Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Nandi Economic Corridor Enterprises Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Nandi Economic Corridor Enterprises Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

12. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.

13. Further to our comments in Annexure I, as required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company, as detailed in note 36 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023.;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

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iv. a. The management has represented that, to the best of its knowledge and belief, on the date of this audit report as disclosed in note 38 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, on the date of this audit report as disclosed in note 39 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Nikhil Vaid

Walker Chandiok & Co LLP Hyderabad

Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 23213356BGXLYY2898

Hyderabad
12 June 2023

Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Nandi Economic Corridor Enterprises Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment 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 physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of land as at 31 March 2023, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

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

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

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

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, Cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

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

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

Walker Chandiok & Co LLP
Chartered Accountants
Hyderabad

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.

(xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of Section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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(xx) According to the information and explanations given to us, the Company has not transferred unspent amounts towards Corporate Social Responsibility in respect of other than ongoing projects to a Fund specified in Schedule VII to the Act as required under second proviso to sub-section (5) of Section 135 of the said Act. However, the time period of six months from the end of financial year as permitted under second proviso to sub-section (5) of Section 135 of the Act, has not lapsed till the date of our report.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Walker Chandiok & Co LLP * Hyderabad *

Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 23213356BGXLYY2898

Hyderabad
12 June 2023

Walker Chandiok & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Nandi Economic Corridor Enterprises Limited on the financial statements for the year ended 31 March 2023

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

1. In conjunction with our audit of the financial statements of Nandi Economic Corridor Enterprises Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements .

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on internal financial controls with reference to financial statement criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 23213356BGXLYY2898

Walker Chandiok & Co LLP * Hyderabad *

Hyderabad
12 June 2023

Nandi Economic Corridor Enterprises Limited
Balance sheet as at 31 March 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,100.76	946.76
Capital work-in-progress	3	2,607.79	2,550.14
Intangible assets	4A	1,06,715.75	1,08,844.72
Intangible assets under development	4B	9,725.01	1,764.26
Financial assets			
Loans	5A	27.26	48.01
Other financial assets	6A	725.61	4,398.46
Other tax assets (net)	7	1,227.69	735.27
Other non-current assets	8A	31,640.72	27,169.15
Total non-current assets		**1,53,770.58**	**1,46,456.77**
Current assets			
Inventories	9	22,406.92	22,480.45
Financial assets			
Investments	10	5,438.66	15,969.55
Trade receivables	11	167.81	119.32
Cash and cash equivalents	12A	4,447.56	330.81
Bank balances other than cash and cash equivalents	12B	8,466.40	1,458.50
Loans	5B	366.56	367.66
Other financial assets	6B	443.49	-
Other current assets	8B	297.78	351.39
Total current assets		**42,035.18**	**41,077.68**
Total assets		**1,95,805.76**	**1,87,534.45**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	20,904.67	20,904.67
Other equity	14	(3,748.34)	(32,487.43)
Total equity		**17,156.33**	**(11,582.76)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15A	1,31,791.56	1,50,094.71
Other financial liabilities	16A	2,496.76	10,376.02
Provisions	17A	1,189.37	1,146.20
Deferred tax liabilities (Net)	26C	3,409.84	-
Other non-current liabilities	18A	8,677.23	9,697.23
Total non-current liabilities		**1,47,564.76**	**1,71,314.16**
Current liabilities			
Financial liabilities			
Borrowings	15B	7,774.70	7,598.00
Trade payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		94.73	107.93
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,423.13	4,156.25
Other financial liabilities	16B	6,041.23	3,242.38
Other current liabilities	18B	13,299.97	12,283.09
Provisions	17B	450.91	415.40
Total current liabilities		**31,084.67**	**27,803.05**
Total equity and liabilities		**1,95,805.76**	**1,87,534.45**

The accompanying notes form an integral part of the financial statements.
As per our report of even date

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

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356
Hyderabad
12 June 2023

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

Ashok Kumar Kheny
Managing Director
DIN: 00248397
Bengaluru
12 June 2023

AB Shiva Subramanyam
Director
DIN: 00963838
Bengaluru
12 June 2023

Ashok Kumar Shetty
Chief Financial Officer
Bengaluru
12 June 2023

N Balaji Naidu
Company Secretary
Membership No.F6174
Bengaluru
12 June 2023

Nandi Economic Corridor Enterprises Limited
Statement of profit and loss for the year ended 31 March 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	31 March 2023	31 March 2022
Income			
Revenue from operations	20	62,483.45	41,237.32
Other income	21	1,366.39	1,276.13
Total income		**63,849.84**	**42,513.45**
Expenses			
Cost of sale of land	22	73.53	10.18
Employee benefits expenses	23	4,752.25	4,245.83
Finance costs	24	17,483.23	17,499.38
Depreciation and amortisation expenses	2 & 4	5,128.84	4,744.02
Other expenses	25	16,484.36	10,945.56
Total expenses		**43,922.21**	**37,444.97**
Profit before tax		**19,927.63**	**5,068.48**
Tax expense	26		
Current tax		-	-
Deferred tax		332.93	-
Profit after tax		**19,594.70**	**5,068.48**
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss			
Re-measurement of (gain)/loss on defined benefit plans	30A	(4.19)	137.01
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Other comprehensive (loss)/income for the year		**(4.19)**	**137.01**
Total comprehensive income for the year		**19,590.51**	**5,205.49**
Earnings per share (in ₹)	27		
Basic		9.37	2.42

The accompanying notes form an integral part of the financial statements.

As per our report of even date

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

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356
Hyderabad
12 June 2023

Walker Chandiok & Co LLP Hyderabad

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

Ashok Kumar Kheny
Managing Director
DIN: 00248397
Bengaluru
12 June 2023

AB Shiva Subramanyam
Director
DIN: 00963838
Bengaluru
12 June 2023

Ashok Kumar Shetty
Chief Financial Officer

Bengaluru
12 June 2023

N. Balaji Naidu
Company Secretary
Membership No: F6174
Bengaluru
12 June 2023

Nandi Economic Corridor Enterprises Limited Bangalore

Nandi Economic Corridor Enterprises Limited
Cash flow statement for the year ended 31 March 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

	31 March 2023	31 March 2022
A. Cash flow from operating activities		
Profit for the year	19,927.63	5,068.48
Adjustments to reconcile profit after tax to net cash flows		
Interest income	(673.87)	(70.73)
Net gain on financial asset measured at fair value through profit and loss	(472.98)	(1,020.24)
Finance costs	17,483.23	17,499.38
Depreciation and amortisation expenses	5,128.84	4,744.02
Provisions no longer required written back	-	(30.25)
Loss on fixed assets sold (net)	0.03	-
Operating profit before working capital changes	**41,392.88**	**26,190.66**
Working capital adjustments:		
(Increase) in trade receivables	(48.49)	(89.19)
Decrease/(increase) in inventories	73.53	(165.22)
(Increase) in loans and advances and other assets	(4,224.81)	(192.91)
(Decrease)/increase in current liabilities and provisions	(842.95)	1,397.42
Cash generated from operations	**36,350.16**	**27,140.76**
Net income taxes (paid)	(492.42)	(173.28)
Net cash flow from operating activities (A)	**35,857.74**	**26,967.48**
B. Cash flow from investing activities		
Purchase of property, plant and equipment (net)	(11,146.23)	(7,910.06)
Sale of mutual funds	11,234.54	19,996.68
Purchase of mutual funds	(230.68)	(12,369.55)
Interest received	256.97	44.22
Investments in bank deposits	(18,935.40)	-
Maturity of bank deposits	15,381.50	17.35
Receipt of inter-corporate deposits	20.97	(5,478.50)
Net cash flow used in investing activities (B)	**(3,418.33)**	**(5,699.86)**
C. Cash flow from financing activities		
Repayment of long term borrowings	(8,970.05)	(5,943.79)
Interest paid	(19,352.60)	(16,300.37)
Net cash used in financing activities (C)	**(28,322.66)**	**(22,244.16)**
Net increase in cash and cash equivalents (A+B+C)	4,116.75	(976.54)
Cash & cash equivalents at beginning of the year	330.81	1,307.35
Cash & cash equivalents at the end of the year (refer note 12)	**4,447.56**	**330.81**

Hyderabad

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED
Bangalore

Nandi Economic Corridor Enterprises Limited
Cash flow statement for the year ended 31 March 2023 (Cont'd)
(All amounts in ₹ Lakhs, unless otherwise stated)

Changes in liabilities arising from financial activities for the year ended 31 March 2023

Particulars	As at	Cash flow	Non-cash changes		As at
	1 April 2022		Measurement of financial liability	Finance cost	31 March 2023
(i) Cumulative redeemable preference shares	7,504.01	-	(4,027.14)	1,013.04	4,489.92
(ii) Borrowings (including interest accrued)	1,56,803.77	(28,322.66)	(7,373.66)	15,955.68	1,37,063.14
(iii) Optionally fully convertible redeemable debentures	1,668.58	-	(824.71)	200.58	1,044.45
(iv) Unwinding of interest on financial liabilities	-	-	-	313.93	-
	1,65,976.36	**(28,322.66)**	**(12,225.51)**	**17,483.23**	**1,42,597.51**

Changes in liabilities arising from financial activities for the year ended 31 March 2022

Particulars	As at	Cash flow	Non-cash changes		As at
	1 April 2021		Measurement of financial liability	Finance cost	31 March 2022
(i) Cumulative redeemable preference shares	6,611.47	-	-	892.54	7,504.01
(ii) Borrowings (including interest accrued)	1,63,004.57	(22,244.16)	-	16,043.36	1,56,803.77
(iii) Optionally fully convertible redeemable debentures	1,490.24	-	-	178.34	1,668.58
(iv) Unwinding of interest on financial liabilities	-	-	-	385.14	-
	1,71,106.28	**(22,244.16)**	**-**	**17,499.38**	**1,65,976.36**

The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flow'.

As per our report of even date

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

Nikhil Vaid
Partner
Membership No.: 213356
Hyderabad
12 June 2023

For and on behalf of the Board of Directors of
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Company Secretary
Membership No: F6174
Bengaluru
12 June 2023

Bangalore
NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED

Nandi Economic Corridor Enterprises Limited
Statement of changes in equity as at 31 March 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Equity share capital	Other equity				Total equity attributable to equity shareholders
		Reserves and surplus			Other comprehensive income	
		Securities premium account	Deficit in statement of profit and loss	Measurement of below market rate financial liability at fair value	Actuarial loss/(gain)	
Balance as at 01 April 2021	20,904.67	35,171.48	(87,064.17)	14,495.54	(295.77)	(16,788.25)
Profit for the year	-	-	5,068.48	-	-	5,068.48
Actuarial loss	-	-	-	-	137.01	137.01
Balance as at 31 March 2022	20,904.67	35,171.48	(81,995.69)	14,495.54	(158.76)	(11,582.76)
Profit for the year	-	-	19,594.70	-	-	19,594.70
Remeasurement of financial liability	-	-	-	12,225.49	-	12,225.49
Deferred tax on items directly recognized in equity				(3,076.91)		(3,076.91)
Actuarial (gain)	-	-	-	-	(4.19)	(4.19)
Balance as at 31 March 2023	20,904.67	35,171.48	(62,400.99)	23,644.12	(162.95)	17,156.33

As per our report of even date

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

Nikhil Vaid
Partner
Membership No.: 213356
Hyderabad
12 June 2023

Walker Chandiok & Co LLP Hyderabad

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

Ashok Kumar Kheny
Managing Director
DIN: 00248397
Bengaluru
12 June 2023

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12 June 2023

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Company Secretary
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Bengaluru
12 June 2023

NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

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

1 Company overview and significant accounting policies

1.1 Company overview

Nandi Economic Corridor Enterprises Limited ("NECE" or "the Company") was incorporated on April 17, 2000. The Government of Karnataka ("GoK") and Nandi Infrastructure Corridor Enterprises Limited ("NICE"), the Holding company entered into a Frame Work Agreement (FWA) dated April 3, 1997 (as amended) under which the GoK has granted rights to NICE for the development, maintenance and operation of integrated infrastructure corridor situated between Bangalore and Mysore in Karnataka, consisting of residential, industrial, and commercial facilities such as, among other things, self-sustaining townships, expressways, utilities and amenities, including power plants, industrial plants, water treatment plants and other infrastructural developments (together referred as the "Bangalore Mysore Infrastructure Corridor Project" or "BMICP").

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

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

Accordingly, the Company was incorporated and NICE has assigned Section A of the BMICP (as defined in the FWA) to the Company and the same has been endorsed by the GoK vide Tripartite Agreement dated August 9, 2002 ("the Tripartite Agreement"). The above mentioned privileges, benefits, interests and obligations under FWA and TCA with respect to Section A of the BMICP were also assigned to the Company. The Section A of the BMICP comprises: (a) development of Toll Road comprising 41 Kms of Peripheral Road, 9.8 Kms of Link Road and 13 Kms of Expressway (b) acquisition of the land and such rights, title and interests therein as may be required for the above mentioned roads and for development and sale of land (c) basic development and sale of land, (including that at 10 inter changes) and (d) basic development and sale of land in corporate township.

As per the terms of the reference in FWA read with concomitant agreements namely Tripartite Agreement and the TCA, NICE / NECE have a period of 10 years for construction of the Toll Road and a right to collect Toll from the users of the Toll Road for a Concession period of 30 years. Under these agreements, the collection of toll can commence as and when the sections of the Toll Roads are completed.

The time periods specified in the FWA and TCA is subject to conditions precedent as per Article 2.1 specified in the FWA and all of the land required for the BMICP being transferred to the NICE/NECE as per Article 2.2, 2.2.1 & 2.2.2 of the TCA. Further, as per Article 2.3 of the TCA, in case all of the land required for the execution of the BMICP are not provided to the Company, upon the Company providing a written notice to the GoK with regard to the same, the Toll Concession Period would be deemed to be extended for a corresponding period of time for the duration or continuance of such event or circumstance.

In accordance with the above mentioned terms and conditions as per the FWA and TCA, the period of 30 years will need to be calculated from the time the Company is handed over all of the land required for completing the Section A of the BMICP. Since all the lands required for the execution of the Section A of the BMICP has not been transferred to the Company, the Company has given written notices to the GoK of the continued delay in providing the required land for the BMICP.

In December 2008, the Company had completed 40 Kms of peripheral road and in October 2009, 8 Kms of link road was also completed ("Toll road assets – Section A") and the Company has commenced collecting tolls as per the rights under the FWA and TCA. Toll road assets – Section A created under Build, Own, Operate and Transfer ("BOOT") is considered as an Intangible asset since the asset will be transferred to the GoK at the end of the concession period.

1.2 Significant accounting policies

a. Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (by Ministry of Corporate Affairs ("MCA")) as amended.

The financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 18 May 2023.

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 2023. The accounting polices used in the preparation of financial statements are consistent with that of previous year.

c. Basis of preparation of financial statements

The financial statements have been prepared on going concern basis under the historical cost basis except for certain financial assets and liabilities which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

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

d. Functional and presentation currency

The financial statements are presented in Indian Rupee (' ₹ ') which is also the functional and presentation currency of the Company. All amounts have been rounded to nearest lakhs, unless otherwise indicated.

e. Use of estimates and judgements

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.3 and 1.4.

f. 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.

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NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

g. **Foreign currency transactions**

(a) Initial recognition

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

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange difference

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.

h. **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 received. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Toll collections

Income from toll collections is recognised on the basis of actual collection as and when vehicle crosses the toll plaza.

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 other income in the statement of profit or loss.

Dividend income

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

Construction revenue and construction expenses

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

Under Appendix C to Ind AS 115 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the operator receives a right (i.e. a concessionaire) to charge users of the public service.

i. **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.

(This space has been intentionally left blank)

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Nandi Economic Corridor Enterprises Limited Bangalore

(All amounts in ₹ lakhs, unless otherwise stated)

j. Property, plant and equipment (PPE)

Recognition and initial measurement

Properties, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met, any expected costs of decommissioning and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Depreciation and useful lives

Depreciation on fixed assets is provided on the straight-line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Buildings	60 years
Plant and machinery	12 years
Electrical items	10 years
Laboratory equipments	10 years
Towers	13 years
Office equipments	5 years
Furniture & fixtures	10 years
Computers	3 years
Vehicles	10 years

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

De-recognition

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

k. Intangible assets

Recognition and initial measurement

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

Amortisation

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

• Solely for purposes of amortisation of the toll road assets, the Company has considered a period of 40 years (i.e., 10 years of construction period and 30 years of concession period) from the initial financial closure achieved in year 2004.

• The amortisation is provided on straight line basis over the above mentioned 40 year period.

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.

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NANDI ECONOMIC CORRIDOR ENTERPRISES Bangalore

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

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Lease term includes these options when it is reasonably certain that they will be exercised.

o. Employee benefits

Defined contribution plan

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

Defined benefit plan

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

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

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

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

Other short-term benefits

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

p. Tax expense

Income tax

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

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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.

q. Earnings per share

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

r. 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.

s. Financial instruments

Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

A 'Debt instruments' is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in other comprehensive income (OCI).

Debt instruments at Fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

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

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

There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

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

De-recognition of financial assets

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

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NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

s. Financial instruments (cont'd)

Financial liabilities

Initial recognition

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

Subsequent measurement- financial instruments classified as amortised cost

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

t. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

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Nandi Economic Corridor Enterprises Limited Bangalore

u. Segment reporting

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

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

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

1.3 Significant estimates in applying accounting policies

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

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

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

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

1.4 Critical judgements in applying accounting policies

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

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

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

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

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NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED * Bangalore *

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

2 Property, plant and equipment

	Land	Buildings	Plant and machinery	Electrical items	Laboratory equipments	Towers	Computers	Vehicles	Office equipments	Furniture & fixtures	Total
Gross block											
At 1 April 2021 (refer Note a)	92.26	691.76	35.36	370.41	26.70	36.72	33.87	321.54	43.50	42.38	1,694.50
Additions	-	-	23.15	2.69	8.77	-	7.73	1.85	7.63	0.57	52.39
At 31 March 2022	92.26	691.76	58.51	373.10	35.47	36.72	41.60	323.39	51.13	42.95	1,746.89
Additions	-	32.20	9.49	0.34	0.37	14.04	73.64	109.22	35.57	4.63	279.50
Disposals	-	-	-	-	-	-	(14.28)	(61.49)	(24.66)	-	(100.43)
At 31 March 2023	92.26	723.96	68.00	373.44	35.84	50.76	100.96	371.12	62.04	47.58	1,925.96
Accumulated depreciation											
Upto 1 April 2021	-	121.68	21.42	213.43	20.83	21.67	4.87	248.66	12.10	27.66	692.32
Charge for the year	-	24.50	5.52	35.03	2.39	4.00	14.35	8.60	7.94	5.48	107.81
Upto 31 March 2022	-	146.18	26.94	248.46	23.22	25.67	19.22	257.26	20.04	33.14	800.13
Charge for the year	-	24.73	6.17	33.65	1.49	3.78	17.55	17.26	11.81	1.34	117.78
Adjustments for disposals	-	-	-	-	-	-	(13.57)	(55.72)	(23.42)	-	(92.71)
Upto 31 March 2023	-	170.91	33.11	282.11	24.71	29.45	23.20	218.80	8.43	34.48	825.20
Net block											
As at 31 March 2022	92.26	545.58	31.57	124.64	12.25	11.05	22.38	66.13	31.09	9.81	946.76
As at 31 March 2023	92.26	553.05	34.89	91.33	11.13	21.31	77.76	152.32	53.61	13.10	1,100.76

Note

a. The title deeds of property, plant and equipment where applicable are held in the name of the Company.

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(All amounts in ₹ Lakhs, unless otherwise stated)

3 Capital work-in-progress

	31 March 2023	31 March 2022
Capital work-in-progress	2,607.79	2,550.14
	2,607.79	**2,550.14**

Ageing of capital work-in-progress:

As at 31 March 2023

	Amount of capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years^	
Capital work-in-progress	-	-	-	2,607.79	2,607.79
	-	-	-	**2,607.79**	**2,607.79**

As at 31 March 2022

	Amount of capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Capital work-in-progress	-	-	-	2,550.14	2,550.14
	-	-	-	**2,550.14**	**2,550.14**

^The work is currently on hold due to litigations, detailed in note 37(i).

4A Intangible assets

Gross block	
At 1 April 2021	**1,23,754.27**
Additions	6,966.82
At 31 March 2022	**1,30,721.09**
Additions	2,882.09
At 31 March 2023	**1,33,603.18**
Accumulated amortisation	
Upto 1 April 2021	17,240.16
Charge for the year	4,636.21
Upto 31 March 2022	**21,876.37**
Charge for the year	5,011.06
Upto 31 March 2023	**26,887.43**
Net block	
As at 31 March 2022	**1,08,844.72**
As at 31 March 2023	**1,06,715.75**

4B Intangible assets under development

	31 March 2023	31 March 2022
Intangibles assets under development	**9,725.01**	**1,764.26**
	9,725.01	**1,764.26**

Ageing of intangibles assets under development:

As at 31 March 2023

	Amount of capital work in progress for a period of				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years*	
Intangibles assets under development	8,875.01	-	-	850.00	9,725.01
	8,875.01	-	-	**850.00**	**9,725.01**

As at 31 March 2022

	Amount of capital work in progress for a period of				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years*	
Intangibles assets under development	914.26	-	-	850.00	1,764.26
	914.26	-	-	**850.00**	**1,764.26**

*The work is currently on hold due to litigations, detailed in note 37(i).

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(All amounts in ₹ Lakhs, unless otherwise stated)

5 Loans

		31 March 2023	31 March 2022
A	**Non-current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Inter-corporate deposits (Refer Note (i))	17.13	38.10
	Advances to related parties		
	- considered good	10.13	9.91
	- considered doubtful	6,298.86	6,298.86
	Less: Provision for doubtful advances	(6,298.86)	(6,298.86)
		10.13	9.91
		27.26	**48.01**
B	**Current assets**		
	(Unsecured, considered good unless otherwise stated)		
	- considered good		
	Advances to related parties	365.94	366.40
	Loans and advances to employees	0.62	1.26
		366.56	**367.66**

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

6 Other financial assets

		31 March 2023	31 March 2022
A	**Non-current assets**		
	Security deposits	145.24	337.50
	Bank deposits with more than 12 months maturity	566.00	4,020.00
	Interest accrued on fixed deposits	14.37	40.96
		725.61	**4,398.46**
B	**Current assets**		
	Interest accrued on fixed deposits	443.49	-
		443.49	-

7 Other tax assets (net)

	31 March 2023	31 March 2022
Non-current		
Advance income tax [net of provision]	1,227.69	735.27
	1,227.69	735.27

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Nandi Economic Corridor Enterprises Limited Bangalore

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

8 Other assets

	31 March 2023	31 March 2022
A Non-current assets		
(Unsecured, considered good unless otherwise stated)		
Capital advances	1,378.55	1,436.20
Capital advances to related parties		
- considered good	-	-
- considered doubtful	5,326.18	5,326.18
	5,326.18	5,326.18
Less: Provision for doubtful advances	(5,326.18)	(5,326.18)
	-	-
Others loans and advances:		
Advance towards land acquisition and projects		
- considered good	30,042.70	25,342.70
- considered doubtful	105.00	105.00
	30,147.70	**25,447.70**
Less: Provision for doubtful advances	(105.00)	(105.00)
	30,042.70	**25,342.70**
Advances to suppliers/service providers		
- considered good	219.47	390.25
- considered doubtful	643.25	634.05
	862.72	**1,024.30**
Less: Provision for doubtful advances	(643.25)	(634.05)
	219.47	**390.25**
	31,640.72	**27,169.15**
B Current assets		
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	87.16	167.38
Advances to suppliers/ service providers		
- considered good	210.62	184.01
- considered doubtful	-	9.20
	210.62	**193.21**
Less: Provision for doubtful advances	-	(9.20)
	210.62	**184.01**
	297.78	**351.39**

9 Inventories

	31 March 2023	31 March 2022
Land and related development cost	22,406.92	22,480.45
	22,406.92	**22,480.45**

10 Investments

	31 March 2023	31 March 2022
Current investments (Carried at fair value through profit or loss (FVTPL))		
SVC Co-Operative Bank Limited (unquoted) (100 shares of face value Rs 25)	0.03	0.03
NKGSB Co-Operative Bank Limited (unquoted) (20,000 shares of face value Rs 10)	2.00	-
Investment in mutual funds (Unquoted)		
BOI AXA-Ultra Short Term Fund (FY 2023 - Nil units & FY 2022 - 19,445.44 units)	-	517.66
Axis Banking & PSU Fund (FY 2023 - Nil units & FY 2022 - 76,306.64 units)	-	1,668.87
ABSL Floating Rate Fund (FY 2023 - 4,80,518.09 units & FY 2022 - 5,69,367.00 units)	1,439.57	1,614.44
HDFC Corporate Bond Fund (FY 2023 - 49,21,871.73 units & FY 2022 - 1,98,38,141.99 units)	1,359.39	5,253.42
ICICI Prudential Corporate Bond Fund-Direct-Growth (FY 2023 - Nil units & FY 2022 - 70,97,352.69 units)	-	1,744.98
IDFC Banking & PSU Fund (FY 2023 - 1,23,52,737.91 units & FY 2022 - 2,53,44,861.31 units)	2,637.67	5,170.15
	5,438.66	**15,969.55**

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Nandi Economic Corridor Enterprises Limited Bangalore

(All amounts in ₹ Lakhs, unless otherwise stated)

11 Trade receivables

	31 March 2023	31 March 2022
- Unsecured, considered good		
Outstanding for a period exceeding six months from the date they were due for payment	10.77	-
Other receivables	157.04	119.32
	167.81	**119.32**

Ageing of trade receivables:

As at 31 March 2023

	Current but not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables - considered good	-	157.04	-	10.77	-	-	167.81
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	**157.04**	-	**10.77**	-	-	**167.81**

As at 31 March 2022

	Current but not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables - considered good	-	119.32	-	-	-	-	119.32
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	**119.32**	-	-	-	-	**119.32**

12 Cash and bank balance

	31 March 2023	31 March 2022
A Cash and cash equivalent		
Cash on hand	95.14	95.28
Balances with banks		
- in current accounts	352.42	235.53
- in deposit accounts with original maturity of less than 3 months	4,000.00	-
	4,447.56	**330.81**
B Other bank balances		
Deposits with maturity of more than 3 months but less than 12 months	8,466.40	1,458.50
Deposits with maturity of more than 12 months	566.00	4,020.00
Less - amount disclosed under non-current financial assets (refer note 6A)	(566.00)	(4,020.00)
	8,466.40	**1,458.50**
	12,913.96	**1,789.31**

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NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

(All amounts in ₹ Lakhs, unless otherwise stated)

13 Equity share capital

	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity share of Rs. 10/- each	20,90,47,692	20,904.77	20,90,47,692	20,904.77
	20,90,47,692	**20,904.77**	**20,90,47,692**	**20,904.77**
Issued, subscribed and fully paid-up				
Equity share of Rs. 10/- each	20,90,46,692	20,904.67	20,90,46,692	20,904.67
	20,90,46,692	**20,904.67**	**20,90,46,692**	**20,904.67**

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

	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity share of Rs. 10/- each				
Balance as at the beginning of the year	20,90,46,692	20,904.67	20,90,46,692	20,904.67
Less: shares cancelled during the year	-	-	-	-
Balance at the end of the year	**20,90,46,692**	**20,904.67**	**20,90,46,692**	**20,904.67**

(b) Terms/ rights attached to equity shares:

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

	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity share of Rs. 10/- each				
1. Nandi Infrastructure Corridor Enterprises Limited (*)	11,33,50,000	11,335	11,33,50,000	11,335

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

	31 March 2023		31 March 2022	
	No. of shares	%	No. of shares	%
Equity share of Rs. 10/- each				
1. Nandi Infrastructure Corridor Enterprises Limited (*)	11,33,50,000	54%	11,33,50,000	54%
2. Airro Mauritius Holdings V	3,74,46,692	18%	3,74,46,692	18%
3. AM Nice Mauritius Holdings	2,10,00,000	10%	2,10,00,000	10%
4. Jaypatri Investments Private Limited	1,12,21,626	5%	1,12,21,626	5%
5. 2i Capital PCC, Mauritius	1,05,00,000	5%	1,05,00,000	5%

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

(e) 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 2023 and 31 March 2022. Further, no shares issued for consideration other than cash.

(f) Details of shares held by promoters:

As at 31 March 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1. Nandi Infrastructure Corridor Enterprises Limited	11,33,50,000	-	11,33,50,000	54%	-
2. Yokoha Investment Private Limited	21,42,480	-	21,42,480	1%	-
3. Rosario Investment Private Limited	21,42,480	-	21,42,480	1%	-
4. Hibiscus Investment & Finance Pvt Ltd	19,93,334	-	19,93,334	1%	-
5. Jaypatri Investments Private Limited	1,12,21,626	-	1,12,21,626	5%	-
6. Baba N Kalyani	10	-	10	0%	-
7. Shivkumar Kheny	20	-	20	0%	-
8. Ashok K Kheny	30	-	30	0%	-
9. Amit Kalyani	10	-	10	0%	-
10. Siddharth Kheny	10	-	10	0%	-
11. Nandi Highway Developers Limited	-	52,50,000	52,50,000	3%	100%

As at 31 March 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1. Nandi Infrastructure Corridor Enterprises Limited	11,33,50,000	-	11,33,50,000	54%	-
2. Yokoha Investment Private Limited	21,42,480	-	21,42,480	1%	-
3. Rosario Investment Private Limited	21,42,480	-	21,42,480	1%	-
4. Hibiscus Investment & Finance Pvt Ltd	19,93,334	-	19,93,334	1%	-
5. Jaypatri Investments Private Limited	1,12,21,626	-	1,12,21,626	5%	-
6. Baba N Kalyani	10	-	10	0%	-
7. Shivkumar Kheny	20	-	20	0%	-
8. Ashok K Kheny	30	-	30	0%	-
9. Amit Kalyani	10	-	10	0%	-
10. Siddharth Kheny	10	-	10	0%	-

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(All amounts in ₹ Lakhs, unless otherwise stated)

14 Other equity

	31 March 2023	31 March 2022
Securities premium account	35,171.48	35,171.48
Deficit in statement of profit and loss	(62,400.99)	(81,995.69)
Measurement of below market rate financial liability at fair value (net of deferred taxes)	23,644.12	14,495.54
Other comprehensive income	(162.95)	(158.76)
	(3,748.34)	(32,487.43)

a. Securities premium account represents excess of money received over face value of shares. The reserve is utilised in accordance with the provisions of the Act.

b. Deficit in statement of profit and loss represents losses incurred by the Company since its inception.

c. Measurement of below market rate financial liability represents imputed gain on financial instruments which carry interest rate lower than market rate.

d. Other comprehensive income represents actuarial gains/losses arising from remeasurement of defined employee benefit obligations.

		31 March 2023	31 March 2022
A	**Non-current**		
	Secured loans		
	14,00,000 (31 March 2022 - 14,00,000) 5% Optionally Fully Convertible Redeemable Debentures of Rs.100/- each	1,044.45	1,668.58
	Term loans		
	- From banks	93,158.34	99,900.41
	- From others	38,319.32	40,169.65
	7% Cumulative Redeemable Preference Shares of Rs.10/- each	4,489.92	7,504.01
	Unsecured loans		
	Interest free loan from related parties	2,554.23	8,450.06
		1,39,566.26	1,57,692.71
	Amount disclosed under "Current borrowings" (refer note 15B)	(7,774.70)	(7,598.00)
		1,31,791.56	1,50,094.71
B	**Current**		
	Current maturities of non-current borrowings (refer note 15A)	7,774.70	7,598.00
		7,774.70	7,598.00

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Nandi Economic Corridor Enterprises Limited
Bangalore

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

15C Borrowings

Particulars	Nature of security	Repayment details	31 March 2023	31 March 2022
Debentures				
- 14,00,000, 5% Optionally Fully Convertible Redeemable Debentures of Rs.100/- each	The 5% Optionally Fully Convertible Redeemable Debentures (OFCD) are secured by second charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands, whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; and - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company.	The OFCDs are due for redemption after the entire term loans are repaid in full and exit is provided to investors as per the Shareholders agreement.	1,044.45	1,668.58
			1,044.45	1,668.58
Term Loans from banks and others				
Facility 1	Term loan from banks and others are secured by a first pari-passu charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company; and - Pledge of shares held by NICE in the Company	Repayable in 50 unequal quarterly instalments starting from June 2017 to September 2029	77,222.83	83,887.51
			77,222.83	83,887.51

The interest on above term loans from banks are linked to the respective banks base rates.

Particulars	Nature of security	Repayment details	31 March 2023	31 March 2022
Term Loans from banks and others				
Facility 2	Term loan from banks and others are secured by a first pari-passu charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company; and - Pledge of shares held by NICE in the Company	Repayable in one single payment on September 2029	15,686.08	15,979.31
			15,686.08	15,979.31

The interest on above term loans from banks are linked to the respective banks base rates.

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NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

(All amounts in ₹ Lakhs, unless otherwise stated)

15C Borrowings (Cont'd)

Particulars	Nature of security	Repayment details	31 March 2023	31 March 2022
Term loans from others				
Facility 3	Term loan from others is secured by a pari-passu first charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company; - Pledge of shares held by NICE in the Company; and - First ranking pari passu pledge over 1.15% of the shares of the Company held by Jaypatri Investments Private Limited.	Repayable in 38 unequal instalments from June 2022 to September 2031.	22,730.00	23,704.54
			22,730.00	23,704.54

The interest on above term loans from others are linked to the base rates.

Particulars	Nature of security	Repayment details	31 March 2023	31 March 2022
Term loans from banks				
Facility 4	Term loan from others is secured by a pari-passu first charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company; - Pledge of shares held by NICE in the Company; and - First ranking pari passu pledge over 1.15% of the shares of the Company held by Jaypatri Investments Private Limited.	Repayable in 38 unequal instalments from June 2022 to September 2031.	15,838.75	16,498.69
			15,838.75	16,498.69

The interest on above term loans from banks are linked to the respective banks base rates.

Particulars	Nature of security	Repayment details	31 March 2023	31 March 2022
Loan from related parties				
Interest free loan from related parties	Unsecured	The loan is repayable once the fund position of the company permits the same i.e. after the secured term loans are repaid in full and exit is provided to the investors as per the shareholders agreement.	2,554.23	8,450.06
Total			2,554.23	8,450.06
Other Loans				
7% Cumulative Redeemable Preference shares of Rs.10/- each	Unsecured	*	4,489.92	7,504.01
Total			4,489.92	7,504.01

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

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NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore *

(All amounts in ₹ Lakhs, unless otherwise stated)

15C Borrowings

Particulars	Nature of security	Repayment details	31 March 2023	31 March 2022
Debentures				
- 14,00,000, 5% Optionally Fully Convertible Redeemable Debentures of Rs.100/- each	The 5% Optionally Fully Convertible Redeemable Debentures (OFCD) are secured by second charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands, whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; and - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company.	The OFCDs are due for redemption after the entire term loans are repaid in full and exit is provided to investors as per the Shareholders agreement.	1,044.45	1,668.58
			1,044.45	1,668.58
Term Loans from banks and others				
Facility 1	Term loan from banks and others are secured by a first pari-passu charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company; and - Pledge of shares held by NICE in the Company	Repayable in 50 unequal quarterly instalments starting from June 2017 to September 2029	77,222.83	83,887.51
			77,222.83	83,887.51

The interest on above term loans from banks are linked to the respective banks base rates.

Particulars	Nature of security	Repayment details	31 March 2023	31 March 2022
Term Loans from banks and others				
Facility 2	Term loan from banks and others are secured by a first pari-passu charge: - on mortgage of land, buildings and all fixed assets both present and future; - on all the movable properties of the Company; - on all the right, title, interest, benefit, claims and demands whatsoever of the Company in respect of project documents, including all guarantees and bonds received by the Company; - on all rights, title, interest, benefits, claims and demands in respect of the project accounts and all bank and other accounts of the Company; and - Pledge of shares held by NICE in the Company	Repayable in one single payment on September 2029	15,686.08	15,979.31
			15,686.08	15,979.31

The interest on above term loans from banks are linked to the respective banks base rates.

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(All amounts in ₹ Lakhs, unless otherwise stated)

16 Other financial liabilities

	31 March 2023	31 March 2022
A Non-current		
Interest accrued but not due on borrowings	2,496.76	5,275.05
Advances received towards sale of land and joint development agreements	-	5,100.97
	2,496.76	**10,376.02**
B Current		
Advances received towards sale of land and joint development agreements	5,219.31	-
Interest accrued but not due on borrowings	534.50	3,008.60
Security deposits	63.00	36.50
Retention money payable	206.43	180.37
Other payables:		
- Others (payable to superannuation trust)	17.99	16.91
	6,041.23	**3,242.38**

17 Provisions

	31 March 2023	31 March 2022
A Long-term		
Provision for employee benefits:		
- Provision for gratuity (refer note 30A)	109.43	72.29
- Provision for constructive obligations (*)	1,079.94	1,073.91
	1,189.37	**1,146.20**
B Short-term		
Provision for employee benefits:		
- Provision for compensated absences	450.91	415.40
	450.91	**415.40**

* The obligations to maintain and restore the toll road is a contractual obligation, hence the provision is recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the balance sheet date.

18 Other liabilities

	31 March 2023	31 March 2022
A Non-current		
Advances received towards sale of land and joint development agreements	4,600.00	5,620.00
Deferred revenue	4,077.23	4,077.23
	8,677.23	**9,697.23**
B Current		
Advances received towards sale of land and joint development agreements	1,020.00	-
Statutory dues	160.53	163.65
Payable for purchase of fixed assets	9.31	9.31
Land acquisition related accruals	12,110.13	12,110.13
	13,299.97	**12,283.09**

19 Trade payables

	31 March 2023	31 March 2022
Total outstanding dues of micro enterprises and small enterprises	94.73	107.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,423.13	4,156.25
	3,517.86	**4,264.18**

Ageing of trade payables (undisputed):

As at 31 March 2023	**Outstanding for following periods from due date of payment**				**Total**
	Less than 1 year	**1 - 2 Years**	**2 - 3 Years**	**More than 3 year**	
Total outstanding dues of micro enterprises and small enterprises	94.73	-	-	-	94.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	847.31	46.56	28.79	2,500.47	3,423.13
	942.04	**46.56**	**28.79**	**2,500.47**	**3,517.86**

As at 31 March 2022	**Outstanding for following periods from due date of payment**				**Total**
	Less than 1 year	**1 - 2 Years**	**2 - 3 Years**	**More than 3 year**	
Total outstanding dues of micro enterprises and small enterprises	107.93	-	-	-	107.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,576.60	54.69	-	2,524.96	4,156.25
	1,684.53	**54.69**	-	**2,524.96**	**4,264.18**

(All amounts in ₹ Lakhs, unless otherwise stated)

20 Revenue from operations

	31 March 2023	31 March 2022
Revenue from toll collections	47,558.04	32,665.07
Revenue from sale of land	4,079.62	1,520.45
Construction revenues	10,845.79	7,051.80
	62,483.45	**41,237.32**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers based on the timing of revenue recognition.

Particulars	Timing of revenue recognition	31 March 2023	31 March 2022
Revenue from toll collections and sale of land	At a point in time	51,637.66	34,185.52
Construction revenue	Over a period of time	10,845.79	7,051.80
Total		**62,483.45**	**41,237.32**

21 Other income

	31 March 2023	31 March 2022
Interest income	673.87	70.73
Net gain on financial asset measured at fair value through profit and loss	472.98	1,020.24
Provisions no longer required written back	-	30.25
Rental income	179.11	137.08
Miscellaneous income	40.43	17.83
	1,366.39	**1,276.13**

22 Cost of sale of land

	31 March 2023	31 March 2022
Opening stock	22,480.45	22,315.23
Add: Cost of purchase of land and land development costs	-	175.40
	22,480.45	22,490.63
Less: Closing stock	22,406.92	22,480.45
	73.53	**10.18**

23 Employee benefits expenses

	31 March 2023	31 March 2022
Salaries and wages	3,977.58	3,526.49
Contributions to provident and other funds (refer note 30B)	447.84	393.30
Gratuity expense (refer note 30A)	120.22	139.29
Staff welfare expenses	206.61	186.75
	4,752.25	**4,245.83**

24 Finance costs

	31 March 2023	31 March 2022
Interest expenses	16,983.00	16,907.26
Other borrowing costs	500.23	592.12
	17,483.23	**17,499.38**

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Nandi Economic Corridor Enterprises Limited Bangalore

(All amounts in ₹ Lakhs, unless otherwise stated)

25 Other expenses

	31 March 2023	31 March 2022
Toll road operation expense	2,339.53	1,384.30
Security charges	491.35	396.64
Electricity and water charges	29.91	28.03
Rent including lease rentals (refer Note 34)	65.49	83.07
Rates and taxes	25.20	17.17
Repairs and maintenance		
- Buildings	10.18	19.65
- Plant and machinery	47.72	34.64
- Others	286.95	164.05
Insurance	146.60	154.83
Communication	17.79	18.42
Travelling and conveyance	464.12	326.07
Corporate social responsibility expenses (refer note a below)	3.14	-
Printing and stationery	48.05	42.86
Advertisement and business promotion	47.81	35.14
Payment to auditors for		
- Statutory audit	30.00	25.00
- Limited review	10.80	10.80
- Tax audit	3.50	3.50
- Tax on the above	7.97	7.07
Design and engineering	215.72	157.88
Legal and professional fees	1,324.94	965.36
Loss on fixed assets sold (net)	0.03	-
Construction expenses	10,845.79	7,051.80
Miscellaneous expenses	21.77	19.28
	16,484.36	**10,945.56**

a Details of corporate social responsibility expenses	31 March 2023	31 March 2022
a) Gross amount required to be spent by the Company	3.14	-
b) Amount spent during the year ending on 31 March 2023	**In cash**	**Total**
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
c) Amount unspent, if any	3.14	
i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year*	3.14	
ii) The total of previous years' shortfall amount	-	-
iii) Nature of CSR activities undertaken by the Company	-	-

*The Company has not identified worthy projects for contributions due to which there was shortfall amounting to Rs. 3.14 (2022: Rs. Nil). Further the unspent amount will be deposited in the funds as specified in Schedule VII of the Act, within six months from the end of the balance sheet date.

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NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

(All amounts in ₹ Lakhs, unless otherwise stated)

26 Income tax

	31 March 2023	31 March 2022
A. Tax expense comprises of:		
Current tax	-	-
Deferred tax	332.93	-
Income tax expense reported in the statement of profit or loss	332.93	-

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 25.17% (31 March 2022: 26%) and the reported tax expense in profit or loss are as follows:

	31 March 2023	31 March 2022
Accounting profit before tax	19,927.63	5,068.48
	19,927.63	**5,068.48**
At India's statutory income tax rate	**5,015.78**	**1,317.80**
Effect of:		
Deferred tax asset on carry forward loss	(4,704.28)	(1,317.80)
Others	21.43	-
Income tax expense	332.93	-

C. Recognised deferred tax (liabilities) and assets

Movement in temporary differences

	Balance as at 31 March 2022	Recognised in Other equity	Recognised in profit or loss	Balance as at 31 March 2023
Property, plant and equipment and Intangible assets	-	-	(13,713.93)	(13,713.93)
Fair value of financial liabilities	-	-	(464.44)	(464.44)
Employee benefits expenses	-	-	160.43	160.43
Fair value of investments in mutual funds	-	-	131.69	131.69
Provision for constructive obligation	-	-	271.80	271.80
Interest accrued	-	-	134.52	134.52
Income tax loss carry forward	-	-	13,147.00	13,147.00
Financial liabilities carried at amortized cost	-	(3,076.91)	-	(3,076.91)
Net deferred tax (liabilities)	-	(3,076.91)	(332.93)	(3,409.84)

27 Earnings per share (EPS)

	31 March 2023	31 March 2022
Weighted average number of shares outstanding during the year	20,90,46,692	20,90,46,692
Add: Dilutive shares upon conversion of OFCD *	-	-
Weighted average number of shares used to compute diluted EPS	**20,90,46,692**	**20,90,46,692**
Net profit after tax attributable to equity shareholders	19,594.70	5,068.48
Add: Savings of interest upon conversion of debentures	-	-
Net profit available for distribution	**19,594.70**	**5,068.48**
Earnings per share		
Basic (₹)	9.37	2.42
Diluted (₹)	9.37	2.42
Nominal value - (₹) per equity share	10	10

(*) OFCD are anti-dilutive in the current and previous year.

28 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings (refer note 15).

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Nandi Economic Corridor Enterprises Limited
Bangalore

(All amounts in ₹ Lakhs, unless otherwise stated)

29 Financial instruments

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2023 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets:						
Investments	10	5,438.66	-	-	5,438.66	5,438.66
Trade receivables	11	-	-	167.81	167.81	167.81
Loans	5	-	-	393.82	393.82	393.82
Other financial assets	6	-	-	1,169.10	1,169.10	1,169.10
Cash and bank balance	12	-	-	12,913.96	12,913.96	12,913.96
Total financial assets		**5,438.66**	**-**	**14,644.69**	**20,083.35**	**20,083.35**
Financial liabilities:						
Borrowings	15	-	-	1,39,566.26	1,39,566.26	1,39,566.26
Trade payables	19	-	-	3,517.86	3,517.86	3,517.86
Other financial liabilities	16	-	-	8,537.99	8,537.99	8,537.99
Total financial liabilities		**-**	**-**	**1,51,622.11**	**1,51,622.11**	**1,51,622.11**

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets:						
Investments	10	15,969.55	-	-	15,969.55	15,969.55
Trade receivables	11	-	-	119.32	119.32	119.32
Loans	5	-	-	415.67	415.67	415.67
Other financial assets	6	-	-	4,398.46	4,398.46	4,398.46
Cash and bank balance	12	-	-	1,789.31	1,789.31	1,789.31
Total financial assets		**15,969.55**	**-**	**6,722.76**	**22,692.31**	**22,692.31**
Financial liabilities:						
Borrowings	15	-	-	1,57,692.71	1,57,692.71	1,57,692.71
Trade payables	19	-	-	4,264.18	4,264.18	4,264.18
Other financial liabilities	16	-	-	13,618.40	13,618.40	13,618.40
Total financial liabilities		**-**	**-**	**1,75,575.29**	**1,75,575.29**	**1,75,575.29**

Notes to financial instruments

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

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

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Nandi Economic Corridor Enterprises Limited Bangalore

(All amounts in ₹ Lakhs, unless otherwise stated)

29 Financial instruments (Cont'd)

Notes to financial instruments (Cont'd)

(ii) Fair value of financial assets and financial liabilities measured at amortised cost.

The management assessed that for amortised cost instruments, fair value approximate largely to carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

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

Measurement of fair value of financial instruments

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

Borrowings- interest free or lower than market rates

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

Investment in mutual funds

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

The following table shows the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2023 and 31 March 2022:

As at 31 March 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investment	5,438.66	-	-	**5,438.66**
	5,438.66	-	-	5,438.66
Financial liabilities	-	-	-	-
	-	-	-	-
Net fair value	5,438.66	-	-	5,438.66

As at 31 March 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investment	15,969.55	-	-	15,969.55
	15,969.55	-	-	**15,969.55**
Financial liabilities	-	-	-	-
	-	-	-	-
Net fair value	**15,969.55**	-	-	**15,969.55**

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NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore

(All amounts in ₹ Lakhs, unless otherwise stated)

30 A. Defined benefit plan

The Company has funded gratuity plan. The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2023 and 31 March 2022 the plan assets were invested in insurer managed funds.

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

	31 March 2023	31 March 2022
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	1,420.61	1,277.99
Fair value of plan assets as at the end of the year	(1,311.18)	(1,205.70)
Net liability recognized in the Balance Sheet	**109.43**	**72.29**
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	1,277.99	1,340.63
Current Service cost	115.55	127.89
Interest cost	85.49	85.46
Actuarial losses/(gains) arising from		
- change in demographic assumptions	4.24	-
- change in financial assumptions	(35.08)	(42.58)
- experience variance	29.53	(99.65)
Benefits paid	(57.11)	(132.31)
Liabilities (settled)	-	(1.45)
Defined benefit obligation as at the end of the year	**1,420.61**	**1,277.99**
3 Changes in the fair value of plan assets		
Fair value as at the beginning of the year	1,205.70	1,166.62
Return on plan assets	80.82	74.05
Actuarial (losses)/gains	(5.50)	(5.22)
Contributions	87.27	104.01
Assets (settled)	-	(1.45)
Benefits paid	(57.11)	(132.31)
Fair value as at the end of the year	**1,311.18**	**1,205.70**
Non-current	109.43	72.29
Current	-	-
Assumptions used in the above valuations are as under:		
Discount rate	7.45%	7.20%
Salary increase	9%	9%
Attrition rate		
21-30	17%	15%
31-40	4%	6%
41-50	4%	4%
51-59	9%	9%
Retirement age (in years)	60.00	60.00
Mortality	Indian Assured lives (2012-14)	

4 Net gratuity cost for the year ended 31 March 2023 and 31 March 2022 comprises of following components.

	31 March 2023	31 March 2022
Service cost	115.55	127.89
Net interest cost on the net defined benefit liability	4.67	11.41
	120.22	**139.30**

5 Other comprehensive income

	31 March 2023	31 March 2022
Change in financial assumptions	35.08	42.58
Experience variance (i.e., actual experience vs assumptions)	(29.53)	99.65
Change in demographic assumptions	(4.24)	-
Return on plan assets, excluding amount recognized in net interest expenses	(5.50)	(5.22)
	(4.19)	**137.01**

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(All amounts in ₹ Lakhs, unless otherwise stated)

30 B. Defined contribution plan

The Company provides benefits in the nature of defined contribution plans viz, employee state insurance scheme, provident fund and superannuation fund for qualifying employees. Under these Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 447.84 (31 March 2022: ₹ 393.30) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

C. Sensitivity analysis

Description of risk exposures

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

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

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

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

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

Regulatory risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (for example, increase in the maximum liability on
Asset liability mismatching or market risk: The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

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

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

Gratuity:

Particulars	31 March 2023		31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.5%)	-4.65%	5.04%	-4.45%	4.82%
Salary Growth Rate (- / + 0.5%)	4.73%	-4.42%	4.50%	-4.22%

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

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

D. Effect of plan on entity's future cash flows

a) Funding arrangements and Funding Policy

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

	31 March 2023	31 March 2022
b) Expected contribution during the next annual reporting period	15.00	-
The Company's best estimate of contribution during the next year		
c) Maturity profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	9.68 years	9.26 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	146.88	181.51
2 to 5 years	444.21	388.16
6 to 10 years & above	2,954.12	2,427.30

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(All amounts in ₹ Lakhs, unless otherwise stated)

31 Segmental information

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

Secondary geographical segment: Geographical segment is determined based on the location of the customers and geographical presence of the company and the company operated only in India. Hence, there is only one geographical segment and as such separate secondary segment disclosures are not applicable.

Financial information on the business segments is given below:

	31 March 2023	31 March 2022
Segment revenue		
Toll road	58,403.83	39,716.87
Integrated township development	4,079.62	1,520.45
Total segment revenue	**62,483.45**	**41,237.32**
Segment result		
Toll road	40,207.45	26,625.89
Integrated township development	4,006.09	1,510.26
Total segment results	**44,213.54**	**28,136.15**
Unallocable expense	8,169.07	6,844.43
Finance costs	17,483.23	17,499.38
Other income	(1,366.39)	(1,276.13)
Net profit for the year	**19,927.63**	**5,068.47**
Segment assets		
Toll road	1,17,959.63	1,12,153.87
Integrated township development	52,459.75	47,833.06
Unallocable assets	25,386.40	27,547.53
Total assets	**1,95,805.78**	**1,87,534.46**
Segment liabilities		
Toll road	8,215.81	8,183.72
Integrated township development	20,097.23	19,978.89
Unallocable liabilities	1,50,336.41	1,70,954.61
Total liabilities	**1,78,649.45**	**1,99,117.22**
Capital employed (Segment assets - Segment liabilities)		
Toll road	1,09,743.82	1,03,970.15
Integrated township development	32,362.52	27,854.17
Unallocable liabilities	(1,24,950.01)	(1,43,407.08)
Total Capital Employed	**17,156.33**	**(11,582.76)**

Since the Company is engaged in revenue from toll collection and sale of land, there are no customers who contributed 10% or more to the Company's revenue.

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32 Financial risk management

Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

a. Credit risk

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

Credit risk management

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

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

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

b. Liquidity risk

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

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

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(All amounts in ₹ Lakhs, unless otherwise stated)

32 Financial risk management (Cont'd)

Maturities of financial liabilities

The tables below analyse 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 2023	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	7,774.70	54,364.84	91,560.58	1,53,700.12
Future interest payments	12,529.09	39,932.65	9,195.79	61,657.53
Trade payables	3,517.86	-	-	3,517.86
Security deposits	63.00	-	-	63.00
Other financial liabilities	5,978.23	-	2,496.76	8,474.99
Total	**29,862.88**	**94,297.49**	**1,03,253.13**	**2,27,413.50**

As at 31 March 2022	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	7,598.00	67,196.00	90,641.30	1,65,435.30
Future interest payments	12,976.10	44,047.05	17,842.91	74,866.06
Trade payables	4,264.18	-	-	4,264.18
Security deposits	36.50	-	-	36.50
Other financial liabilities	3,205.88	5,100.97	5,275.05	13,581.90
Total	**28,080.66**	**1,16,344.02**	**1,13,759.26**	**2,58,183.94**

e. Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

	31 March 2023	31 March 2022
Variable rate borrowing	1,37,012.03	1,49,242.65
Interest free borrowing	2,554.23	8,450.06
Total borrowings	**1,39,566.26**	**1,57,692.71**

Interest rate risk

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

	31 March 2023	31 March 2022
Interest rates – increase by 50 basis points (50 bps)	(685.06)	(746.21)
Interest rates – decrease by 50 basis points (50 bps)	685.06	746.21

33 Capital Management

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

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

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

	31 March 2023	31 March 2022
Non-current borrowings (including current maturities) (refer note 15A)	1,39,566.26	1,57,692.71
Less: Cash and cash equivalents (refer note 12)	(4,447.56)	(330.81)
Less: Other bank balances (refer note 12)	(8,466.40)	(1,458.50)
Net debt	1,26,652.30	1,55,903.40
Total equity (refer note 13 & 14)	17,156.33	(11,582.76)
Gearing ratio	**7.38**	**(13.46)**

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(All amounts in ₹ Lakhs, unless otherwise stated)

34 Leases

The company has taken various commercial premises on cancellable operating leases. As per the terms and conditions mentioned in the respective lease agreements, the same are generally renewed on expiry of the lease period and there is no lock-in-period in such operating lease taken by the company. Rent expense debited to statement of profit and loss for above mentioned cancellable operating leases for the year ended 31 March 2023 is ₹ 65.49 (for the year ended 31 March 2022 ₹ 83.07).

35 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorization of these financial statements.

36 Commitments

	31 March 2023	31 March 2022
a. Estimated amount of contracts remaining to be executed and not provided for (net of advances)	4,240.13	2,363.11

37 Contingent liabilities:

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

(ii) The Company has received claims from certain suppliers for payment of statutory dues aggregating to Rs. 2,600.00 (31 March 2022: Rs. 2,600.00) as at 31 March 2023. During the current year, the Company has paid the dues relating to suppliers except Nandi Engineering Limited ('NEL'). The Company believes that since NEL is an affiliate of the Company, hence NEL is entitled to exemption that were granted to the Project.

(iii) The Company has received tax demand from the income tax authorities aggregating to ₹ 1191.79 in respect of various deductions claimed in the tax return, unexplained cash deposits during demonetization period and other matters relating to the assessment year 2017-18. The Company has filed an appeal before Commissioner of Income Tax (Appeals) on January 2020. Considering the facts and nature of adjustments, the Company believes that the position will likely be favourable and will not have any material adverse effect on the financial position and results of operations. No tax expense has been accrued in the financial statements for the year ended 31 March 2023 for the tax demand raised by the Income Tax.

38 During the year ended 31 March 2023 and 31 March 2022, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

39 During the year ended 31 March 2023 and 31 March 2022, the Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

40 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv)The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(v)The Company has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act,2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(vi) The Company does not have any transactions with companies struck off.

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

41 Financial ratios

a) Current ratio

Particulars	31 March 2023	31 March 2022
Current assets	42,035.18	41,077.68
Current liabilities	31,084.67	27,803.05
Current ratio	1.35	1.48
% Change from previous year	-8.47%	-21.70%

b) Debt-equity ratio

Particulars	31 March 2023	31 March 2022
Non-current borrowings	1,31,791.56	1,50,094.71
Current maturities of long-term borrowings	7,774.70	7,598.00
Total debt	**1,39,566.26**	**1,57,692.71**
Total equity	17,156.33	(11,582.76)
Debt-equity ratio	**8.13**	**(13.61)**
% Change from previous year	-159.75%	42.08%

Reason for change more than 25%: Due to increase in profits, equity position of the Company improved as compared to previous year.

c) Debt service coverage ratio

Particulars	31 March 2023	31 March 2022
Profit before tax	19,594.70	5,068.48
Add: Depreciation and amortisation expense	5,128.84	4,744.02
Add: Interest on long term loans	16,983.00	16,907.26
Add: Repayment	8,970.05	5,943.79
Earnings available for debt services	**50,676.60**	**32,663.55**
Repayments made during the year:		
Interest paid on long term loans	19,352.60	16,300.37
Principal repayment for long term loans	8,970.05	5,943.79
Total interest and principal repayments	**28,322.65**	**22,244.16**
Debt service coverage ratio	1.79	1.47
% Change from previous year	21.85%	8.77%

d) Return on equity ratio

Particulars	31 March 2023	31 March 2022
Profit before tax	19,927.63	5,068.48
Total equity	17,156.33	(11,582.76)
Return on equity	116%	-44%
% Change from previous year	-365.44%	-258.77%

Reason for change more than 25%: Due to profits made, equity position of the Company improved as compared to previous year.

e) Inventory turnover ratio

Particulars	31 March 2023	31 March 2022
Cost of sales	73.53	10.18
Opening inventories of finished goods	22,480.45	22,315.23
Closing inventories of finished goods	22,406.92	22,480.45
Average inventories of finished goods	**22,443.68**	**22,397.84**
Inventory turnover ratio	0.00	0.00
% Change from previous year	0%	0.00%

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(All amounts in ₹ Lakhs, unless otherwise stated)

41 Financial ratios (Cont'd)

f) Trade receivables turnover ratio

Particulars	31 March 2023	31 March 2022
Revenue from toll collections	47,558.04	32,665.07
Opening gross trade receivables	119.32	30.13
Closing gross trade receivables	167.81	119.32
Average gross trade receivables	**143.57**	**74.73**
Trade receivables turnover ratio	**331.26**	**437.12**
% Change from previous year	**-24.22%**	**-49.16%**

g) Net capital turnover ratio

Particulars	31 March 2023	31 March 2022
Revenue from operations	62,483.45	41,237.32
Current assets	42,035.18	41,077.68
Current liabilities	31,084.67	27,803.05
Working capital	**10,950.51**	**13,274.63**
Net capital turnover ratio	**5.71**	**3.11**
% Change from previous year	**83.68%**	**137.70%**

Reason for change more than 25%: Due to increase in turnover and reduction in working capital.

h) Net profit ratio

Particulars	31 March 2023	31 March 2022
Profit before tax	19,927.63	5,068.48
Revenue from operations	62,483.45	41,237.32
Net profit ratio	**0.32**	**0.12**
% Change from Previous year	**159.48%**	**-176.81%**

Reason for change more than 25%: Due to increase in profit during the year as compared to previous year.

i) Return on capital employed

Particulars	31 March 2023	31 March 2022
Profit before tax	19,927.63	5,068.48
Add: Finance expenses	17,483.23	17,499.38
Earnings before interest & tax	**37,410.86**	**22,567.86**
Equity	17,156.33	(11,582.78)
Long term debt	1,31,791.56	1,50,094.71
Capital employed	**1,48,947.89**	**1,38,511.93**
Return on capital employed	**0.25**	**0.16**
% Change from previous year	**54.16%**	**45.57%**

Reason for change more than 25%: Due to increase in profit during the year.

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Nandi Economic Corridor Enterprises Limited Bangalore *

(All amounts in ₹ Lakhs, unless otherwise stated)

42 Related party transactions

A. Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company (UHC)	BF Utilities Limited
Holding Company (HC)	Nandi Infrastructure Corridor Enterprises Limited (NICE)
Fellow subsidiary (Shareholder)	Nandi Highway Developers Limited (NHDL)
Key Managerial Personnel (KMP)	Mr. Ashok Kumar Kheny, Managing Director
	Mr. Ashok Kumar Shetty, CFO (w.e.f. 10th November 2022)
	Mr. N Balaji Naidu, Company Secretary
Relative of KMP	Mr. Shivkumar Kheny
Enterprises over which KMP have significant influence	AKK Entertainment Limited (AKKEL)
	Ashok Kheny Production Private Limited (AKPPL)
	Ashok Kheny Infrastructure Limited (AKIL)
	SAB Engineering Inc., USA (SEI)
	BF Investments Limited (BIL)
	India International Infrastructure Engineers Limited (IIIE)
	Nandi Engineering Limited (NEL)

B. Details of related party transactions during the year ended 31 March 2023 and 31 March 2022 :

Nature of transaction	UHC	HC	KMP	Enterprises over which KMP have significant influence	Relatives of KMP
Managerial remuneration					
For the year 2022-23	-	-	419.10	-	-
For the year 2021-22	-	-	314.27	-	-
Professional fees					
For the year 2022-23	-	-	-	212.40	-
For the year 2021-22	-	-	-	141.01	-
Rent					
For the year 2022-23	-	-	-	-	23.94
For the year 2021-22	-	-	-	-	23.94
Interest expense on Optionally Fully Convertible Debentures (OFCD)					
For the year 2022-23	-	200.58	-	-	-
For the year 2021-22	-	178.34	-	-	-
Refund of Inter-corporate deposit					
For the year 2022-23	-		-	20.97	-
For the year 2021-22	-		-	17.35	-
Interest income from Inter-corporate deposits (ICD)					
For the year 2022-23	-	-	-	3.03	-
For the year 2021-22	-	-	-	5.91	-
Advances (paid)/received					
For the year 2022-23	-	(0.46)	-	(0.22)	-
For the year 2021-22	-	(11.08)	-	(0.60)	-

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NANDI ECONOMIC CORRIDOR ENTERPRISES LIMITED Bangalore *

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

42 Related party transactions (Cont'd)

C. Details of related party balance outstanding as at 31 March 2023 and 31 March 2022

Nature of transaction	UHC	HC	KMP	Enterprises over which KMP have significant influence	Relatives of KMP
Deposit received under a Joint development agreement					
As at 31 March 2023	3,700.00	-	-	-	-
As at 31 March 2022	3,700.00	-	-	-	-
Outstanding against OFCD					
As at 31 March 2023	-	1,044.45	-	-	-
As at 31 March 2022	-	1,668.58	-	-	-
Outstanding against ICD					
As at 31 March 2023	-	-	-	17.13	-
As at 31 March 2022	-	-	-	38.10	-
Balance of advances outstanding					
As at 31 March 2023	-	365.94	-	11,635.17	-
As at 31 March 2022	-	366.40	-	11,634.95	-
Balance of loans outstanding and Interest accrued but not due					
As at 31 March 2023	-	-	-	12,424.63	-
As at 31 March 2022	-	-	-	10,946.81	-
Balance of payable outstanding					
As at 31 March 2023	-	-	-	28.00	-
As at 31 March 2022	-	-	-	-	-
Balance of advance to suppliers					
As at 31 March 2023	-	-	-	140.26	-
As at 31 March 2022	-	-	-	189.07	-

The accompanying notes form an integral part of the financial statements.

As per our report of even date

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

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356
Hyderabad
12 June 2023

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

Ashok Kumar Kheny
Managing Director
DIN: 00248397
Bengaluru
12 June 2023

A B Shiva Subramanyam
Director
DIN: 00963838
Bengaluru
12 June 2023

Ashok Kumar Shetty
Chief Financial Officer
Bengaluru
12 June 2023

N Balaji Naidu

N Balaji Naidu
Company Secretary
Membership No.F6174
Bengaluru
12 June 2023