



BALIGERI & CO
Chartered Accountants

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Independent Auditor's Report

To the Members of Nandi Infrastructure Corridor Enterprise Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Nandi Infrastructure Corridor Enterprises Limited ('the Company'), which comprise the Balance Sheet as at 31 March 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. These 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 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 31st 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.

Other Matter

10. The comparative financial information for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st 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)

Report on Other Legal and Regulatory Requirements

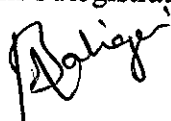
1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comments in Annexure I, as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



- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 st 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 has disclosed in the significant accounting policies, the impact of pending litigations on Bangalore Mysore Infrastructure Corridor Project [BMICP];
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company; 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.

Baligeri & Co*Chartered Accountants*

Firm's Registration No.: 014732S

**Mahesh G Baligeri***Proprietor*

Membership No. 233654

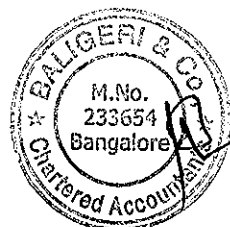
Date: 4th May 2018

Place: Bangalore

Annexure I

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

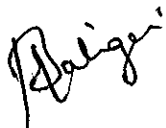
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) With respect to the immovable properties of the Company under fixed assets, according to the information and explanations given to us, there were no immovable properties held by the Company.
- (ii) The Company does not have Inventory. Accordingly, the provision of Clause 3(ii) of the Order is not applicable.
- (iii) The Company not has granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provision of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act in respect of the activities carried on by the company.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31 2018



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

Baligeri & Co*Chartered Accountants*

Firm's Registration No.: 014732S

**Mahesh G Baligeri***Proprietor*

Membership No. 233654

Date: 4th May 2018

Place: Bangalore

Annexure II to the Independent Auditor's Report of even date to the members of Nandi Infrastructure Corridor Enterprises Limited on the financial statements for the year ended 31 March 2018

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

1. In conjunction with our audit of the financial statements of Nandi Infrastructure Corridor Enterprises Limited ("the Company") as at and for the year ended 31 March 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 and a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

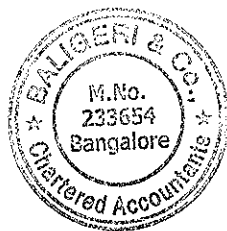
7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk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

Baligeri & Co*Chartered Accountants*

Firm's Registration No.: 014732S

**Mahesh G Baligeri***Proprietor*

Membership No. 233654

Date: 4th May 2018

Place: Bangalore

Nandi Infrastructure Corridor Enterprise Limited
Balance Sheet as at 31 March 2018
 (All amounts in ₹, unless otherwise specified)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
I ASSETS				
Non-current assets				
(a) Property, plant and equipment	2	4,802	4,802	4,802
(b) Capital work-in-progress	3	9,84,25,990	9,84,25,990	8,80,26,624
(c) Financial assets				
(i) Investments	4	1,33,98,55,148	1,32,87,83,287	1,31,89,72,696
(ii) Loans	5	5,40,000	6,40,000	6,40,000
(d) Deferred tax assets (Net)	6	15,62,299	1,00,68,198	1,29,13,125
(e) Other non-current assets	8A	53,37,784	1,54,72,980	1,47,22,159
Total non-current assets		1,44,57,26,023	1,45,33,95,257	1,43,52,79,406
Current assets				
(a) Financial Assets				
(i) Cash and cash equivalents	9	8,76,488	5,96,274	5,52,074
(ii) Other financial assets	7	-	16,634	-
(b) Other current assets	8B	-	1,00,417	1,12,311
Total current assets		8,76,488	7,13,325	6,64,385
Total assets		1,44,66,02,511	1,45,41,08,582	1,43,59,43,791
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	10	1,04,09,36,880	1,04,09,36,880	1,04,09,36,880
(b) Other equity	11	88,48,818	24,36,127	1,48,90,229
Total equity		1,04,97,85,698	1,04,33,73,007	1,05,58,27,109
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	29,77,01,032	30,67,05,567	29,22,74,916
(b) Other Non-current liabilities	13	2,76,35,000	2,76,35,000	2,76,35,000
Total non-current liabilities		32,53,36,032	33,43,40,567	31,99,09,916
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	14	7,03,93,957	6,94,44,345	5,39,74,655
(b) Provisions	15	10,86,824	69,50,663	62,32,111
Total current liabilities		7,14,80,781	7,63,95,008	6,02,06,766
Total equity and liabilities		1,44,66,02,511	1,45,41,08,582	1,43,59,43,791

Significant accounting policies

1.2

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

As per report of even date

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

Maheesh G Baligeri
 Proprietor
 Membership No. : 233654

Pune
 04 May 2018



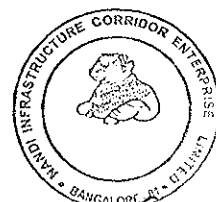
For and on behalf of the Board of Directors of
Nandi Infrastructure Corridor Enterprise Limited

Ashok Kheny
 Managing Director
 DIN: 00248397

Pune
 04 May 2018

A Rudra Goud
 Chief Financial Officer

Pune
 04 May 2018



Deepti R Puranik
 Director
 DIN: 01291379

Pune
 04 May 2018

N Balaji Naraju
 Company Secretary
 M No.: F6174

Pune
 04 May 2018

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

Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
Revenue			
Revenue from operations	16	-	1,03,99,366
Other income	17	1,17,82,281	1,05,34,896
Total revenue		1,17,82,281	2,09,34,262
Expenses			
Finance costs	18	4,14,17,105	3,86,96,635
Depreciation and amortisation expense	2	-	-
Other expenses	19	53,69,886	1,55,54,105
Total expenses		4,67,86,991	5,42,50,740
Profit/(loss) before tax		(3,50,04,710)	(3,33,16,478)
Tax expense	20		
Current tax		4,86,487	5,58,337
Deferred tax		(65,51,504)	(44,03,220)
Profit/(loss) after tax		(2,89,39,693)	(2,94,71,594)
Other comprehensive income/(loss)			
(a) Items that will not be reclassified to profit or loss			
(i) Re-measurement of gains/(losses) on defined benefit plans		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(b) Items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income / (loss) for the year		(2,89,39,693)	(2,94,71,594)
Earnings/(loss) per share (Nominal value ₹ 10 per share)	21		
Basic (₹)		(0.28)	(0.28)
Diluted (₹)		(0.28)	(0.28)

Significant accounting policies

1.2

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

As per report of even date

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

Baligeri

Mahesh G Baligeri
Proprietor
Membership No. : 233654

Pune
04 May 2018



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

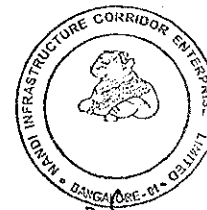
Ashok Kheny

Ashok Kheny
Managing Director
DIN: 00248397

Pune
04 May 2018

A Rudra Goud
A Rudra Goud
Chief Financial Officer

Pune
04 May 2018



Deepti R Puranik

Deepti R Puranik
Director
DIN: 01291379

Pune
04 May 2018

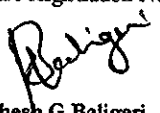
N Balaji Naiklu
N Balaji Naiklu
Company Secretary
M No.: F6174

Pune
04 May 2018

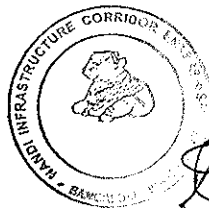
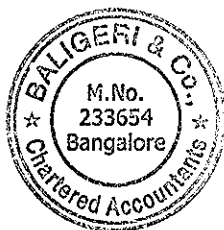
Nandi Infrastructure Corridor Enterprise Limited
Statement of Cash flows for the year ended 31 March 2018 and 31 March 2017
(All amounts in ₹, unless otherwise specified)

	As at 31 March 2018	As at 31 March 2017
A. Cash flow from Operating activities		
Profit/(loss) before tax	(3,50,04,710)	(3,33,16,478)
Adjustments to reconcile profit after tax to net cash flows		
Interest Income on Optionally Fully Convertible Debentures (OFCD)	(1,17,71,861)	(1,05,10,590)
Interest on deposits	10,420	18,483
Finance costs	4,14,17,105	3,86,96,635
Operating profit / (loss) before working capital changes	(53,49,046)	(51,11,950)
<i>Changes in working capital:</i>		
<i>Adjustment for (increase)/ decrease in operating assets:</i>		
Decrease/(Increase) in Loans	1,00,000	-
Decrease/(Increase) in Other non-current assets	1,01,35,196	(50,821)
Decrease/(Increase) in Other financial assets	16,634	(16,634)
Decrease/(Increase) in Other current assets	1,00,417	11,894
	1,03,52,247	(35,561)
<i>Adjustment for increase/ (decrease) in operating liabilities:</i>		
Increase/(Decrease) in Trade payables	9,49,612	1,54,69,690
Increase/(Decrease) in Provisions	(63,50,326)	1,60,215
	(54,00,714)	1,56,29,905
Net cash flow from operating activities (A)	(3,97,513)	1,04,62,394
Cash Flow from investing activities		
Interest on deposits	(10,420)	(18,483)
Interest on Optionally Fully Convertible Debentures (OFCD)	7,00,000	-
Capital expenditure on fixed assets (including changes in capital advances)	-	(1,03,99,366)
Net cash flow (used in) / from investing activities (B)	6,89,580	(1,04,17,849)
Cash Flow from Financing activities		
Bank Charges	(11,853)	(345)
Net Cash flow (used in) / from financing activities (C)	(11,853)	(345)
Net (decrease) / increase in cash & cash equivalents (A+B+C)	2,80,214	44,200
Cash and Cash equivalents at beginning of the year	5,96,274	5,52,074
Cash and Cash equivalents at the end of the year*	8,76,488	5,96,274
* Comprises:		
(a) Cash on hand	3,462	2,250
(b) Balances with banks:		
- in current accounts	8,73,026	5,94,024
Cash & Cash Equivalents at the end of the year (as per Note 9)	8,76,488	5,96,274

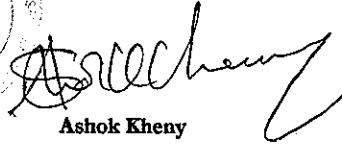
For Baligeri & Co.
Chartered Accountants
Firm's Registration No.: 014732S


Mahesh G Baligeri
Proprietor
Membership No. : 233654

Pune
04 May 2018



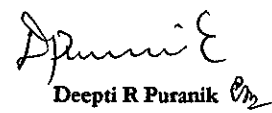
For and on behalf of the Board of Directors of
Nandi Infrastructure Corridor Enterprise Limited


Ashok Kheny
Managing Director
DIN: 00248397

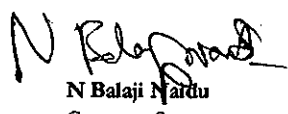
Pune
04 May 2018


A Rudra Goud
Chief Financial Officer

Pune
04 May 2018


Deepti R Puranik
Director
DIN: 01291379

Pune
04 May 2018


N Balaji Naidu
Company Secretary
M No.: F6174

Pune
04 May 2018

Nandi Infrastructure Corridor Enterprise Limited
Statement of changes in equity as at 31 March 2018
 (All amounts in ₹ , unless otherwise specified)

A. Equity share capital

Particulars	Amount
Balance as at 01 April 2016	1,04,09,36,880
Changes in equity share capital during FY 2016-17	-
Balance as at 31 March 2017	1,04,09,36,880
Changes in equity share capital during FY 2017-18	-
Balance as at 31 March 2018	1,04,09,36,880

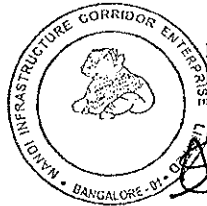
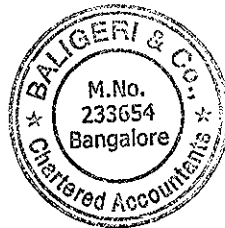
B. Other equity

Particulars	Reserve Fund U/s 45 IC(1) of the RBI Act, 1934	Special reserve account under section 80-IA (6) of Income Tax Act, 1961	Surplus / (deficit) in Statement of Profit and Loss	Measurement of below market rate financial liability at fair value	Total
Balance as at 01 April 2016 (refer note 30)	40,59,000	4,38,00,000	(14,97,93,434)	11,68,24,663	1,48,90,229
Add: Additions	-	-	-	2,42,65,639	2,42,65,639
Less: Utilization of reserve during the year	-	(60,65,487)	60,65,487	-	-
Less: Excess reserve created earlier now transferred	-	(3,77,34,513)	3,77,34,513	-	-
Loss for the period	-	-	(2,94,71,594)	-	(2,94,71,594)
Other Comprehensive Income	-	-	-	-	-
Deferred tax on items directly recognized in equity	-	-	-	(72,48,146)	(72,48,146)
Balance as at 31 March 2017	40,59,000	-	(13,54,65,028)	13,38,42,155	24,36,127
Add: Additions	-	-	-	5,04,09,787	5,04,09,787
Loss for the period	-	-	(2,89,39,693)	-	(2,89,39,693)
Other Comprehensive Income	-	-	-	-	-
Deferred tax on items directly recognized in equity	-	-	-	(1,50,57,403)	(1,50,57,403)
Balance as at 31 March 2018	40,59,000	-	(16,44,04,721)	16,91,94,539	88,48,818

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

Maresh G Baligeri
Proprietor
Membership No. : 233654

Pune
04 May 2018



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

Ashok Kheny
Managing Director
DIN: 00248397

Pune
04 May 2018

A. Rudra Goud
Chief Financial Officer

Pune
04 May 2018

Deepthi R Puranik
Director
DIN: 01291379

Pune
04 May 2018

N Balaji Naidu
Company Secretary
M No.: F6174

Pune
04 May 2018

Nandi Infrastructure Corridor Enterprise Limited

Summary of significant accounting policies and other explanatory information

1 Company overview and significant accounting policies

1.1 Company overview

Nandi Infrastructure Corridor Enterprise Limited ("NICE" or the "Company") was incorporated on January 19, 1996. The Government of Karnataka ("GoK") and Nandi Infrastructure Corridor Enterprises Limited ("NICE"), the 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 Nandi Economic Corridor Enterprises Limited ("NECE" or the "Subsidiary Company") was incorporated and NICE has assigned Section A of the BMICP (as defined in the FWA) to the Subsidiary 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 Subsidiary 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 Subsidiary Company, upon the Subsidiary 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 Subsidiary 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 Subsidiary Company, the Subsidiary Company has given written notices to the GoK of the continued delay in providing the required land for the BMICP. Accordingly, the Concession period is deemed to have been extended as per the provisions of FWA and TCA.

In December 2008, the Subsidiary Company had completed 40 KMs of peripheral road and in October 2009, 8 KMs of link road was also completed ("Toll road assets - Section A") and the Subsidiary Company has commenced collecting tolls as per the rights under the 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, 2015 and Companies (Accounting Standards) Amendment Rules, 2016, notified under Section 133 of the Act and other relevant provisions of the Act.

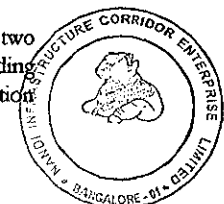
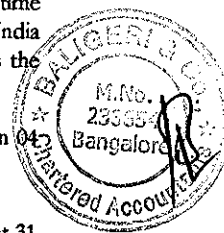
The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, 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 summarized in Note 30.

The financial statements for the year ended 31 March 2018 were authorized and approved for issue by the Board of Directors on 04 May 2018. Amendments to the financial statements are permitted after approval.

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 Infrastructure Corridor Enterprise Limited
Summary of significant accounting policies and other explanatory information

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 into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, 'Leases', and measurements that have some similarities to fair value but are not fair value, or value in use in Ind AS 36 'Impairment of assets'.

In addition, for financial reporting purposes, fair value measurements are 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 market data (unobservable inputs)

- (ii) It had been reported in print media that in September 2014, the Karnataka Legislative Assembly has constituted a House Committee Assembly Panel (House of Committee) consisting of members of Legislative Assembly, to study the alleged violations in implementation of the Framework Agreement in the construction of Peripheral Road, development of townships and utilities undertaken by the company. Further, it had also been reported in the print media that the House Committee tabled its report during November 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.

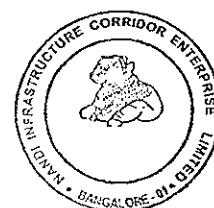
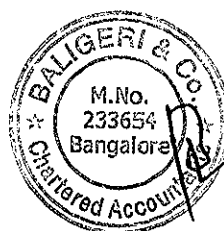
Based on the above, in the opinion of the Management, the requisite regulatory approvals would be received by the Company in the normal course of business for the township development activities of the Company and, hence, there would be no adverse effect on the operations of the Company.

d. Functional and presentation currency

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

e. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make 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.



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

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.

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.

Construction revenue and construction expenses:

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

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

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.

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 Infrastructure Corridor Enterprise Limited
Summary of significant accounting policies and other explanatory information

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, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Depreciation and useful lives

Depreciation/amortization 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.

Office equipments

5 years

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

De-recognition

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

l. 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.

m. 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.

n. 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 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.

o. Tax expense

Income taxes

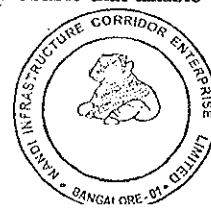
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred tax is 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.



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

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.

Current and deferred tax for the period

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

p. Earnings per share

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

q. Provisions

Provisions are 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.

r. 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.

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.



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

Equity investments

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

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

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

De-recognition of financial assets

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

Investment in subsidiaries and joint ventures:

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

s. 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.

t. 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

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

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



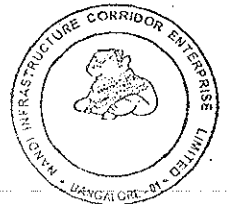
Nandi Infrastructure Corridor Enterprise Limited
Summary of significant accounting policies and other explanatory information

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. 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 utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.
- 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 Infrastructure Corridor Enterprise Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ , unless otherwise specified)

2 Property, plant and equipment

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

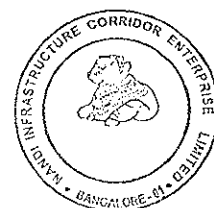
	Office Equipments
Gross carrying amount	
At 01 April 2016 (refer note a)	4,802
Additions	-
Disposals	-
At 31 March 2017	4,802
Additions	-
Disposals	-
At 31 March 2018	4,802
Accumulated depreciation	
At 01 April 2016	-
Charge for the year	-
Adjustments for disposals	-
At 31 March 2017	-
Charge for the year	-
Adjustments for disposals	-
At 31 March 2018	-
Carrying amount (net)	
As at 01 April 2016	4,802
As at 31 March 2017	4,802
As at 31 March 2018	4,802

a. Deemed carrying cost

For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 01 April 2016, the Company has used previous GAAP carrying value as deemed costs.

3 Capital work-in-progress

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Capital work-in-progress	9,84,25,990	9,84,25,990	8,80,26,624
	9,84,25,990	9,84,25,990	8,80,26,624



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

4 Investments

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non- Current investments (unquoted)			
(a) Investment in Equity Shares (carried at cost)			
- Nandi Economic Corridor Enterprises Limited- Subsidiary Company*	1,23,34,21,733	1,23,34,21,733	1,23,34,21,733
- Nandi Engineering Limited	62,510	62,510	62,510
(b) Investments in Debentures (carried at amortised cost)			
- Nandi Economic Corridor Enterprises Limited- Subsidiary Company**	10,63,70,705	9,52,98,843	8,54,88,253
(c) Investment on Govt Securities / Trusts			
- Indira Vikas Patra	200	200	200
	1,33,98,55,148	1,32,87,83,287	1,31,89,72,696

* The Company has pledged 11,33,50,000 equity shares as collateral security to IDBI Trusteeship Services Limited for sanctioning the credit facilities amounting to Rs.1650.00 Crores to Subsidiary Company Nandi Economic Corridor Enterprises Limited by consortium of lenders.

** Optionally Fully Convertible Debentures (OFCDs) initially issued in favour of Life Insurance Corporation of India by Nandi Economic Corridor Enterprises Ltd, a subsidiary of the Company, are secured by way of a first charge on the assets of the Company in terms of Debenture Trust Deed dated 23rd April, 2004. The charge is created in favour of WITCO (now ITSL) acting in their capacity as the Trustees for the Debenture holders. These OFCDs were acquired by the Company in May 2009.

5 Loans

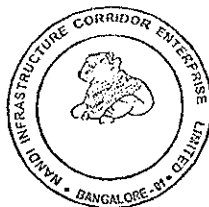
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Non-current assets			
- Security deposits	5,40,000	6,40,000	6,40,000
	5,40,000	6,40,000	6,40,000

6 Deferred tax assets (Net)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Non-current			
Deferred tax asset arising on account of :			
Financial assets carried at amortized cost	1,94,54,121	2,08,79,475	2,19,28,089
Less:			
Deferred tax liabilities arising on account of :			
Financial liabilities carried at amortized cost	(1,78,91,822)	(1,08,11,277)	(90,14,964)
	15,62,299	1,00,68,198	1,29,13,125

7 Other financial assets

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Current assets			
<i>Unsecured, considered good</i>			
- Interest receivable on fixed deposits	-	16,634	-
	-	16,634	-



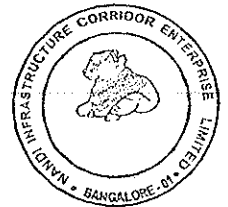
Nandi Infrastructure Corridor Enterprise Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ , unless otherwise specified)

8 Other assets

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Non-current			
Unsecured, considered good			
(a) Advance income tax	14,02,431	69,87,812	62,36,991
(b) Advance to suppliers/service providers - Considered good	39,35,353	84,85,168	84,85,168
	<u>53,37,784</u>	<u>1,54,72,980</u>	<u>1,47,22,159</u>
B. Current			
Unsecured, considered good			
(a) Prepaid expenses	-	1,00,417	1,12,311
	<u>-</u>	<u>1,00,417</u>	<u>1,12,311</u>

9 Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Cash on hand	3,462	2,250	4,626
Balances with banks * - in current accounts	8,73,026	5,94,024	5,47,448
	<u>8,76,488</u>	<u>5,96,274</u>	<u>5,52,074</u>



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

10 Equity share capital

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No. of shares	Rs.	No. of shares	Rs.	No. of shares	Rs.
(a) Authorised Equity share of Rs. 10/- each	10,40,93,688	1,04,09,36,880	10,40,93,688	1,04,09,36,880	10,40,93,688	1,04,09,36,880
(b) Issued, subscribed and fully paid-up Equity share of Rs. 10/- each	10,40,93,688	1,04,09,36,880	10,40,93,688	1,04,09,36,880	10,40,93,688	1,04,09,36,880

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

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No. of Shares	Rs.	No. of Shares	Rs.	No. of Shares	Rs.
Equity share of Rs. 10/- each	10,40,93,688	1,04,09,36,880	10,40,93,688	1,04,09,36,880	10,40,93,688	1,04,09,36,880
Opening balance						
Issued during year pursuant to the conversion of CCPS						
Closing balance	10,40,93,688	1,04,09,36,880	10,40,93,688	1,04,09,36,880	10,40,93,688	1,04,09,36,880

(b) Terms / Rights attached to equity share holders:

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:

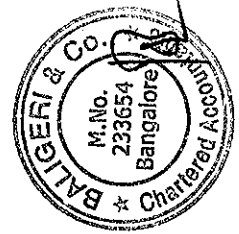
Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Equity share of Rs. 10/- each	7,75,69,111	75%	7,75,69,111	75%	7,75,69,111	75%
1. BF Utilities Limited- Holding Company	2,06,18,738	20%	2,06,18,738	20%	2,06,18,738	20%
2. Mr. Ashok Kumar Kheny	48,05,838	5%	2,06,18,738	5%	48,05,838	5%
3. Mr. Baba Neelkanth Kalyani						

(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.

11 Other equity

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No. of Shares	Rs.	No. of Shares	Rs.	No. of Shares	Rs.
Reserve Fund U/s 45 IC(1) of the RBI Act, 1934		40,59,000		40,59,000		40,59,000
Special reserve account under section 80-IA (6) of Income Tax Act, 1961		(16,44,04,721)		(13,54,65,028)		(4,38,00,000)
Deficit in statement of profit and loss		16,91,94,539		13,38,42,155		11,68,24,663
Measurement of below market rate financial liability at fair value		88,48,818		24,36,127		1,48,90,229



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

12 Borrowings

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non current			
Unsecured loans			
Other loans			
7% Cumulative Redeemable Preference shares of Rs.10/- each*	27,71,90,213	28,86,34,361	27,63,53,148
Interest free loan from related parties**	2,05,10,819	1,80,71,206	1,59,21,767
	<u>29,77,01,032</u>	<u>30,67,05,567</u>	<u>29,22,74,916</u>

* As per the initial repayment terms, 7% cumulative redeemable preference shares are due for redemption within 7 years i.e. as at 26 March 2017. However, as at 31 March 2017, the Company has revised the terms of redemption for further one year (i.e. 26 March 2018). Further, vide board resolution passed at 131st meeting of the board of directors of NICE held on 28 February 2018 the terms of repayment has been further extended for a period of 2 years, i.e. from 26 March 2018 to 25 March 2020.

** Interest free unsecured loans from BF Investments limited is repayable once the funds position of of the Company permits the same.

13 Other liabilities

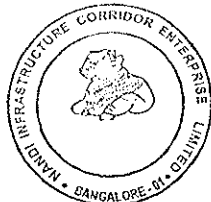
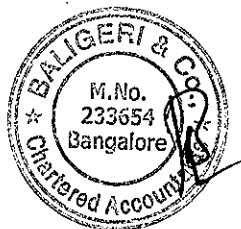
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A. Non-current			
Advances received for sale of land	2,76,35,000	2,76,35,000	2,76,35,000
	<u>2,76,35,000</u>	<u>2,76,35,000</u>	<u>2,76,35,000</u>

14 Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Dues to micro enterprises and small enterprises			
Dues to creditors other than micro enterprises and small enterprises	7,03,93,957	6,94,44,345	5,39,74,655
	<u>7,03,93,957</u>	<u>6,94,44,345</u>	<u>5,39,74,655</u>

15 Provisions

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current			
Statutory provisions	10,86,824	69,50,663	62,32,111
	<u>10,86,824</u>	<u>69,50,663</u>	<u>62,32,111</u>



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

16 Revenue from operations

	Year ended 31 March 2018	Year ended 31 March 2017
Construction revenue	-	1,03,99,366
	<u>-</u>	<u>1,03,99,366</u>

17 Other income

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on financial instruments at amortized cost	1,17,71,861	1,05,10,590
Interest on deposits	10,420	18,483
Miscellaneous income	-	5,823
	<u>1,17,82,281</u>	<u>1,05,34,896</u>

18 Finance costs

	Year ended 31 March 2018	Year ended 31 March 2017
Bank charges	11,853	345
Interest on financial instruments	4,14,05,252	3,86,96,290
	<u>4,14,17,105</u>	<u>3,86,96,635</u>

19 Other expense

	Year ended 31 March 2018	Year ended 31 March 2017
Construction expenses	-	1,03,99,366
Security charges	41,93,061	41,54,578
Rent including lease rentals	82,145	82,145
Travelling expenses	2,352	15,380
Professional fees	8,88,778	6,04,552
Payment to auditors for Statutory audit	2,03,550	1,99,238
Miscellaneous expenses	-	98,846
	<u>53,69,886</u>	<u>1,55,54,105</u>

20 Tax expense

A. Tax expense comprises of:

	Year ended 31 March 2018	Year ended 31 March 2017
Current tax	4,86,487	5,58,337
Deferred tax	(65,51,504)	(44,03,220)
Income tax expense reported in the statement of profit and loss	<u>(60,65,017)</u>	<u>(38,44,884)</u>

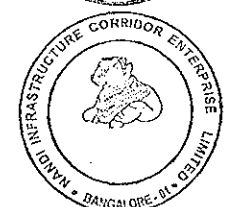
B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 29.87% and the reported tax expense in profit or loss are as follows:

Accounting profit/(loss) before tax from continuing operations	(3,50,04,710)	(3,33,16,478)
Accounting profit/ (loss) before income tax	<u>(3,50,04,710)</u>	<u>(3,33,16,478)</u>
Effective tax rate in India	29.87%	29.87%
Expected tax expenses charged/(credited)	(1,04,55,907)	(99,51,632)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of non-deductible expenses	43,90,890	61,06,748
Income tax expense	<u>(60,65,017)</u>	<u>(38,44,884)</u>

21 Earnings/(loss) per share (EPS)

	Year ended 31 March 2018	Year ended 31 March 2017
Weighted average number of shares outstanding during the year	10,40,93,688	10,40,93,688
Add: Dilutive effect of stock options	-	-
Weighted average number of shares used to compute diluted EPS	10,40,93,688	10,40,93,688
Net profit/(loss) after tax attributable to equity shareholders	(2,89,39,693)	(2,94,71,594)
Earnings per share		
Basic (₹)	(0.28)	(0.28)
Diluted (₹)	(0.28)	(0.28)
Nominal value - Rupees (₹) per equity share	10	10



22 Assets pledged as security

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

The carrying value and fair value of financial instruments by categories as at 01 April 2016 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Investments		-	-	-	-	-
Loans and advances	4	-	-	8,54,88,253	8,54,88,253	8,54,88,253
Cash and cash equivalents including other bank balances	5	-	-	6,40,000	6,40,000	6,40,000
Other financial assets	9	-	-	5,52,074	5,52,074	5,52,074
Total financial assets	7	-	-	-	-	-
Financial liabilities :				8,66,80,327	8,66,80,327	8,66,80,327
Borrowings *						
Trade payables	12	-	-	29,22,74,916	29,22,74,916	29,22,74,916
Total financial liabilities	14	-	-	5,39,74,655	5,39,74,655	5,39,74,655
Notes to financial instruments				34,62,49,571	34,62,49,571	34,62,49,571

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, loans, other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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.

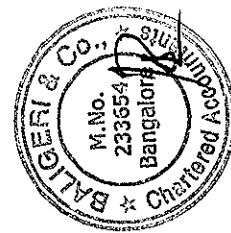
Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)

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.

Investment in debentures

Investments in optionally fully convertible debentures of subsidiary have been measured at amortized cost as per Ind AS 109, Financial Instruments.



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

23 Financial instruments

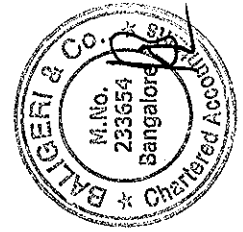
Financial instruments by category

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Investments	4	-	-	10,63,70,705	10,63,70,705	10,63,70,705
Loans and advances	5	-	-	5,40,000	5,40,000	5,40,000
Cash and cash equivalents including other bank balances	9	-	-	8,76,488	8,76,488	8,76,488
Other financial assets	7	-	-	-	-	-
Total financial assets				10,77,87,193	10,77,87,193	10,77,87,193
Financial liabilities :						
Borrowings *	12	-	-	29,77,01,032	29,77,01,032	29,77,01,032
Trade payables	14	-	-	7,03,93,957	7,03,93,957	7,03,93,957
Total financial liabilities				36,80,94,989	36,80,94,989	36,80,94,989

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Investments	4	-	-	9,52,98,843	9,52,98,843	9,52,98,843
Loans and advances	5	-	-	6,40,000	6,40,000	6,40,000
Cash and cash equivalents including other bank balances	9	-	-	5,96,274	5,96,274	5,96,274
Other financial assets	7	-	-	16,634	16,634	16,634
Total financial assets				9,65,51,751	9,65,51,751	9,65,51,751
Financial liabilities :						
Borrowings *	12	-	-	30,67,05,567	30,67,05,567	30,67,05,567
Trade payables	14	-	-	6,94,44,345	6,94,44,345	6,94,44,345
Total financial liabilities				37,61,49,912	37,61,49,912	37,61,49,912



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

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

a. Credit risk

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

Credit risk management

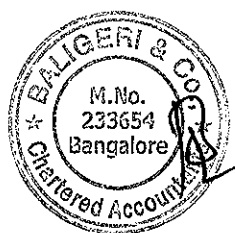
The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

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

b. Liquidity risk

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

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



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

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*	-	38,69,59,836	-	38,69,59,836
Trade payables	7,03,93,957	-	-	7,03,93,957.00
Total	7,03,93,957	38,69,59,836.07	-	45,73,53,793.07
As at 31 March 2017	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings*	32,76,00,000	3,00,00,000	-	35,76,00,000
Trade payables	6,94,44,345	-	-	6,94,44,345
Total	39,70,44,345	3,00,00,000	-	42,70,44,345
As at 01 April 2016	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings*	31,29,00,000	3,00,00,000	-	34,29,00,000
Trade payables	5,39,74,655	-	-	5,39,74,655
Security deposits	-	-	-	-
Total	36,68,74,655	3,00,00,000	-	39,68,74,655

* including current maturities of long term debt and finance lease obligations

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-Mar-18	31-Mar-17	01-Apr-16
Variable rate borrowing	-	-	-
Fixed rate borrowing	27,71,90,213	28,86,34,361	27,63,53,148
Interest free borrowing	2,05,10,819	1,80,71,206	1,59,21,767
Total borrowings	29,77,01,031.83	30,67,05,567.17	29,22,74,915.77

Interest rate risk

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

25 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.

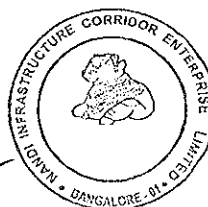
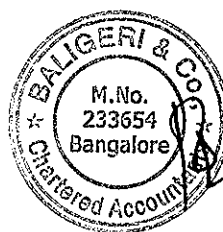
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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.

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Long term borrowings	29,77,01,032	30,67,05,567	29,22,74,916
Current maturities of long term borrowings	-	-	-
Less: Cash and cash equivalents	(8,76,488)	(5,96,274)	(5,52,074)
Net debt	29,68,24,544	30,61,09,293	29,17,22,842
Total equity	1,04,97,85,698	1,04,33,73,007	1,05,58,27,109
Gearing ratio	0.28	0.29	0.28

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

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



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

26 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.

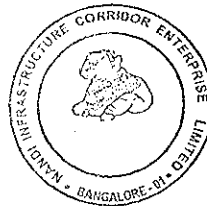
27 Domestic transfer pricing

The Company enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 (the 'Regulations'). The pricing of such domestic transactions will need to comply with the arm's length principle under the Regulations. These Regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income Tax authorities.

The Company has undertaken necessary steps to comply with the Regulations. The Management is of the opinion that the domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

28 Contingent liabilities:

	31-Mar-18	31-Mar-17	01-Apr-16
Claims against the Company not acknowledged as debts	5,53,64,000	5,53,64,000	5,53,64,000



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

29 Related party transactions

(Contd.)

A. Details of related parties:

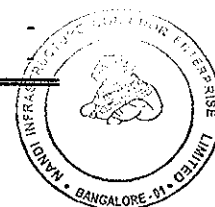
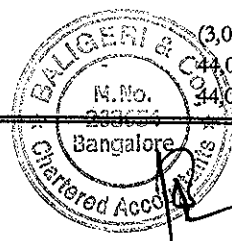
Description of relationship	Names of related parties
Ultimate Holding Company (UHC)	BF Utilities Limited
Subsidiary Company (SC)	Nandi Economic Corridor Enterprises Limited (NECE)
Key Managerial Personnel (KMP)	Mr. Ashok Kheny, Managing Director
Relative of KMP	Mr. Shivkumar Kheny
Enterprises over which 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) Nandi Engineering Limited (NEL)

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

Nature of Transaction	HC	SC	KMP	Enterprises over which KMP have significant influence	Relatives of KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Transactions - Employee deputation					
For the Year 2017-18	-	9,59,02,386	-	-	-
For the Year 2016-17	-	9,78,93,635	-	-	-
Interest expense/ (income) from financial instruments					
For the Year 2017-18	-	(1,17,71,861)	-	3,89,65,639	-
For the Year 2016-17	-	(1,05,10,590)	-	3,65,46,852	-
Received / (paid) towards advance					
For the Year 2017-18	-	51,86,426	-	(47,00,925)	-
For the Year 2016-17	-	71,74,168	-	-	-

C. Details of related party balance outstanding as at 31 March 2018, 31 March 2017 and 01 April 2016:

Nature of Transaction	HC	SC	KMP	Enterprises over which KMP have significant influence	Relatives of KMP
Balance of Optionally Fully Convertible Debentures (OFCD)					
as at 31 March, 2018	-	10,63,70,705	-	-	-
as at 31 March, 2017	-	9,52,98,843	-	-	-
as at 01 April, 2016	-	8,54,88,253	-	-	-
Balance of Cumulative Redeemable Preference Shares (CRPS)					
as at 31 March, 2018	-	-	-	27,71,90,213	-
as at 31 March, 2017	-	-	-	28,86,34,361	-
as at 01 April, 2016	-	-	-	27,63,53,148	-
Balance of advances outstanding					
as at 31 March, 2018	-	5,10,48,804	-	(3,00,000)	-
as at 31 March, 2017	-	4,58,62,378	-	44,00,925	-
as at 01 April, 2016	-	3,86,88,210	-	34,00,925	-



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

30 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., 01 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 Leases

Appendix C to Ind AS 17, 'Leases' requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, 'Leases', this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101, 'First time Adoption of Indian Accounting Standards', provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/arrangements.

3 Investment in subsidiaries

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' allows a Company to measure investments in subsidiaries at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.

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.

Ind AS estimates as at 01 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

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;

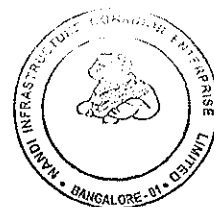
The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

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/periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

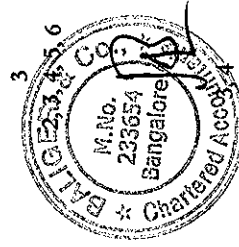


Nandi Infrastructure Corridor Enterprise Limited
Summary of significant accounting policies and other explanatory information

30 First time adoption of Ind AS

a) Reconciliation of Balance sheet as at 31 March 2017 and as at 01 April 2016

Particulars	Notes to first time adoption		As at 31 March 2017		As at 01 April 2016	
	IGAAP	Ind AS adjustments	Ind AS	IGAAP	Ind AS adjustments	Ind AS
ASSETS						
Non-current assets						
(a) Property, plant and equipment	4,802	-	4,802	4,802	-	4,802
(b) Capital Work-in-progress	9,84,25,990	-	9,84,25,990	8,80,26,624	-	8,80,26,624
(c) Financial assets						
(i) Investments	1,27,35,62,710	5,52,20,577	1,32,87,83,287	1,27,35,62,710	4,54,09,986	1,31,89,72,696
(ii) Loans	6,40,000	-	6,40,000	6,40,000	-	6,40,000
(d) Deferred tax assets (Net)	-	1,00,68,198	1,00,68,198	-	1,29,13,124	1,29,13,124
(e) Other non-current assets	1,54,72,980	-	1,54,72,980	1,47,22,159	-	1,47,22,159
Total non-current assets	1,38,81,06,482	6,52,88,775	1,45,33,95,257	1,37,69,56,295	5,83,23,111	1,43,52,79,406
Current assets						
(a) Financial Assets						
(i) Cash and cash equivalents	5,96,274	-	5,96,274	5,52,074	-	5,52,074
(ii) Other financial assets	2,52,16,634	(2,52,00,000)	16,634	1,89,09,000	(1,89,00,000)	-
(b) Other current assets	1,00,417	-	1,00,417	1,12,311	-	1,12,311
Total current assets	2,59,13,325	(2,52,00,000)	7,13,325	1,95,64,385	(1,89,00,000)	6,64,385
Total assets	1,41,40,19,807	4,00,88,775	1,45,41,08,582	1,39,65,20,680	3,94,23,111	1,43,59,43,791
EQUITY AND LIABILITIES						
Equity						
(a) Equity share capital	1,25,09,36,880	(21,00,00,000)	1,04,09,36,880	1,25,09,36,880	(21,00,00,000)	1,04,09,36,880
(b) Other equity	2,90,52,919	(2,66,16,792)	24,36,127	2,77,42,034	(1,28,51,805)	1,48,90,229
Total equity	1,27,99,89,799	(23,66,16,792)	1,04,33,73,007	1,27,86,78,914	(22,28,51,805)	1,05,58,27,409
Liabilities						
Non-current liabilities						
(a) Financial liabilities						
(i) Borrowings	3,00,00,000	27,67,05,567	30,67,05,567	3,00,00,000	26,22,74,916	29,22,74,916
(b) Other Non-current liabilities	2,76,35,000	-	2,76,35,000	2,76,35,000	-	2,76,35,000
Total non-current liabilities	5,76,35,000	27,67,05,567	33,43,40,567	5,76,35,000	26,22,74,916	31,99,09,916
Current liabilities						
(a) Financial liabilities						
(i) Trade payables	6,94,44,345	-	6,94,44,345	5,39,74,655	-	5,39,74,655
(ii) Provisions	69,50,663	-	69,50,663	62,32,111	-	62,32,111
Total current liabilities	7,63,95,008	-	7,63,95,008	6,02,06,766	-	6,02,06,766
Total equity and liabilities	1,41,40,19,807	4,00,88,775	1,45,41,08,582	1,39,65,20,680	3,94,23,111	1,43,59,43,791

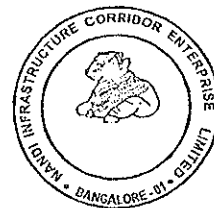
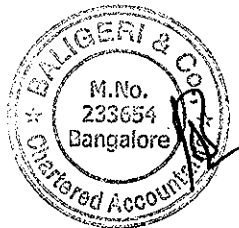


Nandi Infrastructure Corridor Enterprise Limited
Summary of significant accounting policies and other explanatory information

30 First time adoption of Ind AS

b) Reconciliation of Statement of Profit and loss for the year ended 31 March 2017

Particulars	Notes to first time adoption	IGAAP Amount	Ind AS adjustments	Ind AS Amount
Income				
Revenue from operations		-	1,03,99,366	1,03,99,366
Other income		-	-	-
Total	2	<u>70,24,306</u>	<u>35,10,590</u>	<u>1,05,34,896</u>
		<u>70,24,306</u>	<u>1,39,09,956</u>	<u>2,09,34,262</u>
Expenses				
Cost of sale of land and land development		-	-	-
Employee benefits expense		-	-	-
Finance costs		-	-	-
Depreciation and amortisation expense	3, 4	345	3,86,96,290	3,86,96,635
Other expenses		-	-	-
Total		<u>51,54,739</u>	<u>1,03,99,366</u>	<u>1,55,54,105</u>
		<u>51,55,084</u>	<u>4,90,95,656</u>	<u>5,42,50,740</u>
Profit / (Loss) before tax		<u>18,69,222</u>	<u>(3,51,85,700)</u>	<u>(3,33,16,478)</u>
Tax expense				
Current income tax		5,58,337	-	5,58,337
Deferred tax charge/(credit)	5	-	(44,03,220)	(44,03,220)
Profit / (Loss) after tax		<u>13,10,885</u>	<u>(3,07,82,480)</u>	<u>(2,94,71,594)</u>
Other comprehensive income				
(a) Items that will not be reclassified to profit or loss				
(i) Re-measurement of gains/(losses) on defined benefit plans		-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
(b) Items that will be reclassified to profit or loss		-	-	-
Total other comprehensive income for the year		<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>13,10,885</u>	<u>(3,07,82,480)</u>	<u>(2,94,71,594)</u>



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

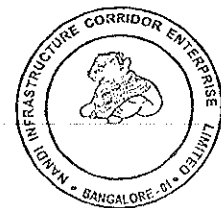
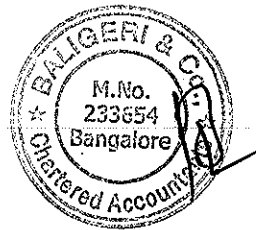
30 First time adoption of Ind AS

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

Particulars	Notes to first time adoption	31-Mar-17	01-Apr-16
Total equity as per previous GAAP		1,27,99,89,799	1,27,86,78,914
Total equity		<u>1,27,99,89,799</u>	<u>1,27,86,78,914</u>
Adjustments:			
Impact of financial assets and liabilities carried at amortized cost	2, 3, 4	(24,66,84,990)	(23,57,64,929)
Deferred tax impact on above adjustments	5	1,00,68,198	1,29,13,124
Total adjustments		<u>(23,66,16,792)</u>	<u>(22,28,51,805)</u>
Total equity as per Ind AS		<u>1,04,33,73,007</u>	<u>1,05,58,27,109</u>

(d) Reconciliation of statement of cash flows as previously reported under IGAAP and Ind AS

Particulars	IGAAP Amount	Ind AS adjustments	Ind AS Amount
Net cash flow from Operating activities	1,04,62,394	-	1,04,62,394
Net cash flow from Investing activities	(1,04,17,849)	-	(1,04,17,849)
Net cash flow from Financing activities	(345)	-	(345)
Net cash generated during the year	<u>44,200</u>	-	<u>44,200</u>
<i>Add:</i> Cash and cash equivalents at the beginning of the year	5,52,074	-	5,52,074
Cash and cash equivalents at the end of the year	<u>5,96,274</u>	-	<u>5,96,274</u>



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

30 First time adoption of Ind AS

(e) Notes

1 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.

2 Investment in debentures:

- i. Investments in optionally fully convertible debentures of subsidiary have been initially measured at fair value and subsequent changes have been recognized at amortized cost as against cost less other than temporary diminution in the value of investment if any, 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.
- ii. Difference between the fair value and transaction value has been recorded as investment in subsidiary.

3 Cumulative Redeemable Preference Shares:

The Company had issued Cumulative Redeemable Preference Shares. The preference shares carried fixed cumulative dividend. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, these convertible preference shares are classified as a financial liability based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Thus the preference share capital is reduced with a corresponding increase in borrowings.

4 Unsecured loans:

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 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.

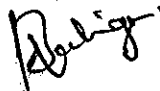
5 Deferred tax:

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

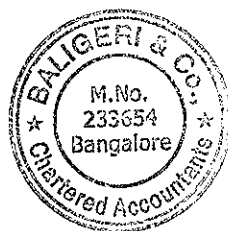
6 Retained earnings:

Retained earnings as at 01 April 2016 and 31 March 2017 has been adjusted consequent to the above Ind AS transition adjustments.


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


Mahesh G Baligeri
Proprietor
Membership No. : 233654

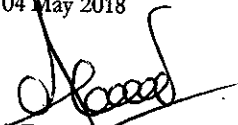
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04 May 2018



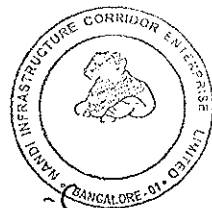
For and on behalf of the Board of Directors of
Nandi Infrastructure Corridor Enterprise Limited



Ashok Kheny
Managing Director
DIN: 00248397

Pune
04 May 2018

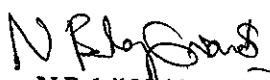

A Rudra Goud
Chief Financial Officer

Pune
04 May 2018




Deepti R Puranik
Director
DIN: 01291379

Pune
04 May 2018


N Balaji Naidu
Company Secretary
M No.: F6174

Pune
04 May 2018