
Walker Chandiook & Co LLP

Unit No - 1, 10th Floor,
My Home Twitza, APIIC,
Hyderabad Knowledge City,
Raidurg (Panmaktha) Village,
Serilingampally Mandal,
Ranga Reddy District,
Hyderabad - 500 081
Telangana, India

T +91 40 4859 7178

F +91 40 6630 8230

Independent Auditor's Report

To the Members of Nandi Economic Corridor Enterprises Limited

Report on the Audit of the Financial Statements

Adverse 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 2024, 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 material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the aforesaid financial statements do not give the information required by the Companies Act, 2013 ('the Act') in the manner so required and do not 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 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Adverse Opinion

3. As described in the note 43 to the accompanying financial statements, the Company had recorded equity of INR 31,130 lakhs in earlier year which includes securities premium of INR 27,725.43 lakhs against original subscription amount of 49,998.53 lakhs paid by an Investor. The Company has continued to classify all equity shares, including such subscription, as equity instruments basis re-evaluation performed by the Management in the current year. However, in our view, basis the buyback option with minimum IRR of 18% available with the Investor, in accordance with the terms of the Shareholders Agreement, the buy-back obligation should have been classified and measured as liability in accordance with the principles enunciated under the Ind AS. Had the buy-back obligation been classified as liability and measured according to applicable accounting standards, there would have been a material and pervasive impact on total equity and non-current liabilities as at 1 April 2022, 31 March 2023 and 31 March 2024 and profit for the years ended 31 March 2023 and 31 March 2024 along with consequential effects thereof on the accompanying financial statements, which we are unable to quantify due to absence of valuation of aforesaid financial liability as at the respective reporting period-ends.

4. 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 adverse opinion.

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

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's 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 Director's 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

6. 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.
7. In preparing the financial statements, the Board of Directors is 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

9. 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.

10. 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;
 - 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.
11. 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

12. 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.
13. 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.
14. 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 except for the matter described in the Basis for Adverse Opinion section, 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 except for the effects of the matter described in the Basis for Adverse Opinion section.
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) Except for the effects of the matter described in the Basis for Adverse Opinion section, in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

- e) The matter described in paragraph 3 under the Basis for Adverse Opinion section, in our opinion, may have an adverse effect on the functioning of the Company;
- f) 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 2024 from being appointed as a director in terms of section 164(2) of the Act;
- g) The Adverse remark relating to maintenance of the accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Adverse Opinion section;
- h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an Adverse opinion; and
- i) 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. Except for the effects of the matter described in paragraph 3 of the Basis for Adverse Opinion section, the Company, as detailed in note 38 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
 - 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 2024;
 - 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 2024;
 - 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 39 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 40 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 2024.

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- vi. Based on our examination which included test checks, the Company, in respect of financial years commencing on or after 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

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Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 24213356BKEYEI9243

Hyderabad
01 November 2024

Annexure I referred to in paragraph 13 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 2024

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), are held in the name of the Company. For title deeds of immovable properties in the nature of land as at 31 March 2024, 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.
- (ii) (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification performed by way of inspection of title deeds and site visits by the management, was conducted at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(b) The Company has not been sanctioned working capital limits 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.

- (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 lacs)	Amount paid under Protest (₹.) in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,191.79	-	FY 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	450.78	-	FY 2020-21	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.
- (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 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 standalone 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 which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
 - (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), (c) and (d) 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 in the standalone 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

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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.

- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of 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

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Nikhil Vaid
Partner
Membership No.: 213356
UDIN : 24213356BKEYEI9243

Hyderabad
01 November 2024

Annexure II

Independent Auditor's Report on the internal financial controls with reference to 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 2024, 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 the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 adverse 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.

Adverse opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2024:

The Company did not have an appropriate internal control system over classification and measurement of financial instruments in accordance with Ind AS, which has resulted in a material and pervasive impact on the accompanying financial statements, as stated in the 'Basis of Adverse Opinion' paragraph of our audit report.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, the Company did not have adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were not operating effectively as at 31 March 2024, based on the internal control over financial reporting 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.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2024, and the material weakness as described above has affected our opinion on the financial statements and we have issued an adverse opinion on such financial statements of the Company.

For **Walker Chandiook & Co LLP**

Chartered Accountants

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Nikhil Vaid

Partner

Membership No.: 213356

UDIN: 24213356BKEYEI9243

Hyderabad

01 November 2024

Nandi Economic Corridor Enterprises Limited

Balance sheet as at 31 March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,053.49	1,100.76
Capital work-in-progress	3	2,607.79	2,607.79
Intangible assets	4A	132,246.86	106,715.75
Intangibles under development	4B	1,837.67	9,725.01
Financial assets			
Loans	5A	10.23	27.26
Other Financial Assets	6A	149.98	711.23
Other Tax Assets (net)	7	1,369.59	1,227.69
Other non-current assets	8A	31,621.46	31,640.72
Total non-current assets		170,897.07	153,756.21
Current assets			
Inventories	9	24,482.30	22,406.92
Financial assets			
Investments	10	5,417.31	5,438.66
Trade receivables	11	366.35	167.81
Cash and cash equivalents	12A	4,628.49	4,905.42
Bank balances other than cash and cash equivalents	12B	7,301.45	8,466.40
Loans	5B	294.89	366.56
Other Financial Assets	6B	15.87	-
Other current assets	8B	306.22	297.78
Total current assets		42,812.88	42,049.55
Total assets		213,709.95	195,805.76
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	20,904.67	20,904.67
Other equity	14	19,474.66	(3,748.34)
Total equity		40,379.33	17,156.33
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15A	116,326.50	131,791.56
Other financial liabilities	16A	2,496.76	2,496.76
Provisions	17A	1,232.63	1,189.37
Deferred tax liabilities (Net)	26C	10,048.71	3,409.84
Other non-current liabilities	18A	8,909.23	8,677.23
Total non-current liabilities		139,013.83	147,564.76
Current liabilities			
Financial liabilities			
Borrowings	15B	9,080.50	7,774.70
Trade payables	19		
Total Outstanding dues to Micro, Small & Medium Enterprises		141.31	94.73
Total Outstanding Dues to creditors other than Micro, Small & Medium Enterprises		3,215.66	3,057.36
Other financial liabilities	16B	7,580.24	6,041.23
Other current liabilities	18B	13,852.97	13,665.74
Provisions	17B	446.11	450.91
Total current liabilities		34,316.79	31,084.67
Total equity and liabilities		213,709.95	195,805.76

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

NIKHIL VAID
Digitally signed by NIKHIL VAID
Date: 2024.11.01
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Nikhil Vaid

Partner

Membership No.: 213356

Hyderabad

01 November 2024

For and on behalf of the Board of Directors of

Nandi Economic Corridor Enterprises Limited

ASHOK KUMAR KHENY
Digitally signed by ASHOK KUMAR KHENY
Date: 2024.11.01
15:13:00 +05'30'

Ashok Kumar Kheny

Managing Director

DIN: 00248397

Bengaluru

01 November 2024

ASHOK KUMAR SHETTY
Digitally signed by ASHOK KUMAR SHETTY
Date: 2024.11.01
15:14:38 +05'30'

Ashok Kumar Shetty

Chief Financial Officer

Bengaluru

01 November 2024

AREHALLI BASAPPA SHIVA SUBRAMANYAM
Digitally signed by AREHALLI BASAPPA SHIVA SUBRAMANYAM
Date: 2024.11.01
16:15:16 +05'30'

AB Shiva Subramanyam

Director

DIN: 00963838

Bengaluru

01 November 2024

BALAJI NAIDU NAYANAMENI
Digitally signed by BALAJI NAIDU NAYANAMENI
Date: 2024.11.01
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N Balaji Naidu

Company Secretary

Membership No.F6174

Bengaluru

01 November 2024

Nandi Economic Corridor Enterprises Limited
Statement of profit and loss for the year ended 31 March 2024
(All amounts in ₹ lakhs, unless otherwise stated)

	Note	31 March 2024	31 March 2023
Revenue			
Revenue from operations	20	82,386.86	62,483.45
Other income	21	1,412.90	1,366.39
Total revenue		83,799.76	63,849.84
Expenses			
Cost of sale of land	22	-	73.53
Employee benefits expenses	23	5,684.52	4,752.25
Finance expenses	24	13,696.09	17,483.23
Depreciation and amortisation expense	2 & 4A	5,881.41	5,128.85
Other expenses	25	28,652.20	16,484.35
Total expenses		53,914.22	43,922.21
Profit before tax		29,885.54	19,927.63
Tax expense	26	-	-
Current tax		-	-
Deferred tax		6,638.87	332.93
Profit after tax		23,246.67	19,594.70
Other comprehensive loss			
Items that will not be reclassified to profit or loss		-	-
Re-measurement of losses on defined benefit plans		(23.66)	(4.19)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Other comprehensive loss for the year		(23.66)	(4.19)
Total comprehensive income for the year		23,223.01	19,590.51
Earnings per share			
Basic	27	11.12	9.37
Diluted		10.45	8.81

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
Digitally signed
by NIKHIL VAID
Date: 2024.11.01
21:30:07 +05'30'

Nikhil Vaid
Partner
Membership No.: 213356

Hyderabad
01 November 2024

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

ASHOK KUMAR KHENY
Digitally signed
by ASHOK
KUMAR KHENY
Date: 2024.11.01
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Ashok Kumar Kheny
Managing Director
DIN: 00248397

Bengaluru
01 November 2024

ASHOK KUMAR SHETTY
Digitally signed
by ASHOK
KUMAR SHETTY
Date: 2024.11.01
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Ashok Kumar Shetty
Chief Financial Officer

Bengaluru
01 November 2024

AREHALLI BASAPPA SHIVA SUBRAMA NYAM
Digitally signed
by AREHALLI
BASAPPA SHIVA
SUBRAMANYAM
Date: 2024.11.01
16:15:53 +05'30'

AB Shiva Subramanyam
Director
DIN: 00963838

Bengaluru
01 November 2024

BALAJI NAIDU NAYANAM ENI
Digitally signed
by BALAJI NAIDU
NAYANAM
Date: 2024.11.01
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N Balaji Naidu
Company Secretary
Membership No.F6174

Bengaluru
01 November 2024

Nandi Economic Corridor Enterprises Limited
Cash Flow statement for the year ended 31 March 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

	31 March 2024	31 March 2023
A Cash flow from operating activities		
Profit for the year	29,885.53	19,927.63
Adjustments to reconcile profit after tax to net cash flows		
Interest income	(688.25)	(673.87)
Net gain on sale of current investments	(389.50)	(472.98)
Finance expenses	13,696.09	17,483.23
Depreciation and amortisation expense	5,881.41	5,128.84
Loss on fixed assets sold (net)	8.32	0.03
Provision for write-back	2.60	-
Operating profit before working capital changes	48,396.20	41,392.88
<i>Working capital adjustments:</i>		
Changes in trade receivables	(198.54)	(48.49)
Changes in inventories	(152.54)	73.53
Changes in loans and advances and other assets	(1,279.20)	(4,224.81)
Changes in current liabilities and provisions	2,709.81	(842.95)
Cash generated from operations	49,475.73	36,350.16
Net income taxes (paid) / refund received (net)	(141.91)	(492.42)
Net cash flow from operating activities (A)	49,333.82	35,857.74
B. Cash flows from investing activities		
Purchase of fixed assets	(23,486.22)	(11,146.23)
Sale of mutual funds	6,910.80	11,234.54
Purchase of mutual funds	(6,499.91)	(230.68)
Interest received	672.37	714.83
Investments in bank deposits	-	(18,935.40)
Maturity of bank deposits	1,164.95	15,381.50
Receipt of inter-corporate deposits	17.13	20.97
Net cash flow used in investing activities (B)	(21,220.88)	(2,960.47)
C. Cash flows from financing activities		
Repayment of long term borrowings	(15,702.88)	(8,970.06)
Interest paid	(12,686.99)	(19,352.60)
Net cash used in financing activities	(28,389.87)	(28,322.66)
Net (decrease)/increase in cash and cash equivalents	(276.93)	4,574.61
Cash & cash equivalents at beginning of the year	4,905.42	330.81
Cash & cash equivalents at the end of the year (refer note 12A)	4,628.49	4,905.42

Nandi Economic Corridor Enterprises Limited
Statement of Cash Flow for the year ended 31 March 2024 (Cont'd)

(All amounts in ₹ lakhs, unless otherwise stated)

Changes in liabilities arising from financial activities for the year ended 31 March 2024

Particulars	As at	Cash flow	Non cash changes		As at
	01 April 2023		Finance cost	Measurement of financial liability	31 March 2024
(i) Cumulative Redeemable Preference shares	4,489.91	-	474.15	-	4,964.06
(ii) Borrowings (including interest accrued)	137,063.13	(28,389.87)	13,118.64	-	121,791.90
(iii) Optionally Fully Convertible Redeemable Debenture	1,044.45	-	103.30	-	1,147.75
(iv) Unwinding of interest on financial liabilities	-	-	-	-	-
	142,597.49	(28,389.87)	13,696.09	-	127,903.71

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

Particulars	As at	Cash flow	Non cash changes		As at
	01 April 2022		Finance cost	Measurement of financial liability	31 March 2023
(i) Cumulative Redeemable Preference shares	7,504.01	-	1,013.04	(4,027.14)	4,489.91
(ii) Borrowings (including interest accrued)	156,803.77	(28,322.66)	15,955.68	(7,373.66)	137,063.13
(iii) Optionally Fully Convertible Redeemable Debenture	1,668.58	-	200.58	(824.71)	1,044.45
(iv) Unwinding of interest on financial liabilities	-	-	313.93	-	-
	165,976.36	(28,322.66)	17,483.23	(12,225.51)	142,597.49

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 Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

NIKHIL VAID Digitally signed by
 NIKHIL VAID
 Date: 2024.11.01
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Nikhil Vaid

Partner

Membership No.: 213356

Hyderabad

01 November 2024

For and on behalf of the Board of Directors of

Nandi Economic Corridor Enterprises Limited

ASHOK KUMAR KHENY Digitally signed
 by ASHOK
 KUMAR KHENY
 Date: 2024.11.01
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Ashok Kumar Kheny

Managing Director

DIN: 00248397

Bengaluru

01 November 2024

ASHOK KUMAR SHETTY Digitally signed
 by ASHOK
 KUMAR SHETTY
 Date: 2024.11.01
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Ashok Kumar Shetty

Chief Financial Officer

Bengaluru

01 November 2024

AREHALLI BASAPPA SHIVA SUBRAMANYAM Digitally signed
 by AREHALLI
 BASAPPA SHIVA
 SUBRAMANYAM
 Date: 2024.11.01
 16:16:20 +05'30'

AB Shiva Subramanyam

Director

DIN: 00963838

Bengaluru

01 November 2024

BALAJI NAIDU NAYANA MENI Digitally signed
 by BALAJI NAIDU
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 MENI
 Date: 2024.11.01
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N. Balaji Naidu

Company Secretary

Membership No: F6174

Bengaluru

01 November 2024

Nandi Economic Corridor Enterprises Limited
Statement of changes in equity for the year ended 31 March 2024
(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

	Amount
Balance as at 01 April 2022	20,904.67
Changes in equity share capital during the year	-
Balance as at 31 March 2023	20,904.67
Changes in equity share capital during the year	-
Balance as at 31 March 2024	20,904.67

B. Other equity

	Securities premium account	Deficit in Statement of Profit and Loss	Measurement of below market rate financial liability at fair value	Other comprehensive income	Total
Balance as at 01 April 2022	35,171.48	(81,995.69)	14,495.54	(158.77)	(32,487.43)
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 losses	-	-	-	(4.19)	(4.19)
Balance as at 31 March 2023	35,171.48	(62,400.99)	23,644.12	(162.96)	(3,748.35)
Profit for the year	-	23,246.67	-	-	23,246.67
Actuarial losses	-	-	-	(23.66)	(23.66)
Balance as at 31 March 2024	35,171.48	(39,154.32)	23,644.12	(186.62)	19,474.66

As per our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

NIKHIL VAID Digitally signed by NIKHIL VAID
Date: 2024.11.01 21:30:59 +05'30'

Nikhil Vaid

Partner

Membership No.: 213356

Hyderabad

01 November 2024

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

ASHOK KUMAR KHENY Digitally signed by ASHOK KUMAR KHENY
Date: 2024.11.01 15:18:52 +05'30'

Ashok Kumar Kheny

Managing Director

DIN: 00248397

Bengaluru

01 November 2024

ASHOK KUMAR SHETTY Digitally signed by ASHOK KUMAR SHETTY
Date: 2024.11.01 15:16:02 +05'30'

Ashok Kumar Shetty

Chief Financial Officer

Bengaluru

01 November 2024

AREHALLI BASAPPA SHIVA SUBRAMANYA M Digitally signed by AREHALLI BASAPPA SHIVA SUBRAMANYAM
Date: 2024.11.01 16:16:45 +05'30'

AB Shiva Subramanyam

Director

DIN: 00963838

Bengaluru

01 November 2024

BALAJI NAIDU NAYAN AMENI Digitally signed by BALAJI NAIDU NAYANAMENI
Date: 2024.11.01 15:20:31 +05'30'

N. Balaji Naidu

Company Secretary

Membership No: F6174

Bengaluru

01 November 2024

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

1 Company overview and material 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 Material 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 2024 were authorized and approved for issue by the Board of Directors on 29 August 2024.

b. Overall considerations

The financial statements have been prepared using the material accounting policies and measurement bases that are in effect as at 31 March 2024. The accounting policies 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).

Nandi Economic Corridor Enterprises Limited

Summary of material accounting policies and other explanatory information

(All amounts in ₹ lakhs, unless otherwise stated)

d. Functional and presentation currency

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

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.

Nandi Economic Corridor Enterprises Limited

Summary of material accounting policies and other explanatory information

(All amounts in ₹ lakhs, unless otherwise stated)

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.

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.

Nandi Economic Corridor Enterprises Limited

Summary of material accounting policies and other explanatory information

(All amounts in ₹ lakhs, unless otherwise stated)

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.

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 contract 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.

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

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 assets classified as fair value through profit and loss.

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

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

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

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

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

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

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

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Summary of material accounting policies and other explanatory information
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s. Financial instruments (Cont'd)

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.

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.

Nandi Economic Corridor Enterprises Limited

Summary of material accounting policies and other explanatory information

(All amounts in ₹ lakhs, unless otherwise stated)

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/ ees been actually issued at fai

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
Summary of material 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 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
Additions	-	-	11.09	-	-	-	55.78	-	23.20	4.97	95.04
Disposals	-	-	(14.33)	(1.52)	(1.14)	-	(64.49)	(76.86)	(2.20)	(18.50)	(179.04)
At 31 March 2024	92.26	723.96	64.76	371.92	34.70	50.76	92.25	294.26	83.04	34.05	1,841.96
Accumulated depreciation											
Upto 1 April 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
Charge for the year	-	28.20	5.21	32.79	0.98	3.28	29.01	17.01	14.32	1.68	132.48
Adjustments for disposals	-	-	(12.69)	(1.44)	(1.08)	-	(61.36)	(73.01)	(1.79)	(17.84)	(169.21)
Upto 31 March 2024	-	199.11	25.63	313.46	24.61	32.73	(9.15)	162.80	20.96	18.32	788.47
Net block											
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
As at 31 March 2024	92.26	524.85	39.13	58.46	10.09	18.03	101.40	131.46	62.08	15.73	1,053.49

Note:

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

Nandi Economic Corridor Enterprises Limited
Summary of material accounting policies and other explanatory information
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3 Capital work-in-progress

	31 March 2024	31 March 2023
Capital work-in-progress	2,607.79	2,607.79
	2,607.79	2,607.79

Capital work-in-progress ageing schedules

	Amount of capital work in progress for a period of				Total
	<1 Year	1 - 2 Years	2 - 3 Years	>3 Years ^	
As at 31 March 2024	-	-	-	2,607.79	2,607.79
As at 31 March 2023	-	-	-	2,607.79	2,607.79

^ The work is currently on hold due to litigations, detailed in note 38(i)

4A Intangible assets

Gross block		
At 01 April 2022		126,528.98
Additions		2,882.09
Disposals		-
At 31 March 2023		129,411.07
Additions		31,280.02
Disposals		-
At 31 March 2024		160,691.09
Accumulated amortisation		
Upto 1 April 2022		17,684.25
Charge for the year		5,011.06
Disposals/adjustments		-
Upto 31 March 2023		22,695.31
Charge for the year		5,748.92
Disposals/adjustments		-
Upto 31 March 2024		28,444.23
Net block		
As at 31 March 2023		106,715.76
As at 31 March 2024		132,246.86

Details of intangible assets whose title deed is not in the name of Company

Description	Gross Carrying value	Title deed in the name of	Whether title deed holder is a Promoter, Director, etc	Property held since which date	Reason for not being held in the name of company
Intangible Assets	1,026	KIADB	No	2008	Delay in transfer of title deeds

4B Intangibles Under Development

	31 March 2024	31 March 2023
Intangibles Under Development	1,837.67	9,725.01
	1,837.67	9,725.01

Intangibles Under Development ageing schedules

	Amount of capital work in progress for a period of				Total
	<1 Year	1 - 2 Years	2 - 3 Years	-	
As at 31 March 2024	987.67	-	-	850.00	1,837.67
As at 31 March 2023	8,875.01	-	-	850.00	9,725.01

^ The work is currently on hold due to litigations, detailed in note 38(i)

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

5 Loans

	31 March 2024	31 March 2023
Non-current assets		
(Unsecured, considered good unless otherwise stated)		
A Inter-corporate deposits (Refer Note (i))	-	17.13
Advances to related parties		
- considered good	10.23	10.13
- considered doubtful	6,298.86	6,298.86
Less: Provision for doubtful advances	(6,298.86)	(6,298.86)
	<u>10.23</u>	<u>10.13</u>
	10.23	27.26
B Current assets		
(Unsecured, considered good unless otherwise stated)		
- considered good		
Advances to related parties	292.31	365.94
Loans and advances to employees	2.58	0.62
	<u>294.89</u>	<u>366.56</u>

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

6 Other Financial Assets

	31 March 2024	31 March 2023
A Non Current Assets		
Security deposits	149.98	145.23
Bank deposits with more than 12 months maturity	-	566.00
Interest accrued on inter-corporate deposits	-	-
Interest accrued on Fixed Deposits	-	-
	<u>149.98</u>	<u>711.23</u>
B Current Assets		
Interest accrued on Fixed Deposits	15.87	-
	<u>15.87</u>	<u>-</u>
7 Other Tax Assets		
Advance income tax [net of provision]	1,369.59	1,227.69
	<u>1,369.59</u>	<u>1,227.69</u>

8 Other assets

	31 March 2024	31 March 2023
A Non-current		
(Unsecured, considered good unless otherwise stated)		
Capital advances	1,378.55	1,378.55
Capital advances to related parties		
- considered good	-	-
- considered doubtful	5,326.18	5,326.18
	<u>5,326.18</u>	<u>5,326.18</u>
Less: Provision for doubtful advances	(5,326.18)	(5,326.18)
	<u>-</u>	<u>-</u>
Others loans and advances:		
Advance towards land acquisition and projects		
- considered good	30,060.72	30,042.70
- considered doubtful	105.00	105.00
	<u>30,165.72</u>	<u>30,147.70</u>
Less: Provision for doubtful advances	(105.00)	(105.00)
	<u>30,060.72</u>	<u>30,042.70</u>
Advances to suppliers/service providers		
- considered good	182.19	219.47
- considered doubtful	640.65	643.25
	<u>822.84</u>	<u>862.72</u>
Less: Provision for doubtful advances	(640.65)	(643.25)
	<u>182.19</u>	<u>219.47</u>
	31,621.46	31,640.72

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

(All amounts in ₹ lakhs, unless otherwise stated)

8 Other assets (Cont'd)

	31 March 2024	31 March 2023
B Current		
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	95.60	87.16
Advances to suppliers/ service providers - considered good	210.62	210.62
	306.22	297.78
9 Inventories		
Land and related development cost	24,482.30	22,406.92
	24,482.30	22,406.92

10 Investments**A Investment in Equity Instruments (Unquoted)(Carried at fair value through profit or loss (FVTPL))**

	31 March 2024	31 March 2024
SVC Co-Op Bank Ltd (120 , 31 March 2023: 120, shares of face value ₹ 25)	0.03	0.03
Saraswat Co-operative Bank (2,500 ,31 March 2023: Nil, shares of face value ₹ 10)	0.25	-
NKGSB Co-operative Bank Ltd (30,000, 31 March 2023:20,000 shares of face value ₹ 10)	3.00	2.00
Total	3.28	2.03

B Investment in mutual funds (Unquoted) (Carried at fair value through profit or loss (FVTPL))

	31 March 2024		31 March 2023	
	No.of units	Value	No.of units	Value
Axis Banking PSU Fund	3,973.23	97.50	-	-
Axis Liquid Fund	2,167.98	58.18	-	-
ABSL Floating Rate Fund	-	-	480,518.09	1,439.57
ABSL Money Manager Fund	485,928.89	1,656.00	-	-
HDFC Corporate Bond Fund	-	-	4,921,871.73	1,359.39
Bandhan Banking PSU Debt Fund	6,472,094.94	1,482.42	12,352,737.86	2,637.67
SBI Savings Fund	3,365,853.42	1,361.20	-	-
HSBC Liquid Fund	2,095.00	50.42	-	-
Axis Money Market Fund	22,149.58	290.60	-	-
Kotak Liquid Fund	1,033.41	50.42	-	-
Sundaram Liquid Fund	2,364.00	50.42	-	-
TATA Money Market Fund	7,259.00	316.87	-	-
Total		5,414.03		5,436.63
Grand Total (A+B)		5,417.31		5,438.66
Aggregate book value of unquoted investments		5,417.31		5,438.66

11 Trade receivables

	31 March 2024	31 March 2023
Other receivables:		
- Unsecured, considered good	366.35	167.81
	366.35	167.81

Nandi Economic Corridor Enterprises Limited

Summary of material accounting policies and other explanatory information

(All amounts in ₹ lakhs, unless otherwise stated)

11 Trade receivables (Cont'd)

Ageing of trade receivables:

As at 31 March 2024	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	341.89	-	14.06	-	10.40	366.35
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	341.89	-	14.06	-	10.40	366.35

As at 31 March 2023	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
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

12 Cash and bank balance

	31 March 2024	31 March 2023
A Cash and cash equivalent		
Cash on hand	112.95	95.14
Balances with banks:		
- in current accounts	252.04	352.42
- in deposit accounts with original maturity of less than 3 months	4,263.50	4,457.86
	4,628.49	4,905.42
B Other bank balances		
Deposits with maturity of more than 3 months but less than 12 months	7,301.45	8,466.40
Deposits with maturity of more than 12 months	-	566.00
Less - amount disclosed under non-current financial assets (refer note 6A)	-	(566.00)
	7,301.45	8,466.40
	11,929.94	13,371.82

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

13 Equity share capital

	31 March 2024		31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity share of Rs. 10/- each	749,033,002	74,903.30	749,033,002	74,903.30
	749,033,002	74,903.30	749,033,002	74,903.30
Issued, subscribed and fully paid-up				
Equity share of Rs. 10/- each	209,046,692	20,904.67	209,046,692.00	20,904.67
	209,046,692	20,904.67	209,046,692.00	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 2024		31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Equity share of Rs. 10/- each				
Opening balance	209,046,692	20,904.67	209,046,692.00	20,904.67
Closing balance	209,046,692	20,904.67	209,046,692.00	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.

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

	31 March 2024		31 March 2023	
	No. of Shares	%	No. of Shares	%
Equity share of Rs. 10/- each				
1. Nandi Infrastructure Corridor Enterprises Limited*	113,350,000	54%	1,133.50	54%
2. Airro Mauritius Holdings V	37,446,692	18%	374.47	18%
3. AM Nice Mauritius Holdings	21,000,000	10%	210.00	10%
4. Jaypatri Investments Private Limited	11,221,626	5%	112.22	5%
5. 2i Capital PCC, Mauritius	10,500,000	5%	105.00	5%

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

(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the year of five years immediately preceding the reporting date

The company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2024.

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

(All amounts in ₹ lakhs, unless otherwise stated)

(e) Details of Shares held by promoters**As at 31 March 2024**

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	113,350,000	-	113,350,000	54%	-
2. Yokoha Investment Private Limited	2,142,480	-	2,142,480	1%	-
3. Rosario Investment Private Limited	2,142,480	-	2,142,480	1%	-
4. Hibiscus Investment & Finance Pvt Ltd	1,993,334	-	1,993,334	1%	-
5. Jaypatri Investments Private Limited	11,221,626	-	11,221,626	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	5,250,000	-	5,250,000	3%	-

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	113,350,000	-	113,350,000	54%	-
2. Yokoha Investment Private Limited	2,142,480	-	2,142,480	1%	-
3. Rosario Investment Private Limited	2,142,480	-	2,142,480	1%	2,142,480.00
4. Hibiscus Investment & Finance Pvt Ltd	1,993,334	-	1,993,334	1%	-
5. Jaypatri Investments Private Limited	11,221,626	-	11,221,626	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	-	-	5,250,000	3%	100%

14 Other equity

	31 March 2024	31 March 2023
Securities premium account	35,171.48	35,171.48
Deficit in statement of profit and loss	(39,154.32)	(62,400.99)
Measurement of below market rate financial liability at fair value	23,644.12	23,644.12
Other comprehensive income	(186.62)	(162.96)
	19,474.66	(3,748.36)

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. Actuarial losses represents gains/losses arising from remeasurement of defined employee benefit obligations.

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

15 Borrowings	31 March 2024	31 March 2023
15A Non current borrowings		
Secured loans		
1,400,000 (31 March 2023 - 1,400,000) 5% Optionally Fully Convertible Redeemable Debentures of Rs.100/- each	1,147.75	1,044.45
Term loans		
- From banks	116,127.86	93,158.34
- From others	-	38,319.32
7% Cumulative Redeemable Preference shares of Rs.10/- each	4,964.07	4,489.92
Unsecured loans		
Interest free loan from related parties	3,167.32	2,554.23
	125,407.00	139,566.26
Amount disclosed under "Other current liabilities" (refer note 15B)	(9,080.50)	(7,774.70)
	116,326.50	131,791.56
15B Current borrowings		
Current maturities of long-term debt (refer note 15A)	9,080.50	7,774.70
	9,080.50	7,774.70

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

(All amounts in ₹ lakhs, unless otherwise stated)

15C Terms of the borrowings

Particulars	Nature of Security	Repayment details	31 March 2024	31 March 2023
Debentures				
- 1,400,000, 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.	1,147.75	1,044.45
			1,147.75	1,044.45
Term Loans from banks and others				
Facility 1	Term loan from banks 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 installments starting from June 2017 to September 2029	69,073.72	77,222.83
			69,073.72	77,222.83
The interest on above term loans from banks are linked to the respective banks base rates.				
Term Loans from banks and others				
Facility 2	Term loan from banks 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	13,573.06	15,686.08
			13,573.06	15,686.08

Nandi Economic Corridor Enterprises Limited

Summary of material accounting policies and other explanatory information

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Nature of Security	Repayment details	31 March 2024	31 March 2023
Term loans from others				
Facility 3	Term loan from banks is secured by a pari-passu first charge:	Repayable in 38 unequal instalments from June 2022 to September 2031.	18,384.77	22,730.00
	- 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.			
			18,384.77	22,730.00

Term loans from bank and others				
Particulars	Nature of Security	Repayment details	31 March 2024	31 March 2023
Facility 4	Term loan from banks is secured by a pari-passu first charge:	Repayable in 38 unequal instalments from June 2022 to September 2031.	15,096.30	15,838.75
	- 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.			
			15,096.30	15,838.75

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

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..	3,167.32	2,554.23
Total			3,167.32	2,554.23

Other Loans

7% Cumulative Redeemable Preference shares of Rs.10/- each	Unsecured	*	4,964.07	4,489.92
Total			4,964.07	4,489.92

* 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.

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

16 Other financial liabilities

	31 March 2024	31 March 2023
A Non-current		
Interest accrued but not due on borrowings	2,496.76	2,496.76
	2,496.76	2,496.76
B Current		
Advances received towards sale of land and joint development agreements	5,273.69	5,219.31
Interest accrued but not due on borrowings	-	534.50
Security deposits	177.47	63.00
Retention money payable	269.82	206.43
Other payables:		
- Others (payable to superannuation trust)	4.55	17.99
Capital creditors	1,854.71	-
	7,580.24	6,041.23
17 Provisions		
A Long term		
Provision for employee benefits:		
- Provision for gratuity	152.69	109.43
Provision for constructive obligations *	1,079.94	1,079.94
	1,232.63	1,189.37
B Short term		
Provision for employee benefits:		
- Provision for compensated absences	446.11	450.91
	446.11	450.91

* 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 2024	31 March 2023
A Non-current		
Advances received towards sale of land and joint development agreements	4,600.00	4,600.00
Deferred revenue	4,309.23	4,077.23
	8,909.23	8,677.23
B Current		
Advances received towards sale of land and joint development agreements	1,020.00	1,020.00
Statutory dues	232.22	160.53
Payable for purchase of fixed assets	9.31	9.31
Land Acquisition related accruals	12,110.13	12,110.13
Employee related dues	452.31	365.77
Deferred revenue	29.00	-
	13,852.97	13,665.74
19 Trade payables		
Dues to Micro, Small & Medium Enterprises	141.31	94.73
Dues to creditors other than Micro, Small & Medium Enterprises	3,215.66	3,057.36
	3,356.97	3,152.09

Trade payables ageing schedule

As at 31 March 2024

Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro enterprises and small enterprises
Total

Outstanding for following periods from due date of payment				
<1 Year	1 - 2 Years	2 - 3 Years	>3 Years	Total
141.31	-	-	-	141.31
635.33	73.12	62.81	2,444.39	3,215.65
776.64	73.12	62.81	2,444.39	3,356.96

As at 31 March 2023

Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro enterprises and small enterprises
Total

Outstanding for following periods from due date of payment				
<1 Year	1 - 2 Years	2 - 3 Years	>3 Years	Total
94.73	-	-	-	94.73
481.54	46.56	28.79	2,500.47	3,057.36
576.27	46.56	28.79	2,500.47	3,152.09

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

20 Revenue from operations

	31 March 2024	31 March 2023
Revenue from toll collections	59,197.09	47,558.04
Revenue from sale of land	-	4,079.62
Construction revenues	23,128.40	10,845.79
Other operating income	61.37	-
	82,386.86	62,483.45

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 2023
Revenue from toll collections and sale of land	At a point in time	59,197.09	51,637.66
Construction and other revenues	Over a period of time	23,189.77	10,845.79
Total		82,386.86	62,483.45

21 Other income

	31 March 2024	31 March 2023
Interest income	688.25	673.87
Net gain on sale of current investments at FVTPL	389.50	472.98
Provisions written back	2.60	-
Rental income	314.61	179.11
Miscellaneous Income	17.94	40.43
	1,412.90	1,366.39

22 Cost of sale of land

	31 March 2024	31 March 2023
Opening stock	22,406.92	22,480.45
Add: Cost of purchase of land and land development costs	2,075.38	-
	24,482.30	22,480.45
Less: Closing stock	24,482.30	22,406.92
	-	73.53

23 Employee benefits expenses

	31 March 2024	31 March 2023
Salaries, wages and bonus	4,687.22	3,977.58
Contributions to provident and other funds	430.20	434.46
Gratuity expense (refer note 30)	130.61	120.22
Staff welfare expenses	436.49	219.99
	5,684.52	4,752.25

24 Finance Costs

	31 March 2024	31 March 2023
Interest expense	13,208.35	16,983.00
Other borrowing costs	487.74	500.23
	13,696.09	17,483.23

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

25 Other expenses

	31 March 2024	31 March 2023
Toll road operation expense	1,871.40	2,339.53
Security charges	626.49	491.35
Electricity and water charges	27.03	29.90
Rent including lease rentals	74.72	65.49
Rates and taxes	30.98	25.20
Repairs and maintenance		
- Buildings	16.13	10.18
- Plant and machinery	55.15	47.72
- Others	307.91	286.95
Insurance	118.46	146.60
Communication	20.34	17.79
Travelling and conveyance	500.34	464.12
Corporate social responsibility expenses	135.82	3.14
Printing and stationery	36.74	48.05
Advertisement and business promotion	45.14	47.81
Payment to auditors for		
- Statutory audit	35.00	30.00
- Limited review	11.40	10.80
- Tax audit	3.60	3.50
- Taxation matters	5.50	2.50
- Tax on the above	8.96	8.42
Design and engineering	227.35	215.72
Legal and professional fees	1,346.99	1,321.99
Loss on fixed assets sold (net)	8.32	0.03
Construction expenses	23,128.40	10,845.79
Miscellaneous expenses	10.03	21.77
	28,652.20	16,484.35

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

25A Corporate social responsibility expenses

	31 March 2024	31 March 2023
Details of corporate social responsibility expenses		
a) Gross amount required to be spent by the Company during the year	135.82	3.14
b) Amount approved by the Board to be spent during the year	135.82	3.14
c) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	135.82	-
d) 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		
1) Promoting empowering women and children	100.00	-
2) Promoting education, including special education	25.00	-
3) Promoting animal welfare	10.82	-
4) PM Cares Fund	-	3.14

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Nandi Economic Corridor Enterprises Limited

Summary of material accounting policies and other explanatory information

(All amounts in ₹ lakhs, unless otherwise stated)

26 Income Tax

	31 March 2024	31 March 2023
A. Tax expense comprises of:		
Current tax	-	-
Deferred tax	6,638.87	332.93
Income tax expense reported in the statement of profit or loss	6,638.87	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 2023: 25.17%) and the reported tax expense in profit or loss are as follows:

	31 March 2024	31 March 2023
Accounting profit before tax	29,885.54	19,927.63
	29,885.54	19,927.63
At India's statutory income tax rate	7,522.19	5,015.78
Effects of:		
Taxes on carry forward losses	(1,047.04)	(4,704.28)
Income taxed at differential rate	6.72	-
Permanent differences	36.28	-
Others	120.72	21.43
Income tax expense	6,638.87	332.93

C. Recognised deferred tax (liabilities) and assets

Movement in temporary differences

	Balance as at 31 March 2023	Recognised in Other equity	Recognised in profit or loss	Balance as at 31 March 2024
Property, plant and equipment and Intangible assets	(13,713.93)	-	(517.96)	(14,231.89)
Fair value of financial liabilities	(464.44)	-	-	(464.44)
Employee benefits expenses	160.43	-	25.92	186.35
Fair value of investments in mutual funds	131.69	-	(105.71)	25.98
Provision for constructive obligation	271.80	-	-	271.80
Interest accrued	134.52	-	(134.52)	-
Income tax loss carry forward	13,147.00	-	(6,379.93)	6,767.07
Financial liabilities carried at amortized cost	(3,076.91)	-	473.33	(2,603.58)
Net deferred tax (liabilities)	(3,409.84)	-	(6,638.87)	(10,048.71)

	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 2024	31 March 2023
Weighted average number of shares outstanding during the year	209,046,692	209,046,692
Add: Dilutive shares upon conversion of OFCD	14,000,000	14,000,000
Weighted average number of shares used to compute diluted EPS	223,046,692	223,046,692
Net profit after tax attributable to equity shareholders	23,246.67	19,594.70
Add: Savings of interest upon conversion of debentures	52.38	52.38
Net	23,299.05	19,647.08
Earnings per share		
Basic (₹)	11.12	9.37
Diluted (₹)	10.45	8.81
Nominal value - (₹) per equity share	10.00	10.00

28 Assets pledged as security

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

Nandi Economic Corridor Enterprises Limited

Summary of material accounting policies and other explanatory information

(All amounts in ₹ lakhs, unless otherwise stated)

29 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2024 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets:						
Investments	10	5,417.31	-	-	5,417.31	5,417.31
Trade receivables	11	-	-	366.35	366.35	366.35
Loans	5	-	-	305.12	305.12	305.12
Other financial assets	6	-	-	165.85	165.85	165.85
Cash and bank balance	12	-	-	11,929.94	11,929.94	11,929.94
Total financial assets		5,417.31	-	12,767.26	18,184.57	18,184.57
Financial liabilities:						
Borrowings	15	-	-	125,407.00	125,407.00	125,407.00
Trade payables	19	-	-	3,356.97	3,356.97	3,356.97
Other financial liabilities	16	-	-	10,077.00	10,077.00	10,077.00
Total financial liabilities		-	-	138,840.97	138,840.97	138,840.97

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:						
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	-	-	139,566.26	139,566.26	139,566.26
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		-	-	151,622.11	151,622.11	151,622.11

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

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

ii. **Fair value hierarchy**

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

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

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

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

Measurement of fair value of financial instruments

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

Nandi Economic Corridor Enterprises Limited

Summary of material accounting policies and other explanatory information

(All amounts in ₹ lakhs, unless otherwise stated)

29 Financial instruments (Cont'd)

Borrowings- preference shares

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

Investment in mutual funds

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

The following table shows the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2024 and 31 March 2023:

As at 31 March 2024	Level 1	Level 2	Level 3	Total
Financial assets	-			
Investment	5,414.03	-	3.28	5,417.31
	5,414.03	-	3.28	5,417.31
Financial liabilities				
Net Fair value	5,414.03	-	3.28	5,417.31
As at 31 March 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Investment	5,436.63	-	2.03	5,438.66
	5,436.63	-	2.03	5,438.66
Financial liabilities	-	-	-	
Net Fair value	5,436.63	-	2.03	5,438.66

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Nandi Economic Corridor Enterprises Limited
Summary of material accounting policies and other explanatory information
(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 2024 and 31 March 2023 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 2024	31 March 2023
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	1,609.45	1,420.61
Fair value of plan assets as at the end of the year	(1,456.76)	(1,311.18)
Net liability recognized in the Balance Sheet	152.69	109.43
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	1,420.61	1,277.99
Current Service cost	122.52	115.55
Interest cost	100.36	85.49
<i>Actuarial losses/(gains) arising from</i>		
- change in demographic assumptions	5.96	4.24
- change in financial assumptions	39.80	(35.08)
- experience variance	(31.92)	29.53
Benefits paid	(47.89)	(57.11)
Liabilities settled	-	-
Defined benefit obligation as at the end of the year	1,609.44	1,420.61
3 Changes in the fair value of plan assets		
Fair value as at the beginning of the year	1,311.18	1,205.70
Return on plan assets	92.77	80.82
Actuarial (losses)/gains	(9.81)	(5.50)
Contributions	110.51	87.27
Assets (settled)	-	-
Benefits paid	(47.88)	(57.11)
Fair value as at the end of the year	1,456.77	1,311.18
Non-current	152.69	109.43
Current	-	-
<i>Assumptions used in the above valuations are as under:</i>		
Interest rate	12%	12%
Discount rate	7.20%	7.45%
Salary increase	8%	9%
-Executives and Sr.Executives & DGM		
-GM & above		
<i>Attrition rate</i>		
21-30	11%	17%
31-40	3%	4%
41-50	3%	4%
51-59	10%	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 2024 and 31 March 2023 comprises of following components.		
Service cost	122.52	115.55
Net interest cost on the net defined benefit liability	7.59	4.67
	130.11	120.22
5 Other comprehensive income		
Change in financial assumptions	(39.80)	35.08
Experience variance (i.e., actual experience vs assumptions)	31.92	(29.53)
Change in demographic assumptions	(5.96)	(4.24)
Return on plan assets, excluding amount recognized in net interest expenses	(9.81)	(5.50)
	(23.65)	(4.19)

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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 ₹ 430.20 (31 March 2023: ₹ 434.46) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

C. Sensitivity analysis

Description of risk exposures

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

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

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

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

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

Regulatory risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 20).

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 2024		31 March 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.5%)	5.26%	-4.85%	-4.65%	5.04%
Salary Growth Rate (- / + 0.5%)	-4.60%	4.92%	4.73%	-4.42%

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 2024	31 March 2023
b) Expected Contribution during the next annual reporting period	100	15
c) Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	10.09 years	9.68 years
d) Expected cash flows over the next (valued on undiscounted basis):		
1 year	164.45	146.88
2 to 5 years	468.98	444.21
6 to 10 years & above	3,365.30	2,954.12

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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 2024	31 March 2023
Segment revenue		
Toll road	82,386.86	58,403.83
Integrated township development	-	4,079.62
Total segment revenue	82,386.86	62,483.45
Segment result		
Toll road	51,638.14	40,207.45
Integrated township development	-	4,006.09
Total segment results	51,638.14	44,213.54
Unallocable expense	9,469.41	8,169.07
Finance costs	13,696.09	17,483.23
Other income	(1,412.90)	(1,366.39)
Net profit for the year	29,885.54	19,927.63
Segment assets		
Toll road	135,829.43	117,987.13
Integrated township development	54,553.25	52,459.75
Unallocable assets	23,327.27	25,358.89
Total Assets	213,709.95	195,805.77
Segment liabilities		
Toll road	7,106.92	6,992.44
Integrated township development	9,763.86	9,763.86
Unallocable liabilities	156,459.83	161,893.12
Total Liabilities	173,330.61	178,649.42
Capital Employed - (Segment Assets - Segment liabilities)		
Toll road	128,722.51	110,994.68
Integrated township development	44,789.38	42,695.88
Unallocable assets	(133,132.56)	(136,534.23)
	40,379.33	17,156.33

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Summary of material accounting policies and other explanatory information

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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 as interest rate risk, credit risk and investment of excess liquidity.

a. Credit risk

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

Credit risk management

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

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

Expected credit loss for trade receivables under simplified approach

The Company recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

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

b. Liquidity risk

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

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

Nandi Economic Corridor Enterprises Limited

Summary of material accounting policies and other explanatory information

(All amounts in ₹ lakhs, unless otherwise stated)

32 Financial risk management (Cont'd)

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 March 2024	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	9,080.50	66,807.16	65,453.70	141,341.36
Future interest payments	10,679.95	29,952.66	2,673.61	43,306.22
Trade payables	3,356.97	-	-	3,356.97
Security deposits	177.47	-	-	177.47
Other financial liabilities	7,402.77	-	2,496.76	9,899.53
Total	30,697.66	96,759.82	70,624.07	198,081.55
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	153,700.12
Future interest payments	12,529.09	39,932.65	9,195.79	61,657.53
Trade payables	3,152.09	-	-	3,152.09
Security deposits	63.00	-	-	63.00
Other financial liabilities	5,978.23	-	2,496.76	8,474.99
Total	29,497.11	94,297.49	103,253.13	227,047.73

c. Interest rate risk

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

	31 March 2024	31 March 2023
Variable rate borrowing	122,246.68	137,012.03
Interest free borrowing	3,167.36	2,554.23
Total borrowings	125,414.04	139,566.26

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 2024	31 March 2023
Interest rates – increase by 50 basis points (50 bps)	611.23	(685.06)
Interest rates – decrease by 50 basis points (50 bps)	(611.23)	685.06

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 2024	31 March 2023
Long term borrowings (including current maturities) (refer note 15A)	125,407.00	139,566.26
Less: Cash and cash equivalents (refer note 12A)	(4,628.49)	(4,447.56)
Less: Other bank balances (refer note 12B)	(7,301.45)	(8,466.40)
Net debt	113,477.06	126,652.30
Total equity (refer note 13 & 14)	40,379.33	17,156.33
Gearing ratio	2.81	7.38

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34 Leases

The company has taken various residential / commercial premises on cancellable operating leases. As per the terms and conditions mentioned in the respective lease agreements, the same are generally renewed on expiry of the lease period and there is no lock-in-period in such operating lease taken by the company. Rent expense debited to statement of profit and loss for above mentioned cancellable operating leases for the year ended 31 March 2024 is ₹74.72 (for the year ended 31 March 2023 ₹65.49).

35 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorization of these financial statements.

36 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses an accounting software for maintaining its books of account. The software has a feature of recording audit trail (edit log) facility as required under the Act.

37 Commitments

	31 March 2024	31 March 2023
a. Estimated amount of contracts remaining to be executed and not provided for (net of advances)	850.54	4,240.13

38 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 had received claims from certain suppliers for payment of statutory dues aggregating to Rs. 2,600.00 (31 March 2023: Rs. 2,600.00). During the previous year, the Company had 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 ₹ 1,191.79 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 favorable and will not have any material adverse effect on the financial position and results of operations.
- (iv) The Company has received tax demand from the income tax authorities aggregating to ₹ 450.78 in respect of various deductions claimed in the tax return and other matters relating to the assessment year 2021-22. The Company has filed Rectification letter as per section 154 and appeal to this order has been filed with the Income Tax Department. Considering the facts and nature of adjustments, the Company believes that the position will likely be favorable and will not have any material adverse effect on the financial position and results of operations.

39 During the year ended 31 March 2024 and 31 March 2023, 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).

40 During the year ended 31 March 2024 and 31 March 2023, 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.

41 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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41.1 Financial ratios

a) Current ratio

Particulars	31 March 2024	31 March 2023
Current assets	42,812.88	42,035.18
Current liabilities	34,316.79	31,084.67
Current ratio	1.25	1.35
% Change from previous year	-7.74%	-8.47%

b) Debt-equity ratio

Particulars	31 March 2024	31 March 2023
Non-current borrowings	116,326.50	131,791.56
Current maturities of long-term borrowings	9,080.50	7,774.70
Total debt	125,407.00	139,566.26
Total equity	40,379.33	17,156.33
Debt-equity ratio	3.11	8.13
% Change from previous year	-61.82%	-159.75%

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

c) Debt service coverage ratio

Particulars	31 March 2024	31 March 2023
Profit before tax	23,246.67	19,594.70
Add: Depreciation and amortisation expense	5,881.41	5,128.84
Add: Interest on long term loans	13,208.35	16,983.00
Add: Repayment	15,702.88	8,970.05
Earnings available for debt services	58,039.31	50,676.59
Repayments made during the year:		
Interest paid on long term loans	12,686.99	19,352.60
Principal repayment for long term loans	15,702.88	8,970.05
Total interest and principal repayments	28,389.87	28,322.65
Debt service coverage ratio	2.04	1.79
% Change from Previous year	14.26%	21.85%

d) Return on equity

Particulars	31 March 2024	31 March 2023
Profit before tax	29,885.54	19,927.63
Total equity	40,379.33	17,156.33
Return on equity	0.74	116%
% Change from Previous year	-36.28%	-365.44%

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 2024	31 March 2023
Cost of sales	-	73.53
Opening inventories of finished goods	22,406.92	22,480.45
Closing inventories of finished goods	24,482.30	22,406.92
Average inventories of finished goods	23,444.61	22,443.68
Inventory turnover ratio	-	0.00
% Change from previous year	0%	0.00%

There is no sale of land in the current year hence cost of sale is zero.

f) Trade receivables turnover ratio

Particulars	31 March 2024	31 March 2023
Revenue from toll collections	59,197.09	47,558.04
Opening gross trade receivables	167.81	119.32
Closing gross trade receivables	366.35	167.81
Average gross trade receivables	267.08	143.57
Trade receivables turnover ratio	221.65	331.26
% Change from previous year	-33.09%	-24.22%

Reason for change more than 25%: Due to increase in turnover and increase in other receivables.

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g) Net capital turnover ratio

Particulars	31 March 2024	31 March 2023
Revenue from operations	82,386.86	62,483.45
Current assets	42,812.88	42,049.55
Current liabilities	34,316.79	31,084.67
Working capital	8,496.09	10,964.88
Net capital turnover ratio	9.70	5.70
% Change from previous year	70.17%	83.68%
Reason for change more than 25%: Due to increase in turnover and other receivables.		

h) Net profit ratio

Particulars	31 March 2024	31 March 2023
Profit before tax	29,885.54	19,927.63
Revenue from operations	82,386.86	62,483.45
Net profit ratio	0.36	0.32
% Change from Previous year	13.74%	159.48%

i) Return on capital employed

Particulars	31 March 2024	31 March 2023
Profit before tax	29,885.54	19,927.63
Add: Finance expenses	13,696.09	17,483.23
Earnings before interest & tax	43,581.63	37,410.86
Equity	40,379.33	17,156.33
Long term debt	116,326.50	131,791.56
Capital employed	156,705.83	148,947.89
Return on capital employed	0.28	0.25
% Change from previous year	10.73%	54.16%

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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)
Key Managerial Personnel (KMP)	Ashok Kumar Kheny, Managing Director Ashok Kumar Shetty, CFO N Balaji Naidu, Company Secretary
Relative of KMP	Shivkumar Kheny
Enterprises over which KMP have significant influence	AKK Developers Private Limited (AKKDPL) AKK Entertainment Limited (AKKEL) Ashok Kheny Production Private Limited (AKPPL) Bonick Developers Private Limited (BDPL) Ashok Kheny Infrastructure Limited (AKIL) Ashok Kheny Motors Private Limited (AKMPL) SAB Engineering Inc., USA (SEI) BF Investments Limited (BIL) India International Infrastructure Engineers Limited(IIIE) Nandi Engineering Limited (NEL)
Common control enterprises	Nandi Highway Developers Ltd

B. Details of related party transactions during the year ended 31 March 2024 and 31 March 2023 :

Nature of Transaction	UHC	HC	KMP	Entities having common control	Enterprises over which KMP have significant influence	Relatives of KMP
Managerial remuneration						
For the Year 2023-24	-	-	644.68	-	-	-
For the Year 2022-23	-	-	419.10	-	-	-
Professional fees						
For the Year 2023-24	-	-	-	-	212.40	-
For the Year 2022-23	-	-	-	-	212.40	-
Rent						
For the Year 2023-24	-	-	-	-	-	23.94
For the Year 2022-23	-	-	-	-	-	23.94
Interest expense on Optionally Fully Convertible Debentures (OFCD)						
For the Year 2023-24	-	-	-	110.30	-	-
For the Year 2022-23	-	200.58	-	-	-	-
Refund of Inter-corporate deposit						
For the Year 2023-24	-	-	-	-	17.13	-
For the Year 2022-23	-	-	-	-	20.97	-
Interest income from Inter-corporate deposits (ICD)						
For the Year 2023-24	-	-	-	-	1.46	-
For the Year 2022-23	-	-	-	-	3.03	-
Advances (paid)/ received						
For the Year 2023-24	-	(73.64)	-	-	(0.10)	-
For the Year 2022-23	-	(0.46)	-	-	(0.22)	-

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42 Related party transactions

C. Details of related party balance outstanding as at 31 March 2024 and 31 March 2023

Nature of Transaction	UHC	HC	KMP	Entities having common control	Enterprises over which KMP have significant influence	Relatives of KMP
Deposit received under a Joint development agreement						
As at 31 March 2024	3,700.00	-	-	-	-	-
As at 31 March 2023	3,700.00	-	-	-	-	-
Outstanding against OFCD						
As at 31 March 2024	-	-	-	1,154.75	-	-
As at 31 March 2023	-	1,044.45	-	-	-	-
Outstanding against ICD						
As at 31 March 2024	-	-	-	-	-	-
As at 31 March 2023	-	-	-	-	17.13	-
Balance of advances outstanding						
As at 31 March 2024	-	292.31	-	-	11,635.17	-
As at 31 March 2023	-	365.94	-	-	11,635.17	-
Balance of loans outstanding and Interest accrued but not due						
As at 31 March 2024	-	-	-	-	5,664.08	-
As at 31 March 2023	-	-	-	-	5,050.99	-
Balance of payable outstanding						
As at 31 March 2024	-	-	-	-	56.06	-
As at 31 March 2023	-	-	-	-	28.00	-
Balance of advance to suppliers						
As at 31 March 2024	-	-	-	-	90.07	-
As at 31 March 2023	-	-	-	-	140.26	-

43 During the year ended 31 March 2011, the Company issued Compulsory Convertible Preference Shares ("CCPS") to the Investor (i.e. AIRRO Mauritius Holdings V, including its successors and assigns) amounting to ₹ 49,998.53 lakhs. These CCPS were recorded as a financial liability on First-time Adoption of Indian Accounting Standards i.e. the Ind AS (i.e. AS 101) transition date being 01 April 2016 at ₹ 31,130.00 lakhs with the difference of ₹ 18,868.53 lakhs recorded as adjustment to retained earnings. These CCPS were converted into 3,40,45,692 (Three Crore, forty lakh, forty five thousand six hundred ninety two) equity shares during the year ended 31 March 2017 and consequently ₹ 3,404.57 lakhs was recorded as equity share capital and ₹ 27,725.43 lakhs was recorded as share premium.

During the current year, the Management has re-evaluated the provisions of the shareholders agreement between the Company, the Promoters, the Sponsors and the Investor ("SHA") and concluded that despite the buy back rights for the Investor under SHA, the Company need not recognize any financial liability because the Investor has not exercised the buy back which is triggered upon issuance of a buy back notice containing a clear intention to exercise the buy back along with prescribed details, following the procedure outlined under the SHA and in accordance with the procedure prescribed by applicable law. The Company is also aware that the Investor, Promoters and Sponsors are in advanced discussions with regards to exploring alternative exit options. Therefore, the Management continues to believe that none of the equity shares issued by the Company need to be classified as a financial liability.

As per our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

NIKHIL VAID
Digitally signed by NIKHIL VAID
Date: 2024.11.01 21:32:47 +05'30'

Nikhil Vaid

Partner

Membership No.: 213356

Hyderabad

01 November 2024

For and on behalf of the Board of Directors of

Nandi Economic Corridor Enterprises Limited

ASHOK KUMAR KHENY
Digitally signed by ASHOK KUMAR KHENY
Date: 2024.11.01 15:17:40 +05'30'

Ashok Kumar Kheny

Managing Director

DIN: 00248397

Bengaluru

01 November 2024

ASHOK KUMAR SHETTY
Digitally signed by ASHOK KUMAR SHETTY
Date: 2024.11.01 15:17:06 +05'30'

Ashok Kumar Shetty

Chief Financial Officer

Bengaluru

01 November 2024

AREHALLI BASAPPA SHIVA SUBRAMANYA M
Digitally signed by AREHALLI BASAPPA SHIVA SUBRAMANYA M
Date: 2024.11.01 16:17:28 +05'30'

AB Shiva Subramanyam

Director

DIN: 00963838

Bengaluru

01 November 2024

BALAJI NAIDU NAYANAM ENI
Digitally signed by BALAJI NAIDU NAYANAM ENI
Date: 2024.11.01 15:21:31 +05'30'

N. Balaji Naidu

Company Secretary

Membership No: F6174

Bengaluru

01 November 2024