



S. Panna Raj & Associates

Chartered Accountants

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Ref. :

Date :

Independent Auditor's Report

To the Members of Nandi Highway Developers Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Nandi Highway Developers Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, 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 a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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



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

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

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

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will



always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position
 - 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 2022;



- 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 2022;
- i) (a) The company has not advanced any funds to or in any other persons or entities, including foreign entities ("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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ii) (b) The company has not received any funds from any persons or entities, including foreign entities ("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
- iv. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For S. Panna Raj & Associates
CHARTERED ACCOUNTANTS


S. PANNA RAJ
Proprietor

M.No. 026366, FRN. 077500P

UDIN: 22026366AJVFGC6639



Bangalore

Date: 24th May 2022

Annexure I to the Independent Auditor's Report of even date to the members of Nandi Highway Developers Limited on the financial statements for the year ended 31 March 2022

In terms of Companies (Auditor's Report) Order 2020, issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that :-

- 1)
 - (ii) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
(B) The company is maintaining proper records showing full particulars of intangible assets.
 - (iii) The Property, Plant & Equipment have been physically verified by the management at reasonable intervals.
 - (iv) The title deeds of immovable properties shown in the financial statements are held in the name of the company.
 - (v) The company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.
 - (vi) No proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder and the details have been appropriately disclosed in the financial statements.
- 2)
 - (a) In our opinion and according to the information and explanations given to us, having regard to nature of inventory, the physical verification by way of inspection of title deeds and site visits by the Management, conducted at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification/ material discrepancies noticed on 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 during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- 3) 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 under review .Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- 4) 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.
- 5) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit 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.



- 6) 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 under sub-section (i) of Section 148 of the Act in respect of Company's services 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. (ii) There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;
- 7) 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.
- 8) 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 recorded in the books of accounts.
- 9)
- (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 confirmations received from banks/ financial institution and/or other lenders and 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 other lender.
- (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 or in any previous 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.
- 10)
- (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, 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.

11)

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

(b) No report under section 143(12) of the Act has been filed 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.

12) 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.

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

14)

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

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

15) 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 them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

17) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

18) 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.



- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities
- 20) According to the information and explanations given to us, the Company fulfilled the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. and there is no unspent amount during the year under review.
- 21) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For S. Panna Raj & Associates
CHARTERED ACCOUNTANTS


S. PANNA RAJ
Proprietor

M.No. 026366, FRN. 022509S
UDIN:22026366AJVFGC6639



Bangalore
24th May 2022

Annexure II to the Independent Auditor's Report of even date to the members of Nandi Highway Developers Limited on the financial statements for the year ended 31 March 2022

1. In conjunction with our audit of the financial statements of Nandi Highway Developers Limited ('the Company') as at and for the year ended 31 March 2022, 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 standalone 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 audit opinion on the Company's internal financial controls with reference to financial statements.



Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone 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.

For S. Panna Raj & Associates
CHARTERED ACCOUNTANTS


S. PANNA RAJ
Proprietor

M.No. 026366, FRN. 022509S

UDIN: 22026366AJVFGC6639

Bangalore

24th May 2022



Nandi Highway Developers Limited
Balance Sheet as at 31 March 2022
(All amounts ₹ in Thousands, unless otherwise specified)

	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	34,038	39,671
Capital work-in-progress		-	178
Right to file		24,200	32,267
Intangible assets	3	87,661	1,27,537
Financial assets			
Investments	4	6	6
Loans	5	40,232	20,232
Others	7A	36,276	36,276
Deferred tax assets (net)	6	24,097	23,469
Other non-current assets	8A	16,52,708	16,10,181
Total non-current assets		18,99,219	18,89,818
Current assets			
Financial assets			
Cash and cash equivalents	9	29,849	31,631
Others	7B	29,188	1,02,632
Other current assets	8B	1,19,179	1,20,797
Total current assets		1,78,215	2,55,060
Total assets		20,77,434	21,44,878
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	3,75,000	3,75,000
Other equity	11	13,57,521	9,49,341
Total equity		17,32,521	13,24,341
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	12	-	3,34,612
Lease liabilities	13A	31,271	38,261
Provisions	16A	21,675	20,633
Other non-current liabilities	14A	46,863	35,828
Total non-current liabilities		99,809	4,29,333
Current liabilities			
Financial liabilities			
Borrowings	13B	1,45,805	3,00,000
Trade payables			
Debt to creditors other than micro enterprises and small enterprises	15	2,709	25,898
Short term Provisions (Current Income Tax)	16B	85,688	55,248
Other current liabilities	14B	10,902	12,058
Total current liabilities		2,45,104	3,91,204
Total equity and liabilities		20,77,434	21,44,878

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

As per report of even date

For S.Panna Raj and Associates

For **S. Panna Raj & Associates**
Chartered Accountants
Firm's Registration No.: 0225095

S.Panna Raj
Proprietor

S. PANNA RAJ
Proprietor

Member **M.No. 026366, FRN. 0225095**

Bengaluru
24th May 2022



For and on behalf of the Board of Directors of
Nandi Highway Developers Limited

Shikumar Kheny
Shikumar Kheny
Executive Director
DIN: 01487360

A.R. Shiva Subramanyam
A.R. Shiva Subramanyam
Director
DIN: 00963838

N. Bala Krishna
N. Bala Krishna
Chief Financial Officer
& Company Secretary

Bengaluru
24th May 2022

Bengaluru
24th May 2022

Bengaluru
24th May 2022

Nandi Highway Developers Limited
 Statement of profit and loss for the year ended 31 March 2022
 (All amounts ₹ in Thousands, unless otherwise specified)

	Note	31 March 2022	31 March 2021
Revenue			
Revenue from operations	17	8,23,421	6,67,586
Other income	18	10,866	15,511
Total revenue		8,34,286	6,83,097
Expenses			
Employee benefits expense	19	86,139	80,213
Finance costs	20	60,798	1,16,472
Depreciation and amortization expense	2 & 3	56,800	56,036
Other expenses	21	1,40,121	1,14,229
Total expenses		3,43,858	3,66,950
Profit before tax		4,90,428	3,16,146
Tax expense	22		
Current tax		85,688	55,237
Deferred tax		(628)	(12,540)
Profit for the period		4,05,369	2,73,450
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of gains/(losses) on defined benefit plans		2,811	483
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss			
		2,811	483
Total comprehensive income for the year		4,08,180	2,73,933
Earnings per equity share (Nominal value ₹ 10 per equity share)			
Basic	23	10.81	7.29
Diluted		10.81	7.29

The accompanying notes form an integral part of the financial statements

As per report of even date

For S. Panna Raj and Associates

Chartered Accountants

For S. Panna Raj & Associates
CHARTERED ACCOUNTANTS

[Signature]

S. PANNA RAJ
 Proprietor

M.No. 026366, FRN. 022509S

Bengaluru
 24th May 2022



For and on behalf of the Board of Directors of
 Nandi Highway Developers Limited

[Signature]

Shrikumar Khury
 Executive Director
 DIN: 01487360

Bengaluru
 24th May 2022

[Signature]

A.B. Shiva Subramanyam
 Director
 DIN: 00963338

Bengaluru
 24th May 2022

[Signature]

N. Balu Krishna
 Chief Financial Officer &
 Company Secretary

Bengaluru
 24th May 2022

Nandi Highway Developers Limited
Statement of changes in equity as at 31 March 2022
(All amounts ₹ in Thousands, unless otherwise specified)

A. Equity share capital

	Amount
Balance as at 31 March 2020	3,75,000
Changes in equity share capital during the year	-
Balance as at 31 March 2021	3,75,000
Changes in equity share capital during the year	-
Balance as at 31 March 2022	3,75,000

B. Other equity

	Surplus / (deficit) in Statement of Profit and Loss	Dividend	Total
Balance as at 31 March 2020	13,90,860	(7,15,458)	6,75,402
Add: Additions			-
Profit for the period	2,73,450	-	2,73,450
Capital Reserve	6	-	6
Other comprehensive income	483	-	483
Balance as at 31 March 2021	16,64,799	(7,15,458)	9,49,341
Add: Additions			-
Profit for the period	4,05,369	-	4,05,369
Capital Reserve	-	-	-
Other comprehensive income	2,811	-	2,811
Final dividend for the year 2017-18 (Paid in 2018-19)	-	-	-
Balance as at 31 March 2022	20,72,979	(7,15,458)	13,57,521

For S.Panna Raj and Associates

Chartered Accountants
For S. Panna Raj & Associates
Firm's Registration No.: 022509S
CHARTERED ACCOUNTANTS

S. Panna Raj

S. PANNA RAJ
Proprietor
Mem. No. 022509S, FRN. 022509S

Bengaluru
24th May 2022



For and on behalf of the Board of Directors of
Nandi Highway Developers Limited

Shrikumar Khery
Shrikumar Khery
Executive Director
DIN: 01482360

Bengaluru
24th May 2022

A.B. Shiva Subramanyam
A.B. Shiva Subramanyam
Director
DIN: 00963838

Bengaluru
24th May 2022

N. Bala Krishna
N. Bala Krishna
Chief Financial Officer
& Company Secretary

Bengaluru
24th May 2022

Nandi Highway Developers Limited
Cash flow statement for the year ended 31 March 2022
(All amounts ₹ in Thousands, unless otherwise specified)

	31 March 2022	31 March 2021
A. Cash flow from operating activities		
Profit/(loss) before tax	4,91,428	3,16,152
Adjustments to reconcile profit before tax to net cash flows		
Depreciation	56,800	56,036
Other comprehensive income	2,811	483
Interest received on fixed deposits	(6,439)	(11,239)
Finance costs	(63,798)	1,16,472
Operating profit before working capital changes	6,04,400	4,77,906
Working capital adjustments:		
<i>Operating Assets</i>		
Decrease/(increase) in other non-current assets	(43,155)	(46,147)
(Increase)/decrease in other financial assets	(29,000)	-
(Increase)/decrease in other current assets	75,063	(98,058)
<i>Operating Liabilities</i>		
Increase/(decrease) in trade payables	(21,180)	18,394
Increase/(decrease) in provisions	31,482	23,300
Increase/(decrease) in other current liabilities	2,888	3,116
Cash Generated from operations	6,29,488	4,28,531
Net income taxes paid / refund (net)	(85,069)	(42,607)
Net cash flow from operating activities (A)	5,44,428	3,85,924
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(5,146)	(2,457)
Interest received on fixed deposits	6,439	11,239
Net cash flow from investing activities (B)	3,392	8,802
C. Cash flow from financing activities		
Proceeds from/(Repayment of) long term borrowings	(4,88,866)	(3,12,000)
Finance costs	(66,798)	(1,16,472)
Net Cash Flow from financing activities (C)	(5,49,604)	(4,29,381)
Net decrease in cash & cash equivalents (A+B+C)	(1,783)	(34,766)
Cash and Cash equivalents at beginning of the year	31,631	66,396
Cash and Cash equivalents at the end of the year*	29,847	31,631
* Comprises:		
(a) Cash on hand	575	688
(b) Balances with banks:		
- in current accounts	29,274	30,943
Cash & cash equivalents at the end of the year (as per Note 9)	29,849	31,631

For S.Panna Raj and Associates
For S. Panna Raj & Associates
Firm's Registration No. 01225095
CHARTERED ACCOUNTANTS



S. PANNA RAJ
Proprietor
M. No. 026368, FRN. 0225095

Bengaluru
24th May 2022

For and on behalf of the Board of Directors of
Nandi Highway Developers Limited


Shiv Kumar Khensy
Executive Director
DIN: 01487360

Bengaluru
24th May 2022


A.B. Shiva Subramanyam
Director
DIN: 00965838

Bengaluru
24th May 2022


N. Bala Krishna
Chief Financial Officer &
Company Secretary

Bengaluru
24th May 2022



1 Company overview and significant accounting policies

1.1 Company overview

Nandi Highway Developers Limited ("NHDL" or "the Company") is an unlisted public company incorporated on January 19, 1986. The Company has undertaken a contract of Development, Operation and Maintenance of infrastructure facility involving work of construction of bypass road of 30 kms connecting the twin cities of Hubli and Dharwad in North Karnataka, located right in the middle of the Pune-Bangalore stretch (835 kms) of the NH4, in the state of Karnataka beginning at Km 403/800 on NH4 and rejoining NH4 in Karnataka at Km 433/800, this bypass road helps to avoid city traffic and congestion. It has been notified as part of NH 4 (Pune-Bangalore), also part of the visionary Golden Quadrilateral Road Project of India.

1.2 Significant accounting policies

a. Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as per Companies (Indian Accounting Standards) Rules 2015 notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. The financial statements up to and for the year ended 31 March 2022 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 24th May 2022.

b. Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases that are in effect as at 31 March 2022. 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 financial liabilities which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

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

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

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

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

d. Functional and presentation currency

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

e. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities.

f. Recent accounting pronouncements

Information on new standards, amendments and interpretations is provided below:

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

* to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

* to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively in each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C, recognized by adjusting equity on initial application, without adjusting comparatives.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.



f. Recent accounting pronouncements (Cont'd.)

Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing lease Standard, Ind AS 17 Leases, and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., the lessee and the lessor). Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessee accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
 - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under the both methods.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, rather comprehensive income or equity, according to when the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

g. Current versus non-current classification

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

(i) An asset is classified as current when it is:

- Expected to be realized or intended to be 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 operating cycle is the time between the acquisition of asset for processing, and their realization in cash and cash equivalents. The company has identified twelve month as its operating cycle.

h. Foreign currency transactions

(a) Initial recognition

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

(b) Conversion

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

Exchange differences arising on monetary items on settlement, or re-translation at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

i. Revenue recognition

Toll collections

Income from toll collections is recognized on the basis of actual collection.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rates applicable. Interest income is included in the finance income in the statement of profit or loss.

Dividend income

Dividend income is recognized, when right to collection is established, (if applicable)

j. Impairment of non-financial assets

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



Nandi Highway Developers Limited

Summary of significant accounting policies and other explanatory information

(All amounts ₹ in Thousands, unless otherwise specified)

j. Impairment of non-financial assets (Cont'd.)

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

k. Property, plant and equipment (PPE)

Recognition and initial measurement

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

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset 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	01/24 years
Office equipments	5 years
Furniture & fixtures	10 years
Computers	4/3 years
Vehicles	10/8 years

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

De-recognition

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

l. Intangible assets

Recognition and initial measurement

Toll road assets, created under Build, Operate and Transfer ("BOT") model is considered as intangible asset since the asset will be transferred to Govt at the end of the concession period. The company has considered a period of 26 years (2 years of construction period and 24 years concession period) from the initial financial closure achieved in the year 2000.

Amortisation

The amortisation is based on a proportionate of actual toll revenues earned during the period over the projected toll revenues estimated for the balance concession period of 4 years.

m. 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.

n. 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.

o. Leases

Finance leases

Assets acquired on lease which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Leases where the lessee effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in payments is commensurate with expected inflationary costs.



Nandi Highway Developers Limited
Summary of significant accounting policies and other explanatory information
(All amounts ₹ in Thousands, unless otherwise specified)

p. 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 inventories 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 Regional Provident Fund Commissioner 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 is 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.

q. Tax expense

Income taxes

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

Current tax

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

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.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

r. 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.

s. 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.



Nandi Highway Developers Limited
Summary of significant accounting policies and other explanatory information
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i. 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 instrument' 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 FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

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

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

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

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

De-recognition of financial assets

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

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 liability is also adjusted. These liabilities are classified as amortized cost.

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

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.

ii. 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 the risks associated with the underlying assets 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.



Nandi Highway Developers Limited
Summary of significant accounting policies and other explanatory information
(All amounts ₹ in Thousands, unless otherwise specified)

u. Impairment of non-financial assets (Cont'd.)

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.

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 utilized.
- b. **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- c. **Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against doubtful debts. However the actual finance 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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2. Property, plant and equipment

	Land	Buildings	Plant and machinery	Vehicles	Office equipments	Furniture & fixtures	Total
Gross block							
As at 31 March 2020	8,507	19,986	79,853	14,380	7,340	35,624	1,65,592
Additions	-	74	306	1,297	352	280	2,339
Disposals	-	-	-	-	(390)	-	(390)
As at 31 March 2021	8,507	20,063	80,159	15,677	7,842	35,303	1,67,541
Additions	-	-	354	1,335	535	843	3,267
Disposals	-	-	(739)	-	-	-	(739)
As at 31st March 2022	8,507	20,063	80,713	16,262	8,377	36,148	1,70,069
Accumulated depreciation							
Upto 31 March 2020	-	12,912	76,120	9,694	7,325	13,081	1,18,992
Charge for the year	-	1,516	330	1,780	318	5,358	9,248
Adjustments for disposals	-	-	-	(371)	-	-	(371)
Upto 31 March 2021	-	14,428	76,350	11,384	7,272	18,436	1,27,876
Charge for the year	-	1,214	540	1,007	340	5,621	8,831
Adjustments for disposals	-	-	(670)	-	-	-	(670)
As at 31st March 2022	-	15,942	76,899	11,721	7,612	23,857	1,36,031
Net block							
As at 31 March 2021	8,507	5,635	3,899	4,285	670	16,802	39,071
As at 31 March 2022	8,507	4,121	3,815	4,541	765	12,291	34,038

CHPP Ageing Schedule as at 31 March 2022

Particulars	Outstanding for Following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects In Progress	-	-	-	-	-
Projects Temporarily Suspended	-	-	-	-	-
Total	-	-	-	-	-

CHPP Ageing Schedule as at 31 March 2021

Particulars	Outstanding for Following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects In Progress	176	-	-	-	176
Projects Temporarily Suspended	-	-	-	-	-
Total	176	-	-	-	176



Nandi Highway Developers Limited

Summary of significant accounting policies and other explanatory information

(All amounts ₹ in Thousands, unless otherwise specified)

3 Intangible assets

	Right to Use - A	Roads - B	Software - C	Total (B+C)
Gross block				
As at 31 March 2020	48,400	9,67,296	190	9,67,494
Additions			8	8
Disposals				
31st March 2021	48,400	9,67,296	198	9,67,494
Additions			27	27
Disposals				
31st March 2022	48,400	9,67,296	224	9,67,520
Accumulated amortization				
Upto 31 March 2020	8,067	8,01,065	170	8,01,235
Charge for the year	8,067	38,713	9	38,721
Disposals/adjustments				
Upto 31 March 2021	16,133	8,39,778	179	8,39,957
Charge for the year	8,067	39,897	6	39,903
Disposals/adjustments				
Upto 31 March 2022	24,200	8,79,675	185	8,79,859
Net block				
As at 31 March 2021	32,267	1,27,518	19	1,27,537
As at 31 March 2022	24,200	87,622	39	87,661



Nandi Highway Developers Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts ₹ in Thousands, unless otherwise specified)

	31 March 2022	31 March 2021
4 Investments		
Non-current investments (unquoted)		
Investment in Govt. Securities / Trusts (listed at cost)		
- National Savings Certificates (NSC)	0	0
	<u>0</u>	<u>0</u>
5 Loans		
Non-current assets		
Security deposits	40,232	20,252
	<u>40,232</u>	<u>20,252</u>
6 Deferred tax assets (Net)		
A Non-current		
Deferred tax asset arising on account of:		
Tax Deductions	8,122	7,839
Depreciation	13,985	15,949
Less		
Deferred tax liabilities arising on account of:		
	<u>24,097</u>	<u>23,409</u>
7 Other financial assets		
A Non-current		
Fixed deposits with banks (Maturity period > more than 12 months) *	36,276	36,276
	<u>36,276</u>	<u>36,276</u>
B Current assets		
(Unsecured, considered good unless otherwise stated)		
Interest receivable on fixed deposits	10,330	7,774
Fixed deposits with banks	18,856	14,858
	<u>29,186</u>	<u>12,632</u>
8 Other assets		
A Non-current		
(Unsecured, considered good unless otherwise stated)		
Advance income tax (not yet provisioned)	90,575	45,581
Advance to suppliers to meet provision		
Considered good	36,564	39,032
Advances towards land acquisition	19,25,549	13,75,549
	<u>15,52,708</u>	<u>16,10,161</u>
B (Unsecured, considered good unless otherwise stated)		
Prepaid expenses		
Other Current Assets	468	554
Other Advances		
	<u>1,10,670</u>	<u>1,20,123</u>
	<u>1,19,179</u>	<u>1,20,792</u>
9 Cash and cash equivalents		
Cash on hand		
Balances with banks	975	680
in current accounts		
	<u>29,271</u>	<u>30,941</u>
	<u>29,649</u>	<u>31,621</u>



Nandi Highway Developers Limited
Summary of significant accounting policies and other explanatory information
(All amounts ₹ in Thousands, unless otherwise specified)

10 Equity share capital

No. of shares in Thousands 31 March 2022		No. of shares in Thousands 31 March 2021	
No. of shares	Amount	No. of shares	Amount
36,000	3,80,000	38,000	3,80,000
38,000	3,80,000	38,000	3,80,000
37,500	3,75,000	37,500	3,75,000
37,500	3,75,000	37,500	3,75,000

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

31 March 2022		31 March 2021	
No. of shares	Amount	No. of shares	Amount
37,500	3,75,000	37,500	3,75,000
37,500	3,75,000	37,500	3,75,000

Note: As per the NCLT Order, the existing 1,14,28,193 equity shares held by the erstwhile NIGCL were cancelled and fresh 1,14,28,100 equity shares were allotted by NIGCL to the shareholders of NIGCL. Resolution for allotment of fresh equity shares was approved by the Board on 4th March, 2021

(b) Terms/ Rights attached to equity share holdings

The Company has only one class of Equity Share, having a par value of ₹ 10/-. The holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder 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 3% of shares and shares held by Promoters or Promoters Group :

31 March 2022		31 March 2021	
No. of shares	%	No. of shares	%
26,072	69.53%	26,072	69.53%
7,503	20.01%	7,503	20.01%
886	2.36%	886	2.36%
1,162	3.10%	1,162	3.10%
1,075	2.87%	1,075	2.87%

Equity share of ₹ 10/- each held by Promoters or Promoters Group

- 1. NE Utilities Limited- Holding Company
- 2. Jayprabha Investment Pvt Ltd
- 3. Other
- 4. Jayprabha Trading Company Pvt Ltd
- 5. Sundaram Trading and Investment Pvt Ltd
- 6. Kinney Investment Pvt Ltd

(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, 2022.

(e) Other equity

	31 March 2022	31 March 2021
Opening Balance	9,49,341	6,75,803
Profit/loss for the period	4,05,309	2,75,449
Comprehensive Income/(expenditure)	2,811	485
Loss on Acquisition (PMA) - NIGCL	(602)	
Capital Reserve - NIGCL	13,57,523	9,49,341



Nandi Highway Developers Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts ₹ in Thousands, unless otherwise specified)

12 Borrowings		
	31 March 2022	31 March 2021
Non-current		
Secured loans		
Term loan	-	3,34,612
		<u>3,34,612</u>
13 Other financial liabilities		
A Non-current		
Lease liability	31,271	38,561
	<u>31,271</u>	<u>38,561</u>
B Current		
Current maturities of long-term debt	1,45,905	3,00,000
	<u>1,45,905</u>	<u>3,00,000</u>
14 Other liabilities		
A Non-current	31 March 2022	31 March 2021
Other long term liabilities	46,863	35,828
	<u>46,863</u>	<u>35,828</u>
B Current		
Statutory dues	10,902	12,058
	<u>10,902</u>	<u>12,058</u>
15 Trade payables		
	31 March 2022	31 March 2021
Dues to micro enterprises and small enterprises	-	-
Dues to creditors other than micro enterprises and small enterprises	2,709	23,698
	<u>2,709</u>	<u>23,698</u>

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of Payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	2,709	-	-	2,709
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	-	-	2,709	-	-	2,709

For the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of Payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	23,898	-	-	-	23,898
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	-	23,898	-	-	-	23,898

16 Provisions		
	31 March 2022	31 March 2021
A Long-term		
Provision for employee benefits:		
- Provision for gratuity	12,593	12,418
- Provision for compensated absences	9,062	8,215
	<u>21,655</u>	<u>20,633</u>
B Short-term		
Other Short Term Provisions	33,688	55,248
	<u>33,688</u>	<u>55,248</u>



Nandi Highway Developers Limited
Summary of significant accounting policies and other explanatory information
 (All amounts ₹ in Thousands, unless otherwise specified)

12. Borrowings

Particulars	Nature of Security	Repayment details	31 March 2022	31 March 2021
Term Loans from banks and others				
Axis Finance Ltd	The Facility together with all Interest, Default Interest, all other costs, charges, expenses, fees or amounts payable to the Lender, the Security Trustee and the Escrow Bank under the Finance Documents shall be secured by the following security "Security": (a) A Security Interest by way of first and exclusive ranking mortgage over the identified non-agricultural land parcel admeasuring approximately 43 acres situate at Begolaru-Mysuru Infrastructure Corridor (NE/21 Road), Bangalore owned by the Security Provider, including all the structures thereon both present and future; (b) the properties in clause (a) are hereinafter referred to as the "Mortgaged Property"; (c) A Security Interest by way of first & exclusive charge on both present and future current assets of the Borrower; (d) A Security Interest by way of first & exclusive charge and escrow over the cash flows of the Borrower; (e) A Security Interest by way of first & exclusive charge on the Escrow Account, Interest Service Reserve, Major Maintenance Reserve, Retention Money, etc. and other reserves and any other bank accounts of Borrower wherever maintained; (f) A Security Interest by way of assignments of all the Borrower's rights, title, interest, benefits, claims and demands as stipulated; a. in the Project Documents including but not limited to the Commission Agreement; b. in the permits, approvals and clearances pertaining to the Project and in any form of credit, guarantee, performance bond provided by any party to the Project Documents; and c. all insurance contracts/ insurance proceeds pertaining to the project. (g) A Security Interest by way of first and exclusive pledge of 69.5% unencumbered fully paid up equity shares of the Borrower held by BHUJL; (h) Corporate guarantee by the Guarantor; (i) Corporate guarantee by the Security Provider to the extent of the Mortgaged Property offered as a security.	1,45,805	6,34,612	
		Repayable in 16 equal quarterly instalments starting from June 30, 2019.		

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

1,45,805
 (0.07%)
 6,34,612



Nandi Highway Developers Limited
Summary of significant accounting policies and other explanatory information
(All amounts ₹ in Thousands, unless otherwise specified)

17 Revenue from operations

	31 March 2022	31 March 2021
Revenue from toll collections	8,23,421	6,67,586
	<u>8,23,421</u>	<u>6,67,586</u>

18 Other income

	31 March 2022	31 March 2021
Interest income	6,438	11,239
Parking fees	3,837	3,804
Miscellaneous income	0	468
Profit on Sale of Assets	234	-
Lease Rent for Advertisement on Hoarding	357	-
	<u>10,866</u>	<u>15,511</u>

19 Employee benefits expense

	31 March 2022	31 March 2021
Salaries and wages	72,769	66,907
Contribution to provident and other funds	12,330	12,369
Staff welfare expenses	1,030	837
	<u>86,139</u>	<u>80,213</u>

20 Finance costs

	31 March 2022	31 March 2021
Interest cost	30,960	93,830
Processing fees	15,590	11,657
Bank charges	145	371
Interest on lease liabilities	5,168	5,928
Interest on minor maintenance expense	-	5,360
	<u>60,798</u>	<u>1,16,472</u>

21 Other expenses

	31 March 2022	31 March 2021
Toll road operation expense	83,845	60,011
Office maintenance & administration expenses	33,322	43,534
Travelling expenses	542	622
Professional fees	21,913	9,562
Payment to auditors for Statutory audit	500	500
	<u>1,40,121</u>	<u>1,14,229</u>



Nandi Highway Developers Limited

Summary of significant accounting policies and other explanatory information

(All amounts ₹ in Thousands, unless otherwise specified)

22 Tax expense

	31-Mar-22	31-Mar-21
A Tax expense comprises of:		
Current tax	85,088	35,237
Deferred tax	(628)	(12,340)
Income tax expense reported in the statement of profit and loss	<u>85,090</u>	<u>42,697</u>
B Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 29.12% (31 March 2021: 29.12%) and the reported tax expense in profit or loss are as follows:		
Book profits before tax from continuing operations	4,90,428	3,16,146
Book profits before income tax	<u>4,90,428</u>	<u>3,16,146</u>
Effective tax rate in India	29.12%	29.12%
Expected tax expenses charged/(credited)	1,42,813	92,062
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of non-deductible expenses (MAT Credit Availment)	(57,753)	(49,365)
Income tax expense	<u>85,090</u>	<u>42,697</u>
C Recognised deferred tax assets and liabilities		
Deferred tax asset arising on account of:		
Gratuity	3,607	3,616
Leave encashment	2,645	2,321
Bonus	1,800	1,519
Less: Deferred tax liability arising on account of:		
Depreciation	15,986	15,810
Impact of financial assets and liabilities carried at amortized cost	-	-
	<u>24,098</u>	<u>23,469</u>

23 Earnings/(loss) per share (EPS)

	31 March 2022	31 March 2021
Weighted average number of shares outstanding during the year	37,500	37,500
Add: Dilutive effect of stock options	-	-
Weighted average number of shares used to compute diluted EPS	<u>37,500</u>	<u>37,500</u>
Net profit after tax attributable to equity shareholders	4,05,369	2,73,459
Earnings per share:		
Basic (₹)	10.81	7.29
Diluted (₹)	10.81	7.29
Nominal value - Rupees (₹) per equity share	10	10

24 Assets pledged as security

The carrying amounts of assets pledged as security for non-current borrowings (refer note 12).



Nandi Highway Developers Limited
Summary of significant accounting policies and other explanatory information
(All amounts ₹ in Thousands, unless otherwise specified)

25 Financial instruments

Financial instruments by category

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

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets:						
Loans	3	-	-	46,232	46,232	46,232
Cash and cash equivalents including other bank balances	7	-	-	29,849	29,849	29,849
Other financial assets	7	-	-	29,188	29,188	29,188
Total financial assets				99,269	99,269	99,269
Financial liabilities:						
Borrowings*	12	-	-	1,45,805	1,45,805	1,45,805
Trade payables	15	-	-	2,709	2,709	2,709
Total financial liabilities				1,48,514	1,48,514	1,48,514

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets:						
Investments	4	-	-	-	-	-
Loans	5	-	-	26,232	26,232	26,232
Cash and cash equivalents including other bank balances	9	-	-	31,631	31,631	31,631
Other financial assets	7	-	-	1,02,652	1,02,652	1,02,652
Total financial assets				1,54,495	1,54,495	1,54,495
Financial liabilities:						
Borrowings	12	-	-	6,34,612	6,34,612	6,34,612
Trade payables	15	-	-	23,808	23,808	23,808
Total financial liabilities				6,58,399	6,58,399	6,58,399

Notes to financial instruments

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

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

ii. Fair value hierarchy

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

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

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

Level 3: Inputs for the assets or liabilities that are not based on the observable market 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 ensuring the use of market-based information.



Nandi Highway Developers Limited

Summary of significant accounting policies and other explanatory information
(All amounts ₹ in Thousands, unless otherwise specified)

25 Financial risk management

Financial risk factors

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

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

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

a. Credit risk

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

Credit risk management

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

The Company enjoys very negligible credit risk, due its revenues are generated through cash or against advance payment. Over the years the Company witnessed 100% realisation of advances given.

The Company recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence,

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.



Nandi Highway Developers Limited

Summary of significant accounting policies and other explanatory information

(All amounts ₹ in Thousands, unless otherwise specified)

Maturities of financial liabilities

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

As at 31st March 2022	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings*	1,45,805	-	-	1,45,805
Future interest payments	11,664	-	-	11,664
Trade payables	2,709	-	-	2,709
Total	1,60,179	-	-	1,60,179

As at 31st March 2021	Less than 1 year	1 years to 5 years	5 years and above	Total
Non-derivatives				
Borrowings*	3,00,000	3,34,612	-	6,34,612
Future interest payments	40,618	18,356	-	64,974
Trade payables	23,898	-	-	23,898
Security deposits	27,62,991	-	-	27,62,991
Other financial liabilities	-	-	-	-
Total	3,70,515	3,52,967	-	7,23,483

* including current maturities of long term debt.

c. Interest rate risk

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

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

	31 March 2022	31 March 2021
Variable rate borrowing	-	-
Fixed rate borrowing	1,45,805	6,34,612
Interest free borrowing	-	-
Total borrowings	1,45,805	6,34,612

Interest rate risk

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

26 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 2022	31 March 2021
Borrowings	1,45,805	6,34,612
Less: Cash and cash equivalents	(20,840)	(31,631)
Net debt	1,15,957	6,02,981
Total equity	17,32,521	13,24,341
Gearing ratio	107	0.45

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

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



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 Summary of significant accounting policies and other explanatory information
 (All amounts ₹ in Thousands, unless otherwise specified)

Ratio analysis

a) Current Ratio

Particulars	31 March 2022	31 March 2021
Current assets	1,78,215	2,55,060
Current liabilities	2,45,104	3,91,204
Current ratio	0.73	0.65
% change from previous year	11.52%	

b) Debt-Equity ratio

Particulars	31 March 2022	31 March 2021
Non-current borrowings	99,809	4,29,333
Current maturities of long-term borrowings	1,45,805	3,00,000
Overdraft/ working capital		
Total debt	2,45,614	7,29,333
Total equity	17,32,521	13,24,341
Debt-equity ratio	0.14	0.55
% change from previous year	-74.26%	

48.88 Crores during the year

c) Debt Service coverage ratio

Particulars	31 March 2022	31 March 2021
Profit before exceptional items and tax	4,90,428	3,16,146
Add: Depreciation and amortisation expense	56,800	56,036
Add: Interest on long term loans	39,960	93,850
Add: Interest on lease liabilities	5,165	5,928
Earnings available for debt services	5,92,353	4,71,961
Repayments made during the period / year		
Interest paid on long term loans	39,960	93,850
Interest paid on lease liabilities	5,165	5,928
Principal repayment for long term loans	4,88,806	3,12,909
Principal repayment for lease liabilities	6,990	5,648
Total interest and principal repayments	5,00,961	3,24,485
Debt service coverage ratio	1.18	1.45
% change from previous year	-18.70%	

d) Return on equity

Particulars	31 March 2022	31 March 2021
Profit for the period	4,90,428	3,16,146
Total equity	17,32,521	13,24,341
Return on equity	28.31%	23.87%
Return on equity (Annualised)	37.74%	23.87%
% change from previous year	58.11%	

Reason for change more than 25%: The reason for Increase in ratio is the company has earned more profit during the year due to less covid restrictions

e) Inventory turnover ratio *Not applicable*

f) Trade receivable turnover ratio *Not applicable*

Ratio analysis (cont'd)



g) Trade payables turnover ratio *Not applicable*

h) Net capital turnover ratio

Particulars	31 March 2022	31 March 2021
Revenue from operations	8,23,421	6,67,586
Current assets	1,78,215	2,55,060
Current liabilities	2,45,104	3,91,204
Working capital	(66,889)	(1,36,144)
Adjusted working capital	-	-
Net capital turnover ratio	-8.12%	-20.39%
Net capital turnover ratio (Annualised)	(0.11)	(0.20)
% change from previous year	-46.89%	

Reason for change morethan 25%: The reason for Increase in ratio is the company has earned more revenue during the year due to less covid restrictions

i) Net Profit ratio

Particulars	31 March 2022	31 March 2021
Profit for the period/ year	4,90,428	3,16,146
Revenue from operations	8,23,421	6,67,586
Net Profit ratio	59.56%	47.36%
% change from previous year	25.77%	

Reason for change morethan 25%: The reason for Increase in ratio is the company has earned more revenue during the year due to Less covid restrictions

j) Return on capital employed

Particulars	31 March 2022	31 March 2021
Profit after tax	4,05,369	2,73,450
Add: Tax expenses	85,060	42,697
Add: Finance costs	60,798	1,16,472
Earnings before interest and tax	5,51,227	4,32,618
Equity	17,32,521	13,24,341
Long term debt	1,45,805	6,34,612
Capital employed	18,78,327	19,58,953
Return on capital employed	29.35%	22.08%
Return on capital employed (Annualised)	29.35%	22.08%
% change from previous year	32.89%	

Reason for change more than 25% : The reason for decrease in ratio is the company has repaid Loan of Rs 48.88 Crores on account of income in profitability



Nandi Highway Developers Limited**Summary of significant accounting policies and other explanatory information**

(All amounts ₹ in Thousands, unless otherwise specified)

27 Leases**Operating lease**

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 2022 Rs 12,155 (for the year ended 31 March 2021 is Rs 11,576.)

28 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorization of these standalone financial statements.

29 Commitments:

Particulars	31 March 2022	31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		

30 Contingent liabilities:

	31 March 2022	31 March 2021
Claims against the Company not acknowledged as debts		

31 Corporate social responsibility

Corporate Social Responsibility (CSR) Where the company covered under section 135 of the companies act, the following shall be disclosed with regard to CSR activities:-

Particulars	Rs in Million	
	31 March 2022	31 March 2021
3 years Average Net profit / (Loss)	35.65	38.61
% of Average Net profit	7.10	7.72
(a) amount required to be spent by the company during the year	7.10	7.72
(b) amount of expenditure incurred	7.20	7.75
(c) shortfall at the end of the year	Nil	Nil
(d) total of previous years shortfall	Not Applicable	Not Applicable
(e) reason for shortfall	Not Applicable	Not Applicable
(f) nature of CSR activities	Education, Rural & Social Development	Rural & Social Development



Nandi Highway Developers Limited

Summary of significant accounting policies and other explanatory information
(All amounts ₹ in Thousands, unless otherwise specified)

32 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 2022 and 31 March 2021 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-Mar-22	31-Mar-21
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	37,650	36,082
Fair value of plan assets as at the end of the year	(25,058)	(23,664)
Net liability recognized in the Balance Sheet	12,592	12,418
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	36,082	31,532
Service cost:		
- Current service cost	2,871	2,793
- Past service cost	-	-
Interest cost	2,414	2,400
Actuarial losses (gains) arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(1,534)	3,050
- experience variance	(1,377)	(3,812)
Benefits paid	(865)	(1,738)
Defined benefit obligation as at the end of the year	37,650	36,082
3 Changes in the fair value of plan assets		
Fair value as at the beginning of the year	25,664	22,336
Interest on plan asset	1,614	1,591
Returns on plan assets	(100)	(27)
Contributions	684	1,072
Benefits paid	(865)	(1,738)
Fair value as at the end of the year	25,058	23,664
Non-current:	12,503	12,418
Current	-	-
<i>Assumptions used in the above calculations are as under:</i>		
Interest rate	12.00%	12.00%
Discount rate	7.20%	6.85%
Salary increase	12.00%	12.00%
Attrition rate		
21-30	0%	0%
31-40	1%	1%
41-50	2%	2%
51-57	7%	7%
Retirement age (in years)	58	58
Mortality	(Indian Assured Lives Mortality (2012-14) Table)	
4 Net gratuity cost for the year ended 31 March 2022 and 31 March 2021 comprises of following components:		
Service cost	2,871	2,793
Net interest cost on the net defined benefit liability	821	1,133
	3,692	3,926
5 Other Comprehensive income/(loss)		
Change in financial assumptions	(1,534)	3,050
Experience variance (i.e. actual experience vs assumptions)	(1,377)	(3,812)
Returns on plan assets, excluding amount recognized in net interest expense	100	278
Change in demographic assumptions	-	-
	(2,811)	(483)



Nandi Highway Developers Limited
Summary of significant accounting policies and other explanatory information
(All amounts ₹ in Thousands, unless otherwise specified)

32 B. Defined contribution plan

The Company provides benefits in the nature of defined contribution plans via, 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 ₹ 12,339.47 (31 March 2021: ₹ 12,339.47) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

C. Sensitivity analysis

Description of Risk Exposures

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

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

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

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

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

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (for example, increase in the maximum liability on gratuity of ₹ 20,00,000).

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 2022		31 March 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.5%)	7.20%	(5.43%)	6.85%	(5.79%)
Salary Growth Rate (- / + 0.5%)	(4.50%)	12.00%	(4.96%)	12.00%

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 2022	
b) Expected Contribution during the next annual reporting period		
The Company's best estimate of Contribution during the next year	8.53	1,500
c) Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)		11.31 years
Expected cash flows over the next (valued on undiscounted basis)		
1 year		
2 to 5 years	3,645,319.4	1,604
6 to 10 years & above	3,862,976.4	6,527
	4,055,188.7	87,000



Nandi Highway Developers Limited
 Summary of significant accounting policies and other explanatory information
 (All amounts ₹ in Thousands, unless otherwise specified)

33 Related party transactions

A. Details of related parties:

Description of relationship	Names of related parties
Holding Company (HC)	M/s BPL India Limited
Key Managerial Personnel (KMP)	Mr. Shivkumar Khery, Executive Director Mr. N Bala Krishna, CFO, CS
Enterprises over which Company has significant influence	M/s Nandi Economic Corridor Enterprise Ltd. (NECE) M/s Nandi Infrastructure Corridor Enterprise Ltd. (NICE) M/s BPL Investment Limited Mr. Ashok Kantar Khery M/s Jayanti Investments Pvt Ltd. M/s Kanaja Project Management Consultancy LLP

B. Details of related party transactions during the year ended 31 March 2022 and 31 March 2021:

Nature of Transaction	HC	KMP	Enterprises over which the Company has significant influence
For the Year 2019-20	-	-	-
Received/(Paid) towards Goods/Service			
For the Year 2021-22	-	-	18,170
For the Year 2020-21	-	-	15,200
Remuneration to EMP			
For the Year 2021-22	-	18,630	-
For the Year 2020-21	-	16,351	-

C. Details of related party balance outstanding as at 31 March 2022 and 31 March 2021

Nature of Transaction	HC	KMP	Enterprises over which the Company has significant influence
Balance of advances outstanding			
As at 31 March, 2022	-	-	1,37,083
As at 31 March, 2021	-	-	1,25,283

34 Previous year figures are Regrouped / Reclassified wherever necessary to correspond with the Current years classification / Disclosure

For S.Panna Raj and Associates

Chartered Accountants
For S. Panna Raj & Associates

CHARTERED ACCOUNTANTS

S. Panna Raj
 Proprietor
S. PANNA RAJ
 Proprietor
M.No: 026386, FRN. 0225095

Bengaluru
 24th May 2022



For and on behalf of the Board of Directors of

Nandi Highway Developers Limited

Shivkumar Khery
 Shivkumar Khery
 Executive Director
 DIN: 01487360

Bengaluru
 24th May 2022

A.B. Shiva Subramanyam
 A.B. Shiva Subramanyam
 Director
 DIN: 00963838

Bengaluru
 24th May 2022

N. Bala Krishna
 N. Bala Krishna
 Chief Financial Officer &
 Company Secretary

Bengaluru
 24th May 2022