8 Other Current Asset

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid Expenses	3,50,873	3,52,642	2,71,730
Advances to Contractors & Material Supply	3,68,50,420	3,97,18,123	3,66,36,634
Trade Advances	34,38,75,035	34,38,75,035	34,38,75,035
GST ITC Receivable	17,24,970		
<b>Total</b>	<b>38,28,01,298</b>	<b>38,39,45,800</b>	<b>38,07,83,399</b>



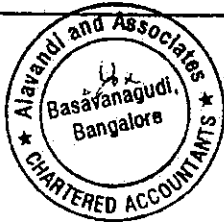
Statement of changes in Equity for the year ended March 31, 2018

9. Equity Share capital

Particulars	Numbers of shares	Amount in Rupees
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid:</b>		
As at April 1, 2016	3,75,00,006	37,50,00,060
As at March 31, 2017	3,75,00,006	37,50,00,060
As at March 31, 2018	3,75,00,006	37,50,00,060

10. Other Equity

Particulars	Retained Earnings
<b>Balance as at April 1, 2016</b>	<b>26,11,91,130</b>
Restated balance at the beginning of the reporting period	1,53,25,124
	<b>27,65,16,254</b>
Profit for the year	19,28,77,284
Other Comprehensive Income	(1,06,32,318)
Total Comprehensive Income	18,22,44,966
<b>Balance as at March 31, 2017</b>	<b>45,87,61,220</b>
Profit for the year	33,34,63,936
Other Comprehensive Income	(13,50,900)
Total Comprehensive Income	33,21,13,036
Interim Dividend	(24,07,15,284)
<b>Balance as at March 31, 2018</b>	<b>55,01,58,963</b>



9 Share Capital

Authorized Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
3,80,00,000 (Previous year: 3,80,00,000) equity shares of Rs. 10 each	3,80,00,000	38,00,00,000	3,80,00,000	38,00,00,000	3,80,00,000	38,00,00,000
<b>Share Capital at the end of the year</b>		<b>38,00,00,000</b>		<b>38,00,00,000</b>		<b>38,00,00,000</b>

Issued, Subscribed and Paid-up Share Capital

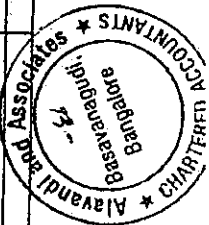
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
3,75,00,006 (Previous Year 3,75,00,006) Equity Shares of Rs. 10/- each	3,75,00,006	37,50,00,060	3,75,00,006	37,50,00,060	3,75,00,006	37,50,00,060
<b>Total</b>	<b>3,75,00,006</b>	<b>37,50,00,060</b>	<b>3,75,00,006</b>	<b>37,50,00,060</b>	<b>3,75,00,006</b>	<b>37,50,00,060</b>

**a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares Outstanding						
at the beginning of the year	3,75,00,006	37,50,00,060	3,75,00,006	37,50,00,060	3,75,00,006	37,50,00,060
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	3,75,00,006	37,50,00,060	3,75,00,006	37,50,00,060	3,75,00,006	37,50,00,060

**b. Details of shareholders holding more than 5% shares in the company**

Particulars	March 31, 2018		March 31, 2017		As at April 1, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
BF Utilities	2,60,71,901	69.53%	2,60,71,901	69.53%	2,60,71,901	69.53%
Nandi Infrastructure Capital Co Ltd	3,93,301	30.47%	3,93,301	30.47%	3,93,301	30.47%



**Nandi Highway Developers Ltd.**  
**Reconciliation of Equity as at Transition Date - April 01, 2016**

(All amounts are in Indian Rupees, unless stated otherwise)

Particulars	Note No.	Amount as per IGAAP	Ind AS Impact	Amount as per IND AS
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, plant and equipment	2	3,21,50,133	-	3,21,50,133
Other Intangible assets	3	48,10,32,410	-	48,10,32,410
<b>Financial assets</b>				
Other financial assets	4	9,51,69,747	-	9,51,69,747
		<b>60,83,52,290</b>	-	<b>60,83,52,290</b>
<b>Current Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalent	5	15,39,23,443	-	15,39,23,443
Loans	6	3,19,000	-	3,19,000
Other financial assets	7	41,59,51,459	-	41,59,51,459
Other current assets	8	-	-	-
		<b>57,01,93,902</b>	-	<b>57,01,93,902</b>
<b>TOTAL ASSETS</b>		<b>1,17,85,46,192</b>	-	<b>1,17,85,46,192</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	9	37,50,00,060	-	37,50,00,060
Other Equity	10	26,11,91,130	1,53,25,124	27,65,16,254
		<b>63,61,91,190</b>	<b>1,53,25,124</b>	<b>65,15,16,314</b>
<b>Non Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	11	41,50,39,816	1,53,25,124	39,97,14,692
Other non Current Liabilities	12	71,90,935	-	71,90,935
		<b>42,22,30,751</b>	<b>1,53,25,124</b>	<b>40,69,05,627</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Trade payables	13	34,05,108	-	34,05,108
Other Current Liabilities	14	23,68,082	-	23,68,082
Provisions	15	11,43,51,062	-	11,43,51,062
		<b>12,01,24,252</b>	-	<b>12,01,24,252</b>
<b>Total Liabilities</b>		<b>54,23,55,003</b>	-	<b>52,70,29,878</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,17,85,46,192</b>	-	<b>1,17,85,46,192</b>

**Reconciliation of Equity as at 31st March 2017**

(All amounts are in Indian Rupees, unless stated otherwise)

Particulars	Note No.	Amount as per IGAAP	Ind AS Impact	Amount as per IND AS
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, plant and equipment	2	3,08,45,523	-	3,08,45,524
Other Intangible assets	3	37,04,77,624	-	37,04,77,624
<b>Financial assets</b>				
Other financial assets	4	8,44,77,643	-	8,44,77,643
		<b>48,58,00,790</b>	-	<b>48,58,00,791</b>
<b>Current Assets</b>				
Cash and cash equivalent	8B	11,21,14,488	-	11,21,14,488
Loans	8C	2,19,000	-	2,19,000
Other financial assets	8D	44,03,93,857	-	44,03,93,857
Other current assets	9	-	-	-
		<b>55,27,27,345</b>	-	<b>55,27,27,345</b>
<b>TOTAL ASSETS</b>		<b>1,03,85,28,135</b>	-	<b>1,03,85,28,135</b>



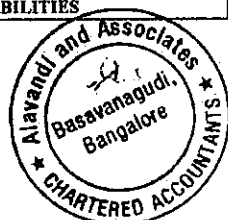


<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	10	37,50,00,060	-	37,50,00,060
Other Equity	11	45,87,61,220	-	45,87,61,220
		<b>83,37,61,280</b>		<b>83,37,61,280</b>
<b>Non Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	12	4,00,00,000	-	4,00,00,000
Other non Current Liabilities	13	72,44,757	-	72,44,757
		<b>4,72,44,757</b>		<b>4,72,44,757</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Trade payables	14B	24	-	24
Other Current Liabilities	14C	52,98,922	-	52,98,922
Provisions	16	15,22,23,152	-	15,22,23,151
		<b>15,75,22,098</b>		<b>15,75,22,097</b>
<b>Total Liabilities</b>		<b>20,47,66,855</b>		<b>20,47,66,854</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,03,85,28,134</b>		<b>1,03,85,28,134</b>

### Reconciliation of Equity as at 31st March 2018

(All amounts are in Indian Rupees, unless stated otherwise)

Particulars	Note No.	Amount as per IGAAP	Ind AS Impact	Amount as per IND AS
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, plant and equipment	2	3,21,74,146		3,21,74,146
Other Intangible assets	3	22,98,88,390		22,98,88,390
<b>Financial assets</b>				
Other financial assets	4	25,21,63,789		25,21,63,789
DTA		1,48,43,373		1,48,43,373
		<b>52,90,69,698</b>		<b>52,90,69,698</b>
<b>Current Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalent	8B	5,99,61,950		5,99,61,950
Loans	8C			
Other financial assets	8D	24,01,03,811		24,01,03,811
Other current assets	9	38,28,01,298		38,28,01,298
		<b>68,28,67,059</b>		<b>68,28,67,059</b>
<b>TOTAL ASSETS</b>		<b>1,21,19,36,758</b>		<b>1,21,19,36,758</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	10	37,50,00,060		37,50,00,060
Other Equity	11	55,01,58,963		55,01,58,963
		<b>92,51,59,023</b>		<b>92,51,59,023</b>
<b>Non Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	12	-		-
Other non Current Liabilities	13	71,73,275		71,73,275
		<b>71,73,275</b>		<b>71,73,275</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Trade payables	14B	12,51,521		12,51,521
Other Current Liabilities	14C	62,43,570		62,43,570
Provisions	16	27,21,09,368		27,21,09,368
		<b>27,96,04,459</b>		<b>27,96,04,459</b>
<b>Total Liabilities</b>		<b>28,67,77,734</b>		<b>28,67,77,734</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,21,19,36,758</b>		<b>1,21,19,36,758</b>



**Nandi Highway Developers Ltd.**  
**Notes to financial statements**  
 (All amounts are in Indian Rupees, except share data or as stated)

**10 Terms/ Rights attached to Equity Share Holders**

The Company has only one class of Equity Shares, having a par value of Rs10/- . 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 the other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

Particulars	At at Mar 31, 2018	At at Mar 31, 2017	At at Apr 1, 2016
<b>a) Retained Earnings</b>			
Opening Balance	45,87,61,220	27,65,16,254	27,65,16,254
Profit for the year	33,34,63,936	19,28,77,284	-
Other Comprehensive Income	(13,50,900)	(1,08,32,318)	-
<b>Total Comprehensive Income</b>	<b>33,21,13,036</b>	<b>18,22,44,966</b>	-
Interim Dividend	(24,07,15,294)	-	-
<b>Closing Balance</b>	<b>55,01,58,963</b>	<b>45,87,61,220</b>	<b>27,65,16,254</b>

**11 Borrowings**

Particulars	At at Mar 31, 2018	At at Mar 31, 2017	At at Apr 1, 2016
i) Term Loan From Axis Bank Ltd: Secured	-	-	9,97,14,692
ii) Term Loan From KMIL: Secured	-	4,00,00,000	30,00,00,000
<b>Total Borrowings</b>	-	<b>4,00,00,000</b>	<b>39,97,14,692</b>

The Applicable Loans are measured at fair value through profit and loss, the fair value changes are recognised in statement of profit and loss.

**Details of terms of repayment and security provided in respect of the secured long-term borrowings:**

i) Kotak Mahindra Investment Ltd, Mumbai (KMIL)

The Term Loans of Rs. 30,00,00,000/- disbursed by KMIL are in terms of the Term Loan Agreements executed by the Company on Dec 17, 2014.

**Repayment:**

During the financial year the company has repaid balance amount of Rs.4,00,00,000/- towards the above Term Loan.

Interest to be paid on monthly basis during moratorium period and also during the tenure of the facility;

**Security:**

Second charge on project current assets i.e. Toll Receivables of the Company, Pledge of 26% shares of the Borrower to KMIL by BF Utilities Ltd and NICCL. Unconditional and Irrevocable Corporate guarantee of Kalyani Investment company Ltd.

**12 Other non current liabilities**

Particulars	At at Mar 31, 2018	At at Mar 31, 2017	At at Apr 1, 2016
Other Long Term Liabilities	71,73,275	72,44,757	71,90,935
<b>Total Borrowings</b>	<b>71,73,275</b>	<b>72,44,757</b>	<b>71,90,935</b>

**13 Trade Payables**

Particulars	At at Mar 31, 2018	At at Mar 31, 2017	At at Apr 1, 2016
Trade Payables	12,51,521	24	34,05,108
<b>Total Trade Payables</b>	<b>12,51,521</b>	<b>24</b>	<b>34,05,108</b>

**14 Other Current Liabilities**

Financial liabilities	At at Mar 31, 2018	At at Mar 31, 2017	At at Apr 1, 2016
Other Payables - Retention Money	9,18,364	8,07,872	9,46,496
Other Non-Trade Payables	49,00,206	44,91,050	14,21,586
Audit fees	4,25,000	4,00,000	4,58,000
<b>Total</b>	<b>62,43,570</b>	<b>56,98,922</b>	<b>28,26,082</b>

**15 Provisions**

Particulars	At at Mar 31, 2018	At at Mar 31, 2017	At at Apr 1, 2016
<b>Long term provisions</b>			
- provision for income tax under MAT	15,75,95,376	7,70,21,181	7,70,78,131
- other provisions	1,65,59,759	1,47,94,607	38,43,836
Employee Benefits	56,06,181	50,71,767	46,85,628
Provision For Taxation	8,64,48,142	5,35,88,987	2,61,62,836
Other Provisions	58,99,910	13,46,609	21,22,631
<b>Total Provisions</b>	<b>27,21,09,368</b>	<b>15,18,23,151</b>	<b>11,38,93,062</b>



**Nandi Highway Developers Ltd.**

(All amounts are in Indian Rupees, unless stated otherwise)

For the Year Ended

**Note 16: Revenue from Operations**

	March 31, 2018	March 31, 2017
Revenue from Toll Operations	69,02,07,711	53,80,24,551

**Note 17: Other income and other gains/(losses)**

**(a) Other income**

	March 31, 2018	March 31, 2017
Interest income from financial assets	1,28,21,778	43,33,698
Miscellaneous Income	10,01,119	32,75,977
<b>Total Other Income</b>	<b>1,38,22,897</b>	<b>76,09,675</b>

**Note 18: Operational Expense**

	March 31, 2018	March 31, 2017
Land lease rent	1,00,00,000	
Road Repairs and Maintenance	3,19,33,188	4,79,00,952
<b>Total Operational Expenses</b>	<b>4,19,33,188</b>	<b>4,79,00,952</b>

**Note 19: Employee Benefit Expense**

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	5,31,28,862	5,08,96,404
Contribution to ESI Provident, Gratuity and other funds	90,79,159	36,27,403
Staff welfare expenses	10,93,247	11,89,231
<b>Total Employee Benefit Expense</b>	<b>6,33,01,268</b>	<b>5,57,13,038</b>

**Note 20: Other Expenses**

	March 31, 2018	March 31, 2017
Plant and Machinery	33,14,075	24,95,655
Telephone and communication charges	6,05,917	6,19,570
Water and electricity charges	21,72,859	20,34,895
Rates & Taxes	50,95,219	28,05,037
Legal and Professional fees	68,11,348	88,60,192
Printing and Stationery	15,51,124	10,05,587
Travel and Conveyance	13,74,511	9,37,059
Insurance	11,00,721	9,19,446
Security Charges	1,07,58,736	87,70,187
Directors Commission	44,00,000	35,00,000
Corporate Social Responsibility expenditure	32,65,582	24,93,612
Payments to Auditors	4,47,341	4,03,725
Miscellaneous expenses	54,00,128	7,86,283
<b>Total Other Expenses</b>	<b>4,62,97,560</b>	<b>3,56,31,248</b>

**Note 21: Details of Payments to auditors**

	March 31, 2018	March 31, 2017
Payment to auditors		
As Auditor		
Audit fees	4,00,000	4,00,000
Re-imbursment of expenses	47,341	3,725
<b>Total Payments to Auditors</b>	<b>4,47,341</b>	<b>4,03,725</b>

**Note 22: Finance Costs**

	March 31, 2018	March 31, 2017
Interest and finance charges on financial liabilities not at fair value through profit or loss	11,38,986	4,50,25,954
Finance costs expenses through profit or loss	11,38,986	4,50,25,954



**Nandi Highway Developers Ltd**

**Significant accounting policies & notes to the accounts**

**A) COMPANY OVERVIEW**

Nandi Highway Developers Limited (NHDL) is an unlisted public company incorporated on 19th January, 1996 under Companies Act 1956 (Now Companies Act 2013). The company has undertaken a contract of Development, Operation & Maintenance of Infrastructure facility involving work of construction of bypass road of 30 km connecting the twin cities of Hubli and Dharwad in North Karnataka, located right in the middle of the Pune – Bangalore stretch (835kms) of the NH4, in the state of Karnataka beginning at Km403/800 on NH4 and rejoining NH4 in Karnataka at Km433/800. It has been notified as part of the NH4 (Pune-Bangalore), also part of the visionary Golden Quadrilateral Road Project of India.

The Company is a subsidiary of M/S B F Utilities Ltd, the registered office of the company located at No.1, Midford house, Midford garden off M.G. Road, Bangalore, Karnataka, India

**B) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**I Basis of preparation and compliance with Ind AS**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Amended regularly.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.

The Company had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective dates of approval of the Audited Previous GAAP Financial Statements.

The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2016 except for where ever provided in Notes. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at March 31, 2017, and April 1, 2016 and of the Profit/ (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017. Refer note no 23.

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**II Current versus non current classification**

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

An asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle
- b) held primarily for the purpose of trading
- c) expected to be realised within twelve months after the reporting period

d) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period  
All other assets are classified as non current

A liability is treated as current when:

- a) it is expected to be settled in the normal operating cycle
- b) it is held primarily for the purpose of trading
- c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period  
The company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle



### III Fair Value Measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- \* In the principle market for the asset or liability, or
- \* In the absence of a principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market should be accessible by the company

The fair value of the asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants would act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quotes (unadjusted) market prices in active market for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

At each reporting date, the management analyses the movement in the values of assets and liabilities which are required to be re-measured or re-assessed as per the companies accounting policies. For this analysis the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in fair value of each asset and liability with relevant external sources to determine whether change is reasonable.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Disclosures for valuation methods, significant estimates and assumptions financial instruments (including those carried at amortised costs) Quantitative disclosures of fair value measurement hierarchy

Other fair value related disclosures are given in the relevant notes.

The fair value of term loans & advances are estimated as the present value of future cash flows, discounted at rate of 10 %.

### C) Significant accounting policies

#### I Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company 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 the contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The specific recognition criteria described below must also be met before revenue is recognised

#### Toll Revenue

The Income from toll recognition on the actual collection of toll revenue

#### Interest Income

Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rates applicable. For all debt instruments measured at either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in the finance income in the statement of profit and loss.

#### II Taxes

##### a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in the comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



## b) Deferred tax

b) Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

## III Property, plant and equipment

The company has elected to continue with the carrying value of all of its property plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost in accordance with the exemption provided under Ind AS 101.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any such cost includes the cost of replacing part of the plant and equipment and borrowing it for long term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the company depreciated them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit and loss as incurred.

Depreciation on Property, plant and equipment is calculated by using the rates arrived at based on the useful lives estimated by the management which coincides with the rates as per Schedule II of the Companies Act, 2013. The useful lives of major assets are as under:

Class of Asset	Useful life
Buildings	60/24 Years
Office Equipment	5 Years
Computers	6/3 Years
Furniture and Fixtures	10 years
Vehicles	10/8 years

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## IV Intangible Assets

**Toll Collection rights** : Toll roads Phase I and II created under Build, Operate and Transfer (BOT) model and it is considered as a Intangible assets since the assets will be transferred to Government of Karnataka (GOK) at the end of the concession period.

The company has considered a period of 26 years ( 2years of construction period and 24 years concession period) from the initial financial closure achieved in year 2000.

The amortization is based on a proportionate of actual toll revenues earned during the period over the projected toll revenues estimated for the balance concession period of 12 years.

## V Impairment of non-financial assets

The company assesses at each reporting date, whether there is any indication that an asset may be impaired. If any impairment exists, or when annual impairment testing for an asset is required, the company estimates the assets recoverable amount. An asset's recoverable amount is the higher of the asset's or cash generating unit's (CGU's) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset. Unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



In assessing value in use the estimated future cash flows are discounted to their present value using pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

## VI Retirement and other employee benefits

### i. Defined contribution plan

Retirement benefits in the form of Provident fund, Pension fund and Employees State Insurance fund are a defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the period when the employee renders related services. There are no other obligations other than the contributions payable to the respective authorities.

### ii. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company.

As required by the Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognized asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Company recognizes these items of remeasurements immediately in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

	Period Ended	
	31-Mar-17	31-Mar-18
	(in `)	
Present value of funded defined benefit obligation	19,686,994	25,248,708
Fair value of plan assets	11,853,440	14,608,003
Net funded obligation	7,833,554	10,640,705
Present value of unfunded defined benefit obligation	0	0
Amount not recognized due to asset limit	0	0
Net defined benefit liability / (asset) recognized in balance sheet	7,833,554	10,640,705
Net defined benefit liability / (asset) is bifurcated as follows:		
Current	0	0
Non-current	7,833,554	10,640,705

### Amount Recorded in Other Comprehensive Income:

The total amount of remeasurement items and impact of liabilities assumed or settled, if any, which is recorded immediately in Other Comprehensive Income (OCI) during the period is shown in the table below:

	Period Ended	
	31-Mar-17	31-Mar-18
	(in `)	
Opening amount recognized in OCI outside profit and loss account	0	0
Remeasurements during the period due to		
Changes in financial assumptions	0	(492,155)
Changes in demographic assumptions	0	0
Experience adjustments	0	1,605,495
Actual return on plan assets less interest on plan assets	0	237,560
Adjustment to recognize the effect of asset ceiling	0	0
Closing amount recognized in OCI outside profit and loss account	0	1,350,900



The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

	Period Ended	
	31-Mar-17	31-Mar-18
	(in `)	
Current service cost	0	1,248,753
Past service cost	0	2,001,865
Administration expenses.	0	0
Interest on net defined benefit liability / (asset)	0	587,516
(Gains) / losses on settlement	0	0
<b>Total expense charged to profit and loss account</b>	<b>0</b>	<b>3,838,134</b>

**Key Actuarial Assumptions:**

The key actuarial assumptions adopted for the purposes of this valuation are given below:

	Period Ended	
	31-Mar-17	31-Mar-18
Discount rate (p.a.)	7.50%	7.65%
Salary escalation rate (p.a.)	12.00%	12.00%

**VII Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised costs

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

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Financial assets at amortised costs**

A financial asset is measured at amortised cost if both the following conditions are met:

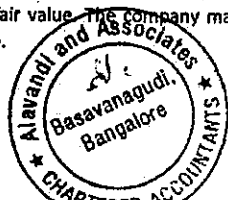
- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principle and interests (SPPI) on the principle amount outstanding.

This category is the most relevant to the company. All the loans and other receivables under financial assets (except investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

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

**Financial assets at fair value through profit or loss/ Other comprehensive income**

All investments in the scope of Ind AS 109 are measured at fair value. Company has mutual funds which are held for trading, are classified as FVTPL. For all other investments (National Savings Certificate), the company has made an irrevocable election to present in the other comprehensive income subsequent changes in the fair value. The company makes such election on investment by instrument basis. The classification is made on initial recognition and is irrevocable.





If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends are recognised in OCI. There is no recycling of amounts from OCI to P&L, even on sale of investment. However, company may transfer the cumulative gain or loss within equity.

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L

**Derecognition**

A financial asset (or where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) 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 or has assumed an obligation to pay the received cash flows in full without material lay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluated if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case the company also recognises an associated liability. The transferred asset and the associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

**Other financial assets**

Other financial assets mainly consists of loans to employees, retention money and other deposits and other receivables and advances measured at amortised cost.

Following are the policy for specific financial assets

**Types of Financial Asset**

Loans to employees

Retention Money

**Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at financial liabilities at fair value through profit or loss, loans and borrowings, trade payables and other payables

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

**Subsequent Measurement**

The measurement of financial liabilities depends on their classification as described below:

**Loans and borrowings**

This is the category most relevant to the company. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised costs using the EIR method. However the company has borrowings at floating rates. Considering that the impact of restatement of effective interest rate, year on year due to reset of interest rate is not material and hence, the company is amortising the transaction costs on straight line basis over the tenure of the construction period. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the transaction cost amortisation process. This category generally applies to borrowings.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Reclassification of financial assets**

The company determines the classification of financial assets and liabilities on initial recognition. After initial recognition no reclassification is made for the financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets

**VIII Cash and Cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



**IX Segment information**

The Company is engaged in "Road infrastructure Projects" which in the context of Ind AS 108 "Operating Segment" notified under section 133 of the Companies Act, 2013 is considered as the only segment. The Company's activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

**Related Party Transactions as required by IND Accounting Standard-24:**

The related parties, as defined by 'IND Accounting Standard-24' Related Party Disclosures' by the Institute of Chartered Accountants of India, in respect of which the disclosures have been made below:-

Sr.No.	Particulars	Year	Group Company	Key Management Personnel
1	Purchases of goods	2017-18 2016-17	- -	- -
2	* Rendering of services	2017-18 2016-17	- -	80,20,000 1,10,20,000
3	Interest on Loan given	2017-18 2016-17	- -	- -
4	Expenses	2017-18 2016-17	1,18,00,000 -	- -
5	Balance payable by NHDL as on	2017-18 2016-17	38,00,000 38,00,000	- -
6	Balance receivable by NHDL as on	2017-18 2016-17	37,67,87,851 38,20,67,851	- -

\* Note: Rendering of Services for the year 2017-18 Includes, Remuneration to Executive director for part of the period 67,20,000/- & CFO and CS salary Rs 13,00,000/-

**Note : Names of the related parties and description of relationship**

1	Group Companies	Bhalchandra Investment Ltd. Mundhwa Investment Ltd. Forge Investment Ltd. Jalakumbhi Invest & Finance Ltd. Jalakamal Invest & Finance Ltd Nandi Engineering Limited Nandi Economic Corridor Enterprise Limited Nandi Infrastructure Corridor Enterprise Ltd BF Utilities Ltd
2	** Key Management Personnel	Mr. Shivkumar Kheny - Executive /Wholetime Director Mr.N.Bala Krishna - CFO and CS

\*\* Executive Director for part of the period for the year 2017-18

**Terms and conditions of transactions with related parties**

All the transaction with related parties are carried out at Arms Length.

**XI Fair value**

The carrying value of financial instruments of the company are reasonable and approximations of fair values.

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities and assets approximate their carrying amounts largely due to the short term maturities of these instruments.

**XII Financial risk management objective and policies**

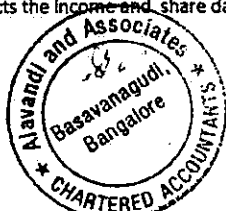
The Management of the company follows risk management policy for its operations which includes financial risk, liquidity risk, interest rate risk, Credit risk. These policies will be modified and changed on need basis.

**XIII Earning per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares to equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:



Profit attributable to equity holders of the company for basic earnings  
 Weighted average number of Equity shares for basic EPS\*  
 Weighted average number of Equity shares adjusted for the effect of dilution  
 Basic earning per share  
 Diluted earning per share

**XIV Details of specified bank notes (SBN) held and transacted during the period November 08,2016 to December 30,2016**

Particulars	SBNs	Other denomination		Total in
		notes		
Total closing cash in hand as on November 08,2016	17,18,000	6,22,433	23,40,433	
(+) Permitted receipts	30,79,500	4,12,86,921	4,43,66,421	
(-) Permitted payments				
(-) Amount deposited in banks	47,97,500	3,81,81,097	4,29,78,597	
Closing cash in hand as on December 30,2016	-	37,28,317	37,28,317	

**XV Contingent liabilities**

There are no contingent liabilities as at March 31,2018 (March 31, 2017 : Rs Nil)

**XVI Details of dues to micro and small enterprises as per MSMED Act, 2006**

There are no micro and small enterprises as defined in the Micro and Small Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small enterprises has been determined to the extent such parties has been identified on the basis of information available with the company.

**XVII Events after reporting period**

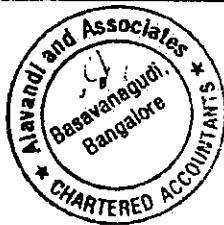
No subsequent events has been observed which may require an adjustment to the balance sheet.

The accompanying summary of significant accounting policies and other explanatory information and notes are an integral part of the financial statements.

**XVIII Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. Hence discounting is used, the increase in provision due to the passage of time is recognised as a finance cost.



**Note :23****Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from erstwhile Indian GAAP to Ind AS.

**I Reconciliation of Equity between IND-AS and previous GAAP**

Nature of Adjustment	March 31, 2017	April 1, 2016
Shareholder's Equity as per previous GAAP	45,87,61,221	26,11,91,130
<b>Adjustments</b>		
Changes in Fair Valuation for liabilities		1,53,25,124
Shareholder's Equity as per Ind AS	45,87,61,221	27,65,16,254

**II Reconciliation of Profit/(loss) after tax between IND-AS and previous GAAP**

Particulars	March 31, 2017
Net profit/(loss) as per Previous GAAP	19,75,70,090
<b>Adjustments</b>	
Fair Value changes for Loans	- 1,53,25,124
Re-measurement (gain)/loss Employee Benefit Schemes taken to Other Comprehensive Income	(1,06,32,318)
Net profit/(loss) as per Ind AS	17,16,12,648
Add: Other comprehensive income	1,06,32,318
<b>Total comprehensive income/(loss) as per Ind AS</b>	<b>18,22,44,966</b>

**III Reconciliation of cash flows for the year ended March 31, 2016**

The transition from erstwhile Indian GAAP to Ind AS has not made a material impact on the statement of cash flows.

**IV Notes on adjustments:**

- a Under Ind AS, all items of income and expense recognised 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 recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.
- b Under Ind AS, remeasurement of net defined benefit liabilities i.e., actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit or loss. Under the previous GAAP, these remeasurement were forming part of the profit or loss for the year. There is no impact on the total equity as at March 31, 2017.



**Note : 24 Earnings per share (EPS)**

Particulars	March 31, 2018	March 31, 2017
Net profit/(loss) after tax for the year In Rupees	33,21,13,036	18,22,44,966
Weighted average number of ordinary shares for basic EPS	3,75,00,006	3,75,00,006
Nominal value of ordinary share (in Rs. per share)	10	10
Basic and Diluted earnings for ordinary shares (in Rs. per s	8.86	4.86

**Note 25 Deferred Tax :**

The company provided the deferred tax impact in current year for Rs.1,48,43,373 including the previous year impact.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

☑ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

**Note 26 Corporate Social Responsibility**

Considering the requirement of the Companies Act, 2013, The Board of Directors of the Company has adopted the Corporate Social Responsibility (CSR) Policy of the Company. The Policy emphasize initiatives in specific areas of social development that would include primary, secondary education, skills development, vocational training, health & hygiene, preventive health care and sanitation, women empowerment, environment and ecological protection, character building by providing training opportunities in sports and cultural activities etc. Total amount has spent for the year 2017-18 Rs 32,65,582 (For Financial year 2016-17 Rs 24,93,612). which is more than 2% of the three years average profits of the company.

**Note 27 Interim Dividend / Final Dividend**

The Company has only one class of Equity Shares having at par value of ` 10/- per share. The Board of Directors declared and distributed net Interim Dividend of Rs 20,00,00,000 (Rs Twenty Crores) to the shareholders during the year 2017-18.(Dividend Distribution tax paid seperately)

And the Final dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

In terms of our report attached  
For Alavandi and Associates  
Chartered Accountants

On behalf of the Board of Directors

(Mallikarjunappa Alavandi)  
Proprietor  
M.No.202157, F.R.No.012933S

N. Bala Krishna  
CFO and CS

Shivkumar Kheny  
Director

A.B.Shiva Subramanyam  
Director

Pune  
Date: 04.05.2018

Pune  
Date:04.05.2018

Pune  
Date:04.05.2018

