

North Karnataka Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 Fax : 022-26523979
CIN : U45203MH2001PLC163992

May 10, 2017

General Manager,
Listing Department,
BSE Limited,
P.J. Tower, Dalal Street,
Mumbai 400 001

Vice President,
Listing Department,
National Stock Exchange of India Limited
'Exchange Plaza', Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Code: 946969, 946971, 946973,
946974, 946976 and 946978

Security: DC (NKE 17A to NKE 20)

Re: Audited Financial Results for the year ended March 31, 2017

Dear Sirs,

We are enclosing herewith the text of the Audited Financial Results of the Company alongwith the Auditor's Report and Declaration as per the provisions of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2017, which was approved by the Board of Directors at their meeting held today for your information and records

Thank you

Yours faithfully,

For North Karnataka Expressway Limited


Jyotsna Matondkar
Company Secretary

Encl: As above

NORTH KARNATAKA EXPRESSWAY LIMITED

Registered Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
CIN: U45203MH2001PLC163992

Statement of Audited Financial Results for the year ended March 31, 2017

(₹ in Lakhs)

| Sr. No. | Particulars | Year ended | |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| | | March 31, 2017 (Audited) | March 31, 2016 (Audited) |
| 1 | Total Income from Operations | 3,713 | 4,330 |
| 2 | Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items) | 1,609 | 1,909 |
| 3 | Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items) | 1,609 | 1,909 |
| 4 | Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items) | 1,202 | 1,163 |
| 5 | Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)] | 1,202 | 1,163 |
| 6 | Paid up Equity Share Capital | 5,939 | 5,939 |
| 7 | Net worth | 14,068 | 19,764 |
| 8 | Paid up Debt Capital / Outstanding Debt | 16,843 | 21,766 |
| 9 | Debt Equity Ratio | 1.20 | 1.10 |
| 10 | Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) | | |
| | - Basic | 2.02 | 1.96 |
| | - Diluted | 2.02 | 1.96 |
| 11 | Debenture Redemption Reserve | 4,836 | 6,522 |
| 12 | Debt Service Coverage Ratio | 0.70 | 0.90 |
| 13 | Interest Service Coverage Ratio | 1.88 | 1.84 |

Notes to the Audited Financial Results for the Year ended March 31, 2017:

(1) The above is an extract of the detailed format of half yearly standalone financial results filed with the Stock Exchange under Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. For the items referred in sub-clauses (a), (b), (d) and (e) of the Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the Stock Exchange and are available on the websites of Stock Exchanges i.e. www.nseindia.com and www.bseindia.com alongwith the company's website i.e. www.itnindia.com/NKEL-SPV.aspx

(2) The above results for year ended March 31, 2017 are in compliance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The result for the year ended March 31, 2016 have been regrouped / restated as per Ind AS and are comparable on like to like basis.

(3) The above audited results were approved by the Audit Committee and taken on record at the Board meeting held on May 10, 2017.

(4) No complaints were recorded during the period and no complaint is pending as on March 31, 2017.

(5) The formulas used for calculation of Debt Service Coverage Ratio, Interest Service Coverage Ratio and Debt Equity Ratio are as follows:-

(i) Debt Equity Ratio = Debt / (Equity Share Capital + Reserves & Surplus)

(ii) Debt Service Coverage Ratio = Earning before interest and tax / (Interest + Principal Repayment)

(iii) Interest Service Coverage Ratio = Earning before interest and tax / Interest expenses

Place: Mumbai

Date: May 10, 2017



For and on behalf of the Board

Subhash C. Sachdeva

Managing Director

DIN No. -00051945

NORTH KARNATAKA EXPRESSWAY LIMITED

Registered Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
CIN: U45203MH2001PLC163992

Statement of Audited Financial Results for the year ended March 31, 2017

(₹ in Lakhs)

| Particulars | Half year ended | | Year ended | |
|--------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | (Audited) | (Audited) | (Audited) | (Audited) |
| 1 (a) Revenue from operations | 1,779.03 | 2,111.50 | 3,712.89 | 4,329.66 |
| (b) Other income | 496.43 | 801.84 | 1,203.43 | 1,396.85 |
| Total income | 2,275.46 | 2,913.34 | 4,916.32 | 5,726.51 |
| 2 Expenses | | | | |
| (a) Operating expenses | 664.75 | 613.28 | 1,314.18 | 1,325.61 |
| (b) Employee benefit Expenses | - | - | - | - |
| (c) Finance Costs | 858.05 | 1,085.97 | 1,833.92 | 2,281.02 |
| (c) Depreciation and amortisation expense | 0.09 | 0.15 | 0.15 | 0.36 |
| (d) Other expenses | 104.76 | 153.18 | 159.34 | 210.28 |
| Total expenses | 1,627.65 | 1,852.58 | 3,307.59 | 3,817.26 |
| 3 Profit before Tax | 647.81 | 1,060.76 | 1,608.72 | 1,909.25 |
| 4 Less : Tax expense | | | | |
| (1) Current Tax | 7.00 | 349.92 | 407.00 | 745.92 |
| (2) Deferred Tax | - | - | - | - |
| 5 Profit for the period | 640.81 | 710.84 | 1,201.72 | 1,163.33 |
| 6 Other Comprehensive Income / (Expense) (after tax) | - | - | - | - |
| 7 Total comprehensive income (after tax) | 640.81 | 710.84 | 1,201.72 | 1,163.33 |
| 8 i Paid-up equity share capital (face value - ₹ 10 per share) | 5,939.11 | 5,939.11 | 5,939.11 | 5,939.11 |
| 8 ii Paid-up Debt Capital | 16,843.16 | 21,765.55 | 16,843.16 | 21,765.55 |
| 9 Net worth | 14,067.54 | 19,763.80 | 14,067.54 | 19,763.80 |
| 10 Debenture Redemption Reserve | 4,835.80 | 6,522.30 | 4,835.80 | 6,522.30 |
| 11 Earnings per share (of ₹ 10/- each) (* Not annualised) : | | | | |
| (a) Basic | 1.08* | 1.2* | 2.02 | 1.96 |
| (b) Diluted | 1.08* | 1.2* | 2.02 | 1.96 |
| 12 Ratios (Refer Note 8 below) | | | | |
| (a) Debt/Equity Ratio (number of times) | 1.20 | 1.10 | 1.20 | 1.10 |
| (b) Debt Service Coverage Ratio (DSCR) (number of times) | 0.45 | 0.94 | 0.70 | 0.90 |
| (c) Interest Service Coverage Ratio (ISCR) (number of times) | 1.75 | 1.98 | 1.88 | 1.84 |
| See accompanying Notes 1 to 14 to the financial results | | | | |



NORTH KARNATAKA EXPRESSWAY LIMITED

Registered Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
CIN: U45203MH2001PLC163992

Balance sheet for the year ended March 31, 2017

(₹ in Lakhs)

| | | As at March 31, 2017 (Audited) | | As at March 31, 2016 (Audited) | |
|-----------|----------------------------------------------|--------------------------------------|------------------|--------------------------------------|------------------|
| I | ASSETS | | | | |
| | Non-current Assets | | | | |
| | Property, plant and equipment | | 1.07 | | 0.26 |
| | Intangible assets | | | | |
| | (i) under SCA | - | - | - | - |
| | (ii) others | - | - | - | - |
| | Financial assets | | | | |
| | (i) Loans | | - | | - |
| | (ii) Other financial assets | | 12,481.00 | | 19,425.54 |
| | Tax assets | | | | |
| | (i) Current Tax Asset (Net) | | 803.98 | | 934.22 |
| | Other non-current assets | | - | | - |
| | Total Non-current Assets | | 13,286.05 | | 20,360.01 |
| | Current Assets | | | | |
| | Financial assets | | | | |
| | (i) Cash and cash equivalents | 8,863.01 | | 7,359.57 | |
| | (ii) Loans | 2,515.00 | | 7,950.00 | |
| | (v) Other financial assets | 8,012.77 | 19,390.78 | 7,604.32 | 22,913.90 |
| | Other current assets | | 39.00 | | 119.55 |
| | Total Current Assets | | 19,429.78 | | 23,033.45 |
| | Total Assets | | 32,715.83 | | 43,393.46 |
| II | EQUITY AND LIABILITIES | | | | |
| | Equity | | | | |
| | Equity share capital | 5,939.11 | | 5,939.11 | |
| | Other Equity | 8,127.94 | | 13,824.69 | |
| | Equity attributable to owners of the Company | | 14,067.05 | | 19,763.80 |
| | Total Equity | | 14,067.05 | | 19,763.80 |
| | LIABILITIES | | | | |
| | Non-current Liabilities | | | | |
| | Financial Liabilities | | | | |
| | (i) Borrowings | 10,226.76 | | 15,019.55 | |
| | (ii) Trade payables | - | | - | |
| | (ii) Other financial liabilities | - | 10,226.76 | - | 15,019.55 |
| | Provisions | | 1,398.09 | | 1,747.00 |
| | Other non-current liabilities | | - | | - |
| | Total Non-current Liabilities | | 11,624.85 | | 16,766.55 |
| | Current liabilities | | | | |
| | Financial liabilities | | | | |
| | (i) Trade payables | 55.08 | | 113.41 | |
| | (ii) Other financial liabilities | 6,616.40 | 6,671.48 | 6,746.00 | 6,859.41 |
| | Provisions | | 349.40 | | - |
| | Current tax liabilities (Net) | | - | | - |
| | Other current liabilities | | 3.06 | | 3.69 |
| | Total Current Liabilities | | 7,023.94 | | 6,863.10 |
| | Total Liabilities | | 18,648.78 | | 23,629.66 |
| | Total Equity and Liabilities | | 32,715.83 | | 43,393.46 |



NORTH KARNATAKA EXPRESSWAY LIMITED

Registered Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
CIN: U45203MH2001PLC163992

Notes to the Audited Financial Results for the Year ended March 31, 2017:

- 1 The above financial results of the Company for the year ended March 31, 2017 has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 10, 2017. An audit of the financial results for the year ended March 31, 2017 has been completed by the Statutory Auditor of the Company
- 2 The above results for the year ended March 31, 2017 are in compliance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The result for the year ended March 31, 2016 have been regrouped / restated as per Ind AS and are comparable on like to like basis.
- 3 Reconciliation of Profit after tax between Previous GAAP and IND AS as under:

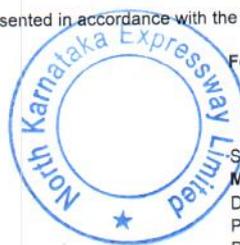
(₹ in Lakhs)

| Particulars | Year Ended March 31, 2016 (Audited) | Half Year Ended March 31, 2016 (Audited) |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------|
| Net Profit (after tax) under Previous GAAP | 2,595.47 | 1,137.24 |
| Impacts on account of: | | |
| Recognition of income on financial assets | (5,773.74) | (2,940.20) |
| Decapitalisation of overlay expenses | (98.78) | - |
| Reduction in amortisation due to de-recognition of Intangible assets | 4,244.81 | 2,317.14 |
| Other impacts on account of application of Effective interest rate model and expected credit loss model on financial instruments | 195.57 | 196.66 |
| Net Profit (after tax) under IND AS | 1,163.33 | 710.84 |

4 Reconciliation of total equity

| Particulars | As at March 31, 2016 (End of last period presented under previous GAAP) |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Total equity / shareholders' funds under previous GAAP | 13,325.52 |
| Adjustments: | |
| Recognition of income on financial assets | 6,446.77 |
| Minimum Alternate Tax liability recognised for previous year | (1,747.00) |
| Reversal of the proposed Dividend | 1,787.04 |
| Other impacts on account of application of Effective interest rate model and expected credit loss model on financial instruments | (48.53) |
| Total adjustment to equity | 6,438.28 |
| Total equity under Ind AS | 19,763.80 |

- 5 All secured borrowings obtained by the Company are covered under a pari-passu first charge in favour of the Debenture Trustee on all bank accounts of the Company; all rights, title and interests of the Company in, to and under all movable properties and assets of the Company; all rights, title and interests of the Company in, to and under all Project Agreements, clearances, Insurance Contracts, incorporeal rights and all amounts/receivables due to or received by the Company, including those from NHAI under the terms of the Concession Agreement).
- 6 The Company is engaged in the business of setting up of infrastructure facility by way of development of infrastructure projects, operation and maintenance of infrastructural facilities. As such, all activities undertaken by the Company are incidental to the main business. There are no separate reportable business segments as per IND AS 108 on "Operating Segment".
- 7 No complaints were recorded during the period and no complaint is pending as on March 31, 2017.
- 8 Formula used for the computation of the Ratios:
 - a) Debt/Equity Ratio = Debt / (Equity Share Capital + Reserves & Surplus)
 - b) Debt = Aggregate of Long-term borrowings, Current maturities of Long-term borrowings and Short-term borrowings excluding preference shares
 - c) Debt Service Coverage Ratio (DSCR) = Profit before Interest Expenses and Tax / (Interest Expenses + Principal Repayment excluding refinancing of loans)
 - d) Interest Service Coverage Ratio (ISCR) = Profit before Interest Expenses and Tax / Interest Expenses
- 9 Net worth as per Listing Regulations means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.
- 10 Details of Credit Rating:
Non-convertible debentures ("NCDs"): CARE:- AAA(SO), CRISIL :- AAA(SO) and India Rating :- AAA(SO)
- 11 Corresponding figures for the previous year have been reclassified and presented in accordance with the current year presentation.



For and on behalf of the Board

Subhash C. Sachdeva
Managing Director
DIN No. -00051945
Place: Mumbai
Date: May 10, 2017

M. P. Chitale & Co.

Chartered Accountants

Hamam House, Ambalal Doshi Marg, Fort, Mumbai - 400 001 • Tel : 2265 1186 / 3916, 2266 6223 / 6224 • Fax : 2265 5334 •

**INDEPENDENT AUDITOR'S REPORT TO BOARD OF DIRECTORS OF
NORTH KARNATAKA EXPRESSWAY LIMITED ON THE STATEMENT OF FINANCIAL
RESULTS, PURSUANT TO THE REGULATION 52 OF THE SEBI (LISTING OBLIGATIONS
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We have audited the financial results of **M/s North Karnataka Expressway Limited** ("the Company") for the year ended March 31, 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These financial results which are the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of related financial statements, which is in accordance with Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 read Rule 7 of the companies Accounts Rule 2014 and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these financial results based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

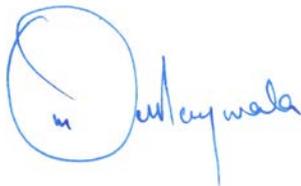
In our opinion and to the best of our information and according to the explanations given to us on these financial results:

- (i) have been presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and SEBI circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 in this regard; and
- (ii) give a true and fair view in conformity with aforesaid accounting standards and other accounting principles generally accepted in India of the net profit and other financial information for the year ended March 31, 2017.

For M. P. Chitale & Co.

Chartered Accountants

Firm Registration no.101851W



Murtuza Vajhi

Partner

Membership Number: 112555

Place: Mumbai

Date: May 10, 2017

North Karnataka Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 Fax : 022-26523979
CIN : U45203MH2001PLC163992

May 10, 2017

General Manager,
Listing Department,
BSE Limited,
P.J. Tower, Dalal Street,
Mumbai 400 001

Vice President,
Listing Department,
National Stock Exchange of India Limited
'Exchange Plaza', Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

**Scrip Code: 946969, 946971, 946973,
946974, 946976 and 946978**

Security: DC (NKE 17A to NKE 20)

Re: Declaration for submission of audit report with unmodified opinion as per Regulation 52(3)(a) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016- Compliance for the year ended March 31, 2017

Dear Sirs,

This is with reference to circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016 issued by SEBI pertaining to disclosure of impact of audit qualification by listed entity

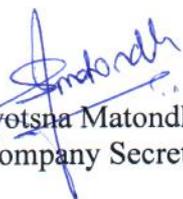
We hereby declare that there is no qualification in audit report issued by the auditors of the Company

We request you to kindly consider the said declaration towards the compliance of Regulation 52 (3)(a) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 and aforementioned circular

Thank you

Yours faithfully,

For North Karnataka Expressway Limited


Jyotsna Matondkar
Company Secretary