**Telangana State Industrial Infrastructure Corporation Ltd.,**
(A Government of Telangana Undertaking)

**Lr No. 90/SW/TSIIC/Stock Exchange/2026-27** **Date:12-11-2026**

To
The Manager- Listing,
The National Stock Exchange Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai: 400051
Tel: 022-26598235/36/452 Fax: 022-26598237/38

Dear Sir/Madam,

**Sub.: Outcome of Board Meeting held on Thursday, the 12th day of November, 2026 – Regd.**

**Ref.: Telangana State Industrial Infrastructure Corporation Limited.**

**[SYMBOL - 935TSI27; ISIN – INE1C3207057],**

**[SYMBOL- 935TSIIC28; ISIN - INE1C3207081],**

**[SYMBOL 935TSI29; ISIN - INE1C3207073],**

**[SYMBOL - 935TSI30; ISIN- INE1C3207065],**

**[SYMBOL – 935TSI31; ISIN - INE1C3207040],**

**[SYMBOL - 935TSI32; ISIN – INE1C3207032],**

**[SYMBOL- 935TSIIC33; ISIN - INE1C3207024],**

**[SYMBOL- 935TSI34; ISIN - INE1C3207016],**

<<<>>>

Pursuant to the provisions of Regulations 51 and 52 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we hereby inform that the Meeting of the Board of Directors of Telangana State Industrial Infrastructure Corporation Limited, held today, i.e., Thursday, November 12, 2026, have inter alia approved/taken note/considered the following:

i. To consider and approve the Unaudited Financial Results along with the Limited Review Reports for the quarter ended September 30, 2026.
ii. To consider and approve the Standalone and Consolidated Audited Financial Statement for the Financial Year 2025-26.

Copy of the same is enclosed for perusal.

The Board Meeting of the Company commenced at 07:05 P.M and Concluded at 08:45 P.M

You are requested to kindly take the same on record.

Thanking you,
For **Telangana State Industrial Infrastructure Corporation Limited**

**Sri. K.Shashanka, IAS**
**Vice Chairman & Managing Director**

**Place: Hyderabad**

***c.c: Beacon Trusteeship Limited, Regd: 5W, 5th floor, The Metropolitan, E Block, Bandra Kurla Complex, Bandra(E), Mumbai- 400051***

TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
CIN: U99000TG2014SGC095514
REGISTERED OFFICE: 6TH FLOOR, PARISHRAMA BHAVAN, BASHEERBAGH, HYDERABAD - 500004

## UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEARLY ENDED 30TH SEPTEMBER, 2026

(₹ In Lakhs)

| Sl.No | PARTICULARS | 3 Months ended 30.09.2026 (Unaudited) | 3 Months ended 30.06.2026 (Unaudited) | 3 Months ended 30.09.2025 (Unaudited) | 6 Months ended 30.09.2026 (Unaudited) | 6 Months ended 30.09.2025 (Unaudited) | For the year ended 31.03.2026 (Unaudited) |
|---|---|---|---|---|---|---|---|
| 1 | **INCOME** | | | | | | |
| | a) Revenue from operations | 43,328.06 | 12,559.59 | 9,626.47 | 55,887.65 | 23,177.14 | 5,20,348.68 |
| | b) Other income | 10,042.73 | 7,461.54 | 1,843.27 | 17,504.27 | 8,868.39 | 24,238.76 |
| | **TOTAL INCOME** | **53,370.79** | **20,021.13** | **11,469.74** | **73,391.92** | **32,045.53** | **5,44,587.44** |
| 2 | **.EXPENSES** | | | | | | |
| | Cost of Sales | 29,358.92 | 7,128.84 | 6,946.21 | 36,487.76 | 15,534.08 | 4,90,649.27 |
| | Employee benefit expense | 671.54 | 1,165.95 | 509.90 | 1,837.49 | 1,328.69 | 5,510.77 |
| | Finance cost | 24,471.81 | 24,155.72 | 24,782.38 | 48,627.53 | 49,004.77 | 97,085.57 |
| | Depreciation and amortisation expense | 45.08 | 25.95 | 22.05 | 71.03 | 43.68 | 91.33 |
| | Other expense | 2,269.10 | 2,100.28 | 1,286.42 | 4,369.38 | 2,529.72 | 6,411.92 |
| | **TOTAL EXPENSES** | **56,816.45** | **34,576.74** | **33,546.96** | **91,393.19** | **68,440.94** | **5,99,748.86** |
| 3 | **Profit/( Loss) before Exceptional Items and Tax** | **-3,445.66** | **-14,555.61** | **-22,077.22** | **-18,001.27** | **-36,395.41** | **-55,161.42** |
| 4 | Exceptional Incomes/ Expenses - Net | - | - | - | - | - | - |
| 5 | **Profit/ (loss) before tax** | **-3,445.66** | **-14,555.61** | **-22,077.22** | **-18,001.27** | **-36,395.41** | **-55,161.42** |
| 6 | **Tax expense** | | | | | | |
| | a) Current tax | - | - | - | - | - | - |
| | b) Deferred tax | - | - | - | - | - | - |
| | c) Previous year Tax | - | - | - | - | - | - |
| 7 | **Profit/ (loss) for the year of Continuing Operations** | **-3,445.66** | **-14,555.61** | **-22,077.22** | **-18,001.27** | **-36,395.41** | **-55,161.42** |
| 8 | **Other comprehensive income** | | | | | | |
| | - Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | - Items that will not be reclassified to profit or loss | - | - | - | - | - | - |
| | Fair valuation of investment in unquoted equities | - | - | - | - | - | - |
| | Remeasurement (Loss)/Gain of Defined Benefit plans | - | - | - | - | - | - |
| 9 | **Total comprehensive Income/(Loss) for the year** | **-3,445.66** | **-14,555.61** | **-22,077.22** | **-18,001.27** | **-36,395.41** | **-55,161.42** |
| 10 | **Paid Up Equity Share Capital (Face Value ₹ 1000 each per share)** | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 11 | **Other Equity Excluding Revaluation Reserves** | - | - | - | - | - | - |
| 12 | **Earnings Per Share (EPS) (₹) (Not Annualised) (Face Value ₹ 1000 per share)** | | | | | | |
| | Basic EPS | -34,45,660.00 | -1,45,55,610.00 | -2,20,77,220.00 | -1,80,01,270.00 | -3,63,95,410.00 | -5,51,61,420.00 |
| | Diluted EPS | -5,055.77 | -21,357.25 | -32,393.61 | -26,413.03 | -53,402.51 | -80,937.63 |

**Notes:**

1. The Company had issued Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures ("NCD" or "Debentures" or "Bonds"); supported by Unconditional & Irrevocable guarantee from the Government of Telangana ("GoT"), in the form of a continuing obligation as a Principal debtor & not merely as a surety, for the timely servicing of the interest and principal in respect of such Debentures / Bonds of issue size INR 5,000 crores plus green shoe option to retain over subscription of INR 4,995.28 crores i.e. for an aggregate issue size of up to INR 9,995.28 crores.

For the above debenture issuances, the Company's rating for debentures has been assigned at "IND AA (CE) Stable" by India Ratings & Research(Fitch Group) and "ACUITE AA (CE) Stable" by Acuite Ratings & research.

2. The Telangana State Government provided Acs. 400.00 gts land at Kancha Gachibowli village , Serilingampally (M), Rangareddy District and the same was included in the books of accounts in Cyberabad Zone. The rate was taken into the books as per the valuation report issued by M/s. iVAS partners (IBB certified Independent Valuer).

3.The company has been classified as a High-Value Debt Listed Entity (HVDLE) under SEBI (LODR) Regulations, 2015. As per regulatory provisions, the company is availing the exemption granted to newly identified HVDLEs, which allows a six-month period from the date of identification for compliance with corporate governance requirements, including the formation of an Audit Committee. As TSIIC LTD. is the public sector undertaking and compliance with respect to corporate government norms including the audit committee, shall be complied upon the receipt of appropriate Government orders. The company is in the process of ensuring compliances as specified under SEBI LODR Regulations.

4. The Financials for 2nd Quarters are prepared without considering the valuation of Investments as per INDAS.

5. The provision for Bad Debts was considered on previous years trend and accordingly provisionally provided for Half Yearly on 30.09.2026

6. Actuarial valuation with respect to Employee leve Benefits and Gratuity was not considerd for Half Year.

Manohar & Venkata Chartered Accountants ★ Firm Reg. No. 009672S ★ HYDERABAD

T.S. Industrial Infrastructure Corpn. Ltd. ★ HYD.

Dy.GM(F)

**For and on behalf of the Board**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

Registered Office: 6th Floor, Parishrama Bhavan, Basheerbagh, Hyderabad - 500004
CIN: U99000TG2014SGC095514

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEARLY ENDED 30TH SEPTEMBER, 2026

**Balance Sheet** (Rs. In Lakhs)

| PARTICULARS | NOTES | AS AT 30.09.2026 | AS AT 31.03.2026 |
|---|---|---|---|
| **Assets:** | | | |
| **Non-Current Assets** | | | |
| Property , Plant and Equipment | 2 | 17,494.31 | 13,912.47 |
| Capital Work In Progress | 3 | - | 1,416.68 |
| Investment Property | | - | - |
| Intangible Asset | | - | - |
| Financial Assets | | | |
| (i) Investments | 3.1 | 44,948.52 | 44,834.43 |
| (ii) Loans and Advances | 4 | 1,51,469.48 | 1,49,121.100 |
| (iii) Other Financial Assets | 5 | 68,441.35 | 67,097.980 |
| Deferred Tax Assets (Net) | 6 | 241.27 | 241.270 |
| Other Non Current Assets | 7 | 3,76,003.49 | 2,91,960.990 |
| | **Sub Total** | **6,58,598.42** | **5,68,584.92** |
| **Current Assets** | | | |
| Inventories | 8 | 20,81,624.28 | 20,68,487.73 |
| Financial Assets | | | |
| (i) Trade Receivables | 9 | 2,276.75 | 2,494.49 |
| (ii) Cash and cash equivalents | 10 | 1,73,649.75 | 67,852.45 |
| (iii) Bank Balances other than (ii) above | 10.1 | 3,80,302.89 | 2,60,172.61 |
| (iv) Loans and Advances | 11 | 523.22 | 545.96 |
| (v) Other Financial Assets | 12 | 9,137.17 | 2,443.55 |
| Current Tax Assets (Net) | 12.1 | 10,507.03 | 11,514.40 |
| Other Current Assets | 13 | 1,962.13 | 1,703.78 |
| | **Sub Total** | **26,59,983.22** | **24,15,214.97** |
| **Total Assets** | | **33,18,581.64** | **29,83,799.89** |
| **Equity & Liabilities:** | | | |
| **Equity** | | | |
| Equity Share Capital | 14 | 1.00 | 1.00 |
| Share Capital Suspense Account | 14 | 680.53 | 680.53 |
| Other equity | 14 | 3,337.40 | 21,338.67 |
| | **Sub Total** | **4,018.93** | **22,020.20** |
| **Non-Current Liabilities** | | | |
| Financials Liabilities | | | |
| i) Borrowings | 15 | 10,40,801.07 | 10,40,801.07 |
| ii) Other financial liabilities | 16 | 8,13,135.33 | 7,75,824.36 |
| Provisions | 17 | 5,525.41 | 5,327.58 |
| Deferred tax liabilities - Net | 18 | - | - |
| Other Non current liabilities | 19 | 3,70,997.66 | 4,00,606.08 |
| | **Sub Total** | **22,30,459.47** | **22,22,559.09** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| i)Borrowings | 20 | - | 37,098.02 |
| ii)Trade Payables | 20.1 | 779.98 | 714.47 |
| iii)Other financial liabilities | 21 | 1,347.91 | 1,223.54 |
| Other Current Liabilities | 22 | 10,81,636.80 | 6,99,846.02 |
| Provisions | 23 | 338.55 | 338.55 |
| Current Tax Liabilities- Net | 23.1 | - | - |
| | **Sub Total** | **10,84,103.24** | **7,39,220.60** |
| **Total Equity & Liabilities** | | **33,18,581.64** | **29,83,799.89** |
| Notes forming part of the Financial Statements | 1-48 | | |
| Significant Accounting policies | 1 | | |
| Contingent Liability | 31 | | |

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

T.S. Industrial Infrastructure Corp. Ltd. MYD.

K. Shashanka
Vice Chairman &
Managing Director
DIN: 07900230

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**CIN: U99000TG2014SGC095514**
**Registered Office: 6th Floor, Parishrama Bhavan, Basheerbagh, Hyderabad - 500004**

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEARLY ENDED 30TH SEPTEMBER, 2026**

**Statement of Cash Flow** (₹ In Lakhs)

| | PARTICULARS | For the Period ended 30th September, 2026 | For the Period ended 30th September, 2025 |
|---|---|---|---|
| **A.** | **CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES** | | |
| | Profit / (Loss) before Tax | (18,001.27) | (36,395.41) |
| | **Adjustments for:** | | |
| | Depreciation and Amortization | 71.03 | 43.68 |
| | Dividend Income | (2,200.00) | (2,653.20) |
| | Interest Expenses | 48,627.53 | 49,004.77 |
| | Interest Income from banks | (10,384.87) | (1,048.70) |
| | **Cash Generated Before Working Capital Changes** | **18,112.42** | **8,951.14** |
| | **Movement In Working Capital** | | |
| | (Increase) / Decrease in Trade Receivables | 217.74 | 38.81 |
| | (Increase) / Decrease in Inventories | (13,136.55) | (42,569.71) |
| | Decrease/(Increase) in Current Loans and Advances | (2,325.64) | 8,903.51 |
| | Decrease/(Increase) in Financial Assets | (8,036.99) | (6,254.85) |
| | (Increase) / Decrease in Other Current Assets | (84,300.85) | (2,418.08) |
| | Increase / (Decrease) in Trade Payables | 65.51 | 555.52 |
| | Increase / (Decrease) in Non Current Liabilities | 3,52,182.36 | 1,13,333.60 |
| | Increase / (Decrease) in Other Financial Liabilities | 37,435.34 | (12,241.23) |
| | Increase / (Decrease) in Provisions (Short Term & Long Term) | 197.83 | 45.71 |
| | **Cash Generated From Operations** | **3,00,411.17** | **68,344.42** |
| | Income tax | (1,007.37) | 773.99 |
| | **Net Cash Flow From / (Used in) Operating Activities** | **3,01,418.54** | **67,570.43** |
| **B.** | **CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES** | | |
| | Purchase of Fixed Assets | (2,236.19) | (27.55) |
| | Proceeds from Sale of Fixed Assets | - | - |
| | Purchase of Non - Current Investments- Others | (114.10) | (0.51) |
| | Dividend Income received from others | 2,200.00 | 2,653.20 |
| | Interest Income | 10,384.87 | 1,048.70 |
| | **Net Cash Flow From / (Used in) Investing Activities** | **10,234.58** | **3,673.84** |
| **C.** | **CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES** | | |
| | Proceeds from/(to) Short - Term Borrowings (Net) | - | - |
| | Proceeds from Long Term Rupee Loan | (37,098.02) | (27,164.16) |
| | Inter Corporate Deposits Received | | |
| | Payment of Dividend including Dividend Distribution Tax | - | - |
| | Interest Paid | (48,627.53) | (49,004.77) |
| | Changes in Equity | - | - |
| | **Net Cash Flow From / (Used in) Financing Activities** | **(85,725.55)** | **(76,168.93)** |
| | Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | 2,25,927.58 | (4,924.66) |
| | Cash and Cash Equivalents at the beginning of the Period | 3,28,025.06 | 1,92,040.94 |
| | Cash and Cash Equivalents at the end of the Period | **5,53,952.64** | **1,87,116.28** |
| | **Components of Cash and Cash Equivalents** | | |
| | Balances with Banks | | |
| | Cash and cash equivalents ( Current Asset) | 1,73,649.75 | 57,497.55 |
| | Bank Balances other than above | 3,80,302.89 | 1,29,618.73 |
| | **Cash and cash Equivalent** | **5,53,952.64** | **1,87,116.28** |

Manohar & Venkata Chartered Accountants, Firm Reg. No. 009672S, HYDERABAD

T.S. Industrial Infrastructure Corporation Ltd. HYD.

K. Shashanka
Vice Chairman &
Managing Director
DIN: 07900230

**Statement of utilization of issue proceeds of non-convertible securities and material deviations, if any, under Regulation 52(7) and 52(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**A. Statement of utilization of issue proceeds:** (₹ In Lakhs)

| Name of the Issuer | ISIN | Mode of fund raising (public issue/Private placement) | Type of Instrument | Date of raising funds | Amount Raised* | Funds utilized | Any deviation (Yes/ No) | If 8 is Yes, then specify the purpose for which the funds were tilized | Remarks, if any |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Telangana State Industrial Infrastructure Corporation Limited | INE1C3207016 | Private Placement | Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures | 06-12-2024 | 9,99,528.00 | 9,99,528.00 | No | Not Applicable | Nil |
| | INE1C3207024 | | | | | | | | |
| | INE1C3207032 | | | | | | | | |
| | INE1C3207040 | | | | | | | | |
| | INE1C3207065 | | | | | | | | |
| | INE1C3207073 | | | | | | | | |
| | INE1C3207081 | | | | | | | | |
| | INE1C3207057 | | | | | | | | |

*The "Amount Raised" column does not include the premium amount of ₹4.56 crores

**B. Statement of deviation/ variation in use of Issue proceeds:**

| | |
|---|---|
| **Name of listed entity** | Telangana State Industrial Infrastructure Corporation Limited |
| **Mode of fund raising** | ~~Public Issue~~/Private placement |
| **Type of instrument** | Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures |
| **Date of raising funds** | 06-Dec-24 |
| **Amount raised** | INR 9,99,528 Lakhs |
| **Report filed for quarter ended** | 30th September, 2026 |
| **Is there a deviation/ variation in use of funds raised?** | No |
| **Whether any approval is required to vary the objects of the issue ?** | Not Applicable |
| **If yes, details of the approval so required?** | Not Applicable |
| **Date of approval** | Not Applicable |
| **Explanation for the deviation/ variation** | Not Applicable |
| **Comments of the audit committee after review** | Not Applicable |
| **Comments of the auditors, if any** | No Comments |

Manohar & Venkata Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD ★

T.S. Industrial Infrastructure Corpn. Ltd. MD

~~K. Shashanka~~
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

## UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEARLY ENDED 30TH SEPTEMBER, 2026

### Additional Disclosures as per SEBI (Listing Obligation and Disclosure Requiremens) Regulations,2015

| | Particulars | Quarter Ended | | | Six Months Ended | | Year Ended |
|---|---|---|---|---|---|---|---|
| | | 30.09.2026 | 30.06.2026 | 30.09.2025 | 30.09.2026 | 30.09.2025 | 31.03.2026 |
| | | Un-Audited | Un-Audited | Un-Audited | Un-Audited | Un-Audited | Un-Audited |
| (a) | Debt Equity Ratio (Times)<br>Borrowings (Long Term + Short Term) / Equity | 258.97 | 145.88 | 3.42 | 258.97 | 3.42 | 48.95 |
| (b) | Debt Scrvice Coverage Ratio - Not Annualised (Times)<br>[Profit before tax + Finance cost in P&L + DepreciationJ / [Finance cost (P&L and Capitalized) + Principal Repayment (Long term borrowing and Lease Liabilities)j | 0.86 | 0.40 | 0.41 | 0.63 | 0.25 | 0.42 |
| (c) | Interest Service Coverage Ratio (Times)<br>(Profit before tax + Finance cost in P&L + Depreciation) / Finance Cost (P&L and Capitalized) | 0.86 | 0.40 | 0.41 | 0.63 | 0.25 | 0.43 |
| (d) | Capital Redemption Reserve (R in Crore) | NA | NA | NA | NA | NA | NA |
| (e) | Debenture Redemption Reserve (1 in Crore) | NA | NA | NA | NA | NA | NA |
| (f) | Net Worth (1 in Crore)<br>(Equity share Capital + Other Equity) | 40.19 | 74.65 | 843.90 | 40.19 | 380.14 | 220.20 |
| (g) | Current Ratio (Times)<br>Current Assets / Current Liabilities | 2.45 | 2.90 | 3.89 | 2.45 | 3.42 | 3.27 |
| (h) | Long Term debt to working capital (Times)<br>Long Term Borrowing / Working Capital | 0.66 | 0.64 | NA | 0.66 | NA | 0.62 |
| (i) | Bad Debt to Account receivable ratio (Times)<br>Bad Debt / Average Trade Receivable | 0.06 | NA | 0.06 | 0.06 | 0.06 | NA |
| (j) | Current Liability Ratio (Times)<br>Current Liability / Total Liabilities | 0.33 | 0.28 | 0.22 | 0.33 | 0.25 | 0.25 |
| (k) | Total debts to total assets (Times)<br>[Borrowings (Long Term + Short Term)] / Total Assets | 0.36 | 0.35 | 0.01 | 0.31 | 0.36 | 0.36 |
| (l) | Debtor Turnover - Not Annualised (Times)<br>Sale of Product / Average Trade Receivable | 8.72 | NA | NA | 11.25 | NA | 204.28 |
| (m) | Inventory Turnover - Not Annualised (Times)<br>Sale of Products / Average Inventory | 0.018 | 0.003 | 0.004 | 0.02 | 0.02 | 0.21 |
| (n) | Operating Margin (%)<br>(Profit before Exceptional Item and Tax + Finance Costs - Other Income)/ Revenue from Operations | 25.35% | 17.03% | 3.72% | 23.48% | 6.78% | 3.40% |
| (o) | Net Profit Margin (%)<br>Profit after Tax / Revenue from Operations | -7.95% | -115.89% | -229.34% | -32.21% | -157.03% | -10.60% |

Manohar & Venkata Chartered Accountants
Firm Reg. No. 009672S
HYDERABAD

For and on behalf of the Board

T.S. Industrial Infrastructure Corpn. Ltd.

K. Shashanka
Vice Chairman &
Managing Director
DIN: 07900230

## Statement of Security Cover

Rs.( In Lakhs)

| Column A | Column B | Colum n C[1] | Colum n Dii | Colum n Eiii | Column Fiv | Column Gv | Column H | Column Ivii | Colum n J | Column K | Column L | Column M | Column N | Column O |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Particulars | | Exclusive Charge | Exclusive Charge | Pari- Passu Charge | Pari- Passu Charge | Pari- Passu Charge | Assets not offered as Security | Eliminati on (amount in negative) | (Total C to H) | Related to only those items covered by this certificate | | | | |
| | Description of asset for which this certificate relate | Debt for which this certificate being issued | Other Secured Debt | Debt for which this certificate being issued | Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge) | Other assets on which there is pari- Passu charge (excludin g items covered in column F) | | debt amount considere d more than once (due to exclusive plus pari passu charge) | | Market Value for Assets charged on Exclusive basis | Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) | Market Value for Pari passu charge Assetsviii | Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) | Total Value(=K+L+M+ N) |
| | | | | | | | | | | | | Relating to Column F | | |
| | | Book Value | Book Value | Yes/No | Book Value | Book Value | | | | | | | | |
| **ASSETS** | | | | | | | | | | | | | | |
| Property, Plant and Equipment | | | | No | NA | NA | 17494.30954 | | 17494.30954 | | | | | |
| Capital Work-in- Progress | | | | No | NA | NA | 0 | | 0 | | | | | |
| Right of Use Assets | | | | No | NA | NA | 0 | | 0 | | | | | |
| Goodwill | | | | No | NA | NA | 0 | | 0 | | | | | |
| Intangible Assets | | | | No | NA | NA | 0 | | 0 | | | | | |
| Intangible Assets under Development | | | | No | NA | NA | 0 | | 0 | | | | | |
| Investment s | | | | No | NA | NA | 44948.52428 | | 44948.52428 | | | | | |
| Loans | | | | No | NA | NA | 1,51,992.70 | | 151992.7 | | - | | | - |
| Inventories | Note-2* | 15,98,493.90 | | No | NA | NA | 4,83,130.38 | | 2081624.28 | 2080000 | | | | 20,80,000.00 |
| Trade Receivables | | | | No | NA | NA | 2276.75 | | 2276.75 | | | | | |
| Cash and Cash Equivalents | | | | No | NA | NA | 1,73,649.75 | | 173649.75 | | | | | |
| Bank Balances other than Cash and Cash Equivalents | | | | No | NA | NA | 3,80,302.89 | | 380302.89 | | | | | |
| Others | | | | No | NA | NA | 4,66,292.44 | | 466292.44 | | | | | |
| **Total** | | **15,98,493.90** | - | | | | **17,20,087.74** | | **3318581.64** | **2080000** | | | | **20,80,000.00** |

Manohar & Venkata
Firm Reg. No. 009672S
HYDERABAD
Chartered Accountants

T.S. Industrial Infrastructure Corpn. Ltd.

K. Shashanka
Vice Chairman &
Managing Director
DIN: 07900230

## Statement of Security Cover

Rs.( In Lakhs)

| Column A | Column B | Colum n C [i] | Colum n Dii | Colum n Eiii | Column Fiv | Column Gv | Column H | Column Ivii | Colum n J | Column K | Column L | Column M | Column N | Column O |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Particulars | | Exclusive Charge | Exclusive Charge | Pari- Passu Charge | Pari- Passu Charge | Pari- Passu Charge | Assets not offered as Security | Eliminati on (amount in negative) | (Total C to H) | Related to only those items covered by this certificate | | | | |
| | Description of asset for which this certificate relate | Debt for which this certificate being issued | Other Secured Debt | Debt for which this certificate being issued | Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge) | Other assets on which there is pari- Passu charge (excludin g items covered in column F) | | debt amount considere d more than once (due to exclusive plus pari passu charge) | | Market Value for Assets charged on Exclusive basis | Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) | Market Value for Pari passu charge Assetsviii | Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) | Total Value(=K+L+M+ N) |
| | | Book Value | Book Value | Yes/No | Book Value | Book Value | | | | | | Relating to Column F | | |
| **LIABILITIES** | | | | | | | | | | | | | | |
| Debt securities to which this certificate pertains **(Note-1)** | | 9,99,528.00 | | | | | -16075.95 | | 983452.05 | | 999528 | | | 999528 |
| Other debt sharing pari-passu charge with above debt | | | | | | | 0 | | 0 | | | | | |
| Other Debt | | | | | | | 57,349.02 | | 57349.02 | | | | | |
| Subordinated debt | | | | | | | 0 | | 0 | | | | | |
| Borrowings | | | 0 | | | | 0 | | 0 | | | | | |
| Bank | | | | | | | 0 | | 0 | | | | | |
| Debt Securities | | *not to be filled* | | | | | 0 | | 0 | | | | | |
| Others | | | | | | | 0 | | 0 | | | | | |
| Trade payables | | | | | | | 779.98 | | 779.98 | | | | | |
| Lease Liabilities | | | | | | | 0 | | 0 | | | | | |
| Provisions | | | | | | | 338.55 | | 338.55 | | | | | |
| Others | | | | | | | 22,72,643.11 | | 2272643.11 | | | | | |
| **Total** | | **9,99,528.00** | **0** | | | | **2315034.71** | | **3314562.71** | **0** | **999528** | | | **999528** |
| **Cover on Book Value(times)** | | **1.60** | - | | | | | | | | | | | |
| **Cover on Market Value(times)** | | | | | | | | | | | | - | | 2.08 |
| | | **Exclusive Security Cover Ratio-on book value** | 1.60 | No | Pari-Passu Security Cover Ratio | NA | | | | | | | | |
| | | **Exclusive Security Cover Ratio-Market value** | 2.08 | | | | | | | | | | | |

**Notes:**

1) The Company had issued Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures ("NCD" or "Debentures" or "Bonds"); supported by Unconditional & Irrevocable guarantee from the Government of Telangana ("GoT"), in the form of a continuing obligation as a Principal debtor & not merely as a surety, for the timely servicing of the interest and principal in respect of such Debentures / Bonds of issue size INR 5,000 crores plus green shoe option to retain over subscription of INR 4,995.28 crores i.e. for an aggregate issue size of up to INR 9,995.28 crores.

2) The Telangana State Government allocated 400.00 acres of land in Kancha Gachibowli village, Serilingampally (M), Rangareddy District, which has been recorded in the books under the Cyberabad Zone. The book value and market value of the land have been ascertained based on the valuation report provided by M/s. iVAS Partners (IBBI-certified Independent Valuer).

3) Amount in "Coloumn H of Debt securities to which the certificate obtained" represents the unamortized transaction cost on issuance of Debentures which is in accordance with Ind AS.

Manohar & Venkata Chartered Accountants Firm Reg. No. 009672S HYDERABAD

T.S. Industrial Infrastructure Corpn. Ltd.

K. Shashanka
Vice Chairman &
Managing Director
DIN: 07900230

Manohar & Venkata
Chartered Accountants

H.No.1-1-564, 1st Floor,
Sri Mahayogi Laxmamma Nivas
Gandhinagar, Hyderabad - 500 020.
Mob : 9705056052 / 7981596495
E-mail : manoharandvenkata@yahoo.co.in
manoharandvenkata@gmail.com
manoharandvenkata44@gmail.com

**Independent Auditor's Limited Review Report on Quarterly Unaudited Standalone Financial Results of the Company pursuant to Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended)**

To
The Board of Directors
**Telangana State Industrial Infrastructure Corporation Limited**

**Introduction**

We have reviewed the accompanying Statement of unaudited standalone financial results of **M/s Telangana State Industrial Infrastructure Corporation Limited** (herein after referred as "the Company" or "TGIIC") for the quarter ended 30th September, 2026 ("the Statement") being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

This Statement, which is the responsibility of the Company's Management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in Compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.

**Scope of Review**

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

**Basis for Qualified Conclusion**

1. The company has established a Price Fixation Committee responsible for determining the sale price of land. It has been communicated that the price fixation process considers factors such as the cost of land, estimated land development costs, other administrative charges, and a profit markup. As the company has not provided us with the basis for price fixation by the committee, we are unable to validate the price fixed.

2. The company recognizes sales as and when the sale deed is executed. On provisional basis, cost of development of land is accounted as Provision for IE's and IDA's. Such provision is quantified based on the assumption that 27% of the cost of land and development is towards the company's margin and administration overheads. During the Quarter the company has made a provision of Rs. 28,096.72 Lakhs.

   Actual cost incurred during the review period towards development of land is debited to "Inventory – work in progress" amounting to Rs. 3,262.88 Lakhs. Closing balance is Rs. 4,07,620.28 Lakhs.

   Provisions made towards the development of land and Expenses incurred under Inventory – work in progress is not reviewed estate wise to ascertain under absorption or over absorption of cost. As a result, Profit arrived by the company is only based the estimated cost of development but not actual cost. In the absence of adequate information, we are unable to quantify the impact on the aforesaid Statement.

3. On Review of the Statement, it is found that the Charges for allottees such as Extension of time, building plan approval fee from IALA, Delay condonation fee, Penal interest on delayed payments towards land cost & Lease rentals and Dividend income are recognized as income on receipt basis only and further it is noticed that, in some instances, Charges collected under one head are accounted for in another head. In the absence of adequate information, we are unable to quantify the impact of the aforesaid Statement.

4. The Company is accounting for certain expenditure on a payment basis. At the end of the quarter, provision is made for outstanding expenses not paid. However, there is no comprehensive system in place to identify outstanding expenses. As a result, we are unable to comment if the outstanding expenses recognized is complete.

5. The Company is recognizing rental income from the lease of ITE&C Incubation Buildings that are not owned by the Company. The Company also incurs expenses related to these buildings, including maintenance, electricity charges, internet charges, etc., which are recorded as receivables from the ITE&C Department. In the absence of adequate information to substantiate the recognition of this income and the corresponding

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

receivables, we are unable to comment on the potential implications of these matters for the financial statements.

6. The company executed civil works for various Government Departments, such as ITE&C where centage charges (percentage based on agreed terms between the company and the respective government department) are typically levied as an administrative expense towards executing these entrusted Civil Works. However, we have identified certain cases where the company has executed civil works on behalf of ITE&C without levying the centage charges. This has resulted in an understatement of income. In the absence of adequate information, we are unable to comment on the financial implications on the aforesaid financial statements.

7. The company has accounted for certain incomes and expenses that pertain to previous financial years. The accounting treatment given by the company is not in accordance with "Ind AS 8 – Accounting policies, Change in accounting estimates and errors".

8. The company has not carried out the reconciliation of taxable income between the book of accounts and GST returns. As a result, liability, if any has to be recognized, has not been recognized. Turnover Reconciliation could not be carried out due to the non-availability of adequate information. In the absence of adequate information, we are unable to quantify the impact of the financial statements.

9. The Company is not executing the Sale deeds as and when the conditions are met. It has been observed that there are instances where the execution of sale deeds has been delayed by 1 to 5 years, even after the allottees have fulfilled the conditions specified in the agreement of sale. This has resulted in delays in the recognition of income by the Company.

10. The company has been classified as a High-Value Debt Listed Entity (HVDLE) under SEBI (LODR) Regulations, 2015. As per regulatory provisions, the company availed the exemption granted to newly identified HVDLES, which allows a six-month period from the date of identification for compliance with corporate governance requirements. However, the company failed to comply with these requirements even after the expiry of the exemption period.

11. The company has not carried out the reconciliation of Lease rentals which led to understatement of Income under Lease Rentals. In the absence of adequate information, we are unable to comment on the financial implications on the aforesaid financial results.

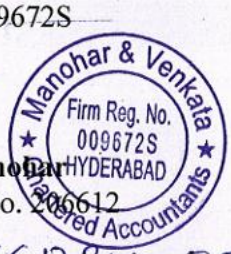
Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

**Qualified Conclusion**

Based on our review of the Statement conducted as stated in paragraph 3 above, except for the possible effects of the matters referred to in Basis for Qualified Opinion paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Manohar & Venkata**
Chartered Accountants
FRN: 0009672S

Date: 12-11-2026
Place: Hyderabad




**M.J. Manohar**
Partner M.No. 206612
**UDIN:** 26206612RMQFFN5777

**Auditor's Certificate on Security Coverage in respect of Listed Secured Redeemable Non-Convertible Debentures**

To
The Board of Directors
**Telangana State Industrial Infrastructure Corporation Limited**

This certificate is issued in accordance with Letter No. FW/TSIIC/IA/2026-27 dated 29th July 2026 and the terms of engagement agreed upon.

The format of Security Cover as at 30th September, 2026 (the "Statement") of Telangana State Industrial Infrastructure Corporation Limited, (the "Company") having its registered office at Parishrama Bhavan, 6th Floor, Basheerbagh, Hyderabad – 500004, Telangana, India, containing the details of security cover for listed debt securities as per Regulation 54 read with 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, has been prepared by the management of the Company in accordance with SEBI Circular dated November 12, 2020 as amended from time to time.

The Issuer has, vide board resolution dated 4th November 2024, raised funds by issuing Senior, Secured, Rated, Listed, Redeemable, Taxable Non-convertible debentures (NCD), detailed in Annexure II, of Rs. 1,00,000/- each, aggregating to Rs. 9,999.84 Crores and in relation thereto the issuer has executed debenture trust deeds (the "Debenture Trust Deed") as per the details mentioned in Annexure II

Pursuant to the terms of the Debenture Trust Deed, the Issuer is required to provide security by way of First Ranking Exclusive charge over the 400 acres land located at Sy. No. 25 of Kancha Gachibowli Village, Serilingampally Mandal, Ranga Reddy District, Telangana.

The financial information as on 30th September, 2026 has been extracted from the unaudited books of accounts for the quarter ended 30th September, 2026 and other relevant records of the Issuer.

**Management's Responsibility for the Statement**

The preparation of the Statement and information contained therein is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Manohar & Venkata
Firm Reg. No. 009672S
HYDERABAD
Chartered Accountants

The Management is also responsible for ensuring that the Company complies with the requirements of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, as amended ("the Regulations") and that it provides complete and accurate information as required therein.

The Management is also responsible for furnishing the financial information contained in the said form which is annexed to this certificate (Hereinafter referred to as "financial information") and to ensure the adherence to the format of Security Cover as per SEBI Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022.

**Auditor's Responsibility**

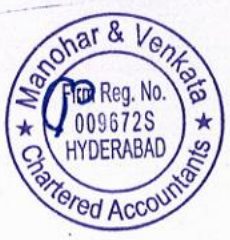
Pursuant to the requirements of the Rules, it is our responsibility to provide a reasonable assurance in the form of an opinion based on our examination of the "financial information" required to be furnished in the Statement and the unaudited books and records of the Company as at 30th June, 2026 and report whether the "financial information" required to be furnished in the Statement is in accordance with the unaudited financial results and underlying books and other records of the Company as at 30th September, 2026.

The financial results relating to the books and records referred to in paragraph above, have been reviewed by us pursuant to the requirements of Companies Act, 2013, on which we have issued Qualified opinion vide our report dated 04th November, 2026. Our review of these financial results has been conducted in accordance with the Standards on Auditing referred to in section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

We conducted our examination of the "financial information" required to be furnished in the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the applicable criteria.



We performed the following procedures on this certification and have included our finding hereunder:

1. Obtained the details of Non-Convertible Debt securities issued by the company which are outstanding as on 30th September, 2026

2. Obtained the Debenture Trusteeship Deed from the management to determine the assets offered as security for the purpose of these Debt securities

3. Obtained the Statement of Security cover prepared by the management and compared it with the revised format prescribed under the SEBI Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022

4. Compared the amounts of the Statement with the corresponding unaudited financial information derived by the management from its accounting records, management information systems and other financial and secretarial records for the period indicated and found such amounts to be in agreement

5. Recomputed the mathematical accuracy of the amounts, totals and ratios of the Statement and found them to be in agreement with the unaudited financial information, books, records and information provided to us for verification

6. Obtained the reports of experts from the management wherever required to determine the market value of assets offered as security for the purpose of these Debt securities

**Conclusion**

Based on the procedures performed by us and according to the information and explanations given to us, along with the consideration of reports of the experts referred to in "Other Matters" section below, nothing has come to our attention that causes us to believe that the accompanying Statement and the financial information contained therein, has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Other Matter**

The accompanying statement includes determination of market value of assets offered by the company as security for the purpose of these Debt securities, which has been derived by experts, whose valuation report have been furnished to us by the management. Our conclusion on the Statements, in so far as it relates to the amounts included in respect of market values is based solely on the reports of such expert, hence we do not vouch for the accuracy of the same. Our conclusion is not modified in this matter.

**Restriction on Use**

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.

This certificate is addressed and provided to the Board of Directors of the Company solely for submission along with the Statement of Security Cover to the Stock Exchange(s) and Debenture Trustees pursuant to the Regulations, and should not be used by any other person or for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For **Manohar & Venkata**
Chartered Accountants
FRN: 0009672S

Date: 12-11-2026
Place: Hyderabad

Manohar & Venkata ★ Firm Reg. No. 009672S HYDERABAD ★ Chartered Accountants

**M.Ji Manohar**
Partner M.No. 206612
**UDIN:** 26206612RMQFFN5777

**D. FORMAT FOR DISCLOSURE OF RELATED PARTY TRANSACTIONS**

| S.No | Details of the party (listed entity/subsidiary) entering into the transaction | | Details of the counterparty | | | Type of related party transaction (see Note 5) | Value of the related party transaction as approved by the audit committee (see /note 6a) | Value of the related party transaction ratified by the audit committee (see Note 6b) | Value of transaction during the reporting period (see Note 6c) | In case monies are due to either party as a result of the transaction (see Note 1) | | Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken. | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments | | | Details of the loans, inter-corporate deposits, advances or investments | | | | |
| | Name | Pan | Name | Pan | Relationship of the counter party with the listed entity | | | | | Opening Balance | Closing Balance | Nature of indebtness | Cost | Tenure | Nature of Loan | Interest rate% | Tenure | Secured/ Unsecured | Purpose for which funds are utilisedby ultimate recepient |
| 1 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

Dy. GM (FINANCE)

DY. GENERAL MANAGER (FINANCE)
T.S. Industrial Infrastructure Corpn. Ltd.
5th Floor, Parisrama Bhavanam,
Fateh Maidan Road, Basheerbagh,
HYDERABAD-500 004.

T.S. Industrial Infrastructure Corpn. Ltd. HYD.

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**

**Registered Office: 6th Floor, Parishrama Bhavan, Basheerbagh, Hyderabad - 500004**

**CIN: U99000TG2014SGC095514**

**Balance Sheet as at 31st March, 2026**

(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)

| PARTICULARS | Note No | Figures for the current reporting period from 01-04-2025 to 31-03-2026 | Figures for the current reporting period from 01-04-2024 to 31-03-2025 |
|---|---|---|---|
| **Assets:** | | | |
| **Non-Current Assets** | | | |
| Property , Plant and Equipment | 2 | 17,133.31 | 13,869.65 |
| Capital Work In Progress | 3 | 756.35 | 1,396.29 |
| Investment Property | | - | - |
| Intangible Asset | | - | - |
| Financial Assets | | | |
| (i) Investments | 4 | 90,120.08 | 44,833.92 |
| (ii) Loans and Advances | 5 | 150,555.94 | 135,398.55 |
| (iii) Other Financial Assets | 6 | 68,720.45 | 49,533.10 |
| Deferred Tax Assets (Net) | 7 | 241.27 | 241.27 |
| Other Non Current Assets | 8 | 288,875.69 | 228,864.34 |
| | **Sub Total** | **616,403.09** | **474,137.12** |
| **Current Assets** | | | |
| Inventories | 9 | 2,032,711.36 | 2,132,732.79 |
| Financial Assets | | | |
| (i) Trade Receivables | 10 | 2,573.89 | 2,600.05 |
| (ii) Cash and cash equivalents | 11 | 86,992.99 | 64,157.54 |
| (iii) Bank Balances other than (ii) above | 11.1 | 241,425.25 | 127,898.90 |
| (iv) Loans and Advances | 12 | 499.13 | 600.93 |
| (v) Other Financial Assets | 13 | 2,206.80 | 131.64 |
| Current Tax Assets (Net) | 13.1 | 11,093.45 | 6,641.98 |
| Other Current Assets | 14 | 1,637.95 | 1,158.65 |
| | **Sub Total** | **2,379,140.82** | **2,335,922.48** |
| **Total Assets** | | **2,995,543.91** | **2,810,059.60** |
| **Equity & Liabilities:** | | | |
| **Equity** | | | |
| Equity Share Capital | 15 | 1.00 | 1.00 |
| Share Capital Suspense Account | 15 | 680.53 | 680.53 |
| Other equity | 15 | 36,518.96 | 76,500.09 |
| | **Sub Total** | **37,200.49** | **77,181.62** |
| **Non-Current Liabilities** | | | |
| Financials Liabilities | | | |
| i) Borrowings | 16 | 1,011,949.87 | 1,067,965.23 |
| ii) Other financial liabilities | 17 | 776,224.28 | 775,462.82 |
| Provisions | 18 | 3,144.31 | 3,119.30 |
| Deferred tax liabilities - Net | 19 | - | - |
| Other Non current liabilities | 20 | 400,658.44 | 265,600.54 |
| | **Sub Total** | **2,191,976.90** | **2,112,147.89** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| i)Borrowings | 21 | 68,333.28 | 34,503.92 |
| ii)Trade Payables | 21.1 | 719.27 | 1,100.17 |
| iii)Other financial liabilities | 22 | 1,218.76 | 1,441.05 |
| Other Current Liabilities | 23 | 695,461.67 | 582,981.96 |
| Provisions | 24 | 633.54 | 702.99 |
| Current Tax Liabilities- Net | 24.1 | - | - |
| | **Sub Total** | **766,366.52** | **620,730.09** |
| **Total Equity & Liabilities** | | **2,995,543.91** | **2,810,059.60** |
| Notes forming part of the Financial Statements | 1-51 | | |
| Significant Accounting policies | 1 | | |
| Contingent Liability | 32 | 64,539.00 | 23,839.00 |

**The accompanying notes are an integral part of the standalone financial statements.**

**As per our report dated**
**For Manohar & Venkata**
**Chartered Accountants**
**(FRN: 009672S)**

Manohar & Venkata Chartered Accountants Firm Reg. No. 009672S HYDERABAD

**M.J.Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Place: Hyderabad**

**For and on behalf of the Board**

J. Nikhil Chakravarthy
Director
DIN: 11188119

**K. Ramu**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

TS Industrial Infrastructure Corpn. Ltd. HYD.

# TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

**Registered Office: 6th Floor, Parishrama Bhavan, Basheerbagh, Hyderabad - 500004**

**CIN: U99000TG2014SGC095514**

**Statement of Profit & Loss for the year ended 31st March, 2026**

(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)

| PARTICULARS | Note No | Figures as at the end of 31-03-2026 | Figures as at the end of 31-03-2025 |
|---|---|---|---|
| **REVENUE** | | | |
| Revenue from operations | 25 | 552,028.10 | 55,370.50 |
| Other income | 26 | 24,395.77 | 16,078.58 |
| **TOTAL INCOME** | | **576,423.87** | **71,449.08** |
| | | | |
| **EXPENSES** | | | |
| Cost of Sales | 27 | 522,701.91 | 38,378.38 |
| Employee benefit expense | 28 | 3,663.94 | 3,243.25 |
| Finance cost | 29 | 99,476.29 | 31,522.83 |
| Depreciation and amortisation expense | 2 | 224.55 | 114.32 |
| Other expense | 30 | 5,626.29 | 3,747.37 |
| **TOTAL EXPENSES** | | **631,692.98** | **77,006.15** |
| **Profit/( Loss) before Exceptional Items and Tax** | | **-55,269.11** | **-5,557.07** |
| Exceptional Incomes/ Expenses - Net | | - | - |
| **Profit/ (loss) before tax** | | **-55,269.11** | **-5,557.07** |
| **Tax expense** | | | |
| a) Current tax | | - | - |
| b) Deferred tax | | - | - |
| c) Previous year Tax | | - | - |
| **Profit/ (loss) for the year of Continuing Operations** | | **-55,269.11** | **-5,557.07** |
| **Profit/ (loss) for the year of Discontinuing Operations** | | - | - |
| **Profit/ ( loss) for the year** | | **-55,269.11** | **-5,557.07** |
| **Other comprehensive income** | | | |
| - Items that will be reclassified to profit or loss | | - | - |
| - Items that will not be reclassified to profit or loss | | | |
| Fair valuation of investment in unquoted equities | | 15,233.40 | 2,619.71 |
| Remeasurements of Defined Benefit obligation's | | 21.97 | 11.11 |
| **Total comprehensive income for the year** | | **-40,013.74** | **-2,926.25** |
| **Earnings Per Equity Share from Continuing Operations (in Rupees)** | | | |
| Basic EPS | | -55,269,110.00 | -5,557,070.00 |
| Diluted EPS | | -81,095.64 | -8,153.82 |
| **Earnings Per Equity Share from Discontinuing Operations (in Rupees)** | | | |
| Basic EPS | | - | - |
| Diluted EPS | | - | - |
| **Earnings Per Equity Share from Continuing& Discontinuing Operations (in Rupees)** | | | |
| Basic EPS | 36 | -55,269,110.00 | -5,557,070.00 |
| Diluted EPS | 36 | -81,095.64 | -8,153.82 |

**Notes forming part of the Financial Statements** 1-51

**Significant Accounting policies** 1

**As per our report dated**

**For Manohar & Venkata**

**Chartered Accountants**

**(FRN: 0009672S)**

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 0009672S HYDERABAD

**M.I.Manohar**

**Partner**

**Membership No. 206612**

**Date:**

**Place: Hyderabad**

**For and on behalf of the Board**

J. Nikhil Chakravarthy
Director
DIN: 11186119

**K. Ramu**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

TS Industrial Infrastructure Corpn. Ltd. ★ HYD.

## TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

### Statement of Changes in Equity for the Financial Year 2025-2026

(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)

**NOTE : 15**

| **A. Equity Share Capital** | |
|---|---|
| **As at 31st Mar 2024** | **1.00** |
| Changes in equity share capital | - |
| **As at 31st Mar 2025** | **1.00** |
| Changes in equity share capital | - |
| **As at 31st Mar 2026** | **1.00** |

| **B. Share Capital Suspense Account** | |
|---|---|
| **As at 31st Mar 2024** | **680.53** |
| Changes in equity share capital | - |
| **As at 31st Mar 2025** | **680.53** |
| Changes in equity share capital | - |
| **As at 31st Mar 2026** | **680.53** |

**C. Other Equity**

| Particulars | Reserves and Surplus | | | Items of Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Grant | General Reserve | Equity Instruments | Actuarial gain/ Loss | |
| **Balance at 31st March 2024** | **541.84** | **-** | **61,578.97** | **15,017.09** | **434.03** | **77,571.93** |
| Profit for the year | | | -5,557.07 | - | - | -5,557.07 |
| Other Comprehensive Income for the year | | | | 2,619.71 | 11.11 | 2,630.82 |
| Dividends | - | - | - | - | - | - |
| Any Other Changes | - | - | 1,854.41 | - | - | 1,854.41 |
| **Balance at 31st March 2025** | **541.84** | **-** | **57,876.31** | **17,636.80** | **445.14** | **76,500.09** |
| Profit for the year | | | -55,269.11 | - | - | -55,269.11 |
| Other Comprehensive Income for the year | | | | 15,233.40 | 21.97 | 15,255.37 |
| Dividends | - | - | - | - | - | - |
| Any Other Changes | - | - | 32.61 | - | - | 32.61 |
| **Balance at 31st March 2026** | **541.84** | **-** | **2,639.81** | **32,870.20** | **467.11** | **36,518.96** |

**As per our report dated**
**For Manohar & Venkata**
**Chartered Accountants**
**(FRN: 009672S)**

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

**M.J. Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Place: Hyderabad**

**For and on behalf of the Board**

J. Nikhil Chakravarthy
Director
DIN: 11186119

**K. Ramu**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

T.S. Industrial Infrastructure Corp. Ltd. ★ HYD. ★

## TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

**Registered Office: 6th Floor, Parishrama Bhavan, Basheerbagh, Hyderabad - 500004**
**CIN: U99000TG2014SGC095514**

### Statement of Cash Flow for the year ended 31st March, 2026

(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)

| | PARTICULARS | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| A. | **CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES** | | |
| | Profit / (Loss) before Tax | (55,269.11) | (5,557.07) |
| | **Adjustments for:** | | |
| | Depreciation and Amortization | 224.55 | 114.32 |
| | Dividend Income | (4,857.82) | (4,117.63) |
| | Interest Expenses | 99,476.29 | 31,522.83 |
| | Interest Income from banks | (7,785.59) | (1,735.20) |
| | **Cash Generated Before Working Capital Changes** | **31,788.32** | **20,227.25** |
| | **Movement In Working Capital** | | |
| | (Increase) / Decrease in Trade Receivables | 26.16 | (145.76) |
| | (Increase) / Decrease in Inventories | 100,021.43 | (1,676,361.67) |
| | Decrease/(Increase) in Current Loans and Advances | (15,055.59) | (138.65) |
| | Decrease/(Increase) in Financial Assets | (21,262.51) | (7,558.61) |
| | (Increase) / Decrease in Other Current Assets | (60,490.65) | (5,113.38) |
| | Increase / (Decrease) in Trade Payables | (380.90) | 423.11 |
| | Increase / (Decrease) in Non Current Liabilities | 247,537.61 | 75,329.06 |
| | Increase / (Decrease) in Other Financial Liabilities | 539.17 | 741,533.96 |
| | Increase / (Decrease) in Provisions (Short Term & Long Term) | (22.47) | (103.24) |
| | **Cash Generated From Operations** | **282,700.57** | **(851,907.93)** |
| | Income tax | (4,451.47) | (3,789.05) |
| | **Net Cash Flow From / (Used in) Operating Activities** | **278,249.10** | **(855,696.98)** |
| B. | **CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES** | | |
| | Purchase of Fixed Assets | (2,848.27) | (2,476.06) |
| | Proceeds from Sale of Fixed Assets | - | - |
| | Purchase of Non - Current Investments- Others | (45,286.16) | (2,847.71) |
| | Dividend Income received from others | 4,857.82 | 4,117.63 |
| | Interest Income | 7,785.59 | 1,735.20 |
| | **Net Cash Flow From / (Used in) Investing Activities** | **(35,491.02)** | **529.06** |
| C. | **CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES** | | |
| | Proceeds from/(to) Short - Term Borrowings (Net) | - | - |
| | Proceeds from Long Term Rupee Loan | (22,186.00) | 1,035,705.68 |
| | Inter Corporate Deposits Received | - | - |
| | Payment of Dividend including Dividend Distribution Tax | - | - |
| | Interest Paid | (99,476.29) | (31,522.83) |
| | Changes in Equity | 15,266.01 | 4,474.12 |
| | **Net Cash Flow From / (Used in) Financing Activities** | **(106,396.28)** | **1,008,656.97** |
| | Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | 136,361.80 | 153,489.05 |
| | Cash and Cash Equivalents at the beginning of the Period | 192,056.44 | 38,567.39 |
| | Cash and Cash Equivalents at the end of the Period | **328,418.24** | **192,056.44** |
| | **Components of Cash and Cash Equivalents** | | |
| | Balances with Banks | | |
| | Cash and cash equivalents ( Current Asset) | 86,992.99 | 64,157.54 |
| | Bank Balances other than above | 241,425.25 | 127,898.90 |
| | **Cash and cash Equivalent as per Note 10** | **328,418.24** | **192,056.44** |

Notes forming part of the Financial Statements 1-51

**Notes:**

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Cash Flow Statements as notified under Sec. 133 of the Companies Act, 2013 ("the Act") read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended)

2 Previous year figures have been regrouped and reclassified to confirm to those of the current year wherever necessary

3 Purchase of fixed assets includes payments for items in capital work in progress.

**As per our report dated**
**For Manohar & Venkata**
**Chartered Accountants**
**(FRN: 009672S)**

Manohar & Venkata Chartered Accountants Firm Reg. No. 009672S HYDERABAD

**M.J.Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Place: Hyderabad**

**For and on behalf of the Board**

J. Nikhil Chakravarthi
Director
DIN: 11188119

**K. Ramu**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

T.S. Industrial Infrastructure Corpn. Ltd. HYD.

# TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

**Notes to the Standalone Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**
**Note on Demerger**

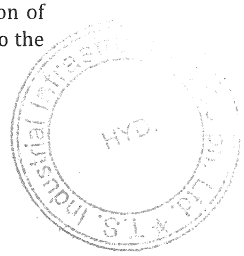
The Institution of erstwhile APIIC Ltd. (hereinafter referred to as Demerged Entity) was re-organised and bifurcated into APIIC Ltd.-Andhra Region and APIIC Ltd.-Telangana Region to give effect to provisions of the A.P Reorganisation Act, 2014, w.e.f. 02.06.2014. Consequent to bifurcation of the erstwhile State of Andhra Pradesh, a new Institution, namely, Telangana State Industrial Infrastructure Corporation Ltd.(TSIIC Ltd.) was incorporated on **04.09.2014** under the Companies Act, 2013 with **CIN: U99000TG2014SGC095514** to take over the operations of APIIC Ltd.-Telangana Region, from the Demerged Entity w.e.f. 02.06.2014.

The Demerged Entity prepared the Demerger Scheme as per the provisions of the A.P Reorganisation Act, 2014 and the same was approved by the Joint Board of the Demerged Entity in its 199th Board Meeting held on 02.05.2014 and 202nd Board Meeting held on 26.03.2015 duly authorising the Vice Chairman and Managing Directors of both APIIC Ltd.-Andhra Region and APIIC Ltd.-Telangana Region to make necessary modifications, if any. The Demerger Scheme as approved by the Joint Board of the Demerged Entity was placed before the Sheela Bhide Committee (the Expert Committee constituted by the Central Government for bifurcating Schedule IX Institutions) and the same was approved and was transmitted to the respective State Governments for their approval, under copy to Resultant Companies, vide Ltr.No.D.O.Lr.No. 5614/Expert Committee/2014; Dt:16-05-2015 of Chairperson, Sheela Bhide Committee.

The Board of the Demerged Entity, further, authorised Vice Chairman and Managing Directors of both the divisions to finalise the modalities and allocation of employees in its 202nd meeting held on 26.03.2015. Accordingly, tentative allocation of employees between APIIC Limited and TSIIC Limited was made subject to scrutiny and approval of the committee appointed/guidelines issued, if any, by the Central Government for allocation of employees of PSUs. Later, the assignment of division of employees was entrusted to the expert committee vide G.O.Rt. No. 2066, Dt: 26.09.2016 of General Administration Department, Government of Andhra Pradesh. The proceeding of the final allocation of employees is awaited from the Sheela Bhide Committee.

The assets, rights and liabilities of the Demerged Entity were apportioned between the resultant companies in the manner provided for in Section 53 of A.P.Reorganisation Act, 2013, except for certain cases wherein the Assets/Liabilities were allocated on population basis instead of location basis and vice versa. Such disputed allocations/apportionments have been brought to the notice of the State Government of Telangana, for redressal vide Ltr.No.FW/TSIIC/Demerger APIIC/2015-16/2; Dt:20-01-2016 of VC&MD, TSIIC Ltd. Detailed list of such cases is mentioned in this note. The Final Orders approving the Demerger Scheme is awaited from the respective State Governments/Competent Authorities. Pending issue of such orders, the ledger/account balances as per the Demerger Scheme, incorporated through journal voucher as on 02.06.2014, except for the disputed allocations/apportionments. Thus, the demerger Journal Vouchers as accounted for in the Books of Accounts of TSIIC Ltd., **are subject to Final Approval by respective State Governments/Competent Authority.**

Book value of Total Assets of Rs.3,73,490.23 Lakhs and Liabilities of Rs.3,50,930.67 Lakhs as on 02.06.2014 were vested with TSIIC Limited, consequent to the Demerger Scheme. As per the Demerger Scheme, Rs. 22,559.56 Lakhs has been arrived at, as the balancing figure, arising due to implementation of Demerger Scheme and termed as "Reorganisation Adj. A/c". This is represented as the amount payable by TSIIC Ltd. to APIIC Ltd. as a consequence to the implementation of Demerger Scheme. The details are as follows:



# TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

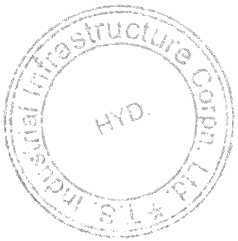
**Notes to the Standalone Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**

**Note on Demerger**

| EQUITY AND LIABILITES | (Rs. in lakhs) | ASSETS | (Rs. in lakhs) |
|---|---|---|---|
| 1. Share Capital | 680.53 | 1. Tangible Assets | 12,812.70 |
| 2. Reserves and Surplus | 20,309.52 | 2. Non current Investments | 26,735.91 |
| 3. Long Term Borrowings | 2,429.33 | 3. Long Term Loans and Advances | 174,428.72 |
| 4. Other Long Term Liabilities | 24,641.93 | 4. Inventories | 144,059.45 |
| 5. Long Term Provisions | 509.17 | 5. Trade Receivables | 1,851.30 |
| 6. Trade Payables | 57.91 | 6. Cash and Cash Equivalents | 5,129.78 |
| 7. Other Current Liabilities | 277,895.51 | 7. Short Term Loans and Advances | 111.26 |
| 8. Short Term Provisions | 24,406.77 | 8. Other Current Assets | 8,361.11 |
| 9. Reorganisation Adj. a/c (represents amount due by TSIIC Ltd. to APIIC Ltd. as per proposed Demerger Scheme) | 22,559.56 | | |
| | **373,490.23** | | **373,490.23** |

As mentioned in the note earlier, TSIIC Ltd., has disputed allocation/apportionment of certain Assets and Liabilities as part of the Demerger Scheme. Accordingly, the position of Equity/Liability & Assets has been re-casted to ascertain the net amount due to/due from APIIC Ltd., due to Demerger Scheme. As per the re-casted allocation/apportionment of the disputed assets, the net amount due from APIIC Ltd. to TSIIC Ltd. is Rs.63,647.99 Lakhs.

| EQUITY AND LIABILITES | (Rs. in lakhs) | ASSETS | (Rs. in lakhs) |
|---|---|---|---|
| 1. Share Capital | 680.53 | 1. Tangible Assets | 12,812.70 |
| 2. Reserves and Surplus | 20,309.52 | 2. Non current Investments | 26,965.11 |
| 3. Long Term Borrowings | 2,429.33 | 3. Long Term Loans and Advances | 88,580.90 |
| 4. Other Long Term Liabilities | 24,641.93 | 4. Inventories | 144,059.45 |
| 5. Long Term Provisions | 509.17 | 5. Trade Receivables | 1,851.30 |
| 6. Trade Payables | 57.91 | 6. Cash and Cash Equivalents | 4,540.85 |
| 7. Other Current Liabilities | 277,895.51 | 7. Short Term Loans and Advances | 111.26 |
| 8. Short Term Provisions | 24,406.77 | 8. Other Current Assets | 8,361.11 |
| | | 9. Reorganisation Adj. a/c (represents amount due by APIIC Ltd. to TSIIC Ltd. as per proposed re-drafting of Demerger Scheme) | 63,647.99 |
| | **350,930.67** | | **350,930.67** |



# TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

**Notes to the Standalone Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**
**Note on Demerger**

The following is the detailed list of such items under dispute which have been submitted before the State Government of Telangana for redressal as it is a 100% Shareholder of TSIIC Ltd.(Rs. in lakhs):

| Disputes with regard to allocation/apportionment of Assets/Liabilities (Rs. In Lakhs) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | As per Allocation/Apportionment as per Demerger Scheme | | As per Revised allocation/apportionment as submitted before the State Government | | |
| S.No | Name of the Asset | Total Assets/Liabilities | APIIC Ltd. | TSIIC Ltd. | APIIC Ltd. | TSIIC Ltd. | Remarks |
| 1 | Amount paid to GoAP for Resource Mobilisation | 1,47,201.33 | 0.00 | 1,47,201.33 | 85,847.82 | 61,353.51 | Asset in the nature of advance to the erstwhile GoAP, cannot be traced to a particular location. Consequently, allocation to TSIIC Ltd. on Location basis is disputed. This assets required apportionment on population basis, in the ratio of 58.32: : 41.68 to APIIC Ltd. |
| 2 | Cyberabad Trustee Company (P) Ltd | 0.42 | 0.24 | 0.18 | 0.00 | 0.42 | Asset exclusively located in the State of Telangana is to be allocated to TSIIC Ltd. on location basis as per Section 53(1). Section 52 is not applicable to Corporations |
| 3 | Cyberabad Trustee Company (P) Ltd (HIVE Fund) | 192.50 | 112.27 | 80.23 | 0.00 | 192.50 | Same as above |
| 4 | Hyderabad Information Technology Venture Enterprises Ltd., | 2.08 | 1.21 | 0.87 | 0.00 | 2.08 | Same as above |
| 5 | L & T Infocity Ltd., (including 9,90,000 bonus shares) | 198.00 | 115.47 | 82.53 | 0.00 | 198.00 | Same as above |
| 6 | Public Deposit Account | 10,768.24 | 9,590.36 | 1,177.88 | 9,590.36 | 588.94 | Though 1177.88 Lakhs was allocated to TSIIC, only 588.94 Lakhs was permitted to be utilised by TSIIC. Hence, actual receipt of Rs. 588.94 lakhs is considered. |
| 7 | Reorganisation adj. account (Balancing Account for Demerger Scheme) | 0.00 | 22,559.56 | 0.00 | 0.00 | 63,647.99 | As per Demerger Scheme, Rs.22559.56 Lakhs is due to APIIC Ltd. However, if the Demerger Scheme is revised as per the request of TSIIC Ltd. by the State Government of Telangana, then Rs.63011.97 Lakhs is due to TSIIC Ltd. |
| 8 | Reorganisation adj. account (Balancing Account for Demerger | 0.00 | 0.00 | -22,559.56 | -63,647.99 | 0.00 | Same as above |
| Note:Figures in Negative represent Liabilities and figures in Positive represent Assets | | | | | | | |

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**Notes to the Standalone Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**
**NOTE1. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Company Overview**

Telangana State Industrial Infrastructure Corporation Limited (TSIIC Ltd.,), the company was incorporated in the year 2014 under the Companies Act,2013 to formulate, promote, finance, aid, assist, establish, manage and control schemes, projects or programmers, to provide and develop infrastructure facilities and other services of any description in order to promote and assist the rapid and orderly establishment, growth and development of industries and commerce in the State of Telangana.

As per section 53 of the A.P Reorganisation of Act, 2014, the assets and liabilities as on 01.06.2014 were divided between the company and APIIC Limited as per the approved Demerger Scheme.

**1.2 Statement of Compliance, Basis of Preparation & Presentation of financial statements**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

These Ind AS financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

**A Uses of Estimates and Judgements**

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/ materialize. Estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revi State Governments/Competent Authority. Pipeline. In order to accelerate growth in manufacturing sector and for ensuring systematic and planned urbanization, Government of India (GoI) has adopted the strategy of developing integrated industrial corridors on

**B Current/Non-Current Classification**

Any asset or liability is classified as current if it satisfies any of the following conditions:
a) the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
b) the asset is intended for sale or consumption;
c) the asset/liability is held primarily for the purpose of trading;
d) the asset/liability is expected to be realized/settled within twelve months after the reporting period;
e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
f) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as noncurrent. For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

**C Critical Accounting Estimates and Judgments**

In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which have a significant impact on the carrying amounts of assets and liabilities at each balance sheet date.

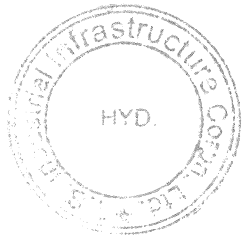
**(i) Fair Value of Financial Instruments:**

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.

Fair value measurements under Ind AS 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 measurement in its entirety, which are described as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date





**(ii) Expected Credit Loss**

When determining whether the risk of default on a financial instrument has significantly increased since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue effort or cost. This includes both qualitative and quantitative information and analysis based on the company's historical experience and credit assessment.

**(iii) Effective Interest Rate**

The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through the expected behavioral life of the financial asset to the gross carrying amount of the financial asset.

This estimation, by nature, requires an element of judgment regarding the expected behavior and lifecycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments, penalty interest and charges) as well as expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

**(iv) Business Model Assessment**

Classification and measurement of financial assets depends on the results of the business model test. The entity determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of assets is evaluated and measured.

Monitoring is part of the entity's continuous assessment of whether the business model for which the remaining assets are held continues to be appropriate and if not appropriate whether there has been a change in the business model and so a prospective change to the classification of those assets.

**(v) Useful life and expected residual value of assets**

Property plant and Equipment, Other intangible assets and Investment Property represent a significant portion of the assets of the entity. Depreciation and amortization are derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of entity's assets are determined by management at the time the asset is acquired and reviewed periodically at the end of each financial year. The lives of the assets are based on the historical information with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**(vi) Deferred Tax**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the
periods in which those temporary differences become deductible. The entity considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

**(vii) Defined Benefit Plans**

The cost of the defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities and changes involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(viii) Defined Contribution plan**

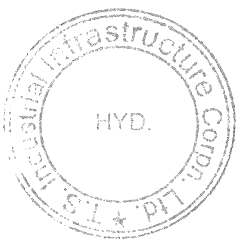
The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Company does not have any obligation other than the contribution made.

**(ix) Provisions & Contingent Liabilities**

The management of the entity exercises judgment in measuring and recognizing provisions and contingent liabilities related to pending litigations and outstanding claims.
Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

**(x) Classification of assets as investment property**

The management of the entity exercises judgment in classifying an asset as Investment Property when a portion is held for to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.



**(xi) Classification of lease arrangements as finance lease or operating lease**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

This requires the management to evaluate every lease agreement and to understand the substance of the agreement and classify the same at the inception of the lease agreement as either finance lease or operating lease.

**D Accounting Policies**

**(i) Revenue Recognition**

**(a) Revenue from Operations**

Income from sale of land, sheds and buildings is recognised on execution of sale Deed and handing over physical possession of the premises. Until the sale deeds are registered, the amounts received are grouped under advance from customers and if allotments cancelled on account of non fulfillment of terms and conditions as per the sale agreement then the amounts are refunded out of advance from customers.

Lease income is recognised in the statement of Profit and Loss on straight line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rental is disclosed net of indirect taxes if any.

Lease premium in respect of Special Economic Zones is being amortised over the lease term and revenue recognised accordingly considering the lease as operating lease.

Processing fee, penal interest income on delayed payments towards land cost and dividend income are recognised on receipt basis.

TSIIC is generating revenue through sale of Land by executing Sale Deed. Before execution of sale deed TSIIC enters in to agreement for sale of land with the buyer on receipt of full consideration with the following major terms & conditions such as

1) Buyer has to commence construction with in 6 months from possession of land
2) Commercial production shall start with in 2 years or such extended period
3) Land shall be utilized exclusively for the set-forth purpose in the allotment
4) When said land is no longer required, buyer shall forthwith relinquish and restore the land in favour of TSIIC
5) Till ownership is passed to the buyer , right on property shall remain with TSIIC

If buyer commits any breach of terms of agreement for sale, land allotment stands cancelled and agreement shall become null and void , all rights of the buyer on the property ceases

After considering the terms & conditions in the Agreement for sale of land, it is opined that the Significant risks and rewards as per ICDS IV and Control as per IND AS 115 is not transferred to the Party (buyer/customer) till the completion of the sale deed as the party/buyer/customer has the option to cancel the agreement at any time before entering into sale deed)

Revenue is recognized on the execution of Sale deed.

**(b) Other Income**

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably.

**(ii) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as Lessor**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the third party is classified as a finance lease. All other leases are classified as operating leases. Based on the above principle, all leases entered into by the Company as a lessor have been classified as operating leases.

**Operating Lease**

Assets given under operating lease are reflected at cost less accumulated depreciation. Lease rentals due from time to time on operating lease as per the terms of the lease deed are recognized in the Statement of Profit and loss on a straight-line basis over the term of the relevant lease, unless either:

i) another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis;

ii) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If the payments to the lessor vary according to the factors other than inflation, then this condition is not met.

**NOTE1. SIGNIFICANT ACCOUNTING POLICIES**

**Company as a Lessee**

All leases are accounted for by recognizing a right-to-use asset and a lease liability except for:
- Leases of low Value asset; and
- Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also included:

i) amounts expected to be payable under any residual value guarantee;

ii) the exercise price of any purchase option granted in favor of the company if it is reasonably certain to assess that option;

iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

i) lease payments made at or before commencement of the lease;

ii) initial direct costs incurred; and

iii) the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and is reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of profit and loss

**(iii) Employee Benefits**

**Short Term Employee Benefits:**

Employee Benefits include salaries, allowances, Provident fund, earned leave encashment towards unavailed leave, compensated absences. All short-term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

**Post Employment Benefits:**

**(a) Defined Contribution Plans**

The Company operates a provident fund scheme for its employees. The provident fund contributions were earlier administered through a recognised Provident Fund Trust and have subsequently been made directly to the employees' provident fund accounts maintained with the Employees' Provident Fund Organisation (EPFO) through their respective Universal Account Numbers (UANs).

The Company's obligation in respect of provident fund is limited to the contributions required to be made in accordance with the applicable statutory provisions and, accordingly, the scheme is considered to be a defined contribution plan.

The Company's contributions towards provident fund are recognised as an employee benefit expense in the Statement of Profit and Loss in the period in which the related employee services are rendered

**(b) Defined Benefit Plans**

**Gratuity**

The Company has constituted a Gratuity Trust which has taken a policy under the Life Insurance Corporation of India's Group Gratuity (cash accumulation) cum Life Assurance Scheme and the contribution to the said scheme is funded year to year. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit of entitlement and measures each unit separately to build up the final obligation. The difference between present value of the liability for past service computed based on actuarial valuation, and the amount lying in the cash accumulation running account, not funded as at the end of the year is provided for in the books.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period which they occur. Re- measurements are not classified to profit and loss account in the subsequent periods.

**Leave Encashment**

The liability arising out of encashment of un-availed earned leave and half pay leave is provided based on actuarial valuation.

Re-measurement of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive income.

**NOTE1. SIGNIFICANT ACCOUNTING POLICIES**

**(iv) Project Development Expenses**

Expenditure incurred towards projects, which are in the initial stages of development or abandoned is charged off to the profit and loss account as expenses in the year in which it is identified / decided. However, where projects are identifiable, all expenses including capital expenditure incurred on such projects, interest accrued on funding such project expenditure and service charges agreed upon on annual incremental expenditure are charged to respective project accounts.

**(v) Financial Instruments**

**Financial Assets**

**I. Date of Recognition**

Financial assets and liabilities are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

**II. Initial Recognition and Measurement**

All Financial assets are recognized initially measured at transaction value which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in statement of profit and loss.

**III. Subsequent Classification and Measurement**

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Group classifies and measures financial assets in the following categories:

- Amortized Cost;
- Fair Value through Profit and loss (FVTPL); and,
- Fair Value through Other Comprehensive Income (FVOCI).

**(a) Financial Assets carried at amortized cost**

A financial asset that meets the following two conditions is measured at amortized cost (net of any written down value for impairment) unless the asset is designated at FVTPL.

**Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

**Cash flow characteristics test:** 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.

A financial asset which is not classified at amortized cost is subsequently measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e., fair value through profit or loss), or recognized in Other Comprehensive Income (i.e., fair value through other comprehensive income).

**(b) Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)**

Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets are subsequently measured in Other Comprehensive Income ('OCI').

Movements in the carrying amount of such financial assets are recognized in Other Comprehensive Income ('OCI') except dividend income which is recognized in profit and loss. Amounts recognized in OCI are not subsequently transferred to profit and loss account.

The entity's investments in equity instruments are measured at fair value through Other Comprehensive Income the amounts so recognized will not be subsequently reclassified into profit and loss account

**(c) Financial assets at Fair Value Through Profit and Loss (FVTPL)**

Financial assets, which do not meet the criteria for categorization as at amortized cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognized in profit and loss account.

**(vi) Financial Liabilities and Equity**

**I. Equity Instrument**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**II. Financial Liabilities**

Financial liabilities are measured at amortized cost. The carrying amounts are determined based on the EIR method. Interest expense is recognized in the profit and loss account. Any gain or loss on de-recognition of a financial liability is also recognized in the profit and loss account.

NOTE1. SIGNIFICANT ACCOUNTING POLICIES

**De-Recognition**

**a. Financial Assets**

A financial asset or part of a financial asset is derecognized when:

- The contractual rights to receive cash flows from the financial asset have expired; and,
- The Company has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognized, and the proceeds received are recognized as a collateralized borrowing.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in statement of profit and loss.

**b. Financial Liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled. Cancelled or expires. Where 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 a de-recognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognized in statement of profit and loss.

**Impairment of Financial Assets**

Other current interest bearing deposits, principally comprising funds held with banks are carried at amortised cost using effective method. Gains and losses are recognised in profit and loss when the deposits are derecognised or impaired as well as through the amortisation process.

Trade and other receivables are stated at cost less allowance made for doubtful receivables, which approximates fair value given the short term nature of these assets. Provision for impairment of receivables (allowance for doubtful receivables) is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables.

Losses in respect of impairment in the value of investments if any are recognised in statement of Profit & Loss.

**1 Property Plant and Equipment**

**Recognition and Measurement**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**Subsequent Expenditure**

Subsequent expenditure related to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit & Loss while incurred. Cost and related accumulated depreciation are eliminated from the financial statements upon the sale/retirement of the asset and resultant gain/loss is recognized in the Statement of Profit and Loss.

**Depreciation**

Depreciation on assets is charged on Straight Line method at the rates prescribed in schedule II of Companies Act,2013

In the case of any addition/transfer/deletion of an asset, depreciation is charged proportionately based on number of days, from the date when the asset is ready for intended use or till the date of disposal or transfer, as the case may be.

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 under other income in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology,

as appropriate, and treated as changes in accounting estimates.

Property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net dise time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.e taken as one single unit and after adjustm

**2 Investment Property**

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are initially measured at cost including transaction cost. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of the assets not ready for their intended use before such date, are disclosed as Investment property under development.

Subsequent expenditure on investment properties is added to the carrying amount of the asset when it is probable that future economic benefits will flow to the Company. All other subsequent expenditure is recognized as an expense in the period in which it is incurred. When an investment property is disposed of, the resulting gain or loss recognized in the Statement of profit and loss is the difference between net disposal proceeds and the carrying amount of the property.

Depreciation is provided on straight-line method over the useful lives nd the proceeds received are recognized as a collateralized borrowin

**3 Intangible Assets**

Separately purchased intangible assets are initially measured at cost. Subsequently, they are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

The useful life of the intangible assets is assessed either as finite or indefinite. Finite life useful assets are amortized on a straight-line basis over the period of their expected useful lives.

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**4 Impairment of Non-Financial Assets**

The company evaluates the impairment losses on the property, plant and equipment and intangible assets at the each reporting period where there is an indication that an asset may be impaired. Whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable and such assets are considered to be impaired, the impairment loss is then recognised for the amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest level for which there are separate identifiable cash flows.

**5 Inventories**

Inventories and work-in-progress are valued at cost.

Provision for write down if any, in value of materials, spares and other inventory is made from time to time as per an appropriate and prudent policy determined by the company.

**6 Income Tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and loss, except when they relate to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in the other comprehensive income or directly in equity respectively.

**Current Tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred Tax**

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affect neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and they carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances are to the same taxation authority.

**7 Minimum Alternate Tax (MAT)**

In accordance with the guidance note issued by the Institute of Chartered Accountants of India ('ICAI) on accounting for credit available in respect of MAT under the Income-tax Act 1961, the Company recognizes MAT credit as an asset only when and to the extent there is a convincing evidence that the company will be liable to pay normal income tax during the specified period

**8 Provisions**

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources, in respect of which a reliable estimate can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of the resources would be required to settle the obligation, the provision is reversed. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

**9 Contingent Liabilities and Contingent Assets**

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by the way of notes to accounts. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resource is remote, no provision or disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are neither recognized nor disclosed in the financial statements.

**10 Earnings Per Share**

The Company reports basic and diluted earnings per equity share. Basic Earnings per Share is computed by dividing Net Profit after Tax by the Weighted Average Number of Equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**11 Government Grants**

Grants from the government are recognised only when there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government Grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income or deducted in reporting the related expenses.

Government grants relating to the purchase of property, plant and equipment shall be deducted from the actual cost of the asset.

**12 Borrowing Cost**

Borrowing cost (Interest etc.) that is directly attributable to the acquisition, construction or production of a qualifying capital asset is capitalized as part of the cost of that asset. The borrowing cost incurred on funds borrowed generally and used for the purpose of obtaining a qualifying capital asset, is capitalized applying a capitalization rate on weighted average basis. Other borrowing costs are recognised as an expense in the period in which these are incurred.

**13 Foreign currency transactions**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions, Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year. Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the year-end and not covered by forward contracts, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary foreign currency items are carried at cost

**14 Key Sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(i) Capital Management**

The Company's objective when managing capital are to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure by issuing or redeeming additional equity, borrowings and other instruments when necessary

As the Company is mainly funded through its internal accruals, the objectives of the Board of Directors when managing capital is to ensure that the Company continue to enjoy the use of funds by ensuring generation of sufficient cash flows

NOTE1. SIGNIFICANT ACCOUNTING POLICIES

**(ii) Allowance for doubtful debts**

The Company makes allowances for doubtful debts based on an assessment of the recoverability of receivables. The identification of doubtful debts requires use of judgements and estimates. When the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and doubtful debt expenses in the period in which such estimate has been made.

Provision for bad and doubtful debts is made at 100% on sundry debtors exceeding 3 years in respect of water, rentals, hire purchase etc., for both principal and interest except deposit works.

**(iii) Allowance for inventories**

The management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow moving items. The management is satisfied that adequate allowance for obsolete inventories was made in the financial statements.

**20 REBATE ON LAND COST**

Rebate on Sale of Land will be treated as Expenditure during the year in which sale deed is executed. Rebate being received from Government will be accounted on receipt basis.

# TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

**Notes to the Standalone Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**
**Note 2 - Property , Plant and Equipment**

| PARTICULARS | LAND | LAND DEVELOPMENT | LAND- SEZ | SEWERAGE - SEZ | Office Equipments | Computers | ELECTRICAL EQUIPMENT | Furniture & Fittings | BUILDINGS | REFRIGERATORS, Acs | ROADS AND BRIDGES - SEZ | DRAWING EQUIPMENT | QUALITY CONTROL EQUIPMENT | WATER SUPPLY - SEZ | VEHICLES | MICROSOFT SOFTWARE | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Year ended 31st March 2024** | | | | | | | | | | | | | | | | | |
| **Gross Carrying amount** | | | | | | | | | | | | | | | | | |
| Opening gross carrying | 967.47 | 1.22 | 11,450.81 | 108.39 | 182.09 | 190.22 | 18.91 | 229.03 | 232.10 | 22.03 | 73.30 | 0.74 | 2.26 | 3.19 | 268.68 | | 13,750.44 |
| Additions | - | - | - | - | 4.55 | 13.66 | 1.10 | - | - | 26.02 | - | - | - | - | - | | 45.33 |
| Disposals | | | | | | | | | | | | | | | | | - |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| **Balance as on 31st March 2024** | 967.47 | 1.22 | 11,450.81 | 108.39 | 186.64 | 203.88 | 20.01 | 229.03 | 232.10 | 48.05 | 73.30 | 0.74 | 2.26 | 3.19 | 268.68 | | 13,795.77 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | | | |
| Opening | - | - | - | 44.23 | 147.97 | 172.03 | 13.40 | 141.06 | 72.83 | 14.50 | 69.63 | 0.74 | 2.26 | 2.04 | 144.58 | | 825.26 |
| During the Year | - | - | - | 3.25 | 9.61 | 8.79 | 0.58 | 17.64 | 3.32 | 4.87 | - | - | - | - | 18.25 | | 66.31 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| **Closing Accumulated Depreciation** | - | - | - | 47.48 | 157.58 | 180.82 | 13.98 | 158.70 | 76.15 | 19.37 | 69.63 | 0.74 | 2.26 | 2.04 | 162.83 | | 891.57 |
| **Net Carrying Amount** | | | | | | | | | | | | | | | | | |
| **Net Carrying amount as on 31st March 2024** | 967.47 | 1.22 | 11,450.81 | 60.91 | 29.06 | 23.06 | 6.03 | 70.33 | 155.95 | 28.68 | 3.67 | - | - | 1.15 | 105.85 | | 12,904.20 |
| **Year ended 31st March 2025** | | | | | | | | | | | | | | | | | |
| **Gross Carrying amount** | | | | | | | | | | | | | | | | | |
| Opening gross carrying | 967.47 | 1.22 | 11,450.81 | 108.39 | 186.64 | 203.88 | 20.01 | 229.03 | 232.10 | 48.05 | 73.30 | 0.74 | 2.26 | 3.19 | 268.68 | | 13,795.77 |
| Additions | - | - | - | - | 13.85 | 26.14 | - | 5.28 | 949.44 | 4.09 | - | - | - | - | 80.96 | | 1,079.76 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| **Balance as on 31st March 2025** | 967.47 | 1.22 | 11,450.81 | 108.39 | 200.49 | 230.02 | 20.01 | 234.31 | 1,181.54 | 52.14 | 73.30 | 0.74 | 2.26 | 3.19 | 349.64 | | 14,875.53 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | | | |
| Opening | - | - | - | 47.48 | 157.58 | 180.82 | 13.98 | 158.70 | 76.15 | 19.37 | 69.63 | 0.74 | 2.26 | 2.04 | 162.83 | | 891.57 |
| During the Year | - | - | - | 3.24 | 9.24 | 9.62 | 0.39 | 17.29 | 43.77 | 6.83 | - | - | - | - | 23.93 | | 114.31 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| **Closing Accumulated Depreciation** | - | - | - | 50.72 | 166.82 | 190.44 | 14.37 | 175.99 | 119.92 | 26.20 | 69.63 | 0.74 | 2.26 | 2.04 | 186.76 | | 1,005.88 |
| **Net Carrying Amount** | | | | | | | | | | | | | | | | | |
| **Net Carrying amount as on 31st March 2025** | 967.47 | 1.22 | 11,450.81 | 57.67 | 33.67 | 39.58 | 5.64 | 58.32 | 1,061.62 | 25.94 | 3.67 | - | - | 1.15 | 162.88 | | 13,869.65 |
| **Year ended 31st March 2026** | | | | | | | | | | | | | | | | | |
| **Gross Carrying amount** | | | | | | | | | | | | | | | | | |
| **Opening gross carrying amount** | 967.47 | 1.22 | 11,450.81 | 108.39 | 197.83 | 230.02 | 20.01 | 234.31 | 1,181.54 | 52.14 | 73.30 | 0.74 | 2.26 | 3.19 | 349.64 | - | 14,872.87 |
| Additions | 2,715.53 | 1.72 | - | - | 22.07 | 64.94 | - | 1.27 | 660.33 | 2.05 | - | - | - | - | - | 20.65 | 3,488.56 |
| Disposals | - | - | - | - | - | 2.22 | - | - | - | - | - | - | - | - | - | | 2.22 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| **Balance as on 31st March 2026** | 3,683.00 | 2.94 | 11,450.81 | 108.39 | 219.90 | 292.74 | 20.01 | 235.58 | 1,841.87 | 54.19 | 73.30 | 0.74 | 2.26 | 3.19 | 349.64 | 20.65 | 18,359.21 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | | | |
| Opening | - | - | - | 50.72 | 164.42 | 190.44 | 14.37 | 175.99 | 119.92 | 26.20 | 69.63 | 0.74 | 2.26 | 2.04 | 186.76 | - | 1,003.48 |
| During the Year | | | | 3.24 | 11.06 | 21.00 | 0.39 | 17.46 | 135.92 | 7.57 | - | - | - | - | 27.76 | 0.14 | 224.54 |
| Disposals | - | - | - | | | 2.12 | | | | | | | | | | | 2.12 |
| Other adjustments | - | - | - | | | | | | | | | | | | | | - |
| **Closing Accumulated Depreciation** | - | - | - | 53.96 | 175.48 | 209.32 | 14.76 | 193.45 | 255.84 | 33.77 | 69.63 | 0.74 | 2.26 | 2.04 | 214.52 | 0.14 | 1,225.90 |
| **Net Carrying Amount** | | | | | | | | | | | | | | | | | |
| **Net Carrying amount as on 31st March 2026** | 3,683.00 | 2.94 | 11,450.81 | 54.43 | 44.42 | 83.42 | 5.25 | 42.13 | 1,586.03 | 20.42 | 3.67 | - | - | 1.15 | 135.12 | 20.51 | 17,133.31 |

**Note 2.1 Buildings**

Buildings includes the buildings purchased by erstwhile APIIC Ltd. i.e., 6th floor (11840 sft) from APIDC Ltd. on outright purchase basis for a consideration of Rs. 13.20 lakhs in the year 1979 and 4th floor (11,867 sft) from APSSIDC Ltd. for a consideration of Rs. 150.00 lakhs in the year 1998. As per the Demerger Scheme, out of the total extent of 23,707 Sft, an area of 9,881.08 Sft (i.e 41.68% of total area) in 6th Floor is allocated to TSIIC Ltd and the same was shown under the head Buildings in Fixed Assets.
Sale deed for the purchase of 6th floor is not yet executed by APIDC Ltd. However, the possession was transferred to TSIIC Ltd on the payment of consideration amounting to Rs. 13.20 lakhs. Based on Substance over form concept, TSIIC Ltd is recognizing the 6th floor in its Books of Accounts and claiming the depreciation thereon.

**Note 3**

| NON CURRENT INVESTMENTS | | AS AT 31.03.2026 | | AS AT 31.03.2025 |
|---|---|---|---|---|
| **Particulars** | | | | |
| **Captial work in progress** | | 756.35 | | 1,396.29 |
| **Age-Wise Schedule** | **Amount** | | **Amount** | |
| **More than 3 Years** | - | | 660.33 | |
| **More than 2 years and Less than 3 years** | - | | - | |
| **More than 1 year and Less than 2 years** | 735.96 | | - | |
| **Less than 1 year** | 20.39 | | 735.96 | |

**Note 4**

| NON CURRENT INVESTMENTS | AS AT 31.03.2026 | AS AT 31.03.2025 |
|---|---|---|
| **Particulars** | | |
| **Investments carried at Cost** | | |
| Unquoted Investments in Debt Instruments | 15,905.18 | 15,905.18 |
| **Investments carried at Fair Value Through OCI** | | |
| Quoted Investments | - | - |
| Unquoted Investments in Equity Instruments | 74,015.17 | 28,780.89 |
| Unquoted Investments in trust | 199.73 | 147.85 |
| | **90,120.08** | **44,833.92** |

| Note 4.1 | PARTICULARS | % of holding | AS AT 31.03.2026 | | % of holding | AS AT 31.03.2025 | |
|---|---|---|---|---|---|---|---|
| | | | AT COST | AT FAIR VALUE | | AT COST | AT FAIR VALUE |
| | ***INVESTMENTS IN SUBSIDIARY COMPANIES*** | | | | | | |
| 1 | 10,000 equity shares of Rs.10/- each fully paid-up in **M/s.Ecity manufacturing cluster Ltd** | 100 | 1.00 | - | 100 | 1.00 | - |
| 2 | 10,000 equity shares of Rs.10/- each fully paid-up in **M/s.Maheswaram Science Park Ltd** | 100 | 1.00 | - | 100 | 1.00 | - |
| 3 | 8,900 equity shares of Rs.10/- each fully paid-up in **M/s.Fab City SPV (India) P Ltd** | 89 | 0.89 | - | 89 | 0.89 | - |
| 4 | 10,000 equity shares of Rs.10/- each fully paid-up in **M/s.Zaheerabad NIMZ Ltd.** | 100 | 1.00 | - | 100 | 1.00 | - |
| 5 | 10,000 equity shares of Rs.10/- each fully paid-up in **M/S. Hyderabad Pharma City Ltd.** | 100 | 1.00 | - | 100 | 1.00 | - |
| 6 | 10,000 equity shares of Rs.10/- each fully paid-up in **M/S. Telangana Life Sciences Infrastructure Development Limited** | 100 | 1.00 | - | 100 | 1.00 | - |
| 7 | 10,000 equity shares of Rs.10/- each fully paid-up in **M/S. Bio Tech Hub Limited** | 100 | 1.00 | - | 100 | 1.00 | - |
| 8 | 10,000 equity shares of Rs.10/- each fully paid-up in **Investment in CETP-KMTP Warangal Ltd** | 100 | 1.00 | 57.87 | 100 | 1.00 | - |
| 9 | 30,05,17,56[illegible].77 No of shares of 10 each fully paid-up in **NICDIT Zaheerabad Industrial Smart City Limited** | 51 | 30,051.76 | 42,570.23 | 51 | - | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | ***INVESTMENTS IN ASSOCIATE*** | | | | | | |
| 10 | 3,84,80,000 equity shares of Rs.10/- each fully paid-up in **M/s.Cyberabad Convention Center (P) Ltd** | 26 | 3,848.00 | 17,329.91 | 26 | 3,848.00 | 14,745.08 |
| 11 | 1,97,49,698 equity shares of Rs.10/- each fully paid-up in **M/s.Boulder Hills Leisure (P) Ltd** | 26 | 1,974.97 | 1,022.56 | 26 | 1,974.97 | 1,044.06 |
| 12 | 2,50,32,202 equity shares of Rs.10/- each fully paid-up in **M/s.Emmar Hills Township (P) Ltd.** | 26 | 2,503.22 | 709.81 | 26 | 2,503.22 | 886.78 |
| | ***INVESTMENTS IN JOINT VENTURES*** | | | | | | |
| 13 | 22,00,000 equity shares of Rs.10/- each fully paid-up in **M/s.K Raheja IT Park Ltd** | 11 | 220.00 | 1,511.41 | 11 | 220.00 | 977.05 |
| 14 | 1,48,690 equity shares of Rs. 10/- each fully paid-up in **M/s.Intime Properties Pvt. Ltd.** | 11 | 14.26 | 2,345.53 | 11 | 14.26 | 2,834.74 |
| 15 | 30,98,775 equity shares of Rs. 10/- each fully paid-up in **M/s.Sundew Properties Pvt. Ltd.,** | 11 | 11.79 | 1,890.17 | 11 | 11.79 | 2,110.17 |
| 16 | 2,09,48,234 equity shares of Rs.10/- each full paid up in **M/s.CBD Tower (P) Ltd** (Consideration is other than Cash) | 11 | 2,094.82 | 2,052.10 | 11 | 2,094.82 | 2,052.10 |
| 17 | 2970000 equity shares of Rs.10/- each fully paid-up in **M/s.Ace Urban Infocity Limited (formerly L&T Infocity Limited)** (includes 9,90,000 Bonus shares issued on May 12, 2003 ) | 11 | 198.00 | 2,864.74 | 11 | 198.00 | 2,679.23 |
| | ***OTHER INVESTMENTS*** | | | | | | |
| 18 | 2,50,000 equity shares of Rs.10/- each fully paid-up in **M/s.Patancheru Envirotech Ltd** | 9.6496 | 25.00 | 302.28 | 9.65 | 25.00 | 239.93 |
| 19 | 20,825 equity shares of Rs.10/- each fully paid-up in **M/s.Hyderabad Information Technology Venture Enterprises Ltd** | 8.33 | 2.08 | 1.96 | 8.33 | 2.08 | 2.40 |
| 20 | 4,165 equity shares of Rs.10/- each fully paid-up in **M/s.Cyberabad Trustee Company (P) Ltd** | 8.33 | 0.42 | 0.60 | 8.33 | 0.42 | 0.58 |
| 21 | 500 equity shares of Rs.10/- each fully paid-up in **M/s. Hyderabad Pharma Infrastructure & Technologies Ltd** | 1 | 0.05 | 2.54 | 1 | 0.05 | 1.89 |
| 22 | 22.8 lakhs equity shares of Rs.10/- each fully paid-up in **M/S Investment in Bhagyanagar gas limited** | 2.28 | 228.00 | 1,353.46 | 2.28 | 228.00 | 1,206.88 |
| | | | **41,180.26** | **74,015.17** | | **11,128.50** | **28,780.89** |
| | Aggregate amount of Quoted Investments | | - | - | | - | - |
| | Market Value of Quoted Investments | | - | - | | - | - |
| | Aggregate amount of Unquoted Investments | | 41,180.26 | 74,015.17 | | 11,128.50 | 28,780.89 |
| | **Total Investments Non-Current** | | **41,180.26** | **74,015.17** | | **11,128.50** | **28,780.89** |
| | ***INVESTMENTS IN TRUSTS*** | | | | | | |
| 23 | 770 Units of Rs.25,000/- each fully paid-up in **M/s.Cyberabad Trustee Company (P) Ltd (HIVE FUND)** | | 192.50 | 199.73 | | 192.50 | 147.85 |
| | **LESS:** PROVISION FOR DIMINUTION OF INVESTMENTS | | (28.06) | - | | (28.06) | - |
| | | | **164.44** | **199.73** | | **164.44** | **147.85** |

| | | | | | |
|---|---|---|---|---|---|
| | ***INVESTMENTS IN CONVERTIBLE DEBENTURES*** | | | | - |
| 24 | 15,90,51,766 Fully Secured Convertible Debentures of Rs.10/- each in **M/s.CBD Tower (P) Ltd** | 15,905.18 | - | 15,905.18 | - |
| | **Sub Total** | **57,249.88** | **74,214.90** | **27,198.12** | **28,928.74** |

**Note 4.2**

As per the demerger scheme, the investments amounting to Rs.26,735.91 lakhs (TSIIC is claiming 26,965.11 lakhs) were allocated to TSIIC Ltd. TSIIC Ltd disputes the allocation of Investments in **M/s Hyderabad Information Technology Venture Enterprises Ltd, M/s.Ace Urban Infocity Limited( formerly L&T Infocity Limited), M/s Cyberabad Trustee Company (P) Ltd and M/s Cyberabad Trustee Company (P) Ltd- Hive fund** were on the basis of the population ratio, which are to be actually allocated on Location basis as per Sec.53(1) of A.P Reorganization Act, 2014. To this effect, adjustment entries were made during the F.Y. 2014-15 duly adjusting against Reorganization Adjustment Account. The share certificates are in the name of APIIC Ltd. Pending approval of Demerger Scheme by both the State Governments. Hence the shares were not transferred in the name of TSIIC Ltd.

**Note 4.3**

**Note 4.3.1 - Investment in E-City Manufacturing Cluster Limited :**

As per the directions of erstwhile Government of A.P vide the IT&C Department's letter No. 2097/IT&C/Prom2/2011; Dtd:08-08-2013, erstwhile APIIC Ltd. had promoted E-City Manufacturing Cluster Limited and acquired 100% of equity (Rs. 1.00 lakh) of the Company.

**Note 4.3.2 - Investment in Hyderabad Pharma City Limited**

Hyderabad Pharma City Limited was incorporated in the year 2017-18 (15-03-2017) under the Companies Act,2013. Hyderabad Pharma City Limited is a 100% subsidiary of Telangana State Industrial Infrastructure Corporation (TSIIC) Limited. The Company is a Special Purpose Vehicle (SPV) setup to manage the Pharmaceutical Industrial parks in Telangana State.
HPC university Foundation was incorporated as Separate SPV under Hyderabad Pharmacity limited as 100% subsidairy,the company incorporated under Sec 8-limited by guarnatee and not having the share capital.

**Note 4.3.3 - Investment in Maheshwaram Science Park Limited :**

As per the directions of erstwhile Government of A.P vide the IT& C Department's letter No. 2097/IT&C/Prom2/2011 dated 08-08-2013, the Corporation promoted Maheshwaram Science Park Limited and acquired 100% of equity (Rs. 1.00 lakh) of the Company.

**Note 4.3.4 - Investment in Zaheerabad NIMZ Limited :**

Zaheerabad NIMZ Limited is a limited Company promoted by TSIIC Ltd. under the provisions of the Companies Act 2013. IT was originally incorporated on 05.08.2016 in the name "Medak National Investment & Manufacturing Zone Ltd." in pursuance of National Manufacturing Policy Guidelines for establishment of NIMZs. It changed it s name to :Zaheerabad NIMZ Ltd. on 27.04.2017 in terms of approval granted by Government of Telangana vide Lr. No. 6922/IP&INF/A2/2014, Dt. 09.02.2017. The Company was Zaheerabad NIMZ Limited is a 100% subsidiary of TSIIC Limited incorporated on 05-08-2016 to promote, establish, developed, maintain and operate an Industrial Park as per guidelines of Investment Manufacturing Zone by Government of India.

**Note 4.3.5 - Investment in Fab City SPV(India) Private Ltd:**

As per the directions of erstwhile Government of AP in G.O. Ms. No. 94 of Industries & Commerce (INF) Department dt.28.04.2007, erstwhile APIIC Ltd. acquired 89% of equity (Rs. 89,000/-) in Fab City SPV (India) Pvt. Ltd. Consequently Fab city SPV (India) Pvt. Ltd., became a subsidiary company of the erstwhile APIIC Ltd. This investment has been allocated to TSIIC Ltd., as per the Demerger Scheme. The amounts due from the subsidiary company towards land cost and infrastructure and the amounts received for on behalf of the subsidiary company are shown under "Due from Fab City SPV (India) Pvt., Ltd.,"

**Note 4.3.6 - Investment in M/s. TELANGANA LIFE SCIENCES INFRASTRUCTURE DEVELOPMENT LIMITED**

1. To formulate, promote, finance, aid, assist, establish, manage ,control, own, and operate Life Sciences Parks, Life Sciences Clusters, Sector Specific Life sciences parks, Economic Zones dedicated to Life Sciences Industries and Export Processing Zones, Manufacturing Zones which covers any nature of Life Sciences Parks, schemes, projects or programmes in the State of Telangana, and to provide and develop infrastructure facilities including acquisition and alienation of land, factory sheds, godowns, marketing facilities, warehouses, facilities of communications, generation & distribution of power, water drainage, housing, hospitals , institutions of health and education and other services of any description in order to promote and assist the rapid and orderly establishment, growth and development of industries and commerce in the State of Telangana or in any part of India subject to various laws in force.
2. To carry out the role of an infrastructure partner for the life sciences industry in the State of Telangana or anywhere in collaboration with other Companies, Corporations, Institutes etc and to facilitate development of life sciences incubators, modular / turnkey R&D laboratory spaces, specialized warehousing, clean room manufacturing facilities, integrated flatted factories in the Parks and expansion of Genome Valley, and To invite Global / Indian life sciences companies for establishing their footprint in these clusters.
3. To provide specialized ready-to-occupy facilities for R&D laboratories, incubation spaces and integrated manufacturing flatted factories.

**Note 4.3.7 - Investment in M/s. BIO TECH HUB LIMITED**

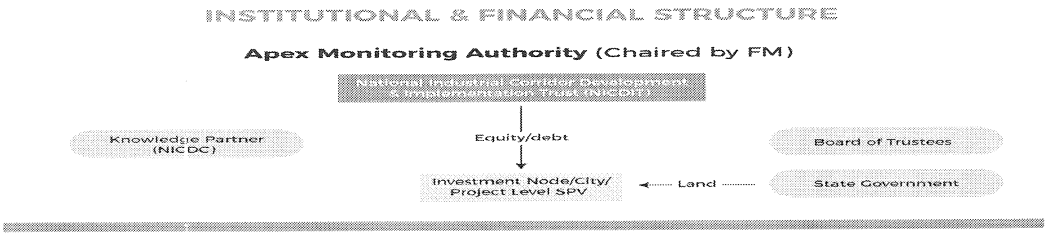
To establish, operate, manage and develop Biotechnology Hub, Biotechnology Parks in the State of Telangana or elsewhere, to cater to the needs of biotech industries in India, to conduct Research and Development in the field of Biotechnology, and other allied Sciences and Technologies, in related fields of molecular biology, bio-engineering, biomedical engineering, biomanufacturing, molecular engineering, etc.

**Note 4.3.8 - Investment in CETP-KMTP**

To set -up a Common Effluence Treatment Plant (CETP) as a common facility to the processing units being set -up in Kakatiya Mega Textile Park. To create, establish and maintain new processing parks as well as support the upgradation of existing processing clusters specifically in the area of water and waste water management as also to promote research and development for a cleaner technology in the processing sector.

**Note 4.3.9 - Investment in NICDIT ZAHEERABAD INDUSTRIAL SMART CITY LIMITED**

NICDIT ZAHEERABAD INDUSTRIAL SMART CITY LIMITED was incorporated on 14th February, 2025 under the Companies Act,2013.The company is primarily engaged in the business to promote, establish, develop, maintain and operate an Industrial Park as per the guidelines of Investment Manufacturing Zone by Government of India. National Industrial Corridor Development Programme is India's most ambitious infrastructure programme aiming to develop new industrial cities as 'Smart Cities' and converging next generation technologies across infrastructure sectors.Government of India is developing various industrial corridor projects as part of the National Industrial Corridor Programme which is aimed at development of futuristic industrial cities in India which can compete with the best manufacturing and investment destinations in the world. The same will create employment opportunities and economic growth leading to overall socio-economic development. **Government of India** has proposed **32** Projects in **4** Phases under **11** Corridors forming part of National Infrastructure Pipeline. In order to accelerate growth in manufacturing sector and for ensuring systematic and planned urbanization, Government of India (GoI) has adopted the strategy of developing integrated industrial corridors on the backbone of multi-modal connectivity in partnership with State Governments. The same will create employment opportunities and economic growth leading to overall socio-economic development.**Special Purpose Companies:**The institutional structure approved by Government of India for developing and implementing various industrial corridor projects is as under:
Special Purpose Companies would be established for project implementation, operation, maintenance and management of such facilities.




**Note 4.3.10 - Investment in M/s Emaar Hills Township Private Limited :**

The shares allotted to the Corporation for the investments made against the allotment of land at the time of incorporation is being continued in the above company. The corporation filed Civil suit stating that, the development agreement entered into with EMAAR MGF Limited (Co - Developer) is illegal and void. Further, CBI had conducted an enquiry and filed charge sheet on the above company alleging irregularities in execution of development agreement cum GPA with Co-Developer. The matter is under investigation.

**Note 4.3.11 - Investment in M/S BOULDER HILLS LEISURE PRIVATE LIMITED**

The shares allotted to the Corporation for the investments made against the allotment of land at the time of incorporation is being continued in the above company. The corporation filed Civil suit stating that, the development agreement entered into with Boulder Hills Private Limited (Co - Developer) is illegal and void. Further, CBI had conducted an enquiry and filed charge sheet on the above company alleging irregularities in execution of development agreement cum GPA with Co-Developer. The matter is under investigation.



Industrial Infrastructure Corpn. Ltd. HYD.

**Note 4.3.12 - Investments in CBD Towers (P) Ltd:**

Erstwhile APIIC Ltd. had allotted land admeasuring 80.27 acres in Sy.Nos.283 and 311 of Manchirevula village, Rajendranagar Mandal, R R District to M/S C B D Towers (P) Ltd. in consideration of allotment of land for construction of trade towers, the investee company has initially issued 1,236(Nos) Equity Shares of Rs.10/- each and 17,99,98,764 (Nos) 12% of fully convertible Debentures of Rs.10/- each. 2,09,46,998 No. of debentures were converted into equity shares out of the total convertible debentures of 17,99,98,764 upto 31.03.2018.

The company proposed for levy of penal charges of Rs. 1.82 Crores before 2013-14 for non payment of debenture interest for which the CBD Towers has requested for waiver of the same as part of the restructuring proposal. The restructuring proposal submitted by CBD Towers is under consideration of the company. The same was not recognised in the accounts for the year as per INDAS - 115 in view of the uncertainty in the ultimate collection.

Also the board of directors of the company have made a resolution in 23rd Board Meeting held on 06/05/2020,not to recognise Interest income on Debentures as revenue as there is contingency in collection of Interest as well as principal from M/s. CBD Towers Private Limited. In continuation to the above the management have not fairvalued the investment in debentures.

During the FY 2018-19, the Company has written off the income of Interest on Debentures amounting to Rs. 79,57,16,940.54/- receivable from M/s CBD Towers till the FY 2017-18 as the same was not received since 2008 onwards.

**Note 4.3.13 - Investment in HITVEL**

Hyderabad Information Technology Venture Enterprises Ltd. (HITVEL) was set-up by Government of AP through Andhra Pradesh Industrial Development Corporation (APIDC) and Andhra Pradesh Industrial Infrastructure Corporation Limited in association with Small Industrial Development Bank of India in the year 1998 to act as an Asset Management Company of HIVE Fund (Venture Capital Fund) for promotion of IT & ITES activities in the State. A Fund with a corpus of Rs. 15 Crore in the name & style of HIVE Fund" was set up with contributions from SIDBI, APIDC and APIIC for making investments in small and emerging IT Companies (Venture Capital Units) with an objective to achieve long-term capital appreciation of investments, with the same promoters, GoAP also set-up another Company namely Cyberabad Trustee Co. Pvt. Ltd. (CTCPL) at act as (Trustee for HIVE Fund).

Net contributions made to the HIVE Fund by the Contributors are as under:

| Name | | Amount (in Crores) | % of Contribution |
|---|---|---|---|
| SIDBI | : | 5.77 | 50.00% |
| APIDC | : | 3.85 | 33.30% |
| APIIC | : | 1.93 | 16.70% |
| **TOTAL** | | **11.55** | |

**Note 4.3.14 - Investment in Bhagyanagar Gas limited**

The shares allotted to the Corporation for the investments made against the allotment of land being continued in the above company. In January, 2025 Bhagyanagar Gas Limited has alloted the shares of 22.8Lakhs shares of paid up value of Rs. 10/- each. Land was alloted to the Bhagyanagar Gas Limited for the Extent 215.27sq yards at medchal village and 2.18acres at shamirpet village at two locations and accordingly sale deed was executed on 21.02.25.

**Note 4.4**

1)The company values its investment as long term investments and hence valued all the equity investments at Fair value through other Comprehensive income as per the requirements of IND AS 109 & resulting fair value changes were routed through FVTOCI part of IND AS balance sheet. We have used level 3 inputs for the same.

2) Fair value to Unquoted investments in Equity shares is calculated based on Intrinsic value of equity shares on each balance sheet date.

3) Unquoted investments in trusts is fair valued using equity method.

4) Investments in Debentures(CBD Towers) are valued at Book Value as there is an uncertainty regarding Debentures & Its Conversion into Equity Shares.

5)Expected Credit Loss for the Investment is Considered as Nil

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**Notes to the Standalone Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**

**Note 5**

| **Loans and Advances** | | |
|---|---|---|
| **Particulars** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
| **UNSECURED GOOD** | | |
| Due from Related Parties | 32,153.56 | 27,040.04 |
| Dues from Govt (refer Note 5.2) | 43,261.15 | 33,386.94 |
| Dues from T Work Foundation | 2,935.00 | 2,935.00 |
| Dues from Government Departments (refer Note 5.3) | 71,292.04 | 71,122.38 |
| Other Advances (refer Note 5.4) | 914.19 | 914.19 |
| Due to State cell | - | - |
| | **150,555.94** | **135,398.55** |

**Note 5.1**

1) The Loans to the related parties includes amount spent by TSIIC Ltd. on behalf of its subsidiary companies which shall be reimbursed by the respective subsidiary company.

**Note 5.2 Dues from Govt.**

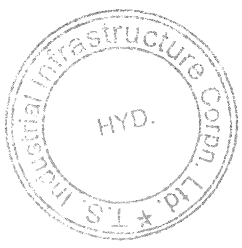
1)Dues from Government includes Rs.1.00 Lakh due from the State Government of Telangana towards subscription to Share Capital of TSIIC Ltd. At the time of finalisation of Demerger Scheme, the Government directed vide Lr. Dated 22.09.2014 for payment of 1,00,000/- towards Share Capital, Telangana division. The same was not reflected in the demerger scheme at the time of approval by the Expert Committee in May 2015. The Government vide its letter informed to treat this share Capital money as fully paid up share Capital pending reimbursement / adjustment. As such for all practical purpose the Corporation has treated this money as fully paid up Share capital.

2)As per G.O.Ms.No.114 dated 25.05.1999 of Finance and Planning (Plg.IT&C) Department, the cost of rebate/incentives granted to IT Companies will be adjusted against cost of Government lands alienated to (Erstwhile APIIC) now TSIIC.
In pursuance of the above GO, the amount of Rs. 46,41,24,873/- (Demerger) receivable from Government of Andhra Pradesh now TSIIC. Alienation orders for various Government lands are awaited.

3) Dues from Government includes the dues by GoT with respect to repayment of HUDCO loan and NABARD loan principal and Interest portion.

4) Due from Govt of Telangana comprises of payments made by TSIIC which are actually reimbursable by GoT under IP budget such as expenditure on Bio-Asia, on Covid pandamic related expenditure, remuneration paid to Sri. Praveen PA, Director(Aerospace & Research) and other miscellaneous expenditure. Further it also includes the MSME Project's share of GoT pertaining to the following MSME projects which are initially funded by TSIIC pending reimbursement from GoTS as given below:

| Particulars | Amount ( In Rupees) |
|---|---|
| MSME Autonagar, Kundanpaly | 33,410,000 |
| MSME Autonagar | 40,360,000 |
| MSME Buggapadu | 28,890,000 |
| MSME Kallem | 39,200,000 |
| MSME Ravalkole | 1,803,000 |
| MSME Sultanpur | 30,240,000 |
| MSME Bhongir | 23,000,000 |
| MSME Mandepally | 39,670,000 |
| MSME Palvancha | 21,480,000 |
| FFC-Madikonda | 38,740,000 |
| FFC-Dandumalkapur | 32,240,000 |
| FFC-Jadcherla | 35,530,000 |
| FFC-Chandanvelly | 36,010,000 |
| FFC-Tuniki Bollaram | 36,130,000 |
| Marketing Hub, Nandigama | 9,700,000 |
| IE, KMTP | 32,710,000 |
| IE, Mancherial | 14,050,000 |
| IP, Narmala | 28,510,000 |
| IP - Gadwal | 20,063,000 |



5) Upto 31st March, 2025 an amount of Rs. 29,35,00,000/- had been released to T-Works Foundation vide references and payment details as given below:

| Name of the bank | Cheque No. | Date | Amount (Rs.) |
|---|---|---|---|
| Kotak Mahindra Bank | 006576 | 27.10.2020 | 1,00,00,000 |
| Axis Bank | 420193 | 09.03.2021 | 1,00,00,000 |
| Kotak Mahindra Bank | 007533 | 08.06.2021 | 1,00,00,000 |
| Kotak Mahindra Bank | 008228 | 27.09.2021 | 1,20,00,000 |
| Kotak Mahindra Bank | 008299 | 23.11.2021 | 2,00,00,000 |
| Kotak Mahindra Bank | 008704 | 12.02.2022 | 2,00,00,000 |
| Kotak Mahindra Bank | 010407 | 07.02.2023 | 4,00,00,000 |
| Kotak Mahindra Bank | 010475 | 07.06.2023 | 1,00,00,000 |
| Kotak Mahindra Bank | 010610 | 24.07.2023 | 1,00,00,000 |
| Kotak Mahindra Bank | 010734 | 31.08.2023 | 1,25,00,000 |
| Kotak Mahindra Bank | 010821 | 29.09.2023 | 5,00,00,000 |
| Kotak Mahindra Bank | 011311 | 20.03.2024 | 8,90,00,000 |
| **Total** | | | **29,35,00,000** |

6) During the F.Y:2022-23, an amount of Rs.4,92,93,38,797.76 had been received from unit holders towards extending freehold rights in three Industrial Estates viz., Azamabad Industrial Area, ACIE, Balanagar and MIE, Hafeezpet and Rs.430,00,00,000/- have been transferred to GoTS.

**Note 5.3 Dues from Govt Departments**

1) Due from Government Departments includes the expenditure incurred from internal funds of TSIIC on various IT Towers, T-Hub and IT related works pending reimbursement from ITE&C Department of GoT

2) Upto FY-2025-26 an amount of Rs. 47.04 Lakhs is due from TSMSIDC for the expenditure incurred for Covid-19 hospital preparedness towards procurement of Oxygen flow meters.

3) Upto FY-2025-26 an amount of Rs. 120 Lakhs is due from TSTS towards T-Hub includes funds transferred to T-Hub for participation at World Economic Forum at Davos Kioster.

4)Due from H& T dept. includes expenditure incurred on remuneartion, TA/DA bills paid to Sri.Mihir Parikh, Director(Textiles)

5)During the F.Y: 2022-23, an amount of Rs.199,14,45,020/- had been incurred from TSIIC internal funds on IT related development works pending receipt of funds from ITE&C Dept (Due from ITE&C Dept. HAC:8504)

6) Due from GoT (R&B Dept. was towards payment made to M/sDistrict (R&B) Officer, EE RR Disttrict Widening and Strenghtening from Sagar PWD Road (Chainage 23/800) to Sagar PWD Road (Chaiage 31/400) Via Eliminedu, Pocharam and Mangapally Villages from a) Single lane Road to Double lane road from 0/0 to 15/587 & b) Construction of Four lane Carriageway approach road to TSIIC Industrial Area from Km 0/0 to 0/650 in RR District - Release of balance 50% (12,36,06,917/2 =6,18,03,459/-)part payment to R&B Department. Ref: IOM No./CE/TSIIC/13/Eliminedu/SHBD/2022-23, dt.06-12-2024. as per note approval of VC MD at Para No.120 (for Para No:117&118) on 03.12.2024.

**Note 5.4 Other Advances**

It includes an amount of Rs.16,900/- due from M/s Hyderabad Pharma Infrastructure and Technologies Limited(HPIT).
It includes an amount of Rs. 914.02 Lakhs due from the M/s Telangana Life Sciences Infrastructure foundation.

**Note 6**
**Other Financial Assets**

| Particulars | AS AT 31.03.2026 | AS AT 31.03.2025 |
|---|---|---|
| **Other Financial Assets** | | |
| Security Deposits | 61.67 | 55.61 |
| Advances to Staff | 277.09 | 302.36 |
| Deposit works - Siricilla Textile Park (Note: 6.1.a) | 31,682.50 | 31,682.50 |
| Deposit towards Works Undertaken (Note:6.3) | 36,699.19 | 17,492.63 |
| | **68,720.45** | **49,533.10** |

**Note 6.1: Deposit towards Works Undertaken:**

The Company has been executing civil works on behalf of various departments of State and Central Governments. These works which are in various stages of completion are in the possession of the Company and they are to be handed over to the respective Departments after their completion. The amounts in excess spent / balance advance outstanding are shown in Sundry Debtors / Deposits - Other Liabilities depending on their nature.

a) TSIIC has executed deposit works relating to Siricilla Textile Park at Siricilla, Rajanna Siricilla District. The above Deposit works-Siricilla Textile Park indicates the amount due from Handloom & Textile Department. An amount of Rs.10,00,00,000/- and Rs.5,00,00,000/- were received on 27.08.2019 and 18.11.2019 respectively from Handloom & Textile Department, GoTS.

b)Deposit Works Undertaken-Health, Medical & Family Welfare department-Rs.5 cr received from Health, Medical and Family welfare department towards construction of Hospital at Ramagundam during FY 2022-23

Note 6.2

The Above Security deposits are measured at book value. As it is impracticable to assess the modified time value of money element in respect of the above Financial Assets because of uncertainty regarding the period for which these deposits are to be received.

**Note 6.3 : Deposit towards Works Undertaken:** The Company has been executing civil works on behalf of various departments of State and Central Governments. These works which are in various stages of completion are in the possession of the Company and they are to be handed over to the respective Departments after their completion. The amounts in excess spent / balance advance outstanding are shown in Sundry Debtors / Deposits - Other Liabilities depending on their nature.

i)ITE&C Works: TSIIC has received funds from ITE&C department of State Government for construction of IT Towers. Such receipts have been credited to Deposit towards works undertaken. On the other hand, expenses incurred for those projects are debited to the same Deposit towards works undertaken. TSIIC has has spent in excess of amount received from ITE&C towards construction of IT Towers. During FY 2018-19 and 2019-20, TSIIC has recorded due from ITE&C under the head "Dues from Government Departments" on provisional basis. However, TSIIC has performed reconciliation of Deposit towards works undertaken and reversed such provisional due recorded in earlier years since comprehensive reconciliation yet to be done.

**Note 7**

| **DEFERRED TAX ASSET** | | |
|---|---|---|
| **Particulars** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
| Deferred Tax Asset/(Liability) on Leave Encashment | - | - |
| Deferred Tax Asset/(Liability) | 241.27 | 241.27 |
| | **241.27** | **241.27** |

**Note 8**

| **Other Non Current Asset** | | |
|---|---|---|
| **Particulars** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
| Deposit towards land acquisition ( Ref 8.1) | 2,21,781.55 | 1,61,814.61 |
| Deposit towards Enhanced Land Acquisition ( Ref 8.2) | 3,149.42 | 3,149.42 |
| Guarantee Commission to the extent not written off | - | - |
| Reorganisation Adjustment Account (Ref Note 8.3) | 63,811.16 | 63,811.16 |
| Others | 133.56 | 89.15 |
| | **2,88,875.69** | **2,28,864.34** |

Note

8.1) The Company is taking advance possession of Government Lands in various places in the state pending alienation orders from the Government of Telangana. With respect to Acquisition of Patta lands, amount are being deposited into the Joint Accounts for land acqusition being maintained by TSIIC Ltd with the Revenue department. Further before opening of the Joint Accounts for land acquisition, amounts were directly deposited into relevant RDO accounts where land acquisition is in progress.

8.2) Enhanced Land Compensation is the compensation paid in addition to the original amount fixed by judiciary or the competent authority against the appeal made by the land owners is treated as Enhanced land compensation.

8.3) TSIIC Ltd., has disputed allocation / apportionment of certain Assets and Liabilities as part of the Demerger Scheme. Accordingly, the position of Equity / Liability & Assets has been re-casted to ascertain the net amount due to/due from APIIC Ltd., due to Demerger Scheme. As per the re-casted allocation/apportionment of the disputed assets, the net amount due from APIIC Ltd. to TSIIC Ltd. is Rs.63,647.99 Lakhs, which is included in the above Reorganisation Adjustment Account. We have not fairvalued the reorganisation adjustment account as the same are subject to Final Approval by respective State Governments / Competent Authority.

**Note 9**

| **INVENTORY** | | |
|---|---|---|
| **Particulars** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
| **Stock** | | |
| Construction Materials | - | - |
| Stock - Land | 19,72,609.53 | 19,36,764.99 |
| Stock - Land Development | 888.21 | 892.43 |
| Stock - Buildings | 170.97 | 186.51 |
| Stock - Sheds | 550.33 | 550.74 |
| Stock - Water Supply | 2,273.29 | 2,281.79 |
| Stock - Sewerage | 92.38 | 92.63 |
| Stock - External Electrification | 1,463.79 | 1,492.86 |
| Stock - Roads and Bridges | 6,266.11 | 6,322.11 |
| Houses - Stock | 11.09 | 11.09 |
| Hire Purchase Stock - Sheds | 41.36 | 41.36 |
| Work in Progress | 3,80,973.07 | 3,11,304.72 |
| | **23,65,340.13** | **22,59,941.23** |
| **Less: Provision for IEs & IDAs (note : 9.6)** | -3,32,628.77 | -1,27,208.45 |
| **TOTAL** | **20,32,711.36** | **21,32,732.79** |

**Note**

1) Inventory is taken at cost, lower of cost and Net Realisable Value

2) The Inventory records of the company are yet to be reconciled.

3) Since inventory records are yet to be reconciled, work in progress is not yet capitalized to the respective Industrial Parks

4) As the execution of Industrial park developmental works happens beyond one financial year, the provision for the expenditure incurred with respect to the land sold is provided through Provision for IEs & IDAs.

Provisions for IEs & IDAs is the provision made against the cost of land sold. Once the inventory is reconciled, provision will be adjusted against Stock and Work in Progress.

5) Work in progress consists of Development works like laying of Roads, construction of storm water drains, Street lights, Construction of central median and Urban Afforestation etc.

6) The Company is recognising work in progress for the develiopment works done in the estates. Since estate wise Civil Works cost is not available company is following a methodology where company is recognising the development cost @27% on purchase cost and the same is being credited to "Provision for IEs & IDAs"

**Note 10**

| **TRADE RECEIVABLES**<br>**Particulars** | **AS AT**<br>**31.03.2026** | **AS AT**<br>**31.03.2025** |
|---|---|---|
| **Trade Receivables outstanding for the period More than 6 months** | | |
| i) Secured, considered good | - | - |
| ii) Unsecured, considered good | 4,467.65 | 4,435.51 |
| iii) Unsecured, considered doubt | - | - |
| Less: Expected Credit Loss | -2,521.16 | -2,262.99 |
| **Total** | **1,946.49** | **2,172.52** |
| **Trade Receivables outstanding for the period less than 6 months** | | |
| i) Secured, considered good | - | - |
| ii) Unsecured, considered good | 627.40 | 427.53 |
| iii) Unsecured, considered doubt | - | - |
| Less: Expected Credit Loss | - | - |
| **Total** | **627.40** | **427.53** |
| **Grand Total** | **2,573.89** | **2,600.05** |

**Note 10.1 : Trade Receivables Age Analysis**

| | | |
|---|---|---|
| **(i) Undisputed Trade receivables - considered good** | | |
| Less than 6 months | 627.40 | 427.53 |
| 6 months - 1 year | 27.93 | 147.79 |
| 1-2 Years | 989.24 | 1,136.49 |
| 2-3 Years | 929.32 | 888.23 |
| More than 3 years | 2,521.16 | 2,262.99 |
| **(ii) Undisputed Trade receivables - considered doubtful** | - | - |
| **(iii) Disputed Trade receivables - considered good** | - | - |
| **(iv) Disputed Trade receivables - considered doubtful** | - | - |
| **Total** | **5,095.05** | **4,863.04** |

1)The age wise analysis for the sundry debtors was done based on the date of invoice instead of due date for payment. Allowance for doubtful debts is created at 100% on principal amount for debtors outstanding more than 3 years.

2)Sundry debtors are subject to confirmation.

**Note 11**

| **Cash and Cash Equivalents**<br>**Particulars** | **AS AT**<br>**31.03.2026** | **AS AT**<br>**31.03.2025** |
|---|---|---|
| Balance with Banks Accounts | 68,192.86 | 60,747.62 |
| Cash on Hand | - | - |
| Cheque in Transit | 0.13 | 898.10 |
| **Bank Deposits less than 3 months** | | |
| Fixed Deposits | 18,800.00 | 2,511.82 |
| | **86,992.99** | **64,157.54** |

**Note 11.1**

| **Bank Balances other than Note 11**<br>**Particulars** | **AS AT**<br>**31.03.2026** | **AS AT**<br>**31.03.2025** |
|---|---|---|
| Fixed Deposits more than 3 Months but less than 12 months | 2,34,287.97 | 1,20,240.78 |
| ***Earmarked funds*** | | |
| Balances in Land Acquisition - Joint A/c | 6,329.17 | 6,281.96 |
| (Bank)Balances with RDOs | | |
| Lien Fixed Deposit in favour of NABARD LOAN | - | - |
| Lien Fixed Deposit in favour of SBI LOAN- HPCL | - | 590.83 |
| IALA Payment Gateway Control Bank Accounts | 808.11 | 785.34 |
| | **2,41,425.25** | **1,27,898.90** |

**Note:**

**11.2) Balance in Land Acquisition-** Joint A/c's are the bank Accounts opened for payment of compensation amount to the land owners as per the awards passed by the RDOs. These accounts are being operated by TSIIC Ltd with the Revenue department. Further before opening of the Joint Accounts for land acquisition, amounts were directly deposited into relevant RDO accounts where land acquisition was in progress.

**11.3) IALA Payment Gateway control Bank Accounts** are the bank Accounts opened for enabling the entrepreneurs to make online payment against the demands made by the IALAs towards Property Taxes, Building Approval fee etc.

**Note 12**

| **Short term loans and advances**<br>**Particulars** | **AS AT**<br>**31.03.2026** | **AS AT**<br>**31.03.2025** |
|---|---|---|
| Advances to staff | 499.13 | 600.93 |
| | **499.13** | **600.93** |

**Note 12.1**

1) The short term advances to staff are given to employees for meeting expense for any program/event or which are not in the nature of loans & advances to staff, the advances would be returned if unspent / event cancellation. Since the same are of short term in nature the fair valuation is not carried out.

2) Loans and Advances are subject to confirmation.

**Note 13**

| **Other Financial Assets**<br>**Particulars** | **AS AT**<br>**31.03.2026** | **AS AT**<br>**31.03.2025** |
|---|---|---|
| Accrued Interest | 2,206.80 | 131.64 |
| Public Deposit Account | - | - |
| | **2,206.80** | **131.64** |

**Note:**

**Note 13.1**

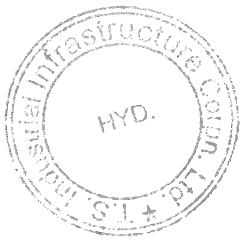
| **Current Tax Assets/ (Liabilities)**<br>**Particulars** | **AS AT**<br>**31.03.2026** | **AS AT**<br>**31.03.2025** |
|---|---|---|
| IT Deducted at Source | 11,093.45 | 6,641.98 |
| | **11,093.45** | **6,641.98** |

**Note 14**

| **Other Current Assets**<br>**Particulars** | **AS AT**<br>**31.03.2026** | **AS AT**<br>**31.03.2025** |
|---|---|---|
| Other Current Assets | 1,225.65 | 806.35 |
| Advance to Gratuity Trust | 411.94 | 351.94 |
| Guarantee Commission to the extent not written off (Demerger amount) | 0.36 | 0.36 |
| | **1,637.95** | **1,158.65** |

**Note:**

**14.1)**The Amount of Gratuity is paid to the Retired Employees pending receipt of the same from LIC gratuity policy. Any short receipt of gratuity amount from LIC is booked as TSIIC expenditure.



## Note 15

| Share Capital<br>Particulars | AS AT<br>31.03.2026 | AS AT<br>31.03.2025 |
|---|---|---|
| Authorised Share Capital<br>(100000 shares @ R.s 1000 each) | 1000 | 1000 |
| Issued, subscribed ,paid up capital<br>(100 shares @ R.s 1000 each) | 1 | 1 |
| Share Suspense Account<br>(68053 shares@ R.s 1000 each) | 680.53 | 680.53 |
| | **681.53** | **681.53** |

As per demerger scheme, 68053(Nos) shares of Rs.1000/- each, amounting to Rs.680.53 lakhs were allotted to TSIIC Ltd. The erstwhile APIIC Ltd. has not transferred the share certificate in the name of "TSIIC Ltd". and the shares are still in the name of "APIIC Ltd." Hence, the value of share capital for Rs.680.53 lakhs allotted to TSIIC Ltd. as per Demerger Scheme is shown under Share Capital Suspense Account.

**(a.) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

| | AS AT 31.03.2026 | | AS AT 31.03.2025 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the period | 100 | 100,000.00 | 100 | 100,000.00 |
| Issued during the period | 0 | - | 0 | - |
| Outstanding at the end of the period | 100 | 100,000.00 | 100 | 100,000.00 |

**(b). Details of shareholders holding more than 5% shares in the company**

| | AS AT 31.03.2026 | | AS AT 31.03.2025 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| Government of Telangana including its nominees | 100 | 100% | 100 | 100% |

**(C). Disclosure of Shareholding of Promoters**

| | AS AT 31.03.2026 | | AS AT 31.03.2025 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| Government of Telangana including its nominees | 100 | 100% | 100 | 100% |

( d) The Company has only one class of shares i.e. equity shares ranking pari passu with all respects including entitlement of dividend, voting and repayment of capital. Each equity share carries one vote.

| Other Equity<br>Particulars | AS AT<br>31.03.2026 | AS AT<br>31.03.2025 |
|---|---|---|
| **Capital Reserve** | | |
| Opening Balance | 541.84 | 541.84 |
| Profit/(Loss) During the year | - | - |
| Closing Balance | **541.84** | **541.84** |
| **General Reserve** | | |
| Opening Balance | 57,876.31 | 61,578.97 |
| Profit/(Loss) During the year | -55,236.50 | -3,702.66 |
| Closing Balance | **2,639.81** | **57,876.31** |
| **Other Comprehensive Income** | | |
| Opening Balance | 18,081.94 | 15,451.12 |
| Profit/(Loss) During the year | 15,255.37 | 2,630.82 |
| Closing Balance | **33,337.31** | **18,081.94** |
| **Total** | **36,518.96** | **76,500.09** |

Note 16

| Long Term Borrowings - Financial Liabilities Measured at Amortised cost | AS AT 31.03.2026 | AS AT 31.03.2025 |
|---|---|---|
| a. Secured (Note :16.1) | | |
| 9.35% Non convertible,Listed and secured debentures | 9,54,433.59 | 9,83,452.05 |
| b. Unsecured (Note : 16.2) | | |
| Loan From Government | 20,000.00 | 20,000.00 |
| Loan from HUDCO | 37,510.23 | 37,336.74 |
| Loan from SBI | - | 27,170.96 |
| Loan from IALA | 6.05 | 5.48 |
| | **10,11,949.87** | **10,67,965.23** |

**Note 16.1**
**a)Details of Secured Loan**
**9.35% Non convertible debentures:**

Telangana State Industrial Infrastructure Corporation Limited raised senior, secured, rated, listed, redeemable, taxable non-convertible bonds, each bearing a face value of INR 1,00,000 (Indian Rupees One Lakh only) for a base issue size of INR 5,000 Crores with a green shoe option to retain oversubscription of INR 4,995.28 Crores i.e. for an aggregate issue size of up to INR 9,995.28 crores. Against the Bonds raised interest rate of 9.35% for which the interest amount is to be paid quarterly to the investors. Repayment of debentures within next 12 Months is shown under short term borrowings (Note 21).

**Note 16.2**
**b)Details of Unsecured Loan**

**i) Loan From Government**
An amount of ₹200 crore was received by the Company from the Government of Telangana as a loan vide G.O. Rt. No. 66 dated 26.03.2025. However, the said Government Order does not specify the rate of interest, tenure of the loan and repayment schedule. Accordingly, the fair value of the loan has not been determined in accordance with the requirements of Ind AS 109 – Financial Instruments. The impact, if any, arising on account of initial recognition and subsequent measurement of the loan has not been ascertained.

**ii)Loan From HUDCO:**
HUDCO was approached by TSIIC Ltd. towards Financial Assistance for Land Acquisition for development had been considered in (i) NIMZ Zaheerabad Phase II, (ii) Pharma Village at Nyalkal in Sanga Reddy District and (iii) Pharma Village in Dudyal in Vikarabad District.

**Terms of Loan**
Loan amount of Rs.1000 Cr having Rate of Interest: 9.28% pa for Rs 600 Cr for infra development and 9.68% pa for Rs 400 Cr of land acquisition. Both fixed for one year and then yearly reset.
The tenor of the loan is 10 years including a moratorium for principal of 2.5 years and repayment in 7.50 years (on quarterly basis

**Security**
Telangana State Government Guarantee along with State Government Budgetary support. The guarantee commission of Rs 7.6 Crores is provided and amortized over a life of the guarantee period.

**Repayment**
The tenor of the loan is 10 years including a moratorium for principal of 2.5 years and repayment in 7.50 years (on quarterly basis)
Loan from Hudco is fair valued and Difference between book value and fair value is routed through Profit and loss (FVTPL)

**iii) Loan From STATE BANK OF INDIA:**
SBI was approached by TSIIC Ltd. towards Financial Assistance of Rs. 1000 Crores for implementation of core infrastructure for Phase – I of Hyderabad Pharma City proposed as an Integrated manufacturing Township in Mucherla. SBI has released an amount of Rs. 275.90 crores against the sanctioned loan amount of Rs.1000 crores as first tranch on 28.02.2022.

**Terms of Loan**
Repayable in 20 equal quarterly installments of Rs 50 Crore each starting from 28.04.2026 till 28.01.2031. Interest to be paid as and when applied. The Guarantee commission of 2% on the released amount is to be paid to the Government.

**Security**
Telangana State Government Guaranteed the loan without Budgetary support.
**Closure - SBI loan was pre-closed on 16-09-2025**

**iv) Loan From IALA:**
TSIIC has taken loan from Various IALA's (Nanakramguda, Madhapur, Manikonda towards Financial assistance for Acquisition / Alienation of lands for establishment of Hyderabad Pharma City limited (HPCL) near shamshabad to establish Pharma cluster within the state of telangana.

T.S. Industrial Infrastructure Corpn. Ltd. HYD.

**Terms of Loan & Repayment**

Interest free loan amount of Rs.150 Crore repayable at the end of 90th year which was taken during the FY 2015-2016

**Security**
No security has been pledged for availing the loan.

An Amount of Rs.150.00 Cr Interest free Loan was taken form IALAs for a period of 90 Years towards Financial assistance for Acquisition / Alienation of lands for establishment of Hyderabad Pharma City, Hyderabad by TSIIC Ltd. The same is discounted using the company's borrowing rate i.e.,10.40% & corresponding deferred income was disclosed in Note 17.level 3 inputs were used for valuation of the same.

| **Note 17**<br>**OTHER FINANCIAL LIABILITIES** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Deposit Towards Water | 719.58 | 719.58 |
| Deposit Towards Rentals | 437.08 | 351.45 |
| Miscellaneous Deposit | 193.52 | 200.23 |
| Miscellaneous Deposit - Works | 2,784.31 | 2,372.70 |
| Miscellaneous Deposit - EMD/FSD (Note: 17.1) | 7,291.75 | 8,018.16 |
| Due To Govt. Of Telangana - Land Alineated (Note: 17.2) | 7,64,798.04 | 7,63,800.70 |
| | **7,76,224.28** | **7,75,462.82** |

**17.1) MISCELLANEOUS DEPOSIT - EMD / FSD**
The amounts represent Earnest Money Deposits (EMD) and Further Security Deposits (FSD) received from contractors in connection with the works awarded to them. The said amounts are refundable to the respective contractors in accordance with the terms and conditions of the relevant contracts.

**17.2) Due to Govt of Telangana- Land Alienation**
The amount represents the liability payable to the Government of Telangana (GoT) towards the cost of land handed over to TSIIC Ltd., for which alienation orders have been received. In respect of land for which alienation orders are pending, provision has been made based on the proposals submitted by TSIIC Ltd. The provision is made on a provisional basis to ensure that the corresponding land/plot balances are duly reflected in the books of accounts at the time of execution of sale transactions, pending receipt of the formal alienation orders from the Government of Telangana.

| **Note 18**<br>**LONG TERM PROVISIONS** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Provision for leave benefits | 1,049.62 | 1,049.54 |
| Provision for Gratuity | 466.36 | 499.94 |
| Provision for PS Charges (Note: 18.2) | 1,628.33 | 1,569.82 |
| | **3144.31** | **3119.30** |

**Note**
**18.1)** Gratuity and Leave Benefit Expenses are fair valued and accounted as per Actuarial Valuation Report under IND AS.
**18.2) Provision for PS(Petty Supervision) Charges** is provided @1.5% on the items under part A of General Abstract attached to the Technical Sanction proceedings. It is provided for all the works being executed by TSIIC Ltd so as to meet the expenditure towards salaries of work charged employees like watchman, Head mazdoor etc. All the regular employees under this category retired.

| **Note 19**<br>**DEFERRED TAX LIABILITIES** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Deferred tax liabilities - Net | - | - |
| | **0.00** | **0.00** |

| **Note 20**<br>**OTHER NON CURRENT LIABILITIES** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Grant in Aid- Telangana Budget (Note: 20.1) | 59,372.69 | 59,372.69 |
| Resource Mobilisation (Note: 20.2) | 1,69,574.43 | 40,677.05 |
| Project related Grants (Note: 20.3) | 1,07,547.25 | 1,02,562.62 |
| Deposit Works Undertaken (IALA) | 26,874.61 | 25,281.28 |
| Unamortised lease premium (Note: 20.4) | 11,483.74 | 11,783.04 |
| Other Liabilities | 4,897.81 | 4,849.31 |
| Deferred income (IALA loan INDAS adjustment) | 13,164.88 | 13,331.52 |
| Grant In Aid EMC 2.0 Divitipally Project (Note :20.5) | 7,743.03 | 7,743.03 |
| | **4,00,658.44** | **2,65,600.54** |

**Note 20.1 : Grant in Aid- Telangana Budget**

Company has received Rs.172.5 crores in FY 2015-16, Rs.25 Crores in FY 2020-21 and Rs.401.96 crores in FY 2021-22 as grant from Govt of Telangana. Company incurred expenditure of Rs. 5.73 crores during the financial years 2015-16 to 2017-18 and debited the amount to this ledger. This Net amount has been recognized as Grant and shown under other non current liabilities.

**Note 20.2 : Resource Mobilisation**

Erstwhile State of Andhra Pradesh Government allotted lands in Raidurg area measuring 424.23 Acres and 46.20 Acres to erstwhile APIIC Ltd. before bifurcation against the amounts given to the State Government Rs 4892.27 crores and they were shown under "Long term loans and advances". Further Sale proceeds of land at Raidurg were adjusted against this head and also shown under "Long term loans and advances". Such balance as on the date of demerger is Rs 1472.01 crores and was fully allocated to TSIIC Ltd. as part of demerger scheme. As per note on demerger such allocation was disputed by TSIIC Ltd. and it has recognized only Rs 613.53 crores. Further during the FY 2015-16, FY 2016-17 the company has further sold land at Raidurg and proceeds were adjusted against Resource Mobilisation. In the absence of alienation orders from the government, Cost of land is not fixed and not accounted in the books.

Cost incurred towards development of land at Raidurg is under the Account Head Civil works in Progress and is not yet adjusted to the cost of development against the sales and not considered for Profit/Loss as the entire estate is to be taken as one single unit and after adjustment of all the costs and the sales either Profit or Loss can be arrived.

**Note:20.3 Project Related Grants**

**a.)**Following table represents the Grants from GoI and amounts deposited by TSIIC on various MSME projects:

| Name of the MSME/ Name of the MSME A/c / Bank Account Number | Bank Name | Amount deposited by PAO MSME, Govt of India / Date of deposit | Amount deposited by TSIIC/ Date of deposit |
|---|---|---|---|
| MSME IP- MANCHERIAL<br>TSIIC Ltd. IP, Mancherial<br>A/c No.4547804329 | Kotak Mahindra Bank | 1,09,16,000<br>30.03.2026 | |
| MSME IP- NARMALA<br>TSIIC Ltd. IP, NARMALA, RAJANNA SIRICILLA DIST A/c No.4547804268 | Kotak Mahindra Bank | 2,00,00,000.00<br>25.03.2026 | |
| MSME IE-KMTP<br>TSIIC Ltd. IE, KMTP,Warangal Dt.<br>A/c No.4547804602 | Kotak Mahindra Bank | 1,59,11,000.00<br>30.03.2026 | |
| MSME FFC-MADIKONDA<br>TSIIC Ltd. FFC-MADIKONDA,Warangal Dt.<br>4547816537 | Kotak Mahindra Bank | 8,05,36,000.00<br>25.03.2026 | |
| MSME Marketing Hub<br>TSIIC Ltd.- Marketing Hub,<br>Nandigama,Sangareddy Dt.<br>A/c No.4547862930 | Kotak Mahindra Bank | 3,40,00,000.00<br>31.03.2026 | |
| MSME IP Gadwal<br>TSIIC Ltd.- IP,Gadwal. Jogulamba Gadwal Dt.<br>A/c No.8047332023 | Kotak Mahindra Bank | -<br> | 2,00,63,000.00<br>31.03.2026 (JV) |
| MSME CFC RICE MILL Cluster, Jagtial<br>TSIIC Ltd.-CFC RICE MILL Cluster, Jagtial Dt.<br>A/c No. 4550179971 | Kotak Mahindra Bank | -<br> | 49,90,000.00<br>01.04.2025 |
| Interest earned on Grants | | | 1,20,45,149.00 |
| Rounding off of GoT Grants due | | | 1,000.00 |
| PM MITRA Scheme<br>TSIIC Ltd.- PM MITRA Scheme Escrow A/c<br>44504472769 | State Bank of India | 30,00,00,000.00<br>21.02.2026 | -<br> |

**b.)** Project related grants includes the principal and Interest portion of HUDCO & NABARD loans paid by TSIIC and reimbursable by Govt of Telangana.

**c)** Project related Grants includes Funds received towards CETP Pashamylaram (with ZLD) at IDA Pashamylaram.

| Means of Finance | Revised Approved amount(Rs. in Crores) | Amount contributed (Rs.in crores) |
|---|---|---|
| Central Grant | 25.76 | 7.06 |
| SIA (TSIIC) | 58.78 | 7.81 |
| Member Industries | 9.7 | 0.2 |
| Debt | 10 | Nil |
| Deeposit by TSPCB | 0 | 12.5 |
| **Total Cost** | **104.24** | **27.57** |

**d)** The Revised estimated cost of the Project is **Rs. 101.16 crores** keeping the central grant same i.e., Rs.25.76 crores and the same is approved during the meeting held on **02.02.2024**

**Note 20.4: Unamortised lease premium**
TSIIC allots lands to Entrepreneurs on long lease basis for a period of 33/66/99 years and accordingly collects lease premium amounts. The amounts collected as lease premium will be amortised over the lease period and the same is recognized as lease rental income accordingly.

**Note 20.5: Grant In Aid EMC 2.0 Divitipally Project**
An amount of RS.77,43,03,000/- had been received from Meity, GoI towards 1st instalment of Grant-in-aid from GoI on EMC 2.0 Divitipally Project

**Note 21**
**Borrowings**

| | AS AT 31.03.2026 | AS AT 31.03.2025 |
|---|---|---|
| **Current Maturities of long term debt** | | |
| Due To IALA ( Note: 21.1) | 37,098.03 | 34,503.92 |
| 9.35% Non Convertible,Listed and secured debentures | 31,235.25 | - |
| Current Maturities - IALA LOAN | - | - |
| | **68,333.28** | **34,503.92** |

**Note 21.1) DUE TO IALA:**
**a) The amount under this head predominnantly includes the following:**

| Purpose | Amount (Rs. In Crores) | Name of IALA |
|---|---|---|
| Towards construction of T-Hub Phase II at Hyderabad Knowledge City, Raidurg, Panmaktha(V), | 20.00 | IALA Madhapur & IALA Cyberabad |
| Taken from IALA for affecting payments outstanding vendors / agencies | 50.00 | IALA |
| Towards stamp duty for IALA registrations and is to be returned to the respective IALAs. | 25.10 | Registration Department, Telangana towards Stamp Duty registration of IALAs |
| Towards GoTS share of MSME project -IP Auto nagar | 2.00 | IALA Auto nagar, Rangareddy district |
| Towards Extension of 33KV Power supply for a CMD of 2000KVA with a connection load of 1600KW to T-Hub Phase II | 4.34 | Commissioner TSIIC Madhapur |
| Towards repayment of deposit received from UNITECH Limited. | 100.00 | IALA |
| Received from IALA for Expenditure works. | 100.00 | IALA |
| towards depositing with RDO Rajendranagar for land acquisition for an | 27.68 | IALA Manikonda |
| State share amount received from IALA towards final approval for upgradation of Industrial Estate at palvoncha, Bhadradri. | 1.50 | TSIIC IALA Palvoncha |

**b)** The Company has obtained an unsecured loans from the Industrial Area Local Authority (IALA). The loan does not carry any stipulated repayment schedule or interest clause. However, the Company is under a contractual obligation to repay the amount as and when mutually agreed between the parties.

In accordance with Ind AS 32 – Financial Instruments: Presentation, the loan has been classified as a financial liability, since the arrangement gives rise to a contractual obligation to deliver cash in the future.

As there are no specified repayment terms and the loan is interest-free, its fair value at initial recognition has been considered to be equivalent to the carrying amount, which represents management's best estimate of its present value under Ind AS 109 – Financial Instruments: Recognition and Measurement and Ind AS 113 – Fair Value Measurement.

**Note 21.2**
**Trade Payables**

| | AS AT 31.03.2026 | AS AT 31.03.2025 |
|---|---|---|
| Sundry Creditors | 719.27 | 1,100.17 |
| | **719.27** | **1100.17** |

**Note 21.2.a**
**Particulars**

| | | |
|---|---|---|
| **(i) Undisputed - Trade Payables** | | |
| - Less than 6 months | 28.39 | 25.35 |
| - 6 months - 1 year | 8.25 | 424.66 |
| - 1-2 Years | 19.85 | 386.31 |
| - 2-3 Years | 382.64 | 37.48 |
| - More than 3 years | 280.14 | 226.37 |
| **(ii) Disputed - Trade Payables** | - | - |
| **Total** | **719.27** | **1,100.17** |

Trade payables are subject to confirmation.

**Note 22**

| **Other Financial Liabilities** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Statutory Liabilities | 913.98 | 1,131.11 |
| Other Financial Liabilities | 304.78 | 309.94 |
| | **1,218.76** | **1441.05** |

**Note 23**

| **Other Current Liabilities** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| A.P.Reorganisation ADJ.A/C (Due From APIIC) | 161.40 | 161.40 |
| Deposits from allottees (Ref 23.1) | 6,80,152.09 | 5,70,855.60 |
| Other current liabilities | 6,801.14 | 3,617.92 |
| Grant In Aid (Maheswaram) (Ref 23.2) | 3,040.80 | 3,040.80 |
| Grant In Aid (E- City) (Ref 23.3) | 5,306.24 | 5,306.24 |
| | **6,95,461.67** | **5,82,981.96** |

**Note 23.1**

Deposit from allottees is treated as Current Liabilities and shall be transferred to Revenue at the time of execution of sale deed and rights of property is transferred to allottee. The partywise schedules for deposits received from allottees has been prepared other than for Demerger Balance. Deposits received from Allottees are subject to confirmation

**Note 23.2**

**Grant In Aid (Maheswaram)**

| **Particulars** | **Amount(RS.)** | **Year** |
|---|---|---|
| Amount transferred from Maheshwaram Science park Ltd to TSIIC Maheshwaram Project | 9,60,00,000.00 | 2017-18 |
| Grant Received from GOI | 18,12,10,000.00 | 2018-19 |
| Amount received from Maheshwaram Science park Ltd to TSIIC Maheshwaram Project | 3,80,00,000.00 | 2017-18 |
| | **31,52,10,000.00** | |
| Amount shown as receivable from Maheswaram Science | **-1,11,30,000.00** | 2016-17 |
| **Grand Total** | **30,40,80,000.00** | |

Upto F.Y: 2019-20, an amount of 3152 lakhs were received from Government of India, towards GoI share of Electronics Manufacturing Cluster at Maheswaram(M), Ranga Reddy District, Telangana as per the Final approval of the project received from Ministry of Electronics & Information Technology (Meity), Government of India.

**Note 23.3**

**Grant In Aid (E - City)**

| **Particulars** | **Amount(Rs.)** | **Year** |
|---|---|---|
| Amount received from Ecity manufacturing to TSIIC ECITY Project | 25,00,00,000.00 | 2017-18 |
| Grant Received from GOI | 25,48,33,650.00 | 2018-19 |
| | **50,48,33,650.00** | |
| Amount transferred from Ecity Manufacturing cluster ltd to TSIIC E-City Project-being the intrest on fixed deposit | 2,57,90,000.00 | 2016-17 |
| **Grand Total** | **53,06,23,650.00** | |

Upto F.Y 2019-20, an amount of Rs.5048 lakhs - were received from Government of India, towards GoI share of Electronics Manufacturing Cluster at E-City, Raviryala(V), Maheswaram( M) , Hyderabad as per the Final approval of the project received from Ministry of Electronics & Information Technology (Meity), Government of India and further due to intrest component added the figure in the financials reflected as Rs. 5306.24 lakhs

**Note 24**

| **Short Term Provisions** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Provision for Leave Benefits | 238.04 | 256.54 |
| Provision for Gratuity | 56.95 | 82.26 |
| Provision for others | 44.17 | 69.81 |
| Provision for Taxation | 294.38 | 294.38 |
| | **633.54** | **702.99** |

**NOTE 25**

| REVENUE FROM OPERATIONS | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| **Sale of Goods** | | |
| Sale of Land, Houses & Sheds | 541,989.07 | 46,439.97 |
| **Income from Services** | | |
| Lease Income | 2,241.98 | 1,644.49 |
| Water Income | 327.37 | 311.36 |
| **Other Operating Revenue** | | |
| Interest on Hire Purchase and Others | -122.61 | 1,695.15 |
| Process fees | 2,255.15 | 331.41 |
| Centage charges | 2,737.56 | 1,664.80 |
| Penalty and Surcharges | 8.93 | 54.74 |
| Local Authority Income | 543.63 | 238.08 |
| Sub Division Charges | 341.25 | 170.65 |
| Delay Condonation fees | 482.74 | 1,381.85 |
| Liquidated Damages | 43.61 | 23.68 |
| Restoration Charges | 86.73 | 303.88 |
| Extention of Time | 917.69 | 1,058.55 |
| Project development fee | 175.00 | 51.89 |
| | **552,028.10** | **55,370.50** |

**Note:**

**25.1)** Certain Sales made by TSIIC Ltd pertaining to the extent of land under e- City Ltd are being executed through the Zonal manager, Shamshabad. E-city Ltd, being a subsidiary the overall income and expenditure needs to be recognised by the subsidiary. Hence the sales, cost of sales and Provision for IEs & IDAs pertaining to e-City are shown separately.

**25.2) Lease Income:** In the Industrial Estates/ Industrial Parks of TSIIC Ltd, vacant land is given for lease at the request of the entrepreneurs for utilizing the same in implementation of the project.

**25.3) Water Supply** :During the Establishment of Industrial parks/ Industrial Estates basic amenities like Electricity, Water Supply were provided by TSIIC Ltd. For providing water supply to the entrepreneurs, bulk water supply connection was taken from HMWS& SB and in turn distributed to the entrepreneurs. Providing of this facility was not with the intention of obtaining profits.

**25.4) Centage Charges:** TSIIC Executes Civil works for Government Departments. Centage charges are levied at certain percentage which is considered as an administrative expenses for TSIIC towards executing the entrusted Civil Works. The percentage of Centage is as per the MOU entered between TSIIC Ltd & Department.

**25.5) Penalties:** Penalties are levied on the land allottees for various reasons as per the allotment Regulations of TSIIC Ltd.

**25.6) Restoration Charges:** In case of allotments where cancellation is done for non- implementation within stipulated time from the date of possession of the premises, and when the premises is not resumed by the Zonal Manager, any request for restoration of allotment shall be made by the allottee, to the Zonal manager within one month from the date of receipt of cancellation orders- cum- Resumption notice.

**25.7) Delay Condonation fees:** As per the Allotment order and Agreement of sale, the allottee is allowed two years time for full implementation of project. The period of implementation may be considered to be extended on payment of fees for delay in implementation. The fees paid against delaying the implementation of the project is considered as Delay Condonation fees.



Industrial Infrastructure Corpn. Ltd. * T.S. HYD.

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**Notes to the Standalone Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**
**Note 26**

| OTHER INCOME | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| **Interest income on** | | |
| Advances to Staff | 7.31 | 9.08 |
| Other Loans and Advances | - | - |
| Fixed Deposits & Sweep deposits | 7,785.59 | 1,735.20 |
| Rental & Water charges Arrears | 51.11 | 79.87 |
| Interest on Refund of Income Tax | - | - |
| Dividend Receipt | 4,857.82 | 4,117.63 |
| Miscellaneous Receipts | 3,032.96 | 497.36 |
| Deferred Income (On Loan from IALA) | 166.64 | 166.64 |
| Revenue Grant | - | - |
| Interest income on bond | 8,494.34 | 9,472.80 |
| Interest income w.r.t INDAS fair valuation | - | - |
| | **24,395.77** | **16,078.58** |

**Note 26.1 : Revenue Grant**
As per the Loan agreement the Interest paid on HUDCO & NABARD Loans are being reimbursed from the Govt. of Telangana and the same is being considered as Revenue Grant

**Note 26.2 : Deferred Income of IALA Loan Fair Valuation**
IND AS adjustment under Amortized Cost Method.

## Note 27
**COST OF SALES**

| | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| Cost of sales - Land | 522,700.62 | 38,315.92 |
| Cost of sales - Houses | - | 50.51 |
| Cost of sales - Sheds | 1.29 | 11.95 |
| | **522,701.91** | **38,378.38** |

**Note:**

**27.1)**IND AS requires expense to be disclosed as cost of material consumed, purchase of stock in trade and change in inventory . However TSIIC is following a method named cost of sales in which all the prior mentioned expenses are included . Thus this disclosure is deemed to be appropriate

**27.2)**As the execution of Industrial park developmental works are executed beyond one financial year, the provision for the future expenditure to be incurred with respect to the land sold is provided through Provision for IEs & IDAs. Provisions for IEs & IDAs is the provision made against the cost of land sold. Once the inventory is reconciled, provision will be adjusted against Stock and Work in Progress.

## Note 28
**EMPLOYEE BENEFIT EXPENSES**

| | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| Salaries , Wages and Other Benefits | 3,249.41 | 2,873.66 |
| Contribution towards Provident and other Funds | 386.31 | 397.18 |
| Staff Welfare Expenses | 28.22 | -27.59 |
| | **3,663.94** | **3,243.25** |

## Note 29
**FINANCE COST**

| | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| Bank charges | 0.32 | 0.19 |
| Interest expense on Loan fair valuation | 2,390.85 | 859.68 |
| Interest on Loans | 3,629.25 | 1,217.96 |
| Interest on NCDs(Bonds) | 93,455.87 | 29,445.00 |
| Guarantee Commission | - | - |
| | **99,476.29** | **31,522.83** |

## Note 30
**OTHER EXPENSES**

| | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| **(a) Repairs & Maintenance** | | |
| Computers | 14.03 | 9.96 |
| Pump sets | - | 0.11 |
| Electrification | 4.21 | 3.43 |
| Office Equipment | 6.97 | 3.37 |
| Refrigerators, Acs and Air Coolers | 0.72 | 2.49 |
| Vehicles | 4.89 | 2.83 |
| Furniture and Fixtures | 0.15 | 1.21 |
| Others | 0.02 | 1.93 |
| Electric Equipment | 0.02 | 0.06 |
| **Sub Total** | **31.01** | **25.39** |



Industrial Infrastructure Corpn. Ltd. * T.S. HYD.

**(b) Administration & General expenses**

| | | |
|---|---|---|
| Travelling Expenses | 60.70 | 43.25 |
| Rent | 112.86 | 103.55 |
| Rates and taxes | 16.03 | 94.68 |
| Vehicle maintenance | 257.15 | 273.14 |
| Electricity charges | 41.82 | 41.16 |
| Water charges | 383.94 | 379.62 |
| Repairs and maintenance - Estates | 82.91 | - |
| Insurance | 57.13 | 52.88 |
| Other expenses | 520.89 | 248.16 |
| Corporate Social Responsibility | 389.31 | - |
| Professional & Retainer Charges | 1,457.57 | 1,029.18 |
| Legal Charges | 734.65 | 212.32 |
| Provision for Bad Debts | - | - |
| Security Services | 1,100.50 | 1,102.70 |
| Rebate on Land Cost | - | - |
| Business Promotion & Advertisement | 304.47 | 111.83 |
| **Sub Total** | **5,519.93** | **3,692.47** |

## (c) Administration charges on Deposit works

| | | |
|---|---|---|
| Administration charges on Deposit Works | - | - |
| **Sub Total** | **0.00** | **0.00** |

## (d) Expenditure on ERP

| | | |
|---|---|---|
| ERP Expenditure | 75.35 | 29.51 |
| | **75.35** | **29.51** |

| | | |
|---|---|---|
| **Total Other Expenses(a+b+c+d)** | **5,626.29** | **3,747.37** |

**Note 31**

**DETAILS SHOWING AUDITORS REMUNERATION**

| | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| Statutory Audit Fees | 12.00 | 12.00 |
| | **12.00** | **12.00** |

**NOTE 32**

**CONTINGENT LIABILITIES**

A total amount of Rs. 13.36 Lakhs demanded by the Income Tax Department till F.Y 2025-26 towards Tax Deducted at source(TDS) accordingly disclosure is made.

| | 2025-26 | 2024-25 |
|---|---|---|
| LAND ACQUISITION & ALLOTMENT: | | |
| Claims made by pattadars but being contested in lower Courts | 1,600.00 | 1,600.00 |
| Claims decreed by lower courts, but being contested in higher Courts | 61,732.00 | 21,339.00 |
| Other Legal Cases | 507.00 | 450.00 |
| Legal Expenses including Advocate Fees | 700.00 | 450.00 |
| | **64,539.00** | **23,839.00** |

**Contingent Liabilities:**

**Legal Cases relating to Kancha Gachibowli Land**

Three Public Interest Litigations(PIL) Writ petitions are pending before the Hon'ble Court concerning the alienation of approximately 400 acres of land in survey No .25, Kancha Gachibowli village, serilingampally Mandal ,Ranga Reddy District,in favour of TSIIC for development of an IT / Mixed Use Project.
The petitioners have challenged the legality of Land alienation under G.O.Ms No 54 dated 26.06.2024 and the related development process, alleging violations of forest conservation laws,and have sought cancellation of the government order, restraint on development activities and protection/restoration of alleged forest land. The matters are pending adjudication. The financial implications, if any, are presently unascertainable.

The petitioners have challenged the legality of Land alienation under G.O.Ms No 54 dated 26.06.2024 and the related development process, alleging violations of forest conservation laws, and have sought cancellation of the government order, restraint on development activities and protection/restoration of alleged forest land.The matters are pending adjudication.The financial implications, if any, are presently unascertainable .

**33 Employee benefit obligations**

The Company has two post employment benefit plans for its eligible employees, namely gratuity and Leave Encashment.

**a) Defined benefit plan**

i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age., carried out by an independent actuary. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional units of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain/iosses are immediately taken to other comprehensive income and are not deferred.
ii) Compensated absences, a defined benefit plan, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary.

**b) Defined Contribution plan**

The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Company does not have any obligation other than the contribution made.

**c) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:**

| Actuarial study analysis | Gratuity | |
|---|---|---|
| | Year ended 31 March 2026 | Year ended 31 March 2025 |
| **Principal actuarial assumptions** | | |
| Salary Growth Rate | 6.0% | 6.0% |
| Discount Rate | 7.29% | 6.79% |
| Withdrawal/ Attrition Rate | 0.0% | 0.0% |
| Mortality Rate(IALM 2012-14 Ult.) | 100.0% | 100.0% |
| Disability Rate | 0.0% | 0.0% |
| Retirement Age | 61 years | 61 years |
| Average Future Service | 12.52 | 12.98 |
| **1. Change in Defined Benefit Obligation (DBO)** | | |
| **Present value of DBO at start of the period** | 72,675,178 | 80,058,576 |
| *Service Cost* | | |
| a. Current Service Cost | 389,044 | 456,287 |
| b. Past Service Cost | | |
| c. Actuarial Loss/(Gain) from changes in financial assumptions | (2,865,123) | 2,618,929 |
| d. Actuarial Loss/(Gain) from experience over the past period | (682,160) | (2,240,088) |
| Interest Cost | 4,729,416 | 5,299,556 |
| Benefits Paid | (6,045,017) | (13,518,082) |
| **Present value of DBO at end of the period** | **68,201,338** | **72,675,178** |
| **2. Reconciliation of Fair value of Assets** | | |
| Fair value of assets at the beginning | **14,455,634** | **12,961,255** |
| Interest Income | 992,265 | 951,296 |
| Employer contribution | 315,971 | 392,729 |
| Return on asset | 106,460 | 32,550 |
| Other (Employee Contribution, Taxes, Expenses)/Adjustment to Opening Balance | - | 117,804 |
| Fair value of assets at the end | **15,870,330** | **14,455,634** |
| **3. Expenses recognised in the profit and loss account** | | |
| Service Cost | | |
| a. Current Service Cost | 389,044 | 456,287 |
| b. Past Service Cost | - | - |
| Net Interest on net defined benefit liability/ (asset) | 3,737,151 | 4,348,260 |
| **Employer Expenses** | **4,126,195** | **4,804,547** |
| **4. Net Liability/ (Asset) recognised in the balance sheet** | | |
| Closing balance of DBO | 68,201,338 | 72,675,178 |
| Closing balance of Asset | 15,870,330 | 14,455,634 |
| **Funded status** | 52,331,008 | 58,219,544 |
| **Of which, short term liability** | | |
| Experience adjustment on plan liabilities: (gain)/loss | (682,160) | (2,240,088) |
| **5: Movement in other comprehensive income** | | |
| **Balance at start of year (loss)/ gain** | - | - |
| *Re-measurements on DBO* | | |
| *a. Return on plan assets* | (106,460) | (32,550) |
| b. Actuarial (loss)/gain from changes in financial assumptions | (2,865,123) | 2,618,929 |
| c. Actuarial (loss)/gain from experience over the past period | (682,160) | (2,240,088) |
| **Balance at end of year gain** | **(3,653,743)** | **346,291** |

**Sensitivity analysis of significant assumptions**

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

| PARTICULARS | 31-03-2026 | | 31-03-2025 | |
|---|---|---|---|---|
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Salary growth rate | 68,601,585 | 67,747,667 | 73,166,537 | 72,208,755 |
| Discount rate | 62,994,391 | 74,125,526 | 66,939,112 | 79,248,116 |
| Withdrawal rate | 71,329,044 | 68,201,338 | 75,977,482 | 72,675,178 |

During 1975 APIIC Ltd. has taken up Group Gratuity Life Assurance (GGLA) scheme from LIC of India for the regular employees towards meeting the Gratuity payment vide Master Policy No. 39082. Post bifurcation of the State, Telangana State Industrial Infrastructure Corporation Ltd. has taken up a new policy in favour of newly joined employee in the year 2015 vide Policy No. 504002557 and accordingly TSIIC Ltd. regular employees have been transferred to this Policy.

Vide mail Dt. 02.08.206 LIC of India requested to transfer TSIIC Ltd. share from the GGLA fund value of Rs. 11,84,56,857/- as on 02.08.2016 to TSIIC Ltd new gratuity policy. TSIIC Ltd. requested APIIC Ltd. to transfer the proportionate fund value as many TSIIC Ltd. employees retired / expired. TSIIC Ltd. is paying the gratuity amounts from its own funds as the same are not being received from LIC Ltd. The amounts paid by TSIIC Ltd. is Rs. 4,45,33,520/-

Further the premium amount of Rs. 1,04,97,295/-was also paid by TSIIC Ltd. for keeping the policy alive.
An amount of Rs. 4,45,33,520/- is actually due from APIIC Ltd / LIC India Ltd as per the vide letter dated: 10-08-2022.

| Particulars | Leave encashment | |
|---|---|---|
| | Year ended 31 March 2026 | Year ended 31 March 2025 |
| **Principal actuarial assumptions** | | |
| Salary growth rate | 6.00% | 6.00% |
| Discount rate | 7.29% | 6.79% |
| Withdrawal/ attrition rate: | 0.0% | 0.0% |
| Mortality rate(IALM 2012-14 Ult.) | 100.0% | 100.0% |
| No of employees | 74 | 77 |
| Average Past Service | 20.49 | 20.01 |
| Average Age | 48.48 | 48.02 |
| Accumulated Earned Leave | 17,368 | 17,902 |
| **1. Reconciliation of Defined Benefit Obligation (DBO)** | | |
| **Present value of DBO at start of the period** | 130,607,727 | 133,985,528 |
| *Service Cost* | | |
| a. Current Service Cost | 4,501,295 | 4,332,779 |
| b. Past Service Cost | - | - |
| c. Actuarial Loss/(Gain) from changes in financial assumptions | (3,012,288) | 2,600,039 |
| d. Actuarial Loss/(Gain) from experience over the past period | 1,874,880 | (4,056,841) |
| Interest Cost | 8,406,148 | 9,130,994 |
| Benefits Paid | - | - |
| Benefit Payments from Employer | (13,611,694) | (15,384,772) |
| **Present value of DBO at end of the period** | **128,766,068** | **130,607,727** |
| **2. Expenses recognised in the profit and loss account** | | |
| Service Cost | | |
| a. Current Service Cost | 4,501,295 | 4,332,779 |
| b. Past Service Cost | - | - |
| Net Interest on net defined benefit liability/ (asset) | 8,406,148 | 9,130,994 |
| **Employer Expenses** | **12,907,443** | **13,463,773** |
| **3. Net Liability/ (Asset) recognised in the balance sheet** | | |
| Closing balance of DBO | 128,766,068 | 130,607,727 |
| **Closing balance of Asset** | - | - |
| **Funded status** | 128,766,068 | 130,607,727 |
| Experience adjustment on plan liabilities: (gain)/loss | 1,874,880 | (4,056,841) |
| **4: Movement in other comprehensive income** | | |
| **Balance at start of year (loss)/ gain** | - | - |
| *Re-measurements on DBO* | | |
| *a. Return on plan assets* | - | - |
| b. Actuarial (loss)/gain from changes in financial assumptions | (3,012,288) | 2,600,039 |
| c. Actuarial (loss)/gain from experience over the past period | 1,874,880 | (4,056,841) |
| **Balance at end of year gain** | **(1,137,408)** | **(1,456,802)** |

**Sensitivity analysis of significant assumptions**

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

| PARTICULARS | 31-03-2026 | | 31-03-2025 | |
|---|---|---|---|---|
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Salary Growth rate | 135,690,149 | 122,333,584 | 137,681,967 | 124,053,818 |
| Discount rate | 123,136,273 | 134,933,193 | 124,849,291 | 136,938,298 |
| Attrition rate | 129,099,200 | 128,766,068 | 130,819,336 | 130,607,727 |

NOTE: 34

1) **Financial risk management objective and policies**

The Company's principal financial liabilities comprise trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, security deposits, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The company's risk management policies are established to identify and analyze the risk faced by the company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group's activities. The company through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which all employee understand their roles and obligations.

**A. Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from company's receivables from customers and loans.

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables. The carrying amount of financial assets represents maximum credit risk exposure.

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base.

The management has established a system under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables based on factual information as on the Balance sheet date.

2) **Financial risk management objective and policies (continued)**

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at bank and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| PARTICULARS | As at 31 March 2026 | As at 31 March 2025 |
|---|---|---|
| Trade and other receivables | 5,095.05 | 4,863.04 |
| Cash and cash equivalents | 328,418.24 | 192,056.44 |
| **TOTAL** | **333,513.29** | **196,919.48** |

| **Impairment losses** | **As at 31 March 2026** | **As at 31 March 2025** |
|---|---|---|
| **Trade and other receivables** | | |
| Opening balance | 2,158.40 | 1,930.77 |
| Provided during the year | 362.76 | 227.63 |
| Written off during the year | - | - |
| Closing balance | **2,521.16** | **2,158.40** |

No significant changes in estimation techniques or assumptions were made during the reporting period

**B. Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

**3) Capital management**

**Risk Management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future developments of the business. The Company is focused on maintaining a strong equity base to ensure independence, security as well as financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company.

The Company's debt to equity ratio at the reporting date are as follows:

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|---|---|
| **Total Equity** | **37,200.49** | **77,181.62** |
| **As a percentage of total capital** | **3.33%** | **6.54%** |
| | | |
| Long-term borrowings including current maturities | 1,080,283 | 1,102,469 |
| **Total Borrowings** | **1,080,283** | **1,102,469** |
| **As a percentage of total capital** | **96.67%** | **93.46%** |
| | | |
| **Total capital (Equity and Borrowings)** | **1,117,484** | **1,179,651** |

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**Notes to the Standalone Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**

**NOTE: 35**

**Financial instruments**

a) The amortised cost and fair value of financial instruments by categories

| Particulars | Note | As at 31 March 2026 | | As at 31 March 2025 | |
|---|---|---|---|---|---|
| | | Carrying Values | Fair Value | Carrying Values | Fair Value |
| **Financial assets Measured at amortised cost** | | | | | |
| Investments | 3 | 15,905.18 | 15,905.18 | 15,905.18 | 15,905.18 |
| **Total** | | **15,905.18** | **15,905.18** | **15,905.18** | **15,905.18** |
| | | | | | |
| **Financial assets Measured at fair value through other comprehensive income** | | | | | |
| Investments | 3 | 41,344.70 | 74,214.90 | 11,292.94 | 28,928.74 |
| **Total** | | **41,344.70** | **74,214.90** | **11,292.94** | **28,928.74** |
| | | | | | |
| **Financial liabilities measured at Amortized Cost** | | | | | |
| LOAN FROM HUDCO | | - | - | - | - |
| LOAN FROM IALA | | 15,000.00 | 6.05 | 15,000.00 | 5.48 |
| DEFERRED REVENUE IALA LOAN | | - | 13,164.88 | - | 13,331.52 |
| 9.35% NON CONVERTIBLE,LISTED AND SECURED DEBENTURES | | 999,983.74 | 985,668.84 | 999,983.74 | 983,452.05 |
| LOAN FROM SBI | | - | - | 27,589.41 | 27,170.96 |
| **Total** | | **1,014,983.74** | **998,839.77** | **1,042,573.15** | **1,023,960.01** |
| | | | | | |

1)The Company has not disclosed the fair value of cash and bank balances , loans, other financial assets, trade payables and other financial liabilities because their carrying amounts are reasonable approximation of its fair value.

2)All The Above items have been Fair Valued using Level III inputs.

T.S. Industrial Infrastructure Corpn. Ltd. HYD.

**NOTE: 35.1**

**DISCLOSURE OF FINANCIAL RATIOS**

| RATIO | NUMERATOR | DENOMINATOR | CURRENT PERIOD | | | PREVIOUS PERIOD | | | VARIANCE G=(C-F)/C | Reasons for variance of above 25% |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Numerator (A) | Denominator (B) | Ratio (C=A/B) | Numerator (D) | Denominator (E) | Ratio (F=D/E) | | |
| Current ratio | Current Assets | Current Liabilities | 2,379,141 | 766,367 | 3.10 | 2,335,922 | 620,730 | 3.76 | -21.22% | Variance is primarily on account of the increase in the bank and cash balances |
| Debt-equity ratio | Debt | Shareholder's Equity | 1,080,283 | 37,200 | 29.04 | 1,102,469 | 77,182 | 14.28 | 50.81% | Variance is primarily on account of the Debt increase because of Bonds issue. |
| Debt service coverage ratio | Earnings available for debt service | Debt Service | 44,432 | 126,474 | 0.35 | 26,080 | 31,523 | 0.83 | -135.50% | Variance is primarily on account of decrease in the profits and increase in finance cost |
| Return on equity ratio | Net Profits after taxes | Average Shareholder's Equity | -55,269 | 57,191 | -0.97 | -5,557 | 77,718 | -0.07 | 92.60% | Variance is primarily on account of decrease in the profits. |
| Inventory turnover ratio | Cost of goods sold | Average Inventory | 522,702 | 2,312,641 | 0.23 | 38,378 | 1,404,977 | 0.03 | 87.91% | Variance is primarily on account of increase in land which is considered as inventory |
| Trade receivables turnover ratio | Net Sales | Average Accounts Receivable | 552,028 | 2,587 | 213.39 | 55,371 | 2,527 | 21.91 | 89.73% | Variance is primarily on account of increase in revenue from operations |
| Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | NA | NA | NA | NA | NA | NA | NA | NA |
| Net capital turnover ratio | Net Sales | Working Capital | 552,028 | 1,612,774 | 0.34 | 55,371 | 1,715,192 | 0.03 | 90.57% | Variance is primarily on account of the increase in the bank and cash balances |
| Net profit ratio | Net Profit | Net Sales | -55,269 | 552,028 | -0.10 | -5,557 | 55,371 | -0.10 | -0.24% | |
| Return on capital employed | Earning before interest and taxes | Capital Employed | 44,207 | 37,200 | 1.19 | 25,966 | 77,182 | 0.34 | 71.69% | Variance is primarily on account of decrease in the profits and increase in finance cost |
| Return on Investment ratio | Earnings before interest and investee | Average invested funds | 13,352 | 67,477 | 0.20 | 13,590 | 43,410 | 0.31 | -58.21% | Variance is primarily on account of increase in the investments |

NOTE: 36

**Earnings per share (EPS)**

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to Equity holders of the company by the weighted Average number of Equity Shares outstanding during the year.

| **i. Profit/(loss) attributable to equity holders of the company** | **Year ended 31 March 2026** | **Year ended 31 March 2025** |
|---|---|---|
| Profit/(loss) attributable to equity holders of the Company | -55,269.11 | -5,557.07 |
| **Profit/(loss) attributable to equity holders of the Company for basic earnings** | **-55,269.11** | **-5,557.07** |
| | | |
| **ii. Weighted average number of ordinary shares (IN NUMBERS)** | **Year ended 31 March 2026** | **Year ended 31 March 2025** |
| Opening balance of issued shares | 100 | 100 |
| Effect of fresh issue of shares during the year/ Share Suspense | 68,053 | 68,053 |
| **Weighted average number of equity shares of Rs 1000 each outstanding during the year** | | |
| **iii. Basic and diluted earnings per share ( IN Rupees)** | **Year ended 31 March 2026** | **Year ended 31 March 2025** |
| Basic Earnings per share | -55,269,110.00 | -5,557,070.00 |
| Diluted Earnings per share | -81,095.64 | -8,153.82 |

**37** Under Ind AS, the Group has measured investments at fair value. Changes in Fair value is routed through OCI.

**38 Segment Reporting:**
There are no operating segments.

**39 Earnings and Expenditure in Foreign Currency:**
Foreign Exchange earnings and expenditure is NIL

**40** The Company has reclassified & recasted previous year figures to confirm to this year's classification.

**41 INDUSTRIAL AREA LOCAL AUTHORITY:**
The Government of Telangana has entrusted certain Local Authority powers to the Company like collection of Property Tax, maintenance of Common facilities in respect of certain Industrial Parks and Industrial Development Areas. The local authority powers are vested with TSIIC Ltd. Industrial Area Local Authority (IALA) for each industrial area and the income and expenditure in this regard is being accounted for in the books of accounts maintained by the respective IALAs and hence not accounted for in the accounts of

**42 Other Notes**
Pashamylaram Common Infrastructure Private Limited is a project approved under MIIUS scheme of Government of India and an SPV formed with 45 members as stake holders (Entrepreneurs), Pashamylaram Industrial Park to setup a Common Effluent Treatment Plant (CEPT) (ZLD System) with an investment of Rs.25 Crores for which TSIIC Limited has been appointed as State Implementing Agency. TSIIC Limited has allocated 5 acres of land and submitted Detailed Project Report (DPR) for Financial Assistance under Modified Industrial Infrastructure Up-gradation Scheme (MIIUS) to the Central Government.
As per the Final approval communicated by the Ministry of Commerce and Industries, Government of India, an amount of Rs.23.56 crores was granted. During the year 2016-17 an amount of Rs.7,06,80,000/- was received from the Central Government.
Pending reimbursement from Government of Telangana State Share, TSIIC has contributed Rs.7.81 crores during the financial year 2016-17. The beneficiaries i.e Pashamylaram Common Infrastructure Private Limited contributed Rs.20 lakhs towards their share during the Financial Year 2016-17. The status quo is maintained during the F.Y. 2019-20.

**43** TSIIC has taken up e-auction of land as per the Telangana State Government instructions through MSTC Ltd.
Through open auction at Kokapet an amount of Rs. 729.04 crores was deposited by the agencies with MSTC and an amount of Rs.14.6 crores was paid to TSIIC after deducting their service charges of Rs. 44,25,000 ( i.e 2% of sale proceeds) towards reimbursement of the expenditure incurred towards taking up minimal development expenditure of the sites ( as per Go MS no:13, dt: 10.06.2021).
As per the records of TSIIC, the expenditure incurred was more than Rs. 14.6 crores in the later financial years F.Y 2022-23.

**44 Note on Departure from Ind AS 116**

1) The Company has departed from the compliance of Ind AS 116.
2)As per the standard where company is a lessee it is required to segregate the leases into operating and finance leases at their commencement. For finance leases the company is required to disclose the present value of all future payments as lease liability and recognize a corresponding right of use asset which will be depreciated over the period of lease. Where the company is a lessor the company is required to recognize the net investment in lease and account for the interest income on lease rentals. For operating leases lease rentals are to be recognized on straight line basis or another systematic basis if such other basis is more appropriate.
3) The company is unable to comply with the standard due to the reasons mentioned below:

**Where Company is a Lessee**
As the Company has not renewed the agreements for assets taken on lease, the terms which are required for determining the lease liability and right of use asset are not available. Due to the deficiency in information the standard couldn't be complied in this respect.

**Where Company is a Lessor**
The Company is into the business of infrastructure development and is promoted by Government of Telangana. It has given various lands under its inventory on lease cum sale basis and at value less than fair market value if the customers comply with the parameters as prescribed by the state government and approved by the Board of Directors. The value of the inventory is not mapped by the Company between the book value and physical availability. As the value of the inventory is not available and sale of land at value less than fair market value if the prescribed parameters are complied, the company is unable to calculate the net investment in lease and the standard couldn't be complied in this respect.

4) The lease rentals, both income and expense, are charged to profit and loss account as and when incurred or received for both operating and finance leases. The financial effect of the departure from the standard couldn't be quantified due to the voluminous nature of transactions.
5) Except for the financial effect of non-compliance of the standard mentioned above, the management has concluded that the financial statements true and fair view of the entity's financial position, financial performance and cash flows.

**45 CSR DISCLOSURE:** For the F.Y.25-26 the average net profit(last three years) is Rs.5616.07 Lakhs and CSR amount to be spent as Rs.112.32 Lakhs (based on audited financial statements of last three years) which is spent in current year along with Cumulative CSR balance from earlier years amounting to Rs.389.31 lakhs in the F.Y 2025-26. Unpsent cumulative balance of CSR as at 31.03.2026 amount to Rs.626.34 Lakhs (based on signed financials).

## 46 Disclosure of Related Parties

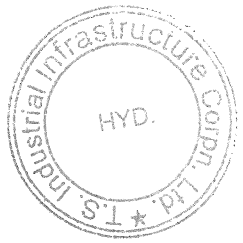
**SUBSIDIRY COMPANIES**
M/s.Ecity manufacturing cluster Ltd
M/s.Maheswaram Science Park Ltd
M/s.Fab City SPV (India) P Ltd
M/s.Zaheerabad NIMZ Ltd
M/s. Hyderabad Pharma City Ltd
Step Subsidary-HPC LIFE SCIENCES UNIVERSITY FOUNDATION-INCORPORATED ON
M/s. Telangana Life Sciences Infrastructure Development Ltd
M/s. Bio Tech Hub
M/s. CETP-KMTP Warangal Ltd
M/s. NICDIT Zaheerabad Industrial Smart City Limited

**ASSOCIATE COMPANIES**
M/s.Cyberabad Convention Center (P) Ltd
M/s.Boulder Hills Leisure (P) Ltd
M/s.Emmar Hills Township (P) Ltd.

**JOINT VENTURE COMPANIES**
M/s.K Raheja IT Park Ltd
M/s.Intime Properties Pvt. Ltd.
M/s.Sundew Properties Pvt. Ltd.,
M/s.CBD Tower (P) Ltd
M/s. Ace Urban Infocity Limited

**OTHER INVESTMENT COMPANIES**
M/s.Patancheru Envirotech Ltd
M/s.Hyderabad Information Technology Venture Enterprises Ltd
M/s.Cyberabad Trustee Company (P) Ltd
M/s. Hyderabad Pharma Infrastructure & Technologies Ltd
M/s.Cyberabad Trustee Company (P) Ltd (HIVE FUND)- Trust

**DIRECTORS**
Sri. K Shashanka, IAS - VC&MD
Jayesh Ranjan, IAS
D. Ronald Rose, IAS
Neetu Kumari Prasad, IAS
S.Krishna Aditya, IAS



Sunil Sharma
E.Vishnu Vardhan Reddy
K.Haritha
Jyothi Buddha Prakash
D.Krishna Bhasker, IAS
Navin Mittal, IAS

**KEY MANAGERIAL PERSONS**

Smt.T.Nirmala Jaggareddy, Chairperson
Sri. K Shashanka, IAS - VC&MD
Dr. E. Vishnu vardhan Reddy, IFS - VC&MD
Smt. Dola Chatterjee - Company Secretary

## 47 Transactions with Subsidiaries/ Associate/ Joint Venture/ Other Companies

| S.No | Name of the Company | Balance as at 31.03.2026 | Balance as at 31.03.2025 |
|---|---|---|---|
| 1 | Fab City SPV (India) Pvt Ltd | **401,974,851** | **296,644,882** |
| 2 | Ecity Manufacturing Cluster Limited | **1,294,072,992** | **1,214,246,348** |
| 3 | Maheshwaram Science Park Limited | **328,403,163** | **29,347,029** |
| 4 | Zaheerabad NIMZ Limited | **74,592,604** | **70,092,194** |
| 5 | Hyderabad Pharma city Limited | **358,188,452** | **70,081,453** |
| 6 | Telangana Life Sciences Infrastructure Development Limited | **406,174** | **391,174** |
| 7 | Bio Tech Hub | **105,212** | **91,612** |
| 8 | CETP-KMTP Warangal Ltd | **255,309,864** | **249,276,418** |
| 9 | NICDIT ZAHEERABAD INDUSTRIAL SMART CITY LIMITED | - | - |

| **Relationship/Name/Nature of Transaction** | **IN R.S** | **IN R.S** |
|---|---|---|
| **Subsidiary Companies** | **During 2025-26** | **During 2024-25** |
| **(i) Fab City SPV (India) Private Limited** | | |
| (a) Payment of ROC Filing fee and other Professional Charges | 20,000 | 8,000 |
| (b) Payment of Audit Fee | 147,500 | 442,500 |
| (c) Payment of Income Tax payable | 1,697,469 | 699,130 |
| (d) Payment of customs duty to VSEZ | - | |
| (e) Payment of Advertisement | - | |
| (f) Transfer of Lease Premium | **130,040,000** | |
| (g) Dismantled sale proceeds | **-26,575,000** | |
| **Total** | **105,329,969** | **1,149,630** |
| **(ii) Maheshwaram Science Park Limited** | | |
| (a) Payment of Travelling charges | - | |
| (b) Payment of Professional Charges | 825,212 | |
| (c) Payment of ROC Filling Fee | 12,000 | |
| (d) Payment of Bank Charges | - | |
| (e) Payment of Conveyance Charges | - | |
| (f) Payment of Professional and Retainer Charges | 3,966,274 | |
| (g) Payment of Audit Fee | 137,600 | 86,400.00 |
| (h) Payment of Other Filing fee | 6,300 | 8,586.00 |
| (i) Payment of GST | 11,446 | 19,968.00 |

| | | |
|---|---|---|
| (j) Payment of TDS | 5,633,345 | 8,000.00 |
| (k) Payment of Civil Work | 283,253,918 | |
| (k) Payment of EMD & FSD | 4,301,489 | |
| (l) Payment of DMF | 75,569 | |
| (m) Payment of SMET | 4,628 | |
| (n) Payment of NAC | 16,837 | |
| (o) Payment of Labour cess | 168,383 | |
| (p) Payment of Seignorage Charges | 643,133 | |
| **Total** | **299,056,134** | **122,954** |
| | | |
| **(iii) Ecity Manufacturing Cluster Limited** | | |
| (a) Payment of TDS return and ROC filing fee & Other Filing fee | 21,950 | 6,825.00 |
| (b) Payment of Professional and Retainer Charges | | |
| (c) Payment of Professional Charges | | |
| (d) Payment for Bank Cnarges | | |
| (e) Payment of Conveyance Charges | | |
| (f) Payment of GST TDS & Income Tax TDS Payable | 702,118 | 4,367,264.00 |
| (g) Payment of Rates & Taxes | | |
| (h) Amount Transferred to subsidiary | 114,871,583 | 99,883,634.00 |
| (i) Amount Received from subsidiary | -36,869,007 | -8,518,033.00 |
| (j) Payment of Civil Works in Progress | 1,100,000 | |
| **Total** | **79,826,644** | **95,739,690** |
| **(iv) Zaheerabad NIMZ Limited** | | - |
| (a) Payment of TDS payable | | 1,350 |
| (b) Payment ROC Filing Fee & Other Filing fee | 21,500 | |
| (c) Payment of Salaries | | |
| (d) Payment of Civil Works in Progress | | |
| (e) Payment of Audit Fee | | 94,400 |
| (f) Payment of Travelling Charges | | |
| (g) Payment of Advertising expenditure | | |
| (h) Payment of Rates & Taxes | | |
| (i) Payment of Professional and Retainer Charges | 6,413,880 | 5,864,600 |
| (j) Payment of BG Comission | | 24,158 |
| (j) Payment of License fee | | 320,008 |
| (k) Amount Transferred to subsidiary | | |
| **Total** | **6,435,380** | **6,304,516** |
| **(v)Hyderabad Pharma City Limited** | | |
| (a) Payment of Travelling Expenses | | |
| (b) Payment of Professional and Retainer Charges | 536,400 | |
| (c) Payment of filling Fee | 23,900 | |
| (d) Salaries | | |
| (e) Amount received from subsidiary | | |
| (f) Payment for Conveyance Charges | | |
| (g) Payment of TDS | 522,050 | |
| (h) Outstanding Expenses | | |
| (i) Payment of processing fee | | |
| (j) Payment of Advertisement and Publication Charges | | |



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| | | |
|---|---|---|
| (k) Telephone Bill | | |
| (l) Payment of Hire Vehicle Charges | | |
| (m)Payment of GST TDS | 102,011 | |
| (n) Payment for Bank Charges | | |
| (o) Payment of Bussiness Promotion & Meeting Expenses | | |
| (p) Payment for Fixed Assets | | |
| (q)Payemnt for Printing and Stationery | | |
| (r) Payment for Fuel charges | | |
| (t) Payment of Self Assessment tax | | |
| Telephone & internet | | |
| Electricity | | |
| payment towards advisory consultant charges | 21,080,411 | |
| payment of rental advance | | |
| Difference in opening balance (purchase of computers) | | |
| Payment of Audit Fee | 129,600 | |
| Payment of Civil Works in Progress | | |
| Payment of Rates & Taxes | | |
| Receipt of Project Deveplopment | | |
| Prior Preriod Items | 265,712,627 | |
| Amount Transferred to subsidiary | | 500,000.00 |
| **Total** | **288,106,999** | **500,000** |
| **(vi) Telangana Life Sciences Infrastructure Development Limited** | | |
| (a) Payment of filling Fee | 16,850 | **4,650.00** |
| (b) Payment of Advertisement and Publication Charges | | - |
| (C) Payment to Consultancy services | | - |
| (d) Payment of Audit Fee | | **44,000** |
| (e) Payment of Conveyance | | - |
| (e) Payment of Business Promotions | **-275,639** | |
| **Total** | **-258,789** | **48,650** |
| **(vii) Bio-Tech Hub Limited** | | |
| Payment of filling Fee | 10,000 | **4,000** |
| Payment of Audit Fee | **3,600** | **43,600** |
| **Total** | **13,600** | **47,600** |
| | | |
| **(viii) M/S. CETP-KMTP Warangal Limited** | | |
| Payment of filling Fee | 11,850 | 8,650.00 |
| Payment received from Subsidiary | -336,000 | |
| Funds transfer | | |
| Payment to Professional fee | 180,665 | |
| Payment of Income tax | 5,840,931 | |
| Payment of GST TDS & Income Tax TDS | 336,000 | |
| **Total** | **6,033,446** | **8,650** |
| | | |
| **(vii) NICDIT ZAHEERABAD INDUSTRIAL SMART CITY LIMITED** | | |
| Sale of land | 3,005,124,650 | - |
| **Total** | **3,005,124,650** | - |

**47.1 Dividend from Investment Companies**

| S.No | Name of the Company | Amount ( In R.s) |
|---|---|---|
| 1 | M/s.K Raheja IT Park Ltd | 58,960,000 |
| 2 | M/s.Intime Properties Pvt. Ltd | 143,990,000 |
| 3 | M/s.Sundew Properties Pvt. Ltd | 282,260,000 |
| 4 | M/s.Bhagyanagar Gas limited | 572,000 |

**47.2** There are no transactions with the companies other than those disclosed above.

**Sitting fees paid to Directors**

| Sl.no | Name of the Director | Designation | Amount ( In R.s) |
|---|---|---|---|
| **50th Board of Directors Meeting held on dt:29/05/2025** | | | |
| 1 | Smt.T.Nirmala Jaggareddy | Chairperson, TSIIC Ltd | 5,000 |
| 2 | Sri.Navin Mittal, IAS | Principal Secretary to Govt. Revenue Department Govt. of Telangana | 5,000 |
| 3 | Dr.E.Vishnu Vardhan Reddy, IFS | Vice-Chairman & Managing Director, TSIIC Ltd | 5,000 |
| 4 | Sri.G.Ravi, IAS | Member Secretary, TG – PCB, Hyderabad | 5,000 |
| 5 | Dr.G.Malsur | Director of Industries, Govt. Of Telangana | 5,000 |
| **51st Board of Directors Meeting held on dt:12/08/2025** | | | **Amount ( In R.s)** |
| 1 | Smt.Nirmala Reddy | Chairperson, TSIIC Ltd | 5,000 |
| 2 | Sri.Lokesh Kumar D.S., IAS | Secretary to Govt. Revenue Department Govt. of Telangana | 5,000 |
| 3 | Sri.K.Shashanka, IAS | Vice-Chairman & Managing Director, TSIIC Ltd | 5,000 |
| 4 | Sri.G.Ravi, IAS | Member Secretary, TG – PCB, Hyderabad | 5,000 |
| 5 | Sri.J.Nikhil Chakravarthi, IA&AS | Director of Industries, Govt. of Telangana | 5,000 |
| **52nd Board of Directors Meeting held on dt:11/11/2025** | | | **Amount ( In R.s)** |
| 1 | Smt.Nirmala Reddy | Chairperson, TSIIC Ltd | 5,000 |
| 2 | Sri.Lokesh Kumar D.S., IAS | Secretary to Govt. Revenue Department Govt. of Telangana | 5,000 |
| 3 | Sri.K.Shashanka, IAS | Vice-Chairman & Managing Director, TSIIC Ltd | 5,000 |
| 4 | Sri.G.Ravi, IAS | Member Secretary, TG – PCB, Hyderabad | 5,000 |
| 5 | Sri.J.Nikhil Chakravarthi, IA&AS | Director of Industries, Govt. of Telangana | 5,000 |

| 53rd Board of Directors Meeting held on 13/02/2026 | | | Amount ( In R.s) |
|---|---|---|---|
| 1 | Smt.Nirmala Reddy | Chairperson, TSIIC Ltd | 5,000 |
| 2 | Sri. Sanjay Kumar, IAS | Special Chief Secretary to Govt. (I&C) Department Govt. of Telangana | 5,000 |
| 3 | Sri. Lokesh Kumar D.S., IAS | Secretary to Govt. Revenue Department Govt. of Telangana | 5,000 |
| 4 | Sri. K.Shashanka, IAS | Vice-Chairman & Managing Director, TSIIC Ltd | 5,000 |
| 5 | Sri. G.Ravi, IAS | Member Secretary, TG – PCB, Hyderabad | 5,000 |
| 6 | Sri.J. Nikhil Chakravarthi, IA&AS | Director of Industries, Govt. of Telangana | 5,000 |

**47.3**

**Remuneration to Key Managerial Persons**

| Sl. No | Name of the KPM | Amount(Rs.) |
|---|---|---|
| 1 | Smt.T.Nirmala Jaggareddy | Rs. 23,40,000.00 |
| 2 | Dr.E.Vishnu Vardhan Reddy, IFS | Not Drawing salary from TSIIC |
| 3 | Sri. K.Shashanka, IAS | Not Drawing salary from TSIIC |
| 3 | Smt. Dola Chatterjee | Rs. 23,91,775.00 |

**48** The Company has not been declared a wilful defaulter by any bank, financial institution, other lender or government authority during the year or up to the date of approval of the financial statements.

**49** The Company has not entered into any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956, during the year.

**50** All amounts presented are in ₹ Lakhs unless otherwise stated and have been rounded off to nearest two decimals.

**51** The financials are prepared on a going concern basis and corporation has no intention to liquidate the entity or cease trading or has no realistic alternative to do so.

**As per our report dated**
**For Manohar & Venkata**
**Chartered Accountants**
**(FRN: 0009672S)**

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 0009672S HYDERABAD

**M.L.Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Place: Hyderabad**

J. Nikhil Chakravarthi
Director
DIN: 11128119

**For And On Behalf Of The Board**

**K.Ramu**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

T.S. Industrial Infrastructure Corpn. Ltd. ★ HYD.

Manohar & Venkata
Chartered Accountants

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# Independent Auditor's Report

To
The Members of
**Telangana State Industrial Infrastructure Corporation Limited**

## Report on the Audit of the Standalone Ind AS Financial Statements

### Adverse Opinion

We have audited the accompanying standalone financial statements of **M/s Telangana State Industrial Infrastructure Corporation Limited** (herein after referred as "the company" or "TSIIC"), which comprise the balance sheet as at 31st March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph of our report, the aforesaid financial statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and do not give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit and other comprehensive income, its cash flows and the changes in
equity for the year ended on that date.

### Basis for Adverse Opinion:

1. **Other noncurrent assets - Demerger & Reorganization Adjustment of Rs. 63,811.16 lakhs**

   Attention is invited to Note no. 8 in the standalone financial statements, as per the provisions of AP Reorganization Act and by virtue of Scheme of Demerger as approved by the Board of Directors of combined APIIC Ltd and Expert Committee, Assets and Liabilities of erstwhile APIIC were allocated/apportioned between APIIC and TSIIC. This has resulted in an amount of Rs.22,559.59 Lakhs as payable by TSIIC to APIIC. The same is termed as Reorganization Adjustment Account.

   TSIIC has disputed the allocation/apportionment of certain Assets and Liabilities. Accordingly, the position of Equity/Liability and Assets has been re-casted. As per the re-casted allocation/apportionment an amount of Rs.63,647.99 Lakhs has been recognized as due from APIIC instead of payable by TSIIC to APIIC of Rs.22,559.59 lakhs.

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Below is the summary of disputed balances. **(Rs. in lakhs)**

| Particulars | Amount |
|---|---|
| **Amount payable by TSIIC Ltd. to APIIC Ltd. as per Expert Committee approval** | **(22,559.56)** |
| **Adjustments:** | |
| Long term Loans and Advances - GOAP - Resource Mobilisation (Rs.1,47,201.33 Lakhs – Rs.61,353.51 Lakhs) | **85,847.82** |
| Cash and Cash Equivalents - SBH - PD - 176 – Treasury | **588.84** |
| Non-Current Investments - L & T Info city | **(115.47)** |
| Non-Current Investments - Cyberabad Trustee Company (P) Ltd - HIVE Fund | **(112.27)** |
| Non-Current Investments - Cyberabad Trustee Company (P) Ltd | **(0.24)** |
| Non-Current Investments - Hyderabad Information Technology Venture Enterprises Limited | **(1.21)** |
| **Amount receivable by TSIIC Ltd from APIIC Ltd, as shown under - long term Loans and Advances** | **63,647.91** |
| **Adjustments made after demerger:** | |
| Dividend on L&T Shares (100% receivable by TSIIC) received by APIIC | **161.09** |
| TDS Remitted on APIIC PAN | **2.11** |
| **Balance as on 31st March 2026 (31st March 2025: Rs.63,811.16 lakhs)** | **63,811.16** |

Rs.63,811.16 is shown under other noncurrent assets. As on the date as there is no certainty of recovery, company shall make provision on prudent basis. By not doing so company has overstated the assets.

**1. Assets and Liabilities – for which no details are available (Before Demerger)**

Below are the assets and liabilities brought forward from the earlier years (Before Demerger) for which there is no information with the company. Company has neither reconciled the balances nor made provision. In the absence of adequate information, we are unable to comment on the balances.

Details of such balances are mentioned below: **(Rs. in Lakhs)**

| Particulars | Assets | Liabilities |
|---|---|---|
| Fixed Assets/PPE | 1203.13 | |
| Fixed Assets/PPE – SEZ | 11,609.58 | |
| Inventories | 2,463.80 | |
| Trade Payables | | (57.91) |
| Trade Receivables | 1,557.70 | |
| Other non-current Asset | 5.36 | |
| Other non-current liabilities | | (7,634.72) |
| Other current Liabilities | | (245.95) |
| Long term Loans and Advances | 5264.81 | |
| Short Term Loans and Advances | 339.35 | |
| Other Financial Assets | 24.31 | |
| Other Financial Liabilities | | (2,854.14) |
| **Total** | **22,468.04** | **(10,792.72)** |

**2. Lands situated at Raidurg:**

Attention is invited to Note no. 20.2 in the standalone financial statements, as per the information and explanations, it is understood that, erstwhile State of Andhra Pradesh



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Government allotted lands in Raidurg area ad measuring 424.23 Acres and 46.20 Acres to erstwhile APIIC before bifurcation of State of Andhra Pradesh. Erstwhile APIIC has paid Rs.4,89,227 Lakhs to the erstwhile State of Andhra Pradesh and shown the same as "Long term loans and advances". Sale proceeds of land at Raidurg were adjusted against "Long term loans and advances". Such balance as on the date of demerger was Rs.1,47,201.33 Lakhs and was fully allocated to TSIIC as part of demerger scheme.

Though the underlying asset is land and it has received proceeds over and above the advance, such allocation was disputed by the company (As mentioned in point 1) and it has recognized advance of Rs.61,353.51 Lakhs only as on the date of demerger.

As per the information and explanations, it is understood that, during FY 2015-16, FY 2016-17 and FY 2025-26 the company has further sold land and proceeds were credited to the long-term loans and advances (to the extent of sale deed executed). Balance as on 31st March 2026 of Rs.169,574.43 Lakhs (31 March 2025: Rs. 40,677.05 lakhs) is shown under 'Other non-current liabilities – Resource mobilization'.

Apart from that the company has received certain amount for which sale deeds are not executed. Such amount is shown under 'other current liabilities - Deposits from allottees'. Detailed information w.r.t to deposit received towards Raidurg land is not available.

Also, land to some extent at Raidurg was sold and proceeds were directly taken by the State Government of Telangana. Also, there is an unsold land at Raidurg.

In the absence of alienation orders from the government, Cost of land is not fixed and not accounted in the books.

Cost incurred towards development of land at Raidurg is debited to CWIP but the same is not adjusted against resource mobilization. This has resulted in overstatement of CWIP in the books of accounts.

In our view the accounting treatment of land sales and cost incurred towards development of land etc. is not in accordance with the prevailing accounting standards. In the absence of adequate information, we are unable to comment on the financial implication on the financial statements.

**3. Inventory (Land) - Physical Verification, Recognition and Valuation**

i. Attention is invited to Note no. 9 in the standalone financial statements w.r.t Inventory. The management of the company has not carried out any physical verification or reconciliation of inventory/land with the records maintained as on 31st March 2026. Also, Upon, review of inventory data maintained by the company in spreadsheets, we have noted following discrepancies:
   a. In certain estates extent of land is available but land cost is zero.
   b. In certain estates extent of land is available but land cost is in negative balance.
   c. In certain estates extent and land cost is showing negative figures.
   d. In certain estates extent is zero but there is land cost .

**Hence the Inventory Land is subject to physical verification and reconciliations. In the absence of adequate information, we are unable to comment on the impact on the financial statements.**



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ii. The Company has not recognized "Inventory – Land" in the books of accounts, despite receiving advance possession from the Government, because the alienation orders have not yet been received and corresponding liability towards such land was also accounted in the books of accounts. However, the Company is recognizing the land only to the extent that it has been sold out of the total land received in the form of advance possession from the Government, at a value determined by the Price Fixation Committee. **As the information about lands pending for alienation order are not available, we are unable to quantify the impact on the financial statements.**

iii. Upon verification of Deposits towards Land acquisition on a test check basis, it is observed that Inventory (Land) was not recognized or capitalized though few of the letter of awards has been received by the company. However, we could not quantify the amount which is to be shown under Inventory (Land). Hence, with this there would be certain impact on the understatement of inventory and an overstatement of deposit towards land acquisition.

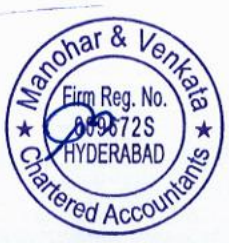
iv. Publication charges include an amount of Rs.653.75 Lakhs (This amount is arrived based on the narration entered by the respective zones in the Tally accounting software maintained by the company which are yet to reconciled) incurred for land acquisition were included in deposits towards land acquisition and not being capitalized to Inventory - Land. This contravenes IND AS-2 (Inventories), **resulting in an overstatement of deposits towards land acquisition and an understatement of inventory.**

**4. Inventory – Work in progress:**

i. Attention is invited to Note no. 9 in the standalone financial statements, Inventory includes work in progress of Rs. 3,80,973.07 Lakhs as on 31st March 2026 (31st March 2025: Rs. 3,11,304.73 lakhs).

ii. Company doesn't have estate wise break up of development cost incurred since entire expenditure incurred towards development of industrial estates are accounted in single ledger. Due to which, total cost incurred towards particular industrial estate cannot be ascertained thereby estate wise profit or loss cannot be ascertained.





Further it is observed that, though certain development works have been completed, company is showing as inventory – work in progress instead of obtaining completion certificates and transferring it to respective accounting heads.

iii. Attention is invited to Note no. 27 & 9 in the standalone financial statements, company is recognizing sale as and when the sale deed is executed. On provisional basis, cost of development of land is accounted as Provision for IE's and IDA's. Such provision is quantified based on the assumption that 27% of the cost of land and development is towards company's margin and administration overheads. During the year company has made a provision of Rs. 2,05,420.32 Lakhs and the Closing balance is Rs.3,32,628.77 Lakhs.

Actual cost incurred towards development of land is debited to "Inventory – work in progress" Closing balance is Rs. 3,80,973.07 Lakhs.

Provision made towards the development of land of Rs. 3,32,628.77 Lakhs and Inventory – work in progress of Rs. 3,80,973.07 Lakhs is not reviewed estate wise to ascertain under absorption or over absorption of cost. As a result, Profit arrived by the company is only based the estimated cost of development but not actual cost. **In the absence of adequate information, we are unable to quantify the impact on the aforesaid financial statements.**

iv. **Land given on Lease:** Attention is invited to Note No. 2 in the standalone financial statements. The Company has incurred expenditure towards the development of land that has been leased. However, the expenditure incurred for this development is recorded under "Inventory - Work in Progress (WIP)" instead of being classified as "Capital Work in Progress (WIP)." Furthermore, despite certain development works having been completed, the Company continues to classify these expenditures as inventory – work in progress instead of obtaining completion certificates and capitalizing the costs to the appropriate accounting heads.

**5. Inventory – Other than Land**

Attention is invited to Note no. 9 in the standalone financial statements, Inventory includes Inventory - Other than land i.e., Buildings, Sheds, Water supply, Sewerage, External Electrification, Roads & bridges etc. of Rs.10,869.32) Lakhs (31st March 2025: Rs. 10,979.09 lakhs). There is no adequate information provided to substantiate the existence and value of these assets. Hence, we are unable to comment on the same.

**6. Enhanced compensation:**

Attention is invited to Note No. 8 "Other Noncurrent Assets – Deposit towards Enhanced Land Acquisition" in the financial statements, wherein the company has paid an amount of Rs.3,149.42 lakhs as at 31st March 2026 (as at 31st March 2025: Rs. 3,149.42 lakhs) as enhanced compensation in various cases based on respective court orders and other demands. Certain portion of this amount was remitted to the court more than 15 years ago.

According to the information and explanations provided, this amount is recoverable from the corresponding land allottees only if the sale deeds have not been executed. Recovery cannot be made from allottees whose sale deeds have already been executed. The company has not reviewed the deposits made to ascertain the cases of recovery. Also, there is no



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correspondence with allottees to initiate recovery. Consequently, the recovery remains uncertain, and no provision has been made for this amount.

**As a result, Other Noncurrent Assets are overstated, and Cost of Sales (Expense) is understated to the extent of Rs. 3,149.42 lakhs.**

**7. Other current liabilities - Deposits from Allottees:**

Attention is invited to Note no. 23.1 in the financial statements, as on 31.03.2026, amount received as Deposits from Allottees towards allotment of land is Rs. 6,80,152.09 Lakhs (31st March 2025: Rs. 5,70,855.60 Lakhs). In certain cases, balances between the schedules and books of accounts are not matching. In certain other cases, allotee wise details are not stated in the schedules. In other instance, it is observed that the company has recovered excess consideration which may have to be repaid to the allottee at a later point. In view of the above instances the balances are subject to reconciliation.

**8. Deposits towards Water and Receivables**

Attention is invited to Note no. 17 in the standalone financial statements, which includes deposits towards Water for an amount of Rs. 719.58 Lakhs. Out of which Rs. 235.63 lakhs identified as nonrefundable and Rs. 483.95 lakhs which are neither identified as refundable nor nonrefundable. Both nonrefundable and refundable deposits are recorded in the same ledger.

Further, in certain cases, nonrefundable deposits are shown as liabilities. In certain other cases, deposits are not appearing in the liabilities, this implies that they have been treated as income in the respective years. In view of the above, deposits of Rs. 719.58 Lakhs are subject to detailed reconciliation and adjustment.

Further, it is observed that company has made provision towards receivables outstanding for more than 3 years of Rs. 2,521.16 Lakhs. As there are no demands raised by the company on the consumers and there is no other communication to recover such balances, the company shall write off such receivables in the books of accounts after thorough scrutiny.

**9. Grant - E-City project:**

Attention is invited to Note No. 23.3 in the standalone financial statements. The Ministry of Electronics & Information Technology (MEITY) approved, through their letter dated August 2, 2017, the setup of the E-City project Greenfield Electronics Manufacturing Cluster over an area of 603.52 acres at E-City, Fab City, Ranga Reddy District, Telangana, with an approved project cost of Rs.66,700.00 lakhs (rounded off).

**The means of finance for the project are as follows:**

**(Rs. in lakhs)**

| S. No | Source of Funds | Amount |
|---|---|---|
| 1. | Grant in aid from GOI | 30,176.00 |
| 2. | Contribution from Chief Promoter M/s TSIIC | 19,849.00 |
| 3. | Contribution from Constituent units | 16,675.00 |
| **Total** | | **66,700.00** |



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As of March 31, 2026, an amount of Rs. 5,306.24 lakhs has been received from the Government of India (GOI) and is shown under other current liabilities. Additionally, an amount of Rs. 7,384.14 lakhs has been received by E-City Manufacturing Cluster Limited. On 27 March 2023 unspent grant of 2,078.59 lakhs along with interest 158.06 lakhs have been repaid to government. In total, Rs. 12,432.14 lakhs have been received from the GOI towards the E-City project and balance of grant in aid as on 31 March 2026 is 10,353.56 lakhs.

**Key terms of sanction letter which are not complied as on 31st March 2026 is as below:**

| Key sanction terms | Status |
|---|---|
| Project shall be completed within 36 months from the date of final approval i.e. 02-08-2017 | The project has not been completed within the stipulated time frame. Company has received grant only of Rs.12,432.14 Lakhs put of total sanctioned grant of Rs.30,176.00 lakhs. |
| The chief promoter (TSIIC) shall transfer the land to the SPV | Land was earmarked but has not been awarded in favor of the SPV. |
| TSIIC or SPV shall open an Escrow account with a Nationalized bank | TSIIC has opened a separate bank account for this project, but certain amounts were also spent through other bank accounts in the books of SPV. |
| An SPV Shall be created and transactions shall be routed through the SPV. | The SPV has been created. However, the land has not been transferred. Expenditures are incurred by both TSIIC and the SPV. Sales were recorded in the books of TSIIC. A grant of Rs.5,048.00 lakhs was received by TSIIC, and a grant of Rs.7,384.14 lakhs was received by the SPV. |
| TSIIC or SPV (as the case be) shall maintain a register of Permanent and Semi-Permanent Assets acquired wholly or mainly out of the funds of Grant-in aid. | TSIIC or SPV is not maintaining any type of register for Permanent and Semi-Permanent Assets acquired wholly or mainly out of the funds of Grant-in aid. |

As per the sanction terms, in the event of persistent delay in the project, MEITY has the right to foreclose the project, appoint a new implementing agency for the execution of the project, and recover the entire grant-in-aid released along with interest and penalties as stipulated in the approval letter. However, the Company believes that there will be no such possibility. Hence, it has not accounted for any liability and interest thereon. There is no sufficient and appropriate audit evidence to corroborate the company's view.

As of March 31, 2026, the account balances and transactions pertaining to the E-City project which are yet be transferred to SPV are as below.

**(Rs. in lakhs)**

| Particulars | Amount |
|---|---|
| Other current liabilities include Grants received from GOI | 5,048.00 |
| Sales recognized prior to F.Y 2025-26 | 5,556.60 |
| Cost recognized prior to F.Y 2025-26 to nullify the sales impact | 5,556.60 |
| Sales during the F.Y 2025-26 | 3,248.53 |
| Cost of Sales during F.Y 2025-26 to nullify the sales impact | 3,248.53 |



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| | |
|---|---|
| Bank balances | - |
| Inventory* | -4,373.17 |

*Inventory of Rs. -4,373.17 lakhs is as per inventory data manually maintained in spreadsheet which consists of land acquisition cost. This doesn't include expenditure incurred towards development of E-city as the company accounts expenditure towards development expenditure of E-city along with other development expenditure.

Sales pertaining to E-city project of Rs. 8,408.79 Lakhs (FY 19-20), Rs. 1,835.40 Lakhs (FY 20-21), Rs. 378.18 Lakhs (FY 21-22), Rs. 2,596.02 Lakhs (FY 22-23), Rs. 1,646.62 Lakhs (FY 23-24), Rs. 3,909.98 Lakhs (FY 24-25) and Rs. 3,248.53 Lakhs (FY 25-26) is recognized as revenue of the company. Cost to the same extent is also recognized in the profit and loss account of the company to nullify the impact.

Expenditure incurred up to March 31, 2019, on behalf of the SPV is accounted for in the Company's books and forms part of Inventory – Work in Progress. However, the actual amount spent on this project is not ascertainable as expenditures are accounted for along with other projects.

Recognition of sales and cost of sales pertaining to E-City project through the Company is not in accordance with generally accepted accounting principles (GAAP).

**10. Grant - Maheshwaram Project:**

Attention is invited to Note no. 23.2 in the standalone financial statements, TSIIC has received grants under Electronic Manufacturing Cluster (EMC) Scheme from Ministry of Electronics & Information Technology (MEITY), through their letter dated August 8, 2017 towards setting up Greenfield Electronics Manufacturing Cluster over an area of 310.70 acres at Maheshwaram, Ranga Reddy District, Telangana with an approved project of Rs.43,700.00 lakhs (rounded off).

**Means of Finance:** **(Rs. in lakhs)**

| S. No | Sources of Fund | Amount |
|---|---|---|
| 1. | Grant in aid from GOI | 17,240.00 |
| 2. | Contribution from Chief Promoter M/s TSIIC | 15,535.00 |
| 3. | Contribution from Constituent units | 10,925.00 |
| **Total** | | **43,700.00** |

As of March 31st, 2026 an amount of Rs.3,152.10 Lakhs have been received from the Government of India (GOI) and Maheshwaram science park limited is shown under other current liabilities.

**Key terms of sanction letter which are not complied as on 31st March 2026 is as below:**

| Key sanction terms | Status |
|---|---|
| Project shall be completed within 36 months from the date of final approval i.e. 08-08-2017 | The project has not been completed within the stipulated time frame. Company has received grant only of Rs.3,152.10 Lakhs put of total sanctioned grant of Rs.43,700 lakhs. |



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| | |
|---|---|
| The chief promoter (TSIIC) shall transfer the land to the SPV | Land is not alienated in the favor of the company and the same is not transferred to SPV. |
| TSIIC or SPV shall open an Escrow account with a Nationalized bank | TSIIC has opened a separate bank account for this project, but certain amounts were also spent through other bank accounts in the books of SPV. |
| An SPV Shall be created and transactions shall be routed through the SPV. | The SPV has been created; Land is not alienated in the favor of the company and the same is not transferred to SPV. Expenditures are incurred by both TSIIC and the SPV. Grants received from GOI of Rs.3,152.10 lakhs are shown under other current liabilities |
| TSIIC or SPV (as the case be) shall maintain a register of Permanent and Semi-Permanent Assets acquired wholly or mainly out of the funds of Grant-in aid. | TSIIC or SPV is not maintaining any type of register for Permanent and Semi-Permanent Assets acquired wholly or mainly out of the funds of Grant-in aid. |

As per the sanction terms, in the event of persistent delay in the project, MEITY has the right to foreclose the project, appoint a new implementing agency for the execution of the project, and recover the entire grant-in-aid released along with interest and penalties as stipulated in the approval letter. However, the Company believes that there will be no such possibility. Hence, it has not accounted for any liability and interest thereon. There is no sufficient and appropriate audit evidence to corroborate the Company's view.

Balance pertaining to SPV which are yet to be transferred are as below.

**(Rs. in lakhs)**

| Particulars | Amount |
|---|---|
| Other current liabilities include Grants received from GOI | 3,040.80 |
| Bank balances | 66.20 |

Expenditure incurred towards the project is accounted in the Company's books and forms part of Inventory – Work in Progress. However, the actual amount spent on this project is not ascertainable as expenditures are accounted for along with other projects.

**11. Grant-in-aid Modified Industrial Infrastructure Upgradation Scheme (MIIUS):**

Department of Industrial Policy and Promotion sanctioned grant for setting up a Common Facility Centre at Pashamylaram, Medak. Initial project cost of Rs.64.24 crores was approved on 5th March 2015 under the Department of Industrial Policy and Promotion. The project cost was later increased to Rs.104.24 crores on 10th August 2017. On 15th March 2024, the Department for Promotion of Industry and Internal Trade downwardly revised the project cost to Rs.101.16 crores.

As per the sanction terms, in the event of persistent delay in the project, Sanctioning authority has the right recover the entire grant-in-aid released along with interest and penalties as stipulated in the approval letter. Though there is a significant delay in completion of the project, company is of the view that there will be no recovery by the sanctioning authority. Accordingly, company has not recognized liability along with interest.



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Company customarily levies and collects centage charges as revenue for work done for other government departments. Centage income should not be recognized for internal projects or works. Despite this, company has recognized few amounts as centage income by debiting the CWIP ledger, resulting in an overstatement of CWIP and centage income. We are unable to quantify the amount of centage income for the year under review.

The financial implications of the above, if any, are currently unascertainable.

**12. National Investment and Manufacturing Zones (NIMZ) at Medak & Hyderabad**

Attention is drawn to Note No.16 in the standalone financial statements concerning the NIMZ project at Medak and Hyderabad. TSIIC has obtained a loan of Rs.72,500 lakhs from HUDCO and incurred expenditures towards land acquisition and development costs, which have been accounted for under work in progress - Inventory. We have been informed that these amounts will to be transferred to the SPV created for the project.

As of 31.03.2026, the assets and liabilities related to this project are included in company's books. However, the company lacks adequate information regarding the specific expenditures incurred for land acquisition and development costs. In the absence of adequate information, we are unable to comment on the potential impact on the financial statements, if any.

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**13. Plant, Property and equipment (PPE):**

i. Attention is invited to Note no. 2 in the standalone financial statements, the Company has not maintained proper records in respect of PPE showing full particulars, including quantitative details and situation.

ii. Company is capitalizing assets on the date of payment instead of date when the asset is available for use. Resulting in contravention of IND AS – 16 Property, Plant and Equipment.

iii. **Standard Designed Factory Buildings**: The Company has leased out cubicles in the SDF Buildings (Standard Designed Factory Buildings) at EPIP, Pashamylaram, to industrial units engaged in the export of their products. However, it has been noted that the SDF Buildings are not recorded in the Company's asset Register. Additionally, the Company has not conducted a reconciliation of assets physically held against those recorded in the books of accounts.

iv. Company has not performed a comprehensive fixed asset verification. In the absence of a complete Fixed Asset Register and thorough physical verification, we are unable to assess the potential impact on the financial statements.

v. PPE consists of Land and SEZ Land, as per information and explanations provided to us title deeds are yet to transferred in the name of the company.

**14. Centage:**

Attention is invited to Note no. 25 in the standalone financial statements, the company executes civil works for various Government Departments, such as ITE&C where centage charges are typically levied as an administrative expense towards executing these entrusted Civil Works. The centage percentage is determined based on agreed terms between the company and the respective government department. However, we have identified certain cases where the company has executed civil works on behalf of ITE&C without levying the centage charges. This has resulted in an understatement of income and an understatement of receivables from the respective government departments. In the absence of adequate information, we are unable to comment on the financial implication on the aforesaid financial statements.

**15. Valuation of Non-Current Investments and Provision for Diminution in Value of Investments:**

**i. Investments in CBD Towers Private Limited:**

As per the agreement dated May 28, 2008, the erstwhile APIIC Ltd. had allotted land measuring 80.27 acres in Sy. Nos. 283 and 311 of Manchirevula village, Rajendra Nagar Mandal, R.R District, to M/s CBD Towers Private Limited. The total quoted price for Module I (30 acres at Rs.657 Lakhs per acre) amounts to Rs.19,710.00 Lakhs, while the total quoted price for Mod ule II (50.27 acres at Rs.657 Lakhs per acre) is Rs.33,027.39 Lakhs.



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For Module I, the Company was initially allotted 1,236 Equity Shares of Rs.10 each and fully convertible debentures valued at Rs.17,999.88 Lakhs (with 17,99,98,764 debentures at a face value of Rs.10 each) as consideration other than cash. Subsequently, 2,09,46,998 debentures were converted into equity shares on a 1:1 basis, leaving a balance of 15,90,51,766 debentures valued at Rs.15,905.18 Lakhs, which has been carried as an investment at cost.

Upon reviewing the Development Agreement dated May 28, 2008, between the Company and M/s CBD Towers Private Limited, it was noted that a balance of Rs.1,710.00 Lakhs is due.

Out of this, Rs.860.00 Lakhs was paid via Demand Draft No. 475402 dated October 22, 2007, and Rs.850.00 Lakhs via Cheque No. 475674 dated May 22, 2008. As per Development Agreement, an additional amount of Rs. 3,290 Lakhs was paid as performance security, and Rs. 300.00 Lakhs was paid towards development expenses by CBD Towers Private Limited. However, these Rs. 5,300 Lakhs (Rs. 860 Lakhs + Rs. 850.00 Lakhs + Rs. 3,290 Lakhs + Rs. 300.00 Lakhs) amounts have not been identified in the Company's books of accounts as receipts.

For Module II, the Company paid Rs. 10,000 Lakhs on July 30, 2008 by CBD Towers Private Limited, but this amount has not been identified in the books of accounts. The balance amount of Rs. 23,027.39 Lakhs, along with a development premium at 12% per annum from the date of development (i.e., August 25, 2008), is still outstanding.

M/s CBD Towers Private Limited does not have any assets other than the allotted land. The Company has neither received the full consideration on time nor the interest on debentures and the development premium till date, with a decision on this matter still pending between parties.

Additionally, the Company holds 11% stake in M/s CBD Towers Private Limited, which has been recorded at a cost of Rs.2,094.82 Lakhs and valued at Rs. 2,052.10 Lakhs. This valuation is made despite the fact that M/s CBD Towers (P) Ltd has no other assets apart from the land allotted by TSIIC. Since, the company has not obtained the third party valuation reports we could not assess the impact of such investments on the Financial statements.

The Company has not shown the amount of Rs. 1,710 Lakhs and Rs. 23,027 Lakhs as receivables in the Financial Statements. In the absence of adequate information, we are unable to comment on the financial implication of the above.

| Sl. No | Particulars | Module - I | Module – II |
|---|---|---|---|
| 1 | Land (in acres) | 30 | 50.27 |
| 2 | Cost per Acre (Rs. in Lakhs) | 657.00 | 657.00 |
| 3 | Amount (Rs. in Lakhs) | 19,710.00 | 33,027.39 |
| 4 | Consideration | 1. 1236 Equity Shares of Rs.10 each | 1. **Rs. 10,000** |



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| | | | |
|---|---|---|---|
| | | i.e **Rs. 12,360/-**<br><br>2. 17,99,98,764 Fully Convertible debentures of Rs. 10 each i.e **Rs. 17,999.88 Lakhs** | **Lakhs** received on 30.07.2008 through DD. |
| | | 3. DD No. 475402 dated 22.10.2007 for an amount of **Rs. 860 Lakhs** (Claimed as paid by CBD Towers Private Limited)<br><br>4. DD No. 475674 dated 22.05.2008 for an amount of **Rs. 850 Lakhs** (Claimed as paid by CBD Towers Private Limited) | |
| | Balance Receivable | **Rs. 1,710 Lakhs** | **Rs. 23,027 Lakhs** |

**ii. Investment in Convertible Debentures of CBD Towers Private Ltd:**

The Company has not valued the Investment in Debentures fairly, which continues to be carried at a cost of Rs.15,905.18 Lakhs as of March 31, 2026 (same as March 31, 2025). In the absence of adequate information, we are unable to comment on the financial implications of these investments in the financial statements.

**iii. Boulder Hills Leisure Private Limited:**

Attention is invited to Note no 4 – Noncurrent investments. It includes investment in Boulder Hills Leisure Private Limited (BHLPL) of Rs.1,022.56 lakhs (31st March 2025 Rs. 1,044.06 lakhs) (measured at fair value using the financial statements of BHLPL). We have reviewed the audit report issued by an independent firm of Chartered Accountants Vide its Report dated 24th September, 2026 on the financial Statements of BHLPL for year ending 31.03.2026 and noted that the auditor has given disclaimer opinion. Relevant extract is reproduced as under:

a. *"Trade payables include amounts payable to the Emaar Properties PJSC, the ultimate holding company in respect of reimbursement of expenses aggregating to Rs. 137.17 Lakhs (31 March 2025: Rs. 124.32 Lakhs) which has been outstanding for a period of more than three years as at March 31, 2026, which is not in compliance with provisions Of Foreign Exchange Management Act, 1999. We are unable to comment on the consequential effects, thereof, if any, on the financial statements.*

b. *The Company had received legal notice from Telangana State Industrial Infrastructure Corporation (TSIIC) stating that the assignment agreement is illegal and void. The Company had also been subject to litigations relating to allegation of irregularities in allotment of project land. Additionally, CBI had conducted an inquiry and filed charge sheet alleging irregularities in execution of lease deed and assignment agreement. Pending resolution of disputes, we are unable to comment upon appropriateness and completeness of revenue recognized in current year and up to date revenue aggregating to Rs.80.46 Lakhs (31 March 2025: Rs. 68.52 Lakhs) and Rs.570.81 Lakhs*



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*(31 March 2025: Rs.490.35 lakhs) respectively, recoverability of trade receivables of Rs.8.33 Lakhs (31 March 2025: Rs.8.53 lakhs), ability of the Company to continue its operations in the foreseeable future and other consequential impact, if any on the financial statements.*

c. *The accompanying financial statements do not include adjustment for impairment loss, if any, in the carrying value of the property, plant and equipment aggregating to Rs.3,578.37 Lakhs (31 March 2025: Rs. 3,665.26 Lakhs). Management has neither prepared future cash flow projections or made a reasonable estimate to measure the 'value in use', nor has it determined realizable value of property, plant and equipment, but believes that the entire carrying value of property, plant and equipment is recoverable in the ordinary course of business. In the absence of the management's projections and estimates, we are unable to comment upon impairment, if any, in the carrying value of the fixed assets.*

d. *The Income Tax Department has raised certain demands on the Company aggregating to Rs.52.57 Lakhs (31 March 2025: Rs. 52.57 Lakhs) which are being contested by the company, pending resolution of the matter, we are unable to comment upon the impact of the aforesaid demands on the financial statements.*

From the above it can be noted that there is no certainty of continuing its operations, impairment loss is not accounted, there are demands against BHLPL and there may be other financial implications in view of legal notice and CBI enquiry. Hence recognizing the investment at fair value of Rs.1,022.56 Lakhs is not prudent.

**iv. Emmar Hills Township Private limited**

Attention is invited to Note no 4 – Noncurrent investments. It includes investment in Emmar Hills Township Private limited (EHTPL) of Rs.709.81 lakhs (31 March 2025: Rs. 886.78 lakhs) (measured at fair value using the financial statements of EHTPL). We have reviewed the audit report issued by an independent firm of Chartered Accountants Vide its Report dated 24th September, 2026 on the financial Statements of EHTPL for year ending 31.03.2026 and noted that the auditor has given disclaimer opinion. Relevant extract is reproduced as under:

a. *"Trade payables includes amounts payable to the Emaar Properties PJSC, the Ultimate holding company towards import of property, plant and equipment and reimbursement of expenses aggregating to Rs.4,083.29 lakhs (31 March 2025: Rs. 3,425.59 lakhs) which has been outstanding for a period of more than three years as at 31 March 2026, which is not in compliance with the provisions of Foreign Exchange Management Act, 1999.*

b. *The Company had received legal notice from Andhra Pradesh Industrial Infrastructure Corporation (APIIC) stating that development agreement entered into with Emmar India Limited (formerly known as Emmar MGF Land Limited) ('co-developer') is illegal and void. Further the Company and co-developer have been subject to litigations relating to allegation of irregularities in allotment of project land, stoppage of registration of properties, injection restraining the company from creating third party interest, reconstruction of Temples on Land owned by the Company etc. which*



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*are been contested by the company. Additionally, CBI had conducted an inquiry and filed charge sheet alleging irregularities in execution of development agreement cum GPA agency agreement and Enforcement directorate has attached certain properties of the company to a tune of Rs.114.06 crores (31st March 2025: Rs.114.06 crores). Pending resolution of disputes, we are unable to comment upon appropriateness and completeness of unearned revenue recognized up to 31 March 2026 aggregating to Rs. 4,292.26 (31 March 2025: Rs. 4,292.26), revenue recognized upto 31 March 2026 Rs. 533.94 Lakhs (31 March 2025: Rs.533.94 lakhs)and on the recoverability of trade receivables of Rs.1,446 Lakhs (31 March 2025: Rs. 1,446.25 lakhs), and loans and advances to related party of Rs.297.97 lakhs (31 March 2025: Rs.297.97 lakhs) outstanding as at 31 March 2026. Further, due to significance of the ongoing litigations, we are also unable to comment on the ability of the Company to continue its operations in the foreseeable future and other consequential impact, if any on the financial statements.*

c. *The Income Tax Department has raised certain demands on the Company aggregating to Rs.1,239.16 Lakhs (31 March 2025: Rs. 1,239.16 lakhs) and has proposed certain adjustments aggregating to Rs.3,331.71 lakhs (31 March 2025: Rs.3,331.71 lakhs) to the assessed income which are being contested by the company. Pending resolution of the matter, we are unable to comment upon the impact of the aforesaid demands on the financial statements.*

It is also observed from financials statements, other current liabilities include share application money amounting to Rs.1,147.98 (31 March, 2025 Rs.1,147.98 Lakhs) against which no equity shares have been issued and which has been outstanding for a period of more than 60 days as at 31 March 2026, which is not in compliance with the provisions of Foreign Exchange Management Act, 1999. From the above it can be noted that there is no certainty of continuing its operations, there are demands against EHTPL and there may be other financial implications in view of legal notice and CBI enquiry. Hence recognizing the investment at fair value of Rs.709.81 lakhs is not prudent.

**Fair valuation of Investments in Subsidiaries and Cyberabad Trustee Company Private Limited – HIVE Fund based on Unaudited Financial Statements**

Attention is invited to Note No. 4 in the standalone financial statements. The Company holds investments in 9 subsidiaries and in Cyberabad Trustee Company Private Limited – HIVE Fund. Valuation of these Investments has been carried out based on the unaudited Financial Statements. Hence these balances are subject to change (if any).

The Company has not obtained third party valuation reports for Investment in Subsidiaries, Associates and Joint Ventures.

The following Subsidiaries of the company whose Financial Statements are unaudited for the Financial Year 2025-26 are given below:

**Subsidiaries:**

1. M/s. Fab City SPV (India) Private Limited
2. M/s. Maheswaram Science Park Limited
3. NICDIT Zaheerabad Industrial Smart City Limited
1. M/s. Ecity manufacturing cluster Limited



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2. M/s. Zaheerabad NIMZ Limited
3. M/s. Hyderabad Pharma City Limited
4. M/s. Telangana Life Sciences Infrastructure Development Limited
5. M/s. Bio Tech Hub Limited
6. M/s. CETP-KMTP Warangal Limited

The following Associates and Joint Ventures of the company whose Financial Statements are audited for the Financial Year 2025-26 are given below:

**Associate Companies**

1. M/s. Cyberabad Convention Center Private Limited
2. M/s. Boulder Hills Leisure Private Limited
3. M/s. Emmar Hills Township Private Limited

**Joint Venture Companies**

1. M/s. K Raheja IT Park Limited
2. M/s. Intime Properties Private Limited
3. M/s. Sundew Properties Private Limited
4. M/s. CBD Tower Private Limited
5. M/s. Ace Urban Infocity Limited

**Non-Availability of Share Certificates:**

The Company has not provided share certificates as evidence of its ownership in its subsidiary entities, Associates and Joint Ventures. Due to this limitation, we were unable to verify the existence, completeness, and accuracy of the Company's investments in these subsidiaries, Associates and Joint Ventures. This could materially affect the financial statements, particularly the value and disclosure of investments.

**16. Reserves & Surplus - Capital Reserve:**

Attention is invited to Note no. 15 in the standalone financial statements, Government of India has cleared (December 1994) the proposal of the State Government to set up an Export Promotion Industrial Parks (EPIPs) with the Central and State Assistance to the extent of 75 per cent and 25 per cent respectively of the Infrastructural Development cost excluding the cost of land at Pashamylaram. Accordingly, from time-to-time Rs.1,300 Lakhs have been released by the Central (Rs.1,000 Lakhs) and State (Rs.300 Lakhs) Government. Further, in order to make EPIPs more attractive to the entrepreneurs, the Central Government directed the Company to exclude the grant amount while working out the cost of plot/shed in EPIPS. The Company (erstwhile APIIC) has executed the civil works for land development by the end of May 2000 and most of the plots have been allotted. During bifurcation of the Company (APIIC), the Expert Committee distributed the Capital Reserve of Rs.1,300 Lakhs existed in the books, to both the companies (APIIC and TSIIC) on population ratio basis (i.e., 58.32: 41.68). It is observed that Company's share of Rs. 541.84 Lakhs has been continuing in their books under Capital Reserve which appears to be not in order as the Company should have considered the same as revenue grant. As per Ind AS 20, company should have credited to the Profit & Loss account on a



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systematic basis i.e., as and when the sale was recognized. This has resulted in overstatement of Capital Reserve by Rs.541.84 Lakhs and Understatement of General reserve by Rs.541.84 Lakhs.

**17. Long Term Loans and Advances – Due from subsidiaries:**

i. Attention is invited to Note No. 5 in the standalone financial statements, Company has incurred certain expenses on behalf of subsidiary companies. Such amount is shown under long term loans and advances of Rs. 32,153.56 Lakhs as at 31.03.2026 (31st March 2025: Rs. 27,040.04 lakhs). There is no MoU between company and respective subsidiary companies w.r.t expenditure incurred by company on behalf of subsidiaries. Hence there is no certainty in realization of these balances. However, there is no provision made by the company. In the absence of adequate information, we are unable to comment on the potential impact on the financial statements.

ii. **Accounting Treatment and Tax Implications for Expenditures Incurred on Behalf of Subsidiary Companies -** The Company has been entering into agreements and incurring expenditures on behalf of its subsidiary companies. Invoices for these expenditures are issued in the name of TSIIC, and payments are made accordingly. Subsequently, these expenditures are recorded as amounts due from the respective subsidiary companies. However, since the invoices are in the name of TSIIC, vendors are crediting GST inputs to TSIIC, and TSIIC is also deducting and remitting TDS on these transactions.

iii. On review of subsidiary company financial statements and other entities, we have noted certain discrepancies between balances shown as "Due to TSIIC" vis a vis balances shown as due from subsidiaries and other entities in the books of company. Details of the same are given below:

**(Rs. In Lakhs)**

| S. No | Particulars | Balance as per TSIIC as on 31.03.2026 | Balance as per Subsidiary Company as on 31.03.2026 | Variance |
|---|---|---|---|---|
| **Subsidiaries:** | | | | |
| 1 | Fab city SPV(India) Private Limited | 1,445.8 | 4,019.7 | -2,574.0 |
| 2 | Hyderabad Pharma City Limited | 9,946.6 | 3,581.9 | 6,364.7 |
| 3 | E-city Manufacturing Cluster Limited | 12,940.7 | 12,940.7 | 0.0 |
| 4 | Maheshwaram Science Park Limited | 3,284.0 | 3,284.0 | -0.0 |
| 5 | Zaheerabad NIMZ Limited | 745.9 | 745.9 | 0.0 |
| 6 | Telangana Life Sciences Infrastructure Development Limited | 4.1 | 4.1 | -0.0 |
| 7 | Bio Tech Hub Limited | 1.1 | 1.1 | -0.0 |
| 8 | CETP-KMTP Warangal Limited | 2,553.1 | 2,553.1 | 0.0 |
| 9 | NICDIT ZHB Industrial Smart City Ltd | 15.4 | 15.5 | -0.2 |
| | | **30,936.6** | **27,146.0** | **3,790.5** |

Hence these balances are subject to reconciliations and adjustments. Company has not created provision with respect to the balance receivable from Hyderabad Pharma City Limited on prudent basis for difference amount of Rs. 6,364.70 Lakhs.

*All the above figures are obtained from the unaudited financial statements provided to us.



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**18. Long outstanding Staff Advances:**

Attention is invited to Note No. 12 in the standalone financial statements. The advance to staff outstanding as of 31st March 2026 amounts to Rs. 499.13 lakhs (31st March 2025: Rs. 600.93 lakhs). These advances include and amount of Rs. 308.49 Lakhs as demerger balance under "Miscellaneous Advances – Others" head. These advances are provided for various purposes, including tour advances, rent advances, etc., to officers and staff. However, certain advances such as tour advances, festival advances and miscellaneous advances have been outstanding for periods ranging for more than 2 to 12 years. These advances are subject to reconciliation and adjustments if necessary. In the absence of adequate information with respect to these advances, we are unable to comment on the potential impact on the financial statements, if any.

**19. Long term Provisions - Provision for Petty Supervision Charges:**

Attention is invited to Note no. 18 in the standalone financial statements, there is of Rs. 1,628.33 lakhs in Provision for PS charges ledger as on 31.03.2026 (31 March 2025: Rs. 1,569.82 lakhs). An amount of Rs. 58.51 Lakhs was received and accounted as PS charges during the year. Ideally this amount should be adjusted to security salaries who had worked for the development of such lands. In case the provision is no longer required the same needs to be written back after obtaining necessary approvals. In the absence of adequate information, we are unable to comment on the financial implication of the above.

**20. Other Operating Revenue & Other income:**

Attention is invited to Note no. 25 & 26 and accounting policy no. D 1(a) and 1(b) in the standalone financial statements, Penal interest on allottee for extension of time, building plan approval fee from IALA, Rental Income, Delay condonation fee, penal interest on delayed payments towards land cost and dividend income are recognized as income on receipt basis.

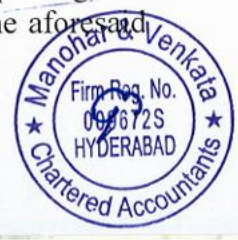
However, it is observed that penal interest received on delayed payments has been accounted under Deposits towards the sale of land. Upon execution of sale deed, the same is treated as income. This is in contravention to the accounting policy of the company. In the absence of adequate information, we are unable to quantify the impact on aforesaid financial statements.

**21. Non-Confirmation of Balances:**

Attention is invited to Note no. 5,6,8,10 & 21 in the standalone financial statements, no balance confirmation certificates are available in respect of Loans and Advances dues from Related Parties, Dues from Telangana Government, Dues from T-Work Foundation, Dues from Departments of Telangana State Government, Security Deposits, Staff Advances, Deposits made towards land acquisition, Trade Receivables, Borrowings and Trade Payables. Hence such balances are subject to reconciliation or adjustment if any.

**22.** The company doesn't possess adequate internal financial controls over financial reporting, we are unable to comment if there are any other financial adjustments to be made to the aforesaid.





financial statements. Considering the size of business and decentralized accounting activities, the scope of internal audit is not adequate.

**23.** Attention is invited to Note no. 22 in the standalone financial statements, we have noted cases of non-compliance w.r.t TDS, TDS on GST, Levy of GST and non-remittances of NAC (National academy of construction), Labour Cess, seigniorage charges, SMET (State Mineral exploration trust) and DMF (District Mineral Fund). In the absence of adequate information, we are unable to comment on the consequential effect of the same on the aforesaid financial statements.

**24.** Attention is invited to Note No. 21.2 in the standalone financial statements. The company has not established a process for identifying MSME parties. As a result, the company has failed to separately disclose payables to MSMEs, which is a contravention of the requirements under Schedule III of the Companies Act, 2013.

**25.** Company has not made adequate disclosures as mandated by Schedule III of Companies Act, 2013 which are mentioned below:

i. Company shall give details of all the immovable properties whose title deeds are not held in the name of the company in the specific format as mentioned in Schedule III of Companies Act, 2013. However, company has not complied with the same.

ii. Company shall disclose in its Financial Statements, the deviation from the accounting standards, the reasons for such deviation and the financial effects, if any, arising out of such deviation. However, company deviated from certain Ind AS, however, company has not disclosed the same in the Financial Statements.

**26.** The company has not complied the following Ind AS:

i. As a lessor and as a lessee, the company has not fully complied with Ind AS 116 in terms of measurement, recognition and disclosures (Refer note 2 of Significant accounting policies).

ii. There are timing differences, but the company has not calculated and recognized deferred tax. Thereby Ind AS 12 is not complied.

iii. Security deposits are not accounted in accordance with Ind AS 109.

iv. Revenue grant and certain noncash adjustments are not accounted in the cash flow statement in accordance with Ind AS 7.

v. Company has not disclosed necessary disclosures required under Ind AS 113.

vi. As per Ind AS 36, Company shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. However, company has not made such assessment which is not in line with Ind AS 36.

vii. As per IND AS – 20: Government grants shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. However, company is not recognizing grant as income in profit and loss on a systematic basis even though related



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costs for which the grant is received is recognized in profit or loss resulting in contravention of IND AS – 20.

viii. The company has accounted for certain incomes and expenses that pertain to previous financial years. The accounting treatment given by the company is not in accordance with "Ind AS 8 – Accounting policies, Change in accounting estimates and errors".

ix. The company has not calculated or recognized deferred tax assets and liabilities in accordance with applicable Indian Accounting Standard, as the company does not have sufficient information to estimate the deferred tax.

As there is no adequate information available, we are unable to quantify the impact on the financial statements.

27. **Miscellaneous deposit** – Attention is invited to Note no. 17 in the standalone financial statements, works and miscellaneous deposit - EMD/FSD as shown under other financial liabilities includes deposits which are outstanding for more than 3 years. There is no reconciliation done between the book balances and underlying schedules. Hence these balances are subject to reconciliation. In the absence of adequate information, we are unable to quantify the understatement or overstatement of liabilities.

28. **Contingent Liabilities**

i. **Inadequate Disclosure of Contingent Liabilities and Pending Litigations:** Attention is invited to Note No. 32 in the standalone financial statements, where TSIIC has disclosed contingent liabilities related to pending litigations initiated by Pattadars seeking higher compensation for land acquired by TSIIC. The quantum of contingent liability has been computed as follows:

ii. **Disputes pending at High court**: Contingent liabilities are calculated as claim made by Pattadars at the time of acquisition, along with interest calculated at three times of the original compensation.

iii. **Disputes pending at Lower courts**

a. For Awards Passed Within 10 Years from 31st March 2026: Contingent liabilities are calculated as claim made by Pattadars at the time of acquisition, along with interest calculated at twice the original compensation.

b. For Awards Passed Beyond 10 Years from 31st March 2026: Contingent liabilities are calculated as claim made by Pattadars at the time of acquisition, along with interest calculated at three times the original compensation.

It is important to note that the actual claims by Pattadars, including interest, may differ from the amounts calculated above. Company has not quantified the contingent liability in a rational manner by scrutinizing the facts of each claim.

During the year, the Company raised ₹ 9,995.28 crore through 9.35% non-convertible redeemable bonds/debentures, secured by a mortgage over 400 acres of land at Survey No. 25, Kancha Gachibowli Village, Serilingampally Mandal, Ranga Reddy District, and



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guaranteed by the Government of Telangana. Further, three Public Interest Litigation writ petitions are pending before the Hon'ble Court concerning the alienation of 400 acres of land in favour of TGIIC for development of an IT/Mixed Use project. The petitioners have challenged the legality of the land alienation under G.O.Ms.No.54 dated 26.06.2024 and the related development process, alleging violations of forest conservation laws, and have sought cancellation of the Government Order, restraint on development activities, and protection/restoration of the alleged forest land. The matters are pending adjudication. The financial implications, if any, are presently unascertainable.

Moreover, the Company has not reviewed if there are any disputes apart from the legal cases we could not ascertain the unfavorable orders issued during the year to comment upon the disclosure of these matters as contingent liabilities in the respective financial statements for those financial years. As a result, there is no sufficient and appropriate audit evidence to confirm the completeness of contingent liabilities and potential financial impact if any.

**29. Deposit towards works undertaken**

The company has received funds from various departments of State Government for construction of various projects/buildings. Such receipts have been credited to GL 9133 "Deposit towards works undertaken." On the other hand, expenses incurred for those projects are debited to the same GL 9133. As a result, expenditure incurred for each project cannot be ascertained.

Further, in certain projects company has spent more money than it has received. These amounts are to be received from a particular department. In view of the current accounting practice, the company has not shown receivable separately except for ITE&C works and Siricilla Textile Park, but it has set off against the deposits received for other projects. This accounting treatment is not in accordance with the Generally accepted accounting principles or accounting standards and has resulted in understatement of liabilities and assets. As there is no adequate information, we are unable to quantify the impact on the financial statements.

**30. Funds Received and Expenditure Incurred for IT-Related Projects, Recognition of Income, and Receivables from ITE&C Department -**

The Company has not received any funds from the ITE&C Department for the construction of T-Hub, IT Towers, Incubation Buildings, and other IT-related projects across various zones during the year 2025-26. As of March 31, 2026, the Company has not received any funds but incurred expenditure spent on these projects. Consequently, books of accounts shows a receivable of Rs. 68,137.95 from the ITE&C Department.

However, we do not find sufficient and appropriate audit evidence on computation of due amount for the following reasons:

i. We have identified that expenditure considered for computation of due amount is not complete. Amount paid for statutory payments is not considered in the due computation.

ii. Some of the amount received from IT&C department is considered for works done related to other than IT&C department, for this we don't find sufficient and



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appropriate audit evidence for allocation of amount to works other than IT&C department.

Additionally, the Company is recognizing rental income from the lease of ITE&C Incubation Buildings that are not owned by the Company. The Company also incurs expenses related to these buildings, including maintenance, electricity charges, internet charges, etc., which are recorded as receivables from the ITE&C Department. In the absence of adequate information to substantiate the recognition of this income and the corresponding receivables, we are unable to comment on the potential implications of these matters on the financial statements.

**31. Dispute Regarding Gratuity Payments under Master Policy**

The company has secured a Master Policy for Group Gratuity insurance, identified by Policy Number 504002557, from Life Insurance Corporation of India (LIC). It has come to our attention that LIC is currently withholding the disbursement of Gratuity amounts that are due upon the superannuation of employees due to ongoing dispute between APIIC and TSIIC on account of demerger.

As a result, the company has been disbursing the Gratuity amounts directly to the employees upon their superannuation. These disbursed amounts are being recorded as receivables under "Other Current Assets" in the books of accounts. In the absence of adequate information, we are unable to comment of certainty of realization.

**32.** On test basis, Company is accounting certain expenditure on payment basis. At the end of the year, provision is made towards outstanding expenses not paid. However, there is no comprehensive system in place to identify outstanding expenses. As result, we are unable to comment if the outstanding expenses recognized is complete.

**33. Demand from M/s. Hyderabad Pharma Infrastructure and Technologies Limited (HPIT)**

Company received a demand in 2015, between the company and M/s. HPIT. As per the MoU, TSIIC is obligated to transfer the laboratory equipment usage charges collected from M/s. United States Pharmacopeia India Private Limited (USP) to M/s. HPIT amounting to Rs. 86.47 lakhs. However, the same is not being remitted.

HPIT has filed a Writ Petition to claim the arrears, which is currently pending before the Hon'ble High Court of Telangana. The claim pertains to the amount allegedly pending since 2015.

Company has neither recognized the above claim as liability or contingent liability.

**34. Grant in Aid - Telangana Budget**

Attention is invited to Note 20.1 of the financial statements. Company has received Rs.172.5 crores in FY 2015-16, Rs.25 Crores in FY 2020-21 and Rs.401.96 crores in FY 2021-22 as grant from Govt of Telangana. Company incurred expenditure of Rs. 5.73 crores during the financial years 2015-16 to 2017-18 and debited the amount to this ledger. This Net amount has been recognized as Grant and shown under other noncurrent liabilities.
Company has not analyzed the status of each project for which grants are received and as result



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not given accounting treatment in accordance with Ind AS 20. In the absence of adequate information, we are unable to comment impact on the financial statements.

**35. Non reconciliation of taxable income between the books and GST returns.**

Company has not carried out the reconciliation of taxable income between the book of accounts and GST returns. As a result, liability if any had to be recognized has not been recognized. Turnover Reconciliation could not be carried out due to non-availability of adequate information. In the absence of adequate information, we are unable to quantify the impact of the financial statements.

**36. Price Fixation Committee and Consideration of Government Grants**

The company has established a Price Fixation Committee responsible for determining the sale price of land. It has been communicated that the price fixation process considers factors such as the cost of land, estimated land development costs, other administrative charges, and a profit markup. As the company has not provided the basis for price fixation by the committee, we are unable to validate the price fixed. Also, we are unable to check if the grants received are considered in fixing the price.

**37. Delay in Execution of Sale deeds**

The Company is not executing the Sale deeds as and when the conditions are met. It has been observed that there are instances where the execution of sale deeds has been delayed by 1 to 5 years, even after the allottees have fulfilled the conditions specified in agreement of sale. This has resulted in delays in the recognition of income by TSIIC.

**38. Valuation of Inventory**

Attention is invited to Note no. 9, Company policy about Inventory valuation states that inventories are valued at lower of cost or net realizable value ("NRV") but in course of our audit it is noticed that the Company does not have any data or details about the NRV of the Inventory. As such, the inventories are valued at cost. The impact of such practice on Standalone Financial Statements is not ascertained.

**Emphasis of Matter**

**Industrial Area Local Authority – Accounts.**

i. As mentioned in Note No. 41 in the standalone financial statements, the Government of Telangana has entrusted certain Local Authority powers to the Company like collection of Property Tax, maintenance of Common facilities in respect of certain Industrial Parks and Industrial Development Areas. The local authority powers are vested with TSIIC Industrial Area Local Authority (IALA) for each industrial area and the income and expenditure in



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this regard is being accounted for in the books of accounts maintained by the respective IALAs and hence not accounted for in the accounts of the Company.

ii. **Dues from Government of Telangana, T-Work Foundation and Various Government Departments of Telangana State** – Attention is invited to Note no. 5&6 which includes an amount of Rs. 1,49,170.69 Lakhs is outstanding from Government of Telangana State, T-Work Foundation and Various Government Departments of Telangana State including Deposits works of Sircilla Textile Park. Following are the dues which are long pending:

a. Rs.31,682.5 Lakhs from the Handloom & Textile Department for costs incurred in developing the Sircilla Textile Park.

b. Rs.2,935.00 Lakhs from T-Works Foundation.
c. Rs.68,137.95 Lakhs from the ITE&C Department for expenses related to the construction of T-Hub, IT Towers, and other IT-related projects across various zones.
d. Rs.500.00 Lakhs from M/s. Telangana State Trade Promotion Corporation Limited.
e. Rs.120.00 Lakhs from M/s. Telangana Technology Services Ltd towards T-Hub includes funds transferred to T-Hub for participation at World Economic Forum at Davos Kioster.
f. Rs. 47.04 Lakhs due from TSMSIDC Department for the expenditure incurred for Covid-19 hospital preparedness towards procurement of Oxygen flow meters.
g. Rs. 1399.68 Lakhs from Roads& Buildings Department.
h. Rs.603.49 Lakhs from the Government of Telangana for expenses related to IIDF.
i. Rs.4,641.25 Lakhs from the Government of Telangana as rebates provided to allottees at the time of land allotment.
j. Rs.377.83 Lakhs from the Government of Telangana for expenses incurred towards IIIT Deposit works.
k. Rs.174.87 Lakhs from the Government of Telangana for costs associated with IT Parks.
l. Rs. 673.87 Lakhs from Government of Telangana towards repayment of NABARD Loan.
m. Rs. 9723.15 Lakhs from Government of Telangana towards repayment of HUDCO Loan.
**n.** Rs. 26,804.44 due from Govt of Telangana comprises of payments made by TSIIC which are actually reimbursable under IP budget such as expenditure on Bio-Asia, on Covid pandemic related expenditure, remuneration paid to Sri. Praveen PA, Director (Aerospace & Research) and various other projects. Further it also includes the MSME Project's share of Govt of Telangana pending reimbursement from Govt of Telangana.

These amounts have been pending for a considerable time and may have significant implications on the financial position of the entity.

iii. **Delay in completion of Mega food Park** –The Company was sanctioned a grant of Rs. 5,000.00 Lakhs for establishing a Mega Food Park at Buggapadu Village, Sathupally Mandal, Khammam, with a total project cost of Rs.10,944.00 Lakhs. As of March 31, 2026, an amount of Rs. 2,850.00 Lakhs has been received as a grant. According to the final approval terms, the Company was required to complete the project within 30 months from



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the date of receipt of the first installment of the grant from the Ministry. The first installment was received on April 1, 2017, requiring the project to be completed by October 1, 2019. However, the Company has not completed the project as of March 31, 2026.

iv. **E-auction of Land** – Attention is invited to Note No. 43 of the standalone financial statements. TSIIC has conducted an e-auction of land in accordance with the instructions of the Telangana State Government through MSTC Ltd. Through this open auction at Kokapet, a total amount of Rs.729.04 crores were deposited by the bidders with MSTC, and an amount of Rs.14.6 crores was subsequently paid to TSIIC after deducting service charges of Rs.44.25 lakhs (i.e., 2% of the sale proceeds). This amount was meant to reimburse the expenditure incurred towards facilitation of E-auction and minimal development of the sites, as per Government Order MS No: 13, dated June 10, 2021. Till 31st March 2021, company has incurred an amount of Rs.795.20 Lakhs towards advertisement charges. However, as per explanation provided by the management, the actual expenditure incurred exceeded Rs.14.6 crores in the subsequent financial years.

v. **Deposit Works at Siricilla Textile Park -** Attention is invited to Note no. 6.1 of the standalone Financial statements, TSIIC has undertaken deposit works for the development of the Siricilla Textile Park in Siricilla, Rajanna Siricilla District. The company received amounts of Rs.1,000.00 Lakhs on 27.08.2019 and Rs.500.00 Lakhs on 18.11.2019 from the Handloom & Textile Department, Government of Telangana State (GoTS). However, TSIIC has incurred a total expenditure of Rs. 14,148.89 Lakhs towards the development of the park. During the FY 2023-24, TSIIC has incurred Rs. 13,918.61 Lakhs for development of Sircilla Textile Park. As a result, the company has accounted for an outstanding amount of Rs.31,682.50 Lakhs (as at 31st March 2025: Rs. 31,682.50Lakhs) due from the Handloom & Textile Department, which has remained unpaid for long period.

vi. Attention is invited to Note no. 10, 21.2, 5, 8 and 9 of the standalone Financial statements, Company needs to establish a system for obtaining confirmation of balances for receivables, payables, advances, deposits and project stock held by the third party.

vii. **Borrowings from IALA (Due to IALA):**

Attention is invited to Note no. 21.1 in the standalone financial statements. Company has received an amount of Rs.37,098.03 lakhs from IALA, majorly consists of the following:

| Sl. No | Year | Particulars | Amount (Rs. in Crores) | Purpose |
|---|---|---|---|---|
| 1 | FY 2018-19 | IALA Madhapur & IALA Cyberabad | 20.00 | Towards construction of T-Hub Phase II at Hyderabad Knowledge City, Raidurg, Panmaktha(V), |
| 2 | FY 2019-20 | IALA | 50.00 | Taken from IALA for affecting payments outstanding vendors / agencies executing IT infrastructure works pertaining to T-Hub (Phase – |



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| | | | | |
|---|---|---|---|---|
| | | | | II), IT Towers in Karimnagar, Nizamabad, Khammam, Warangal and Mahabubnagar and T-Works. |
| 3 | FY 2019-20 | Registration Department, Telangana towards Stamp Duty registration of IALAs | 25.10 | Towards stamp duty for IALA registrations and is to be returned to the respective IALAs. |
| 4 | FY 2020-21 | IALA Auto Nagar, Rangareddy district | 2.00 | Towards GoTS share of MSME project -IP Auto nagar |
| 5 | FY 2020-21 | Commissioner TSIIC Madhapur | 4.34 | Towards Extension of 33KV Power supply for a CMD of 2000KVA with a connection load of 1600KW to T-Hub Phase II |
| 6 | FY 2021-22 | IALA | 100.00 | Towards repayment of deposit received from UNITECH Limited. |
| 7 | FY 2021-22 | IALA | 100.00 | Received from IALA for Expenditure works. |
| 8 | FY 2021-22 | IALA Manikonda | 27.68 | Towards depositing with RDO Rajendranagar for land acquisition for an extent of 10.1425 Acres at Vattinagulapally (V), Gandipet (M), Rajendranagar Dist for formation of 100 feet road from IP Osmansagar to Outer ring road. |
| 9 | FY 2021-22 | TSIIC IALA Palvoncha | 1.50 | State share amount received from IALA towards final approval for upgradation of Industrial Estate at palvoncha, Bhadradri. |
| | | | **330.62** | |

In accordance with Ind AS 32 – Financial Instruments: Presentation, the loan has been classified as a financial liability, since the arrangement gives rise to a contractual obligation to deliver cash in the future.

As there are no specified repayment terms and the loan is interest-free, its fair value at initial recognition has been considered to be equivalent to the carrying amount of ₹ 37,098.03 lakhs, which represents management's best estimate of its present value under Ind AS 109 – Financial Instruments: Recognition and Measurement and Ind AS 113 – Fair Value Measurement.

Our Opinion is not modified in respect of the above matter.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and



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fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also are responsible for overseeing the financial reporting process of the company.

**Auditor's Responsibility for the audit of the standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the standalone 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.

ii. Obtain an understanding of internal financial control relevant to the audit in order to design



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audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

iv. Conclude on the appropriateness of management's 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 standalone 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.

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

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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**Other Matters:**

Company has prepared the financial statements of FY 2025-26 based on opening balances derived from audited financial statements for FY 2024-25. However, these financial statements and for the financial statements for FY 2021-22, FY 2022-23 and FY 2023-24 are yet to be adopted in the Annual General Meeting. Our audit is subject to the adoption of financial statements in the Annual General Meeting.

Further, the Financial Information with respect to nine Subsidiaries reflecting in this Standalone Financial Statements is unaudited and have been furnished to us by the management which were approved by them in their Board Meetings.

Also, the Comptroller and Audit General under Section 143(6) of the companies act 2013, has not issued Final Comments for the Financial year 2024-25.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(5) of the Act, on the basis of verification of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure C"**, to this report a statement on the directions issued by Comptroller & Auditor General of India, to the extent applicable.

3. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) Except for the effects of the matters described in the Basis for Adverse Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

    c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Cash flow Statement dealt with by this Report are in agreement with the books of account.

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d) Except for the effects of the matters described in the Basis for Adverse of Opinion Paragraph, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) The matters specified in the Basis for Adverse of Opinion Paragraph, in our opinion, may not have an adverse effect on the functioning of the company.

f) Being a Government Company, the Company is exempt from the provisions of section 164(2) of the Act regarding disqualification of Directors, in terms of circular No. GSR 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India.

g) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse of Opinion Paragraph, read with paragraph 3(b) above;

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".** Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

   i. Due to the possible effects of the matters described in the Basis for Adverse of Opinion Paragraph, we are unable to state whether the Company has disclosed fully the impact of pending litigations on its financial position of the company as at 31st March 2026 as detailed in Note 32 of the accompanying financial statements.

   ii. Except for the effects of the matters described in the Basis for Adverse Opinion paragraph above we are unable to state whether the company has made adequate provision as at 31st March 2026, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts if any.



iii. According to the records of the company, no amount is required to be transferred to the Investor Education and Protection Fund by the Company during the reporting period.

iv.

- The management has represented that, to the best of its knowledge and belief, no funds have been advanced, loaned, or invested (either from borrowed funds, share premium, or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.

- The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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.

- Based on such audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. During the financial year 2025-26, no dividends were paid, and the board of directors has not proposed any dividend for the financial year ended 31st March 2026. Hence, reporting on compliance with Section 123 of the Act is not applicable.

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vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company. Accordingly, during the audit, it was observed that the company has enabled the audit trail feature in its system but the trail implemented is not effective and is improper. Specifically, the audit trail logs were incomplete, lacked key details (such as user identifications for certain transactions), and did not allow for adequate tracing of transactions. This results in non-compliance with the relevant provisions and the inability to track changes made in the system.

For **Manohar & Venkata**
Chartered Accountants
FRN: 0009672S

Date : 12-11-2026
Place: Hyderabad

**M.J. Manohar**
Partner-M No. 206612
UDIN: 26206612NSKQSS6943

Manohar And Venkata
Chartered Accountants

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Telangana State Industrial Infrastructure Corporation Limited of even date.**

**i.**

a. The Company is not maintaining proper records showing full particulars, including quantitative details and the situation of property, plant, and equipment, and relevant details of right-of-use assets, and investment property to the value of PPE as shown in the Balance sheet.

b. The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of Order is not applicable to the company.

c. The Company does not have a program of physical verification of property, plant and equipment at the reasonable intervals. In our opinion, the periodicity of physical verification of fixed assets is not reasonable having regard to the size of the company and the nature of its assets. As there is no physical verification carried out during the year commenting on the discrepancy and dealing in the books of accounts is not applicable.

d. The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in Note No. 2 to the financial statements are not held in the name of the company, as the final orders approving the demerger scheme are awaited from the respective state governments/competent authorities. As mentioned in Note No. 2, Buildings include the 6th floor purchased by APIIC from APIDC, for which the sale deed has not yet been executed by APIDC Ltd. in favor of the erstwhile APIIC.

e. The company has not revalued any of its property, plant, and equipment (including right-of-use assets) or intangible assets during the year.

f. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

**ii.** In respect of Inventory of the Company

a. Company has not conducted physical verification of inventory since the incorporation of the company.

b. The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

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**iii.** During the year the company has not made investments 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 or any other parties except an investment and certain advances.

a. During the year company has given advances which are detailed as below.

| S. No | Name of the Related party | Nature of Relationship | Nature of Transaction | Aggregate Amount during the year | Balance as at 31.03.2026 |
|---|---|---|---|---|---|
| 2 | Ecity Manufacturing Cluster Limited | Subsidiary | Other Advances | 798.27 | 12,940.73 |
| 3 | Maheshwaram Science Park Limited | Subsidiary | Other Advances | 2,990.56 | 3,284.03 |
| 4 | Zaheerabad NIMZ Limited | Subsidiary | Other Advances | 64.31 | 745.93 |
| 5 | Hyderabad Pharma city Limited | Subsidiary | Other Advances | 223.94 | 9,946.56 |
| 6 | Bio Tech Hub Limited | Subsidiary | Other Advances | 0.1 | 1.05 |
| 7 | CETP-KMTP Warangal Ltd | Subsidiary | Other Advances | 58.53 | 2,553.1 |
| 8 | NICDIT ZHB Industrial Smart City | Subsidiary | Other Advances | 9.53 | 15.36 |

b. In our opinion, and according to the information and explanations given to us, the investments made are not prejudicial to the interest of the Company.

c. In respect of advances in the nature of loan given by the company there is no agreed schedule for repayment principal and interest. Hence, we are unable to comment on clause 3(iii)c, 3(iii)d and 3(iii)e of the order.

d. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

**iv.** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

**v.** In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

**vi.** The Company has failed to comply with the provision for maintenance of cost records as required under section 148(1) of the Companies Act, 2013 and as per rule 3(B) of Companies



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(Cost records and audit) Rules, 2014 as amended up to 16th July 2016 which is mandatory for the company for the financial year 2025-26.

**vii.**

a. As per information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value-added tax, cess, and other material statutory dues applicable to the company have generally been regularly deposited by it with the appropriate authority.

There are no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value-added tax, cess, and other material statutory dues applicable to the company in arrears as at 31st March 2026 for a period of more than six months from the date they become payable, except the following:

| Name of the Statute | Nature of dues | Amount (Rs. in Lakhs) | Remarks |
|---|---|---|---|
| Mining & Geology Department | DMFT, SMET, Seigniorage | 21.40 | Dues pertain to multiple periods. Certain portion is long pending. |
| Building & Other Construction Workers' Welfare Cess [BOCWW Cess] | Labour cess | 10.47 | Dues pertain to multiple periods. Certain portion is long pending. |
| National Academy of Construction | NAC | 26.72 | Dues pertain to multiple periods. Certain portion is long pending. |
| Income Tax Department | TDS | 52.93 | Dues pertain to multiple periods. Certain portion is long pending. |



b. where statutory dues in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value-added tax, cess, have not been deposited on account of any dispute except for Income tax and Goods and Service tax as mentioned below:

**(Rs. in Lakhs)**

| Name of the statute | Period to which the amount relates / Subject | Nature of Dues | Forum where dispute is pending | Amount |
|---|---|---|---|---|
| The Income Tax Act, 1961 | AY 2018-19 | Income Tax | CIT(A) | 265.22 |
| The Income Tax Act, 1961 | AY 2020-21 | Income Tax | Assessing Officer | 68.54 |
| The Income Tax Act, 1961 | AY 2020-21 | Income Tax | CIT(A) | 13,001.68 |
| The Income Tax Act, 1961 | AY 2021-22 | Income Tax | Assessing Officer | 604.32 |
| The Income Tax Act, 1961 | AY 2023-24 | Income Tax | Assessing Officer | 971.06 |
| The Income Tax Act, 1961 | AY 2024-25 | Income Tax | CIT(A) | 32,021.41 |
| CGST Act, 2017 | FY 2020-21 | GST | GST Authorities | 4.28 |

**viii.** There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

**ix.**

a. In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c. To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

d. On an overall examination of the Standalone Financial Statements of the Company, funds raised on a short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e. Company has been sanctioned with a loan from State Bank of India (SBI) of Rs.1,00,000 lakhs for the purpose of development of Hyderabad Pharma City Project Phase I for which a separate SPV was formed by TSIIC in the form of wholly owned subsidiary named Hyderabad Pharma City Limited (M/s. HPCL). Out of sanctioned loan an amount of Rs.27,590.00 Lakhs was received during FY 2021-22 (on 28th February 2022) from SBI. No funds have been received during the current Financial Year from the bank. Details of transactions and the amounts received during FY 2021-22 are given below:



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(Rs. in Lakhs)

| Date | Name of the subsidiary | Nature of loan | Nature of transaction for which funds utilized | Name of Lender | Amount Involved |
|---|---|---|---|---|---|
| 28-02-2022 | Hyderabad Pharma City Limited | Long term loan | For HPCL Phase I Implementation | SBI | 27,590.00 |

Subsequently the loan has been closed as of 31-Mar-26

f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies hence reporting on clause 3(ix)(f) of the Order is not applicable.

**x.**

a. In our opinion and according to the information and explanations given to us, the company has utilized the money raised by way of initial public offer by issuing non-convertible debentures during the year. These are used for the purposes for which they were raised.

b. During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable. As per demerger scheme, 68053(Nos) shares of Rs.1000/- each, amounting to Rs.680.53 lakhs were allotted to TSIIC Ltd. The erstwhile APIIC Ltd. has not transferred the share certificate in the name of "TSIIC Ltd" and the shares are still in the name of "APIIC Ltd." Hence, the value of share capital for Rs.680.53 lakhs allotted to TSIIC Ltd. as per Demerger Scheme is shown under Share Capital Suspense Account.

**xi.**

a. In view of the matters stated in the basis for adverse opinion and weaknesses observed in the internal financial controls, we are unable to comment on the fraud by the company or any fraud on the company has been noticed or reported during the year.

b. To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors, in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c. As per the information and explanations received from the management, there are no whistle blower complaints received during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

**xii.** In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

**xiii.** In our opinion, the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with related parties, and details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

**xiv.**

a. In our opinion, and based on our examination, the company has an internal audit system in



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place, but it is not commensurate with the size and nature of its business.

b. We have considered, the internal audit reports for the year under audit, issued to the Company for the year in determining the nature, timing and extent of our audit procedures which were made available to us.

**xv.** In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Act are not applicable to the Company.

**xvi.**

a. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

b. The Company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to obtain CoR for such activities from the Reserve Bank of India.

c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

d. As represented by the management, the Group does not have more than one Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

**xvii.** The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

**xviii.** There has been no resignation of the statutory auditors of the Company during the year.

**xix.** According to the information and explanations given to us and on the basis of the financial ratios (Refer Note 35.1 to the Standalone Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**xx.**

a. According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section (5) of section 135 of the said Act.

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b. According to the information and explanations given to us and based on our examination of the records of the Company, there is an amount of Rs. 626.34 Lakhs remaining unspent (cumulatively till 31.03.2026) under sub section 5 of section 135 of the Act pursuant to any ongoing CSR project, and company has not transferred such amount to the special account which is in non-compliance with provision of sub section (6) of section 135 of the said Act.

**xxi.** Reporting under clause xxi 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 **Manohar & Venkata**
Chartered Accountants
FRN: 0009672S




Date : 12-11-2026
Place: Hyderabad

**M.J. Manohar**
Partner-M No. 206612
UDIN: 26206612NSKQSS6943

Manohar And Venkata
Chartered Accountants

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in Paragraph 3(h) under "Report on Other legal and Regulatory requirements" section of our report to the Members of M/s Telangana State Industrial Infrastructure Corporation Limited of even date.**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act") The Standalone Financial Statements of M/s Telangana State Industrial Infrastructure Corporation Limited**

We have audited the Internal financial controls over financial reporting of **M/s Telangana State Industrial Infrastructure Corporation Limited** ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based

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on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Basis of Qualified Opinion**

**Weak Internal Controls and Internal Checks**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Company's internal financial controls over financial reporting as at March 31, 2026.

1. The Company does not have an appropriate internal control system for ensuring



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capitalization of property, plant and equipment and due to delay in issuance of work completion certificate by respective engineering departments which has potentially resulted into under capitalization of property, plant and equipment and corresponding impact on operational results due to lower charge of depreciation.

2. The company does not have a system to conduct the physical verification of Capital Work in Progress (CWIP) to determine the actual stage of completion of the project as on March 31, 2026. Thus, the impact of the same is not ascertainable as on March 31, 2026.

3. The Company does not have an appropriate internal control system to reconcile the financial account pertaining to Goods and Services Tax etc. with the relevant tax records and returns which can possibly result into under/over statement of such amounts in the financial statements.

4. The Company does not have an appropriate internal control to make management assertions with respect to "existence" of balances of assets and liabilities at the year end. The company is unable to provide party wise information with respect to balances such as Deposit towards land acquisition, Demerger balances, Miscellaneous credits, Advances given to various personals ledgers etc.

5. The company does not have an appropriate internal control to convert sale agreements into sale deeds even after the entrepreneurs have commenced business and satisfied the conditions for the transfer of ownership. This conversion of sale deeds affects the recognition of sales in the books of accounts of the company.

6. The company does not have an appropriate internal control for the recognition of land in the books of accounts. Due to a lack of information from the Lands Wing (Acquisition), the Finance team is unable to determine the recognition of land, which affects the value of stock presented in the financials.

7. The company does not have an appropriate internal control for the recognition/track of lands.

8. The company does not have appropriate internal controls for accounting transactions/events occurring in the zones. An accounting manual to facilitate proper and uniform accounting across all zonal offices has not been documented, leading to discrepancies in accounting treatments applied across zones.

9. The company does not have an appropriate internal control system for journal entries and lacks documented evidence of reviews performed with respect to journal entries.

10. The company does not have an appropriate internal control system for the computation of civil work bills and their components in the zones, leading to variations in the accuracy and valuation of such balances.

11. The company does not have an appropriate internal control system for the chargeability of centage on the works performed by the company, which impacts the valuation and completeness of revenue recognized in the books of accounts.

12. The company does not have an appropriate internal control system for the reconciliation and writing off of account balances for both receivables and payables.

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13. The Company does not have an appropriate internal control system for the implementation of an ERP system. The lack of ERP system implementation, given the nature and volume of the organization's activities, exposes it to potential material weaknesses. The Company lacks an audit trail, which results in a lack of control over entries recorded and modifications/rectifications made in the ERP system.

14. The Company's internal financial control over seeking balance confirmations and periodic review of balances from various suppliers, service providers, consumers etc. are not operating effectively. These material weaknesses could potentially result in material misstatement in trade payables, trade receivables, liability and income of the Company

15. The company does not have appropriate internal financial controls over the onboarding of employees.

16. The company does not have appropriate internal financial controls over drafting proper accounting policies to reflect transactions/events with the Government of Telangana, thereby not presenting a true and fair account balance due to/payable by the company.

17. The Company does not have an appropriate internal control system over maintenance of records of Property, Plant & Equipment.

18. The company does not have an appropriate internal control system for the maintenance of records of stock held in its name.

19. The Company lacks appropriate internal controls for the reconciliation of Inventory, Property, Plant and Equipment, Grants, Deposits towards land acquisition, Lease premium, Sundry Debtors, Loans and Advances, Provisions, Sundry Creditors, and other Deposits.

20. The Company does not have an appropriate internal control system to verify compliance with statutory provisions, ensure proper revenue recognition, and ensure compliance with accounting standards.

21. The Company's design and implementation of Controls and procedures to ensure adherence to mandatory accounting standards and generally accepted Accounting Principles are not adequate and have material impact on the financial statements.

22. During the year the company has not conducted any System audit by any external firm / agency which would certify that the information security management system existing in the company is as per Information Security Management System Standards.

23. The company does not have a formal documented Business Continuity Plan (BCP), Restoration plan & Disaster Recovery Plan (DRP) that addresses all core processes, technologies.

24. **Delay in Execution of Sale Deeds -** As per the terms and conditions outlined in the Agreement towards the sale of land, the sale deed is to be executed after the fulfillment of the conditions attached to it. However, it has been noted that there are significant delays in the execution of sale deeds, even though the conditions have been fulfilled well in advance of the sale deed's execution date. This is because of absence of review mechanism at regular



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intervals by the company.

25. **Discrepancies in the Calculation of Taxable Value for GST on Civil Works** – Upon reviewing the civil works executed by the company for the development of industrial estates, discrepancies were noted in the calculation of the taxable value for levying GST. In certain cases, the taxable value included District Mineral Foundation Trust (DMFT) and State Mineral Exploration Trust (SMET) charges, while in other cases, these charges were not included in the taxable value.

26. **Discrepancies in the Calculation of Centage charges on Civil Works** – Upon reviewing the civil works executed by the company for the development of industrial estates, discrepancies were noted in the calculation of the Centage charges. In certain cases, centage is calculated on Gross value which includes NAC and GST, while in other cases, these charges were not included in the taxable value.

27. **Discrepancies in Income Recognition Related to Building Permit Fees Collected by IALA** –The company is receiving a share of Building Permit Fees collected by IALA, which is accounted for as income under Other Operating Revenue. IALA collects building permit fees from allottees, sharing 10% of the collected fees with the company. However, it has been observed that in one particular zone, both 10% of the building permit fee and 100% of the processing fee collected from the allottees are transferred to company. In contrast, in other zones, only 10% of the building permit fee is shared with company.

    There is no established guideline regarding the sharing of income between company and IALA concerning fees collected for building permits. This inconsistency has resulted in discrepancies in the recognition of this income across different zones. In the absence of adequate information, we are unable to determine the impact on the financial statements.

28. **Discrepancy in calculation of FSD** – As per the terms of the work contract, the Final Security Deposit (FSD) is to be collected at 5% of the total value of work done. The process for collection is as follows:

    **2.5% of the Estimated Contract Value:** Collected at the commencement of the work.

    **Remaining 2.5%:** Collected at the time of payment of the final balance, which is calculated as 5% of the total value of work done less the 2.5% collected initially.

    However, it has been observed that in certain zones, the collection process deviates from the standard procedure. In these zones, 2.5% of the Estimated Contract Value is collected at the beginning of the work, and an additional 2.5% on the total value of work done is collected at the time of payment of the final balance. This results in an inconsistent application of the FSD collection process across different zones. In the absence of adequate information, we are unbale to comment on the impact on the financial statement.

29. The Company did not have an appropriate internal financial control system for physical verification of items of Property, Plant & Equipment of the company at various zones at reasonable intervals and adjustment of material discrepancies noticed during such verification.

30. The Company is executing certain civil works on behalf of the Government of Telangana



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and other government departments of Telangana State. However, it has been observed that the funds received and the expenditure incurred for these projects are being accounted for in a single ledger. This practice has resulted in a lack of clear identification of the funds received from each government department and the corresponding expenditure incurred towards the same.

31. Negative (Credit) balances under Asset or Expense Ledgers have been observed and shown net balances in the Standalone Financial Statements.

32. Positive (Debit) balances under Liability or Income Ledgers have been observed and shown net balances in the Standalone Financial Statements.

33. During the year the company has not conducted any System audit by any external firm / agency which would certify that the information security management system existing in the company is as per Information Security Management System Standards.

34. We identified a material weakness in the company's internal controls over Work in Progress inventory, specifically inadequate procedures for tracking and valuing the Work in Progress. This weakness has resulted in a material misstatement of inventory in the amount of Rs. 23,65,340.12 Lakhs (Rs. 22,59,941.24 Lakhs as on 31st March 2025) which management has chosen not to correct. As a result, we were unable to obtain sufficient evidence regarding the accuracy of the WIP balances.

**Qualified Opinion**

In conjunction with our audit of the standalone financial statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to standalone financial statements of the Company.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company have maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").
A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2026 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

Manohar And Venkata
Chartered Accountants

For **Manohar & Venkata**
Chartered Accountants
FRN: 0009672S

Date : 12-11-2026
Place: Hyderabad

**M.J. Manohar**
Partner-M No. 206612
UDIN:

H.No. 1-1-564 Sri MahaYogi Laxmamma Nivas Gandhinagar Hyderabad – 500020
Mail : manoharandvenkata@gmail.com manoharandvenkatayahoo.co.in

Manohar And Venkata
Chartered Accountants

## ANNEXURE "C" TO THE INDEPENDENT AUDITORS' REPORT:

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **M/s Telangana State Industrial Infrastructure Corporation Limited of even date.**

**Report on the Directions of the Comptroller and auditor General of India required under sub section 5 of Section 143 of the Companies Act, 2013 ("the Act")**

Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of **M/s Telangana State Industrial Infrastructure Corporation Limited** (Standalone) for the year 2025-26.

| S. No | Directions | Response |
|---|---|---|
| 1 | Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements. | The Company has made investments in various entities, resulting in the formation of subsidiaries, associates, and joint ventures.<br><br>Company has valued the Investments in subsidiaries at **Cost** based on the unaudited financials statements which were subsequently approved by Board of Directors of their entities.<br><br>Investments in associates and joint ventures have been measured at fair value, in accordance with Indian Accounting Standards (Ind AS), using audited financial statements. The management has adopted the Net Asset Value (NAV) method as the basis for valuation.<br><br>Similarly, Investments in other entities have been valued at fair value, based on audited financial statements prepared in accordance with Ind AS. The Net Asset Value method has also been applied by the management for these valuations.<br><br>We have not observed any deviations except reported by us in the Basis of Adverse opinion paragraph of this report.<br><br>For detailed investment data, refer to Note 4 of the standalone financial statements |

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

H.No. 1-1-564 Sri MahaYogi Laxmamma Nivas Gandhinagar Hyderabad – 500020
Mail : manoharandvenkata@gmail.com manoharandvenkatayahoo.co.in

| S. No | Directions | Response |
|---|---|---|
| 2 | Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. Whether a review of the IT system and controls significant to the Company's financial reporting process, including cyber security, had been carried out, and material discrepancies found, if any, may be stated | Yes, the Company has system in place to process all the accounting transactions through IT system (Tally).<br><br>Company has practice of accounting transactions out of IT system.<br><br>The company's policies result in certain balances and assets being excluded from the books of accounts, leading to financial statements that do not present a true and fair view. |
| 3 | Whether funds (grants/subsidies etc.) received/receivable for specific schemes from central/ state government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation. | Funds (grants/subsidies) received/receivable for specific schemes from central/state government agencies are accounted for as grants in the books of accounts.<br><br>The amount incurred/spent by the company is recorded along with other project expenditures. The amount spent on each project cannot be ascertained. In the absence of adequate information, we are unable to comment on the unspent amount.<br><br>For more details, refer to point 10, 11 & 12 in the audit report. |
| 4 | Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks?<br>If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately? | The risk Management policy framed by the company is not adequate. This Policy lacks on areas such as processes, evaluation of risks and mitigation plans etc.,<br><br>We are unable to comment more on this as the detailed policy is not provided for us. |

| S. No | Directions | Response |
|---|---|---|

| S. No | Directions | Response |
|---|---|---|
| 5 | Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable?<br>If not, the cases of deviation may be highlighted. | As the company has raised funds through public offer issuance of bonds during December 2024. Hence, the company has to comply with Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI.<br><br>The details of fees payable to legal advisors, lead managers, advertising and marketing expenses, underwriting commission, brokerage selling commission and upload fees, fees payable to the Registrar to the issue, fee payable to the regulators including stock exchanges, expenses incurred on printing and distribution of the issue stationery, stamp duty, other miscellaneous expenses (credit rating fees, arrangers fees & other misc. expenses) were not disclosed.<br><br>The Company has not complied with the requirements of forming various committees like audit committee, remuneration committee, stake holders relationship committee, risk management committee |
| 6 | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. | According to the information and explanations given to us and based on our examination of the records of the company, there has been no restructuring/ waiver/ write off of debts/loans/interest etc. made by a lender due to the company's inability to repay the loan. |

For **Manohar & Venkata**
Chartered Accountants
FRN: 0009672S

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

Date : 12-11-2026
Place: Hyderabad

**M.J. Manohar**
Partner-M No. 206612
UDIN: 26206612NSKQSS6943

H.No. 1-1-564 Sri MahaYogi Laxmamma Nivas Gandhinagar Hyderabad – 500020
Mail : manoharandvenkata@gmail.com manoharandvenkatayahoo.co.in

Manohar And Venkata
Chartered Accountants

H.No. 1-1-564 Sri MahaYogi Laxmamma Nivas Gandhinagar Hyderabad – 500020
Mail : manoharandvenkata@gmail.com manoharandvenkatayahoo.co.in

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**Registered Office: 6th Floor, Parishrama Bhavan, Basheerbagh, Hyderabad - 500004**
**Consolidated Balance Sheet as at 31.03.2026**
(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)

| PARTICULARS | Note No | Figures for the current reporting period from 01-04-2025 to 31-03-2026 | Figures for the current reporting period from 01-04-2024 to 31-03-2025 |
|---|---|---|---|
| **Assets:** | | | |
| **Non-Current Assets** | | | |
| Property , Plant and Equipment | 2 | 47,923.92 | 14,641.03 |
| Capital Work In Progress | 2.1 | 6,619.73 | 4,975.11 |
| Investment Property | | | |
| Intangible Asset | 2.2 | 1,174.94 | 1,213.65 |
| Financial Assets | | | |
| (i) Investments | 3 | 47,491.98 | 44,833.92 |
| (ii) Loans and Advances | 4 | 123,409.89 | 117,388.03 |
| (iii) Other Financial Assets | 5 | 68,720.45 | 49,533.10 |
| Deferred Tax Assets (Net) | 6 | 241.83 | 241.57 |
| Other Non Current Assets | 7 | 288,876.00 | 228,864.65 |
| | **Sub Total** | **584,458.74** | **461,691.06** |
| **Current Assets** | | | |
| Inventories | 8 | 2,054,148.19 | 2,150,001.97 |
| Financial Assets | | | |
| (i) Trade Receivables | 9 | 2,756.19 | 2,812.00 |
| (ii) Cash and cash equivalents | 10 | 90,202.82 | 67,027.42 |
| (iii) Bank Balances other than (ii) above | 10.1 | 294,722.25 | 127,898.91 |
| (iv) Loans and Advances | 11 | 499.13 | 600.93 |
| (v) Other Financial Assets | 12 | 2,366.90 | 333.14 |
| Current Tax Assets (Net) | 12.1 | 11,114.27 | 6,661.24 |
| Other Current Assets | 13 | 1,985.83 | 1,463.05 |
| | **Sub Total** | **2,457,795.60** | **2,356,798.67** |
| **Total Assets** | | **3,042,254.34** | **2,818,489.73** |
| **Equity & Liabilities:** | | | |
| **Equity** | | | |
| Equity Share Capital | 14 | 1.00 | 1.00 |
| Share Capital Suspense Account | 14 | 680.53 | 680.53 |
| Other equity | 14 | 19,102.29 | 72,937.10 |
| | **Sub Total** | **19,783.82** | **73,618.63** |
| Non Controlling Interest | 14.1 | **53,478.54** | **-199.82** |
| **Non-Current Liabilities** | | | |
| Financials Liabilities | | | |
| i) Borrowings | 15 | 1,011,949.87 | 1,067,965.23 |
| ii) Other financial liabilities | 16 | 776,390.75 | 775,617.27 |
| Provisions | 17 | 3,144.31 | 3,119.30 |
| Deferred tax liabilities - Net | 18 | 1,265.71 | 1,260.36 |
| Other Non current liabilities | 19 | 403,255.40 | 269,126.10 |
| | **Sub Total** | **2,196,006.05** | **2,117,088.26** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| i)Borrowings | 20 | 68,333.28 | 34,503.92 |
| ii)Trade Payables | 20.1 | 745.70 | 1,126.60 |
| iii)Other financial liabilities | 21 | 1,358.95 | 1,585.03 |
| Other Current Liabilities | 22 | 701,768.44 | 589,917.02 |
| Provisions | 23 | 779.56 | 850.08 |
| Current Tax Liabilities- Net | | - | - |
| | **Sub Total** | **772,985.93** | **627,982.65** |
| **Total Equity & Liabilities** | | **3,042,254.34** | **2,818,489.73** |
| Notes forming part of the Financial Statements | 1-50 | | |
| Significant Accounting policies | 1 | | |
| Contingent Liability | 31 | 64,539.00 | 23,999.00 |
| **Summary of accounting policies** | 1 | | |

**The accompanying notes are an integral part of the consolidated financial statements.**

**As per our report dated**
**Manohar & Venkata**
**Chartered Accountants**
**(FRN: 009672S)**

**M.S. Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Place: Hyderabad**

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

**For and on behalf of the Board**

J. Nikhil Chakravarthi
DIN: 11188119
(Director)

**K. Ramu**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

T.S. Industrial Infrastructure Corpn. Ltd. ★ HYD

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**Registered Office: 6th Floor, Parishrama Bhavan, Basheerbagh, Hyderabad - 500004**
**CIN: U99000TG2014SGC095514**
**Consolidated Statement of Profit & Loss for the Financial Year 2025-26**

(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)

| PARTICULARS | Note No | Figures as at the end of 31-03-2026 | Figures as at the end of 31-03-2025 |
|---|---|---|---|
| **REVENUE** | | | |
| Revenue from operations | 24 | 552,120.35 | 55,492.06 |
| Other income | 25 | 24,628.02 | 16,244.46 |
| **TOTAL INCOME** | | **576,748.37** | **71,736.53** |
| **EXPENSES** | | | |
| Cost of Sales | 26 | 522,701.91 | 38,378.38 |
| Employee benefit expense | 27 | 3,663.94 | 3,243.25 |
| Finance cost | 28 | 99,476.31 | 31,522.86 |
| Depreciation and amortisation expense | 28.1 | 295.53 | 186.61 |
| Other expense | 29 | 6,435.09 | 3,833.06 |
| **TOTAL EXPENSES** | | **632,572.78** | **77,164.16** |
| **Profit/( Loss) before share of profit in equity accounted investees, exceptional Items and tax** | | | |
| Exceptional Incomes/ Expenses - Net | | | |
| **Profit/ (loss) before tax** | | **-55,824.42** | **-5,427.63** |
| **Tax expense** | | | |
| a) Current tax | | 36.12 | 47.14 |
| b) Deferred tax | | 5.10 | 27.86 |
| c) Previous year Tax | | - | |
| **Profit/ (loss) for the year of Continuing Operations** | | **-55,865.64** | **-5,502.63** |
| **Profit/ (loss) for the year of Discontinuing Operations** | | - | - |
| **Profit/ ( loss) for the year** | | **-55,865.64** | **-5,502.63** |
| **Other comprehensive income** | | | |
| - Items that will be reclassified to profit or loss | | - | - |
| - Items that will not be reclassified to profit or loss | | | |
| Fair valuation of investment in unquoted equities | | 2,606.18 | 2,847.71 |
| Share of Associates ( using Equity Method) | | 2,386.37 | 2,460.43 |
| Share of Joint Ventures ( using Equity Method) | | 4,863.14 | 4,411.26 |
| Remeasurements of Defined Benefit obligation's | | 21.97 | 11.11 |
| **Total comprehensive income for the year** | | **-45,987.98** | **4,227.87** |
| Profit/ (loss) attributable to: | | | |
| Owners of the Parents | | -55,865.64 | -5,502.63 |
| Non Controlling Interest | | -56.12 | -4.87 |
| OCI attributable to: | | | |
| Owners of the Parents | | **9,877.66** | **9,730.51** |
| Non Controlling Interest | | - | - |
| Net profit Transferred to Retained Earnings | | | |
| **Total comprehensive income attributable to** | | | |
| Owners of the Parents | | **-45,987.98** | **4,227.87** |
| Non Controlling Interest | | -56.12 | -4.87 |
| Net profit Transferred to Retained Earnings | | -46,044.11 | 4,223.00 |
| **Earnings Per Equity Share from Continuing Operations (in Rupees)** | | | |
| Basic EPS | | -55,865,642.14 | -5,502,634.44 |
| Diluted EPS | | -81,970.92 | -8,073.94 |
| **Earnings Per Equity Share from Discontinuing Operations (in Rupees)** | | | |
| Basic EPS | | | - |
| Diluted EPS | | | - |
| **Earnings Per Equity Share from Continuing& Discontinuing Operations (in Rupees)** | | | |
| Basic EPS | 35 | -55,865,642.14 | -5,502,634.44 |
| Diluted EPS | 35 | -81,970.92 | -8,073.94 |
| **Notes forming part of the Financial Statements** | **1-50** | | |
| **Significant Accounting policies** | **1** | | |

**As per our report dated**
**Manohar & Venkata**
**Chartered Accountants**
**(FRN: 000967S)**

**M.J. Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Place: Hyderabad**

**For and on behalf of the Board**

J. Nikhil Chakravarthi
Director
DIN: 11188119

**R. Ranju**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 000967S HYDERABAD

T.S. Industrial Infrastructure Corpn. Ltd. ★ HYD.

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**

**Consolidated Statement of Cash Flow for the year ended 31st March 2026**

(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)

| PARTICULARS | For the year ended March 31, 2026 | | For the year ended March 31, 2025 | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| Profit / (loss) before tax | | (55,824.42) | | (5,427.63) |
| *Adjustments for:* | | | | |
| Depreciation and amortisation expense | 295.53 | | 186.61 | |
| Finance costs | 99,476.31 | | 31,522.86 | |
| Interest income (considered under investing activities) | (16,458.17) | | (11,372.11) | |
| Dividend income (considered under investing activities) | (4,857.82) | | (4,117.63) | |
| Remeasurement of defined benefit obligations (OCI) | 21.97 | | 11.11 | |
| Other adjustments through retained earnings (SOCIE - any other changes) | (592.08) | | 1,855.10 | |
| | | 77,885.74 | | 18,085.94 |
| **Operating profit / (loss) before working capital changes** | | **22,061.33** | | **12,658.31** |
| *Changes in working capital:* | | | | |
| (Increase)/decrease in inventories | 95,853.78 | | (1,677,360.51) | |
| Less: Land given in exchange for equity shares (non-cash) - NICDIT / Bhagyanagar Gas | (30,051.25) | | (228.00) | |
| (Increase)/decrease in trade receivables | 55.81 | | (188.47) | |
| (Increase)/decrease in loans and advances - non-current | (6,021.86) | | 889.52 | |
| (Increase)/decrease in other financial assets - non-current | (19,187.35) | | (11,464.66) | |
| (Increase)/decrease in other non-current assets (incl. deposits for land acquisition) | (60,011.35) | | (4,488.33) | |
| (Increase)/decrease in loans and advances - current | 101.80 | | 11.05 | |
| (Increase)/decrease in other financial assets - current (incl. interest accrued) | (2,033.76) | | 3,704.55 | |
| (Increase)/decrease in other current assets | (522.77) | | (609.75) | |
| Increase/(decrease) in other financial liabilities - non-current | 773.48 | | 740,916.68 | |
| Increase/(decrease) in provisions - non-current | 25.01 | | 45.99 | |
| Increase/(decrease) in other non-current liabilities (incl. grants) | 134,128.30 | | 16,872.94 | |
| Increase/(decrease) in trade payables | (380.90) | | 423.11 | |
| Increase/(decrease) in other financial liabilities - current | (226.09) | | 589.70 | |
| Increase/(decrease) in other current liabilities (incl. deposits from allottees) | 111,851.42 | | 58,451.64 | |
| Increase/(decrease) in provisions - current | (70.52) | | (127.98) | |
| | | 224,283.75 | | (872,562.52) |
| **Cash generated from / (used in) operations** | | **246,345.07** | | **(859,904.21)** |
| Less: Income taxes paid (net) | | (4,489.15) | | (3,844.36) |
| **Net cash from / (used in) operating activities (A)** | | **241,855.92** | | **(863,748.57)** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Purchase of PPE, capital work-in-progress and intangible assets | (5,133.18) | | (2,476.05) | |
| Proceeds from disposal of PPE (net book value) | 0.10 | | - | |
| Interest received | 16,458.17 | | 11,372.11 | |
| Dividend received | 4,857.82 | | 4,117.63 | |
| **Net cash from / (used in) investing activities (B)** | | **16,182.91** | | **13,013.69** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from / (repayment of) long-term borrowings (net of Ind AS fair value unwinding) | (58,406.21) | | 1,038,965.40 | |
| Proceeds from / (repayment of) short-term borrowings - Due to IALA (net) | 33,829.36 | | (4,119.40) | |
| Capital & share application money received from NCI (NICDIT) | 53,622.23 | | - | |
| Interest and other finance costs paid | (97,085.46) | | (30,663.18) | |
| **Net cash from / (used in) financing activities (C)** | | **(68,040.08)** | | **1,004,182.82** |
| **Net increase / (decrease) in cash and bank balances (A+B+C)** | | **189,998.74** | | **153,447.92** |
| **Cash and bank balances at the beginning of the year** | | | | |
| Cash and cash equivalents | 67,027.42 | | | |
| Bank balances other than cash and cash equivalents | 127,898.91 | | | |
| Cash and bank balances as at 31.03.2024 (Note 10 + 10.1, FY 2024-25 financials) | | | 41,478.40 | |
| | | 194,926.33 | | 41,478.40 |
| **Cash and bank balances at the end of the year** | | **384,925.07** | | **194,926.33** |
| **Reconciliation with Balance Sheet** | | | | |
| Cash and cash equivalents | 90,202.82 | | 67,027.42 | |
| Bank balances other than cash and cash equivalents | 294,722.25 | | 127,898.91 | |
| **Total cash and bank balances as per Balance Sheet** | | **384,925.07** | | **194,926.33** |
| **Components of cash and bank balances (31.03.2026 and 31.03.2025)** | | | | |
| Balances with banks | 71,402.69 | | 63,617.86 | |
| Cheques in transit | 0.13 | | 897.74 | |
| Fixed deposits | 18,800.00 | | 2,511.82 | |
| Fixed deposits more than 3 months but less than 12 months | 287,584.97 | | 120,240.78 | |
| Balances in Land Acquisition Joint A/c (RDOs) | 6,329.17 | | 6,281.96 | |
| Lien fixed deposit - SBI loan (HPCL) | - | | 590.83 | |
| IALA payment gateway control bank accounts | 808.11 | | 785.34 | |
| **Total** | | **384,925.07** | | **194,926.33** |

**Notes:**

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Cash Flow Statements as notified under Sec. 133 of the Companies Act, 2013 ("the Act") read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended)
2. Previous year figures have been regrouped and reclassified to confirm to those of the current year wherever necessary
3. Purchase of fixed assets includes payments for items in capital work in progress.
4. Interest and dividends received are investing activities; interest paid is a financing activity.

**As per our report dated**
**Manohar & Venkata**
**Chartered Accountants**
**(FRN:009672S)**

Manohar & Venkata Firm Reg. No. 009672S HYDERABAD Chartered Accountants

**M.L. Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Place: Hyderabad**

**For and on behalf of the Board**

J. Nikhil Chakravarthy
DIN : 11188119
Director

**R. Ramu**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

T.S. Industrial Infrastructure Corpn. Ltd. HYD

## TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED
### Statement of Changes in Equity for the Financial Year 2025-26

(Rs in Lakhs)

**A. Equity Share Capital**

| | |
|---|---|
| **As at 31st Mar 2024** | **1.00** |
| Changes in equity share capital | - |
| **As at 31st Mar 2025** | **1.00** |
| Changes in equity share capital | - |
| **As at 31st Mar 2026** | **1.00** |

**B. Share Capital Suspense Account**

| | |
|---|---|
| **As at 31st Mar 2024** | **680.53** |
| Changes in equity share capital | - |
| **As at 31st Mar 2025** | **680.53** |
| Changes in equity share capital | - |
| **As at 31st Mar 2026** | **680.53** |

**C. Other Equity**

| Particulars | Notes | Reserves and Surplus | | | Items of Other Comprehensive Income | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Capital Reserve | Capital Grant | General Reserve | Equity Instruments | Actuarial gain/ Loss | Income attributable to NCI | Share of Income of associates | Share of Income of Joint Venture | |
| **Balance at 31st March 2024** | | **541.84** | **19.71** | **57,733.15** | **224.34** | **434.03** | **204.69** | **6,988.26** | **7,811.37** | **73,958.71** |
| Profit for the year | | - | | -5,502.63 | | - | | 2,460.30 | 4,410.71 | **1,368.37** |
| Other Comprehensive Income for the year | | - | | | **955.20** | **11.11** | -4.87 | 0.13 | 0.55 | **962.11** |
| Dividends | | - | | | | - | | | -4,117.63 | **-4,117.63** |
| Any Other Changes | | - | 0.69 | 1,854.41 | | - | | -1,098.96 | 9.43 | **765.57** |
| **Balance at 31st March 2025** | | **541.84** | **20.40** | **54,084.93** | **1,179.54** | **445.14** | **199.82** | **8,349.72** | **8,114.43** | **72,937.10** |
| Profit for the year | | - | | -55,865.64 | 260.04 | - | | 2386.37 | 4863.14 | **-48,356.09** |
| Other Comprehensive Income for the year | | - | | | | **21.97** | **-56.12** | - | -0.39 | **-34.54** |
| Dividends | | - | | | | - | | | -4,852.10 | **-4,852.10** |
| Any Other Changes | | - | | -592.08 | **53,622.23** | | **-53,622.23** | | | **-592.08** |
| **Balance at 31st March 2026** | | **541.84** | **20.40** | **-2,372.79** | **55,061.81** | **467.11** | **-53,478.54** | **10,736.09** | **8,125.08** | **19,102.29** |

**As per our report dated**
**Manohar & Venkata**
**Chartered Accountants**
**(FRN:000672S)**

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 000672S HYDERABAD

**M.J Manohar**
**Partner**
**Memebership No. 206612**
**Date:**
**Hyderbad**

**FOR AND ON BEHALF OF THE BOARD**

J. Nikhil Chakravarthi
Director
DIN : 11188119

**K. Ramu**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

T.S. Industrial Infrastructure Corpn. Ltd. ★ HYD

# TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**
**Note on Demerger**

The Institution of erstwhile APIIC Ltd. (hereinafter referred to as Demerged Entity) was re-organised and bifurcated into APIIC Ltd.-Andhra Region and APIIC Ltd.-Telangana Region to give effect to provisions of the A.P Reorganisation Act, 2014, w.e.f. 02.06.2014. Consequent to bifurcation of the erstwhile State of Andhra Pradesh, a new Institution, namely, Telangana State Industrial Infrastructure Corporation Ltd.(TSIIC Ltd.) was incorporated on **04.09.2014** under the Companies Act, 2013 with **CIN: U99000TG2014SGC095514** to take over the operations of APIIC Ltd.-Telangana Region, from the Demerged Entity w.e.f. 02.06.2014.

The Demerged Entity prepared the Demerger Scheme as per the provisions of the A.P Reorganisation Act, 2014 and the same was approved by the Joint Board of the Demerged Entity in its 199th Board Meeting held on 02.05.2014 and 202nd Board Meeting held on 26.03.2015 duly authorising the Vice Chairman and Managing Directors of both APIIC Ltd.-Andhra Region and APIIC Ltd.-Telangana Region to make necessary modifications, if any. The Demerger Scheme as approved by the Joint Board of the Demerged Entity was placed before the Sheela Bhide Committee (the Expert Committee constituted by the Central Government for bifurcating Schedule IX Institutions) and the same was approved and was transmitted to the respective State Governments for their approval, under copy to Resultant Companies, vide Ltr.No.D.O.Lr.No. 5614/Expert Committee/2014; Dt:16-05-2015 of Chairperson, Sheela Bhide Committee.

The Board of the Demerged Entity, further, authorised Vice Chairman and Managing Directors of both the divisions to finalise the modalities and allocation of employees in its 202nd meeting held on 26.03.2015. Accordingly, tentative allocation of employees between APIIC Limited and TSIIC Limited was made subject to scrutiny and approval of the committee appointed/guidelines issued, if any, by the Central Government for allocation of employees of PSUs. Later, the assignment of division of employees was entrusted to the expert committee vide G.O.Rt. No. 2066, Dt: 26.09.2016 of General Administration Department, Government of Andhra Pradesh. The proceeding of the final allocation of employees is awaited from the Sheela Bhide Committee.

The assets, rights and liabilities of the Demerged Entity were apportioned between the resultant companies in the manner provided for in Section 53 of A.P.Reorganisation Act, 2013, except for certain cases wherein the Assets/Liabilities were allocated on population basis instead of location basis and vice versa. Such disputed allocations/apportionments have been brought to the notice of the State Government of Telangana, for redressal vide Ltr.No.FW/TSIIC/Demerger APIIC/2015-16/2; Dt:20-01-2016 of VC&MD, TSIIC Ltd. Detailed list of such cases is mentioned in this note. The Final Orders approving the Demerger Scheme is awaited from the respective State Governments/Competent Authorities. Pending issue of such orders, the ledger/account balances as per the Demerger Scheme, incorporated through journal voucher as on 02.06.2014, except for the disputed allocations/apportionments. Thus, the demerger Journal Vouchers as accounted for in the Books of Accounts of TSIIC Ltd., **are subject to Final Approval by respective State Governments/Competent Authority.**

Book value of Total Assets of Rs.3,73,490.23 Lakhs and Liabilities of Rs.3,50,930.67 Lakhs as on 02.06.2014 were vested with TSIIC Limited, consequent to the Demerger Scheme. As per the Demerger Scheme, Rs. 22,559.56 Lakhs has been arrived at, as the balancing figure, arising due to implementation of Demerger Scheme and termed as "Reorganisation Adj. A/c". This is represented as the amount payable by TSIIC Ltd. to APIIC Ltd. as a consequence to the implementation of Demerger Scheme. The details are as follows:



# TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**

**Note on Demerger**

| EQUITY AND LIABILITES | (Rs. in lakhs) | ASSETS | (Rs. in lakhs) |
|---|---|---|---|
| 1. Share Capital | 680.53 | 1. Tangible Assets | 12,812.70 |
| 2. Reserves and Surplus | 20,309.52 | 2. Non current Investments | 26,735.91 |
| 3. Long Term Borrowings | 2,429.33 | 3. Long Term Loans and Advances | 1,74,428.72 |
| 4. Other Long Term Liabilities | 24,641.93 | 4. Inventories | 1,44,059.45 |
| 5. Long Term Provisions | 509.17 | 5. Trade Receivables | 1,851.30 |
| 6. Trade Payables | 57.91 | 6. Cash and Cash Equivalents | 5,129.78 |
| 7. Other Current Liabilities | 2,77,895.51 | 7. Short Term Loans and Advances | 111.26 |
| 8. Short Term Provisions | 24,406.77 | 8. Other Current Assets | 8,361.11 |
| 9. Reorganisation Adj. a/c (represents amount due by TSIIC Ltd. to APIIC Ltd. as per proposed Demerger Scheme) | 22,559.56 | | |
| | **3,73,490.23** | | **3,73,490.23** |

As mentioned in the note earlier, TSIIC Ltd., has disputed allocation/apportionment of certain Assets and Liabilities as part of the Demerger Scheme. Accordingly, the position of Equity/Liability & Assets has been re-casted to ascertain the net amount due to/due from APIIC Ltd., due to Demerger Scheme. As per the re-casted allocation/apportionment of the disputed assets, the net amount due from APIIC Ltd. to TSIIC Ltd. is Rs.63,647.99 Lakhs.

| EQUITY AND LIABILITES | (Rs. in lakhs) | ASSETS | (Rs. in lakhs) |
|---|---|---|---|
| 1. Share Capital | 630.53 | 1. Tangible Assets | 12,812.70 |
| 2. Reserves and Surplus | 20,309.52 | 2. Non current Investments | 26,965.11 |
| 3. Long Term Borrowings | 2,429.33 | 3. Long Term Loans and Advances | 88,580.90 |
| 4. Other Long Term Liabilities | 24,641.93 | 4. Inventories | 1,44,059.45 |
| 5. Long Term Provisions | 509.17 | 5. Trade Receivables | 1,851.30 |
| 6. Trade Payables | 57.91 | 6. Cash and Cash Equivalents | 4,540.85 |
| 7. Other Current Liabilities | 2,77,895.51 | 7. Short Term Loans and Advances | 111.26 |
| 8. Short Term Provisions | 24,406.77 | 8. Other Current Assets | 8,361.11 |
| | | 9. Reorganisation Adj. a/c (represents amount due by APIIC Ltd. to TSIIC Ltd. as per proposed re-drafting of Demerger Scheme) | 63,647.99 |
| | **3,50,930.67** | | **3,50,930.67** |



# TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**
**Note on Demerger**

The following is the detailed list of such items under dispute which have been submitted before the State Government of Telangana for redressal as it is a 100% Shareholder of TSIIC Ltd.(Rs. in lakhs):

| Disputes with regard to allocation/apportionment of Assets/Liabilities (Rs. In Lakhs) | | | | | | | |
|---|---|---|---|---|---|---|---|
| S.No | Name of the Asset | Total Assets/Liabilities | As per Allocation/Apportionment as per Demerger Scheme | | As per Revised allocation/apportionment as submitted before the State Government | | Remarks |
| | | | APIIC Ltd. | TSIIC Ltd. | APIIC Ltd. | TSIIC Ltd. | |
| 1 | Amount paid to GoAP for Resource Mobilisation | 1,47,201.33 | 0.00 | 1,47,201.33 | 85,847.82 | 61,353.51 | Asset in the nature of advance to the erstwhile GoAP, cannot be traced to a particular location. Consequently, allocation to TSIIC Ltd. on Location basis is disputed. This assets required apportionment on population basis, in the ratio of 58.32: : 41.68 to APIIC Ltd. |
| 2 | Cyberabad Trustee Company (P) Ltd | 0.42 | 0.24 | 0.18 | 0.00 | 0.42 | Asset exclusively located in the State of Telangana is to be allocated to TSIIC Ltd. on location basis as per Section 53(1). Section 52 is not applicable to Corporations |
| 3 | Cyberabad Trustee Company (P) Ltd (HIVE Fund) | 192.50 | 112.27 | 80.23 | 0.00 | 192.50 | Same as above |
| 4 | Hyderabad Information Technology Venture Enterprises Ltd., | 2.08 | 1.21 | 0.87 | 0.00 | 2.08 | Same as above |
| 5 | L & T Infocity Ltd., (including 9,90,000 bonus shares) | 198.00 | 115.47 | 82.53 | 0.00 | 198.00 | Same as above |
| 6 | Public Deposit Account | 10,768.24 | 9,590.36 | 1,177.88 | 9,590.36 | 588.94 | Though 1177.88 Lakhs was allocated to TSIIC, only 588.94 Lakhs was permitted to be utilised by TSIIC. Hence, actual receipt of Rs. 588.94 lakhs is considered. |
| 7 | Reorganisation adj. account (Balancing Account for Demerger Scheme) | 0.00 | 22,559.56 | 0.00 | 0.00 | 63,647.99 | As per Demerger Scheme, Rs.22559.56 Lakhs is due to APIIC Ltd. However, if the Demerger Scheme is revised as per the request of TSIIC Ltd. by the State Government of Telangana, then Rs.63011.97 Lakhs is due to TSIIC Ltd. |
| 8 | Reorganisation adj. account (Balancing Account for Demerger | 0.00 | 0.00 | -22,559.56 | -63,647.99 | 0.00 | Same as above |
| Note:Figures in Negative represent Liabilities and figures in Positive represent Assets | | | | | | | |

T.S. Industrial Infrastructure Corpn. Ltd. HYD.

**NOTE1. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Company Overview**

Telangana State Industrial Infrastructure Corporation Limited (TSIIC Ltd.,), the company was incorporated in the year 2014 under the Companies Act,2013 to formulate, promote, finance, aid, assist, establish, manage and control schemes, projects or programmers, to provide and develop infrastructure facilities and other services of any description in order to promote and assist the rapid and orderly establishment, growth and development of industries and commerce in the State of Telangana.

As per section 53 of the A.P Reorganisation of Act, 2014, the assets and liabilities as on 01.06.2014 were divided between the company and APIIC Limited as per the approved Demerger Scheme.

**1.1.1 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the entity and its subsidiaries. Control is achieved when the Group:

- Has power over the investee,
- Is exposure or rights to variable return from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above three elements of control.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights and
- Size of the Group's holding of voting rights relative to the size and dispersion of holdings of other investees with voting rights.
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

If an entity of the Group uses accounting policies other than those adopted in the consolidated financial statements, for like transactions and other events in similar circumstances, appropriate adjustments are made to that entity's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group, i.e., year ended on 31 March 2026

Consolidation procedure followed is as under:

- Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date,
- The difference between carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary is subject to adjustment of goodwill and
- Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated subject to impact of deferred taxes. Profit or loss and each component of other comprehensive income (OCI) are attributable to equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having deficit balance.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

**1.1.2 Associates**

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.



**1.1.3 Equity Method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Such further losses are disclosed as part of Current Liabilities.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

These Ind AS financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

**A Uses of Estimates and Judgements**

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/ materialize. Estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have significant effect to the carrying amounts of assets and liabilities at each balance sheet date are discussed below:

**B Current/Non-Current Classification**

Any asset or liability is classified as current if it satisfies any of the following conditions:

a) the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
b) the asset is intended for sale or consumption;
c) the asset/liability is held primarily for the purpose of trading;
d) the asset/liability is expected to be realized/settled within twelve months after the reporting period;
e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
f) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as noncurrent. For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

**C Critical Accounting Estimates and Judgments**

In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which have a significant impact on the carrying amounts of assets and liabilities at each balance sheet date.

**(i) Fair Value of Financial Instruments:**

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.

Fair value measurements under Ind AS 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 measurement in its entirety, which are described as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date

**(ii) Expected Credit Loss**
When determining whether the risk of default on a financial instrument has significantly increased since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue effort or cost. This includes both qualitative and quantitative information and analysis based on the company's historical experience and credit assessment.

**(iii) Effective Interest Rate**
The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through the expected behavioral life of the financial asset to the gross carrying amount of the financial asset.

This estimation, by nature, requires an element of judgment regarding the expected behavior and lifecycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments, penalty interest and charges) as well as expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

**(iv) Business Model Assessment**
Classification and measurement of financial assets depends on the results of the business model test. The entity determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of assets is evaluated and measured.

Monitoring is part of the entity's continuous assessment of whether the business model for which the remaining assets are held continues to be appropriate and if not appropriate whether there has been a change in the business model and so a prospective change to the classification of those assets.

**(v) Useful life and expected residual value of assets**
Property plant and Equipment, Other intangible assets and Investment Property represent a significant portion of the assets of the entity. Depreciation and amortization are derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of entity's assets are determined by management at the time the asset is acquired and reviewed periodically at the end of each financial year. The lives of the assets are based on the historical information with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**(vi) Deferred Tax**
Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the
periods in which those temporary differences become deductible. The entity considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

**(vii) Defined Benefit Plans**
The cost of the defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities and changes involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(viii) Defined Contribution plan**
The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Company does not have any obligation other than the contribution made.

**(ix) Provisions & Contingent Liabilities**
The management of the entity exercises judgment in measuring and recognizing provisions and contingent liabilities related to pending litigations and outstanding claims.
Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.





**(x) Classification of assets as investment property**

The management of the entity exercises judgment in classifying an asset as Investment Property when a portion is held for to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

**(xi) Classification of lease arrangements as finance lease or operating lease**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

This requires the management to evaluate every lease agreement and to understand the substance of the agreement and classify the same at the inception of the lease agreement as either finance lease or operating lease.

## D Accounting Policies

### 1 Revenue Recognition

**(a) Revenue from Operations**

Income from sale of land, sheds and buildings is recognised on execution of sale Deed and handing over physical possession of the premises. Until the sale deeds are registered, the amounts received are grouped under advance from customers and if allotments cancelled on account of non fulfillment of terms and conditions as per the sale agreement then the amounts are refunded out of advance from customers.

Lease income is recognised in the statement of Profit and Loss on straight line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rental is disclosed net of indirect taxes if any.

Lease premium in respect of Special Economic Zones is being amortised over the lease term and revenue recognised accordingly considering the lease as operating lease.

Processing fee, penal interest income on delayed payments towards land cost and dividend income are recognised on receipt basis.

TSIIC is generating revenue through sale of Land by executing Sale Deed. Before execution of sale deed TSIIC enters in to agreement for sale of land with the buyer on receipt of full consideration with the following major terms & conditions such as

1) Buyer has to commence construction with in 6 months from possession of land
2) Commercial production shall start with in 2 years or such extended period
3) Land shall be utilized exclusively for the set-forth purpose in the allotment
4) When said land is no longer required, buyer shall forthwith relinquish and restore the land in favour of TSIIC
5) Till ownership is passed to the buyer , right on property shall remain with TSIIC

If buyer commits any breach of terms of agreement for sale, land allotment stands cancelled and agreement shall become null and void , all rights of the buyer on the property ceases

After considering the terms & conditions in the Agreement for sale of land, it is opined that the Significant risks and rewards as per ICDS IV and Control as per IND AS 115 is not transferred to the Party (buyer/customer) till the completion of the sale deed as the party/buyer/customer has the option to cancel the agreement at any time before entering into sale deed)

Revenue is recognized on the execution of Sale deed.

**(b) Other Income**

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably.

### 2 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as Lessor**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the third party is classified as a finance lease. All other leases are classified as operating leases. Based on the above principle, all leases entered into by the Company as a lessor have been classified as operating leases.

**Operating Lease**

Assets given under operating lease are reflected at cost less accumulated depreciation. Lease rentals due from time to time on operating lease as per the terms of the lease deed are recognized in the Statement of Profit and loss on a straight-line basis over the term of the relevant lease, unless either:

i) another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis;

ii) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If the payments to the lessor vary according to the factors other than inflation, then this condition is not met.





**Company as a Lessee**

All leases are accounted for by recognizing a right-to-use asset and a lease liability except for:
- Leases of low Value asset; and
- Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also included:
i) amounts expected to be payable under any residual value guarantee;
ii) the exercise price of any purchase option granted in favor of the company if it is reasonably certain to assess that option;
iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
i) lease payments made at or before commencement of the lease;
ii) initial direct costs incurred; and
iii) the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and is reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of profit and loss

**3 Employee Benefits**

**Short Term Employee Benefits:**

Employee Benefits include salaries, allowances, Provident fund, earned leave encashment towards unavailed leave, compensated absences. All short-term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

**Post Employment Benefits:**

**(a) Defined Contribution Plans**

The Company operates a provident fund scheme for its employees. The provident fund contributions were earlier administered through a recognised Provident Fund Trust and have subsequently been made directly to the employees' provident fund accounts maintained with the Employees' Provident Fund Organisation (EPFO) through their respective Universal Account Numbers (UANs).

The Company's obligation in respect of provident fund is limited to the contributions required to be made in accordance with the applicable statutory provisions and, accordingly, the scheme is considered to be a defined contribution plan.
The Company's contributions towards provident fund are recognised as an employee benefit expense in the Statement of Profit and Loss in the period in which the related employee services are rendered

**(b) Defined Benefit Plans**

**Gratuity**

The Company has constituted a Gratuity Trust which has taken a policy under the Life Insurance Corporation of India's Group Gratuity (cash accumulation) cum Life Assurance Scheme and the contribution to the said scheme is funded year to year. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit of entitlement and measures each unit separately to build up the final obligation. The difference between present value of the liability for past service computed based on actuarial valuation, and the amount lying in the cash accumulation running account, not funded as at the end of the year is provided for in the books.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period which they occur. Re- measurements are not classified to profit and loss account in the subsequent periods.

**Leave Encashment**

The liability arising out of encashment of un-availed earned leave and half pay leave is provided based on actuarial valuation.

Re-measurement of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive income.





**4 Project Development Expenses**

Expenditure incurred towards projects, which are in the initial stages of development or abandoned is charged off to the profit and loss account as expenses in the year in which it is identified / decided. However, where projects are identifiable, all expenses including capital expenditure incurred on such projects, interest accrued on funding such project expenditure and service charges agreed upon on annual incremental expenditure are charged to respective project accounts.

**5 Financial Instruments**

**Financial Assets**

**I. Date of Recognition**

Financial assets and liabilities are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

**II. Initial Recognition and Measurement**

All Financial assets are recognized initially measured at transaction value which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in statement of profit and loss.

**III. Subsequent Classification and Measurement**

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Group classifies and measures financial assets in the following categories:

- Amortized Cost;
- Fair Value through Profit and loss (FVTPL); and,
- Fair Value through Other Comprehensive Income (FVOCI).

**(a) Financial Assets carried at amortized cost**

A financial asset that meets the following two conditions is measured at amortized cost (net of any written down value for impairment) unless the asset is designated at FVTPL.

**Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

**Cash flow characteristics test:** 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.

A financial asset which is not classified at amortized cost is subsequently measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e., fair value through profit or loss), or recognized in Other Comprehensive Income (i.e., fair value through other comprehensive income).

**(b) Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)**

Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets are subsequently measured in Other Comprehensive Income ('OCI').

Movements in the carrying amount of such financial assets are recognized in Other Comprehensive Income ('OCI') except dividend income which is recognized in profit and loss. Amounts recognized in OCI are not subsequently transferred to profit and loss account.

The entity's investments in equity instruments are measured at fair value through Other Comprehensive Income the amounts so recognized will not be subsequently reclassified into profit and loss account

**(c) Financial assets at Fair Value Through Profit and Loss (FVTPL)**

Financial assets, which do not meet the criteria for categorization as at amortized cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognized in profit and loss account.

**(vi) Financial Liabilities and Equity**

**I. Equity Instrument**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**II. Financial Liabilities**

Financial liabilities are measured at amortized cost. The carrying amounts are determined based on the EIR method. Interest expense is recognized in the profit and loss account. Any gain or loss on de-recognition of a financial liability is also recognized in the profit and loss account.

**De-Recognition**

**a. Financial Assets**

A financial asset or part of a financial asset is derecognized when:

- The contractual rights to receive cash flows from the financial asset have expired; and,
- The Company has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognized, and the proceeds received are recognized as a collateralized borrowing.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in statement of profit and loss.

**b. Financial Liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled. Cancelled or expires. Where 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 a de-recognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognized in statement of profit and loss.

**Impairment of Financial Assets**

Other current interest bearing deposits, principally comprising funds held with banks are carried at amortised cost using effective method. Gains and losses are recognised in profit and loss when the deposits are derecognised or impaired as well as through the amortisation process.

Trade and other receivables are stated at cost less allowance made for doubtful receivables, which approximates fair value given the short term nature of these assets. Provision for impairment of receivables (allowance for doubtful receivables) is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables.

Losses in respect of impairment in the value of investments if any are recognised in statement of Profit & Loss.

**6 Property Plant and Equipment**

**Recognition and Measurement**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**Subsequent Expenditure**

Subsequent expenditure related to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit & Loss while incurred. Cost and related accumulated depreciation are eliminated from the financial statements upon the sale/retirement of the asset and resultant gain/loss is recognized in the Statement of Profit and Loss.

**Depreciation**

Depreciation on assets is charged on Straight Line method at the rates prescribed in schedule II of Companies Act,2013

In the case of any addition/transfer/deletion of an asset, depreciation is charged proportionately based on number of days, from the date when the asset is ready for intended use or till the date of disposal or transfer, as the case may be.





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 under other income in the Statement of Profit and Loss when the asset is derecognized.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
Changes in the expected useful life are accounted for by changing the depreciation period or methodology,
as appropriate, and treated as changes in accounting estimates.
Property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income/expense in the statement of profit and loss in the year the asset is de-recognized.

**7 Investment Property**

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are initially measured at cost including transaction cost. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.
The cost of the assets not ready for their intended use before such date, are disclosed as Investment property
under development.
Subsequent expenditure on investment properties is added to the carrying amount of the asset when it is probable that future economic benefits will flow to the Company. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.
When an investment property is disposed of, the resulting gain or loss recognized in the Statement of profit and loss is the difference between net disposal proceeds and the carrying amount of the property.
Depreciation is provided on straight-line method over the useful lives of assets as specified under Schedule II of the Companies Act, 2013.

**8 Intangible Assets**

Separately purchased intangible assets are initially measured at cost. Subsequently, they are carried at cost less accumulated amortization and accumulated impairment loss, if any.
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.
The useful life of the intangible assets is assessed either as finite or indefinite. Finite life useful assets are amortized on a straight-line basis over the period of their expected useful lives.
Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**9 Impairment of Non-Financial Assets**

The company evaluates the impairment losses on the property, plant and equipment and intangible assets at the each reporting period where there is an indication that an asset may be impaired. Whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable and such assets are considered to be impaired, the impairment loss is then recognised for the amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest level for which there are separate identifiable cash flows.

**10 Inventories**

Inventories and work-in-progress are valued at cost.
Provision for write down if any, in value of materials, spares and other inventory is made from time to time as per an appropriate and prudent policy determined by the company.

**11 Income Tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and loss, except when they relate to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in the other comprehensive income or directly in equity respectively.

**Current Tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.





**Deferred Tax**

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affect neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and they carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances are to the same taxation authority.

**12 Minimum Alternate Tax (MAT)**

In accordance with the guidance note issued by the Institute of Chartered Accountants of India ('ICAI) on accounting for credit available in respect of MAT under the Income-tax Act 1961, the Company recognizes MAT credit as an asset only when and to the extent there is a convincing evidence that the company will be liable to pay normal income tax during the specified period

**13 Provisions**

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources, in respect of which a reliable estimate can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of the resources would be required to settle the obligation, the provision is reversed. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

**14 Contingent Liabilities and Contingent Assets**

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by the way of notes to accounts. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resource is remote, no provision or disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are neither recognized nor disclosed in the financial statements.

**15 Earnings Per Share**

The Company reports basic and diluted earnings per equity share. Basic Earnings per Share is computed by dividing Net Profit after Tax by the Weighted Average Number of Equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**16 Government Grants**

Grants from the government are recognised only when there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government Grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income or deducted in reporting the related expenses.

Government grants relating to the purchase of property, plant and equipment shall be deducted from the actual cost of the asset.

**17 Borrowing Cost**

Borrowing cost (Interest etc.) that is directly attributable to the acquisition, construction or production of a qualifying capital asset is capitalized as part of the cost of that asset. The borrowing cost incurred on funds borrowed generally and used for the purpose of obtaining a qualifying capital asset, is capitalized applying a capitalization rate on weighted average basis. Other borrowing costs are recognised as an expense in the period in which these are incurred.



**18 Foreign currency transactions**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions, Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year. Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the year-end and not covered by forward contracts, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary foreign currency items are carried at cost

**19 Key Sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(i) Capital Management**

The Company's objective when managing capital are to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure by issuing or redeeming additional equity, borrowings and other instruments when necessary

As the Company is mainly funded through its internal accruals, the objectives of the Board of Directors when managing capital is to ensure that the Company continue to enjoy the use of funds by ensuring generation of sufficient cash flows

**(ii) Allowance for doubtful debts**

The Company makes allowances for doubtful debts based on an assessment of the recoverability of receivables. The identification of doubtful debts requires use of judgements and estimates. When the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and doubtful debt expenses in the period in which such estimate has been made.

Provision for bad and doubtful debts is made at 100% on sundry debtors exceeding 3 years in respect of water, rentals, hire purchase etc., for both principal and interest except deposit works.

**(iii) Allowance for inventories**

The management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow moving items. The management is satisfied that adequate allowance for obsolete inventories was made in the financial statements.

**20 REBATE ON LAND COST**

Rebate on Sale of Land will be treated as Expenditure during the year in which sale deed is executed. Rebate being received from Government will be accounted on receipt basis.



Industrial Infrastructure Corpn. Ltd. * T.S. HYD.

## TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

**Notes to Consolidated Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**
**Note 2 - Property , Plant and Equipment**

| PARTICULARS | LAND | LAND DEVELOPMENT | LAND- SEZ | SEWERAGE - SEZ | Office Equipments | Computers | ELECTRICAL EQUIPMENT | Furniture & Fittings | BUILDINGS | REFRIGERATORS, Acs | ROADS AND BRIDGES - SEZ | DRAWING EQUIPMENT | QUALITY CONTROL EQUIPMENT | WATER SUPPLY - SEZ | Vehicles | Recycling RD Plant | Street Lights (165 Nos.) | Storm Water drains | Microsoft Software | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Year ended 31st March 2024** | | | | | | | | | | | | | | | | | | | | |
| **Gross Carrying amount** | | | | | | | | | | | | | | | | | | | | |
| Opening gross carrying | 967.47 | 1,852.49 | 11,450.81 | 108.39 | 190.05 | 192.60 | 18.91 | 229.03 | 232.10 | 22.03 | 73.30 | 0.74 | 2.26 | 3.19 | 268.68 | 45.00 | 154.92 | 99.87 | | 15,911.84 |
| Additions | | | | | 4.55 | 13.66 | 226.10 | | | 26.02 | | | 125.00 | | | | | | | 395.33 |
| Disposals | | | | | | | | | | | | | | | | | | | | - |
| Other adjustments | | | | | - | - | | | | | | | | | | | | | | - |
| **Balance as on 31st March 2024** | 967.47 | 1,852.49 | 11,450.81 | 108.39 | 194.60 | 206.26 | 245.01 | 229.03 | 232.10 | 48.05 | 73.30 | 0.74 | 127.26 | 3.19 | 268.68 | 45.00 | 154.92 | 99.87 | | 16,307.17 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | | | | | | |
| Opening | - | 1,463.31 | - | 44.23 | 148.45 | 172.53 | 13.40 | 141.06 | 72.83 | 14.50 | 69.63 | 0.74 | 2.26 | 2.04 | 144.57 | 18.52 | 147.18 | 51.58 | | 2,506.83 |
| During the Year | - | 17.39 | | 3.25 | 10.74 | 9.21 | 1.83 | 17.64 | 3.32 | 4.87 | - | - | 0.81 | - | 18.25 | 1.35 | - | 2.51 | | 91.18 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| **Closing Accumulated Depreciation** | - | 1,480.70 | - | 47.48 | 159.19 | 181.74 | 15.23 | 158.70 | 76.15 | 19.37 | 69.63 | 0.74 | 3.07 | 2.04 | 162.82 | 19.87 | 147.18 | 54.09 | | 2,598.01 |
| **Net Carrying Amount** | | | | | | | | | | | | | | | | | | | | |
| **Net Carrying amount as on 31st March 2024** | 967.47 | 371.79 | 11,450.81 | 60.91 | 35.41 | 24.52 | 229.78 | 70.33 | 155.95 | 28.68 | 3.67 | - | 124.19 | 1.15 | 105.86 | 25.13 | 7.74 | 45.78 | | 13,709.16 |
| **Year ended 31st March 2025** | | | | | | | | | | | | | | | | | | | | |
| **Gross Carrying amount** | | | | | | | | | | | | | | | | | | | | |
| Opening gross carrying amount | 967.47 | 1,852.49 | 11,450.81 | 108.39 | 194.60 | 206.26 | 245.01 | 229.03 | 232.10 | 48.05 | 73.30 | 0.74 | 127.26 | 3.19 | 268.68 | 45.00 | 154.92 | 99.87 | | 16,307.17 |
| Additions | | | | | 13.85 | 26.14 | | 5.28 | 949.44 | 4.09 | | | | | 80.96 | | | | | 1,079.76 |
| Disposals | | | | | | | | | | | | | | | | | | | | - |
| Other adjustments | | | | | - | - | | | | | | | | | | | | | | - |
| **Balance as on 31st March 2025** | 967.47 | 1,852.49 | 11,450.81 | 108.39 | 208.45 | 232.40 | 245.01 | 234.31 | 1,181.54 | 52.14 | 73.30 | 0.74 | 127.26 | 3.19 | 349.64 | 45.00 | 154.92 | 99.87 | | 17,386.93 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | | | | | | |
| Opening | - | 1,480.70 | - | 47.48 | 159.19 | 181.74 | 15.23 | 158.70 | 76.15 | 19.37 | 69.63 | 0.74 | 3.07 | 2.04 | 162.82 | 19.87 | 147.18 | 54.09 | | 2,598.01 |
| During the Year | - | 17.39 | | 3.24 | 9.24 | 10.37 | 11.97 | 17.29 | 43.77 | 6.83 | - | - | | - | 23.93 | 1.35 | - | 2.51 | | 147.89 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| **Closing Accumulated Depreciation** | - | 1,498.08 | - | 50.72 | 168.43 | 192.12 | 27.20 | 175.99 | 119.92 | 26.20 | 69.63 | 0.74 | 3.07 | 2.04 | 186.75 | 21.22 | 147.18 | 56.61 | | 2,745.90 |
| **Net Carrying Amount** | | | | | | | | | | | | | | | | | | | | |
| **Net Carrying amount as on 31st March 2025** | 967.47 | 354.41 | 11,450.81 | 57.67 | 40.02 | 40.29 | 217.81 | 58.32 | 1,061.62 | 25.94 | 3.67 | - | 124.19 | 1.15 | 162.89 | 23.78 | 7.74 | 43.26 | | 14,641.03 |
| **Year ended 31st March 2026** | | | | | | | | | | | | | | | | | | | | |
| **Gross Carrying amount** | | | | | | | | | | | | | | | | | | | | |
| Opening gross carrying amount | 967.47 | 1,852.49 | 11,450.81 | 108.39 | 208.45 | 232.40 | 245.01 | 234.31 | 1,181.54 | 52.14 | 73.30 | 0.74 | 127.26 | 3.19 | 349.64 | 45.00 | 154.92 | 99.87 | | 17,386.93 |
| Additions | 32,766.78 | 1.72 | | | 22.07 | 64.94 | | 1.27 | 660.33 | 2.05 | | | | | | | | | 20.65 | 33,539.81 |
| Disposals | | | | | | 2.22 | | | | | | | | | | | | | | 2.22 |
| Other adjustments | | | | | - | - | | | | | | | | | | | | | | - |
| Balance as on 31st March 2026 | 33,734.25 | 1,854.21 | 11,450.81 | 108.39 | 230.52 | 295.12 | 245.01 | 235.58 | 1,841.87 | 54.19 | 73.30 | 0.74 | 127.26 | 3.19 | 349.64 | 45.00 | 154.92 | 99.87 | 20.65 | 50,924.52 |
| **Accumulated Depreciation** | | | | | | | | | | | | | | | | | | | | |
| Opening | - | 1,498.08 | - | 50.72 | 168.43 | 192.12 | 27.20 | 175.99 | 119.92 | 26.20 | 69.63 | 0.74 | 3.07 | 2.04 | 186.75 | 21.22 | 147.18 | 56.61 | - | 2,745.90 |
| During the Year | - | 16.36 | | 3.24 | 11.06 | 21.71 | 11.97 | 17.46 | 135.92 | 7.57 | - | - | | - | 27.76 | 1.27 | - | 2.37 | 0.14 | 256.81 |
| Disposals | - | - | - | - | - | 2.12 | - | - | - | - | - | - | - | - | - | - | - | - | | 2.12 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Closing Accumulated Depreciation | - | 1,514.44 | - | 53.96 | 179.49 | 215.94 | 39.17 | 193.45 | 255.84 | 33.77 | 69.63 | 0.74 | 3.07 | 2.04 | 214.51 | 22.48 | 147.18 | 58.97 | 0.14 | 3,000.59 |
| **Net Carrying Amount** | | | | | | | | | | | | | | | | | | | | |
| Net Carrying amount as on 31st March 2026 | 33,734.25 | 339.77 | 11,450.81 | 54.43 | 51.03 | 83.42 | 205.84 | 42.13 | 1,586.03 | 20.42 | 3.67 | - | 124.19 | 1.15 | 135.13 | 22.52 | 7.74 | 40.90 | 20.51 | 47,923.92 |

**Note 2.1 Buildings**

Buildings includes the buildings purchased by erstwhile APIIC Ltd. i.e., 6th floor (11840 sft) from APIDC Ltd. on outright purchase basis for a consideration of Rs. 13.20 lakhs in the year 1979 and 4th floor (11,867 sft) from APSSIDC Ltd. for a consideration of Rs. 150.00 lakhs in the year 1998. As per the Demerger Scheme, out of the total extent of 23,707 Sft, an area of 9,881.08 Sft (i.e 41.68% of total area) in 6th Floor is allocated to TSIIC Ltd and the same was shown under the head Buildings in Fixed Assets.
Sale deed for the purchase of 6th floor is not yet executed by APIDC Ltd. However, the possession was transferred to TSIIC Ltd on the payment of consideration amounting to Rs. 13.20 lakhs. Based on Substance over form concept, TSIIC Ltd is recognizing the 6th floor in its Books of Accounts and claiming the depreciation thereon.



**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**

## Note 2.1 & 2.2 - CWIP & INTANGIBLE ASSETS

| Particulars | 220 KVSS-Power supply | Water supply | Capital Work-in-Progress | Intangible Assets |
|---|---|---|---|---|
| **Year ended 31st March 2024** | | | | |
| **Gross Carrying amount** | | | | |
| Opening gross carrying | **876.82** | **2,662.00** | **3,538.82** | **1,755.54** |
| Additions | - | | 40.00 | - |
| Disposals | - | | - | - |
| Other adjustments | - | | - | - |
| -Exchange differences | - | | - | - |
| -Borrowing costs | - | | - | - |
| **Balance as on 31st March 2024** | **876.82** | **2,662.00** | **3,578.82** | **1,755.54** |
| **Accumulated Depreciation** | | | | |
| Opening accumulated depreciation | - | - | - | 464.48 |
| Depreciation charged during the year | - | | - | 38.71 |
| Disposals | - | | - | - |
| Other adjustments | - | | - | - |
| -Exchange differences | - | | - | - |
| -Borrowing costs | - | | - | - |
| **Closing Accumulated Depreciation** | - | | - | **503.18** |
| **Net Carrying amount as on 31st March 2024** | **876.82** | **2,662.00** | **3,578.82** | **1,252.36** |
| **Year ended 31st March 2025** | | | | |
| **Gross Carrying amount** | | | | |
| Opening gross carrying | **876.82** | **2,662.00** | **3,578.82** | **1,755.54** |
| Additions | - | | 1,396.29 | - |
| Disposals | - | | - | - |
| Other adjustments | - | | - | - |
| -Exchange differences | - | | - | - |
| -Borrowing costs | - | | - | - |
| **Balance as on 31st March 2025** | **876.82** | **2,662.00** | **4,975.11** | **1,755.54** |
| **Accumulated Depreciation** | | | | |
| Opening accumulated depreciation | - | - | - | 503.18 |
| Depreciation charged during the year | - | | - | 38.71 |
| Disposals | - | | - | - |
| Other adjustments | - | | - | - |
| -Exchange differences | - | | - | |
| -Borrowing costs | - | | - | - |
| **Closing Accumulated Depreciation** | - | | - | **541.89** |
| **Net Carrying amount as on 31st March 2025** | **876.82** | **2,662.00** | **4,975.11** | **1,213.65** |
| **Year ended 31st March 2026** | | | | |
| **Gross Carrying amount** | | | | |
| Opening gross carrying | **876.82** | **2,662.00** | **4,975.11** | **1755.54** |
| Additions | - | - | 2,284.56 | |
| Disposals | - | - | 639.94 | - |
| Other adjustments | - | - | | - |
| -Exchange differences | - | - | | - |
| -Borrowing costs | - | - | | - |
| **Balance as on 31st March 2026** | **876.82** | **2,662.00** | **6,619.73** | **1,755.54** |
| **Accumulated Depreciation** | | | | |
| Opening accumulated depreciation | - | - | - | 541.89 |
| Depreciation charged during the year | | | - | 38.71 |
| Disposals | | | - | |
| Other adjustments | | | - | |
| -Exchange differences | | | - | |
| -Borrowing costs | | | - | |
| **Closing Accumulated Depreciation** | | | - | 580.60 |
| **Net Carrying amount as on 31st March 2026** | **876.82** | **2,662.00** | **6,619.73** | **1,174.94** |



Industrial Infrastructure Corpn. Ltd. T.S. HYD.

**Note 3**

| **NON CURRENT INVESTMENTS** | | |
|---|---|---|
| **Particulars** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
| **Investments carried at Cost** | | |
| Unquoted Investments in Debt Instruments | 15,905.18 | 15,905.18 |
| **Investments carried at Fair Value Through OCI** | - | - |
| Quoted Investments | - | - |
| Unquoted Investments in Equity Instruments | 31,387.07 | 28,780.89 |
| Unquoted Investments in trust | 199.73 | 147.85 |
| | **47,491.98** | **44,833.92** |

| **Note 3.1** | **PARTICULARS** | **% of holding** | **AS AT 31.03.2026** | | **% of holding** | **AS AT 31.03.2025** | |
|---|---|---|---|---|---|---|---|
| | | | **AT COST** | **AT FAIR VALUE** | | **AT COST** | **AT FAIR VALUE** |
| | ***INVESTMENTS IN ASSOCIATE*** | | | | | | |
| 1 | 3,84,80,000 equity shares of Rs.10/- each fully paid-up in **M/s.Cyberabad Convention Center (P) Ltd** | 26 | 3848 | 17,329.91 | 26 | 3848 | 14,745.08 |
| 2 | 1,97,49,698 equity shares of Rs.10/- each fully paid-up in **M/s.Boulder Hills Leisure (P) Ltd** | 26 | 1974.97 | 1,022.56 | 26 | 1974.97 | 1,044.06 |
| 3 | 2,50,32,202 equity shares of Rs.10/- each fully paid-up in **M/s.Emmar Hills Township (P) Ltd.** | 26 | 2503.22 | 709.81 | 26 | 2503.22 | 886.78 |
| | ***INVESTMENTS IN JOINT VENTURES*** | | | | | | |
| 4 | 22,00,000 equity shares of Rs.10/- each fully paid-up in **M/s.K Raheja IT Park Ltd** | 11 | 220 | 1,511.41 | 11 | 220 | 977.05 |
| 5 | 1,48,690 equity shares of Rs. 10/- each fully paid-up in **M/s.Intime Properties Pvt. Ltd.** | 11 | 14.26 | 2,345.53 | 11 | 14.26 | 2,834.74 |
| 6 | 30,98,775 equity shares of Rs. 10/- each fully paid-up in **M/s.Sundew Properties Pvt. Ltd.,** | 11 | 11.79 | 1,890.17 | 11 | 11.79 | 2,110.17 |
| 7 | 2,09,48,234 equity shares of Rs.10/- each full paid up in **M/s.CBD Tower (P) Ltd** (Consideration is other than Cash) | 11 | 2094.82 | 2,052.10 | 11 | 2094.82 | 2,052.10 |
| 8 | 2970000 equity shares of Rs.10/- each fully paid-up in **M/s.Ace Urban Infocity Limited (formerly L&T Infocity Limited)** (includes 9,90,000 Bonus shares issued on May 12, 2003 ) | 11 | 198 | 2,864.74 | 11 | 198 | 2,679.23 |
| | ***OTHER INVESTMENTS*** | | | | | | |
| 9 | 2,50,000 equity shares of Rs.10/- each fully paid-up in **M/s.Patancheru Envirotech Ltd** | 9.65 | 25.00 | 302.28 | 9.65 | 25.00 | 239.93 |
| 10 | 20,825 equity shares of Rs.10/- each fully paid-up in **M/s.Hyderabad Information Technology Venture Enterprises Ltd** | 8.33 | 2.08 | 1.96 | 8.33 | 2.08 | 2.40 |
| 11 | 4,165 equity shares of Rs.10/- each fully paid-up in **M/s.Cyberabad Trustee Company (P) Ltd** | 8.33 | 0.42 | 0.60 | 8.33 | 0.42 | 0.58 |



Telangana State Industrial Infrastructure Corpn. Ltd. HYD.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 12 | 500 equity shares of Rs.10/- each fully paid-up in **M/s. Hyderabad Pharma Infrastructure & Technologies Ltd** | 1.00 | 0.05 | 2.54 | 1.00 | 0.05 | 1.89 |
| 13 | 22.8 lakhs equity shares of Rs.10/- each fully paid-up in **M/S Investment in Bhagyanagar gas limited** | 0.0000 | 228 | 1,353.46 | 0.00 | 228 | 1,206.88 |
| | **Less: Dividend from Associate/JV's** | | | | | | |
| | | | **11,120.61** | **31,387.07** | | **11,120.61** | **28,780.89** |
| | Aggregate amount of Quoted Investments | | - | - | | - | - |
| | Market Value of Quoted Investments | | - | - | | - | - |
| | Aggregate amount of Unquoted Investments | | 11,120.61 | 31,387.07 | | 11,120.61 | 28,780.89 |
| | **Total Investments Non-Current** | | **11,120.61** | **31,387.07** | | **11,120.61** | **28,780.89** |
| | ***INVESTMENTS IN TRUSTS*** | | | | | | |
| 14 | 770 Units of Rs.25,000/- each fully paid-up in **M/s.Cyberabad Trustee Company (P) Ltd (HIVE FUND)** | | 192.50 | 199.73 | | 192.50 | 147.85 |
| | **LESS:** PROVISION FOR DIMINUTION OF INVESTMENTS | | (28.06) | - | | (28.06) | - |
| | | | **164.44** | **199.73** | | **164.44** | **147.85** |
| | ***INVESTMENTS IN CONVERTIBLE DEBENTURES*** | | | | | | - |
| | | | | | | | - |
| 15 | 15,90,51,766 Fully Secured Convertible Debentures of Rs.10/- each in **M/s.CBD Tower (P) Ltd** | | 15,905.18 | - | | 15,905.18 | - |
| | **Sub Total** | | **27,190.23** | **31,586.80** | | **27,190.23** | **28,928.74** |

**Note 3.2**

As per the demerger scheme, the investments amounting to Rs.26,735.91 lakhs (TSIIC is claiming 26,965.11 lakhs) were allocated to TSIIC Ltd. TSIIC Ltd disputes the allocation of Investments in **M/s Hyderabad Information Technology Venture Enterprises Ltd, M/s.Ace Urban Infocity Limited( formerly L&T Infocity Limited), M/s Cyberabad Trustee Company (P) Ltd and M/s Cyberabad Trustee Company (P) Ltd- Hive fund** were on the basis of the population ratio, which are to be actually allocated on Location basis as per Sec.53(1) of A.P Reorganization Act, 2014. To this effect, adjustment entries were made during the F.Y. 2014-15 duly adjusting against Reorganization Adjustment Account. The share certificates are in the name of APIIC Ltd. Pending approval of Demerger Scheme by both the State Governments. Hence the shares were not transferred in the name of TSIIC Ltd.

**Note 3.3**

**Note 3.3.1 - Investment in E-City Manufacturing Cluster Limited :**

As per the directions of erstwhile Government of A.P vide the IT&C Department's letter No. 2097/IT&C/Prom2/2011; Dtd:08-08-2013, erstwhile APIIC Ltd. had promoted E-City Manufacturing Cluster Limited and acquired 100% of equity (Rs. 1.00 lakh) of the Company.

**Note 3.3.2 - Investment in Hyderabad Pharma City Limited**

Hyderabad Pharma City Limited was incorporated in the year 2017-18 (15-03-2017) under the Companies Act,2013. Hyderabad Pharma City Limited is a 100% subsidiary of Telangana State Industrial Infrastructure Corporation (TSIIC) Limited. The Company is a Special Purpose Vehicle (SPV) setup to manage the Pharmaceutical Industrial parks in Telangana State.

HPC university Foundation was incorporated as Separate SPV under Hyderabad Pharmacity limited as 100% subsidairy,the company incorporated under Sec 8-limited by guarnatee and not having the share capital.

**Note 3.3.3 - Investment in Maheshwaram Science Park Limited :**

As per the directions of erstwhile Government of A.P vide the IT& C Department's letter No. 2097/IT&C/Prom2/2011 dated 08-08-2013, the Corporation promoted Maheshwaram Science Park Limited and acquired 100% of equity (Rs. 1.00 lakh) of the Company.

**Note 3.3.4 - Investment in Zaheerabad NIMZ Limited :**

Zaheerabad NIMZ Limited is a limited Company promoted by TSIIC Ltd. under the provisions of the Companies Act 2013. IT was originally incorporated on 05.08.2016 in the name "Medak National Investment & Manufacturing Zone Ltd." in pursuance of National Manufacturing Policy Guidelines for establishment of NIMZs. It changed it s name to :Zaheerabad NIMZ Ltd. on 27.04.2017 in terms of approval granted by Government of Telangana vide Lr. No. 6922/IP&INF/A2/2014, Dt. 09.02.2017. The Company was Zaheerabad NIMZ Limited is a 100% subsidiary of TSIIC Limited incorporated on 05-08-2016 to promote, establish, developed, maintain and operate an Industrial Park as per guidelines of Investment Manufacturing Zone by Government of India.

**Note 3.3.5 - Investment in Fab City SPV(India) Private Ltd:**

As per the directions of erstwhile Government of AP in G.O. Ms. No. 94 of Industries & Commerce (INF) Department dt.28.04.2007, erstwhile APIIC Ltd. acquired 89% of equity (Rs. 89,000/-) in Fab City SPV (India) Pvt. Ltd. Consequently Fab city SPV (India) Pvt. Ltd., became a subsidiary company of the erstwhile APIIC Ltd. This investment has been allocated to TSIIC Ltd., as per the Demerger Scheme. The amounts due from the subsidiary company towards land cost and infrastructure and the amounts received for on behalf of the subsidiary company are shown under "Due from Fab City SPV (India) Pvt., Ltd.,"

**Note 3.3.6 - Investment in M/s. TELANGANA LIFE SCIENCES INFRASTRUCTURE DEVELOPMENT LIMITED**

1. To formulate, promote, finance, aid, assist, establish, manage ,control, own, and operate Life Sciences Parks, Life Sciences Clusters, Sector Specific Life sciences parks, Economic Zones dedicated to Life Sciences Industries and Export Processing Zones, Manufacturing Zones which covers any nature of Life Sciences Parks, schemes, projects or programmes in the State of Telangana, and to provide and develop infrastructure facilities including acquisition and alienation of land, factory sheds, godowns, marketing facilities, warehouses, facilities of communications, generation & distribution of power, water drainage, housing, hospitals , institutions of health and education and other services of any description in order to promote and assist the rapid and orderly establishment, growth and development of industries and commerce in the State of Telangana or in any part of India subject to various laws in force.
2. To carry out the role of an infrastructure partner for the life sciences industry in the State of Telangana or anywhere in collaboration with other Companies, Corporations, Institutes etc and to facilitate development of life sciences incubators, modular / turnkey R&D laboratory spaces, specialized warehousing, clean room manufacturing facilities, integrated flatted factories in the Parks and expansion of Genome Valley, and To invite Global / Indian life sciences companies for establishing their footprint in these clusters.
3. To provide specialized ready-to-occupy facilities for R&D laboratories, incubation spaces and integrated manufacturing flatted factories.

**Note 3.3.7 - Investment in M/s. BIO TECH HUB LIMITED**

To establish, operate, manage and develop Biotechnology Hub, Biotechnology Parks in the State of Telangana or elsewhere, to cater to the needs of biotech industries in India, to conduct Research and Development in the field of Biotechnology, and other allied Sciences and Technologies, in related fields of molecular biology, bio-engineering, biomedical engineering, biomanufacturing, molecular engineering, etc.

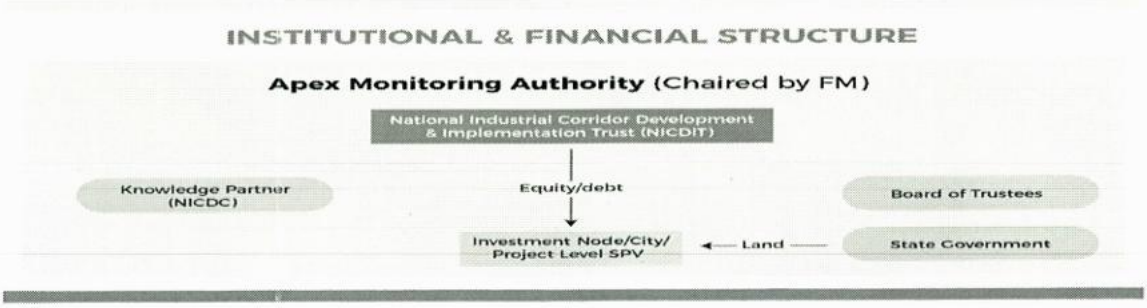
**Note 3.3.8 - Investment in Investment in CETP-KMTI**

To set -up a Common Effluence Treatment Plant (CETP) as a common facility to the processing units being set -up in Kakatiya Mega Textile Park. To create, establish and maintain new processing parks as well as support the upgradation of existing processing clusters specifically in the area of water and waste water management as also to promote research and development for a cleaner technology in the processing sector.

**Note 3.3.9 - Investment in NICDIT ZAHEERABAD INDUSTRIAL SM/**

NICDIT ZAHEERABAD INDUSTRIAL SMART CITY LIMITED was incorporated on 14th February, 2025 under the Companies Act,2013.The company is primarily engaged in the business to promote, establish, develop, maintain and operate an Industrial Park as per the guidelines of Investment Manufacturing Zone by Government of India. National Industrial Corridor Development Programme is India's most ambitious infrastructure programme aiming to develop new industrial cities as 'Smart Cities' and converging next generation technologies across infrastructure sectors.Government of India is developing various industrial corridor projects as part of the National Industrial Corridor Programme which is aimed at development of futuristic industrial cities in India which can compete with the best manufacturing and investment destinations in the world. The same will create employment opportunities and economic growth leading to overall socio-economic development. **Government of India** has proposed **32** Projects in **4** Phases under **11** Corridors forming part of National Infrastructure Pipeline. In order to accelerate growth in manufacturing sector and for ensuring systematic and planned urbanization, Government of India (GoI) has adopted the strategy of developing integrated industrial corridors on the backbone of multi-modal connectivity in partnership with State Governments. The same will create employment opportunities and economic growth leading to overall socio-economic development.**Special Purpose Companies:**The institutional structure approved by Government of India for developing and implementing various industrial corridor projects is as under:

Special Purpose Companies would be established for project implementation, operation, maintenance and management of such facilities.



**Note 3.3.10 - Investment in M/s Emaar Hills Township Private Limited :**

The shares allotted to the Corporation for the investments made against the allotment of land at the time of incorporation is being continued in the above company. The corporation filed Civil suit stating that, the development agreement entered into with EMAAR MGF Limited (Co - Developer) is illegal and void. Further, CBI had conducted an enquiry and filed charge sheet on the above company alleging irregularities in execution of development agreement cum GPA with Co-Developer. The matter is under investigation.

**Note 3.3.11 - Investment in M/S BOULDER HILLS LEISURE PRIVATE LIMITED**

The shares allotted to the Corporation for the investments made against the allotment of land at the time of incorporation is being continued in the above company. The corporation filed Civil suit stating that, the development agreement entered into with Boulder Hills Private Limited (Co - Developer) is illegal and void. Further, CBI had conducted an enquiry and filed charge sheet on the above company alleging irregularities in execution of development agreement cum GPA with Co-Developer. The matter is under investigation.

**Note 3.3.12 - Investments in CBD Towers (P) Ltd:**

Erstwhile APIIC Ltd. had allotted land admeasuring 80.27 acres in Sy.Nos.283 and 311 of Manchirevula village, Rajendranagar Mandal, R R District to M/S C B D Towers (P) Ltd. in consideration of allotment of land for construction of trade towers, the investee company has initially issued 1,236(Nos) Equity Shares of Rs.10/- each and 17,99,98,764 (Nos) 12% of fully convertible Debentures of Rs.10/- each. 2,09,46,998 No. of debentures were converted into equity shares out of the total convertible debentures of 17,99,98,764 upto 31.03.2018.

The company proposed for levy of penal charges of Rs. 1.82 Crores before 2013-14 for non payment of debenture interest for which the CBD Towers has requested for waiver of the same as part of the restructuring proposal. The restructuring proposal submitted by CBD Towers is under consideration of the company. The same was not recognised in the accounts for the year as per INDAS - 115 in view of the uncertainty in the ultimate collection.

Also the board of directors of the company have made a resolution in 23rd Board Meeting held on 06/05/2020,not to recognise Interest income on Debentures as revenue as there is contingency in collection of Interest as well as principal from M/s. CBD Towers Private Limited. In continuation to the above the management have not fairvalued the investment in debentures.

During the FY 2018-19, the Company has written off the income of Interest on Debentures amounting to Rs. 79,57,16,940.54/- receivable from M/s CBD Towers till the FY 2017-18 as the same was not received since 2008 onwards.

**Note 3.3.13 - Investment in HITVEL**

Hyderabad Information Technology Venture Enterprises Ltd. (HITVEL) was set-up by Government of AP through Andhra Pradesh Industrial Development Corporation (APIDC) and Andhra Pradesh Industrial Infrastructure Corporation Limited in association with Small Industrial Development Bank of India in the year 1998 to act as an Asset Management Company of HIVE Fund (Venture Capital Fund) for promotion of IT & ITES activities in the State. A Fund with a corpus of Rs. 15 Crore in the name & style of HIVE Fund" was set up with contributions from SIDBI, APIDC and APIIC for making investments in small and emerging IT Companies (Venture Capital Units) with an objective to achieve long-term capital appreciation of investments, with the same promoters, GoAP also set-up another Company namely Cyberabad Trustee Co. Pvt. Ltd. (CTCPL) at act as (Trustee for HIVE Fund).

Net contributions made to the HIVE Fund by the Contributors are as under:

| Name | | Amount (in Crores) | % of Contribution |
|---|---|---|---|
| SIDBI | : | 5.77 | 50.00% |
| APIDC | : | 3.85 | 33.30% |
| APIIC | : | 1.93 | 16.70% |
| **TOTAL** | | **11.55** | |

**Note 3.3.14 - Investment in Bhagyanagar Gas limited**

The shares allotted to the Corporation for the investments made against the allotment of land being continued in the above company. In January, 2025 Bhagyanagar Gas Limited has alloted the shares of 22.8Lakhs shares of paid up value of Rs. 10/- each. Land was alloted to the Bhagyanagar Gas Limited for the Extent 215.27sq yards at medchal village and 2.18acres at shamirpet village at two locations and accordingly sale deed was executed on 21.02.25.

**Note 3.4**

1)The company values its investment as long term investments and hence valued all the equity investments at Fair value through other Comprehensive Income as per the requirements of IND AS 109 & resulting fair value changes were routed through FVTOCI part of IND AS balance sheet. We have used level 3 inputs for the same.

2) Fair value to Unquoted investments in Equity shares is calculated based on Intrinsic value of equity shares on each balance sheet date.

3) Unquoted investments in trusts is fair valued using equity method.

4) Investments in Debentures(CBD Towers) are valued at Book Value as there is an uncertainty regarding Debentures & Its Conversion into Equity Shares.

5)Expected Credit Loss for the Investment is Considered as Nil



**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**

**Note 4**
**Loans and Advances**

| **Particulars** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| **UNSECURED GOOD** | | |
| Due from Related Parties (refer Note 45 & 46) | 5,007.51 | 9,029.52 |
| Dues from Govt (refer Note 4.2) | 43,261.15 | 33,386.94 |
| Dues from T Work Foundation | 2,935.00 | 2,935.00 |
| Dues from Government Departments (refer Note 4.3) | 71,292.04 | 71,122.38 |
| Other Advances (refer Note 4.4) | 914.19 | 914.19 |
| | **1,23,409.89** | **1,17,388.03** |

**Note 4.1**
1) The Loans to the related parties includes amount spent by TSIIC Ltd. on behalf of its subsidiary companies which shall be reimbursed by the respective subsidiary company.

**Note 4.2 Dues from Govt.**
1)Dues from Government includes Rs.1.00 Lakh due from the State Government of Telangana towards subscription to Share Capital of TSIIC Ltd. At the time of finalisation of Demerger Scheme, the Government directed vide Lr. Dated 22.09.2014 for payment of 1,00,000/- towards Share Capital, Telangana division. The same was not reflected in the demerger scheme at the time of approval by the Expert Committee in May 2015. The Government vide its letter informed to treat this share Capital money as fully paid up share Capital pending reimbursement / adjustment. As such for all practical purpose the Corporation has treated this money as fully paid up Share capital.
2)As per G.O.Ms.No.114 dated 25.05.1999 of Finance and Planning (Plg.IT&C) Department, the cost of rebate/incentives granted to IT Companies will be adjusted against cost of Government lands alienated to (Erstwhile APIIC) now TSIIC.
In pursuance of the above GO, the amount of Rs. 46,41,24,873/- (Demerger) receivable from Government of Andhra Pradesh now TSIIC. Alienation orders for various Government lands are awaited.

3) Dues from Government includes the dues with respect to repayment of HUDCO loan and NABARD loan principal and Interest portion.

4) Due from Govt of Telangana comprises of payments made by TSIIC which are actually reimbursable by GoT under IP budget such as expenditure on Bio-Asia, on Covid pandamic related expenditure, remuneration paid to Sri. Praveen PA, Director(Aerospace & Research) and other miscellaneous expenditure. Further it also includes the MSME Project's share of GoT pertaining to the following MSME projects which are initially funded by TSIIC pending reimbursement from GoTS as given below:

| Particulars | Amount in Rupees |
|---|---|
| MSME Autonagar, Kundanpaly | 3,34,10,000 |
| MSME Autonagar | 4,03,60,000 |
| MSME Buggapadu | 2,88,90,000 |
| MSME Kallem | 3,92,00,000 |
| MSME Ravalkole | 18,03,000 |
| MSME Sultanpur | 3,02,40,000 |
| MSME Bhongir | 2,30,00,000 |
| MSME Mandepally | 3,96,70,000 |
| MSME Palvancha | 2,14,80,000 |
| FFC-Madikonda | 3,87,40,000 |
| FFC-Dandumalkapur | 3,22,40,000 |
| FFC-Jadcherla | 3,55,30,000 |
| FFC-Chandanvelly | 3,60,10,000 |
| FFC-Tuniki Bollaram | 3,61,30,000 |
| Marketing Hub, Nandigama | 97,00,000 |
| IE, KMTP | 3,27,10,000 |
| IE, Mancherial | 1,40,50,000 |
| IP, Narmala | 2,85,10,000 |
| IP - Gadwal | 2,00,63,000 |

5) Upto 31st March, 2025 an amount of Rs. 29,35,00,000/- had been released to T-Works Foundation vide references and payment details as given below:

| Name of the bank | Cheque No. | Date | Amount (Rs.) |
|---|---|---|---|
| Kotak Mahindra Bank | 006576 | 27.10.2020 | 1,00,00,000 |
| Axis Bank | 420193 | 09.03.2021 | 1,00,00,000 |
| Kotak Mahindra Bank | 007533 | 08.06.2021 | 1,00,00,000 |
| Kotak Mahindra Bank | 008228 | 27.09.2021 | 1,20,00,000 |
| Kotak Mahindra Bank | 008299 | 23.11.2021 | 2,00,00,000 |
| Kotak Mahindra Bank | 008704 | 12.02.2022 | 2,00,00,000 |
| Kotak Mahindra Bank | 010407 | 07.02.2023 | 4,00,00,000 |
| Kotak Mahindra Bank | 010475 | 07.06.2023 | 1,00,00,000 |
| Kotak Mahindra Bank | 010610 | 24.07.2023 | 1,00,00,000 |
| Kotak Mahindra Bank | 010734 | 31.08.2023 | 1,25,00,000 |
| Kotak Mahindra Bank | 010821 | 29.09.2023 | 5,00,00,000 |
| Kotak Mahindra Bank | 011311 | 20.03.2024 | 8,90,00,000 |
| **Total** | | | **29,35,00,000** |

**Note 4.3 Dues from Govt Departments**

1) Due from Government Departments includes the expenditure incurred from internal funds of TSIIC on various IT Towers, T-Hub and IT related works pending reimbursement from ITE&C Department of GoT

2) Upto FY-2024-25 an amount of Rs. 47.04 Lakhs is due from TSMSIDC for the expenditure incurred for Covid-19 hospital preparedness towards procurement of Oxygen flow meters.

3) Upto FY-2024-25 an amount of Rs. 120 Lakhs is due from TSTS towards T-Hub includes funds transferred to T-Hub for participation at World Economic Forum at Davos Kioster.

4)Due from H& T dept. includes expenditure incurred on remuneration, TA/DA bills paid to Sri.Mihir Parikh, Director(Textiles)

5)During the F.Y: 2022-23, an amount of Rs.199,14,45,020/- had been incurred from TSIIC internal funds on IT related development works pending receipt of funds from ITE&C Dept (Due from ITE&C Dept. HAC:8504)

6) Due from GoT (R&B Dept. was towards payment made to M/sDistrict (R&B) Officer, EE RR Disttrict Widening and Strenghtening from Sagar PWD Road (Chainage 23/800) to Sagar PWD Road (Chaiage 31/400) Via Eliminedu, Pocharam and Mangapally Villages from a) Single lane Road to Double lane road from 0/0 to 15/587 & b) Construction of Four lane Carriageway approach road to TSIIC Industrial Area from Km 0/0 to 0/650 in RR District - Release of balance 50% (12,36,06,917/2 =6,18,03,459/-)part payment to R&B Department. Ref: IOM No./CE/TSIIC/13/Eliminedu/SHBD/2022-23, dt.06-12-2024. as per note approval of VC MD at Para No.120 (for Para No:117&118) on 03.12.2024

**Note 4.4 Other Advances**

It includes an amount of Rs.16,900/- due from M/s Hyderabad Pharma Infrastructure and Technologies Limited(HPIT) and an amount of Rs.9,14,02,000/- due from M/s Life Sciences Foundation

**Note 5**
**Other Financial Assets**

| Particulars | AS AT 31.03.2026 | AS AT 31.03.2025 |
|---|---|---|
| **Other Financial Assets** | | |
| Security Deposits | 61.67 | 55.61 |
| Advances to Staff | 277.09 | 302.36 |
| Deposit works - Siricilla Textile Park (Note: 5.1) | 31,682.50 | 31,682.50 |
| Deposit towards Works Undertaken (Note:19.1) | 36,699.19 | 17,492.63 |
| | **68,720.45** | **49,533.10** |

**Note 5.1: Deposit towards Works Undertaken:**

The Company has been executing civil works on behalf of various departments of State and Central Governments. These works which are in various stages of completion are in the possession of the Company and they are to be handed over to the respective Departments after their completion. The amounts in excess spent / balance advance outstanding are shown in Sundry Debtors / Deposits - Other Liabilities depending on their nature.

a) TSIIC has executed deposit works relating to Siricilla Textile Park at Siricilla, Rajanna Siricilla District. The above Deposit works- Siricilla Textile Park indicates the amount due from Handloom & Textile Department. An amount of Rs.10,00,00,000/- and Rs.5,00,00,000/- were received on 27.08.2019 and 18.11.2019 respectively from Handloom & Textile Department, GoTS.

b)Deposit Works Undertaken-Health, Medical & Family Welfare department of Rs. 5 crores received from Health, Medical and Family welfare department towards construction of Hospital at Ramagundam during FY 2022-23

**Note 5.2**

The Above Security deposits are measured at book value. As it is impracticable to assess the modified time value of money element in respect of the above Financial Assets because of uncertainty regarding the period for which these deposits are to be received.

**Note 5.3 : Deposit towards Works Undertaken:** The Company has been executing civil works on behalf of various departments of State and Central Governments. These works which are in various stages of completion are in the possession of the Company and they are to be handed over to the respective Departments after their completion. The amounts in excess spent / balance advance outstanding are shown in Sundry Debtors / Deposits - Other Liabilities depending on their nature.

**Note 6**
**DEFERRED TAX ASSET**

| **Particulars** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Deferred Tax Asset/(Liability) | 241.83 | 241.57 |
| | **241.83** | **241.57** |

**Note 7**
**Other Non Current Asset**

| **Particulars** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Deposit towards land acquisition ( Ref 7.1) | 2,21,781.55 | 1,61,814.61 |
| Deposit towards Enhanced Land Acquisition ( Ref 7.2) | 3,149.42 | 3,149.42 |
| Guarantee Commission to the extent not written off | - | - |
| Reorganisation Adjustment Account (Ref Note 7.3) | 63,811.16 | 63,811.16 |
| Others | 133.56 | 89.15 |
| Preliminery expenses not written off | 0.31 | 0.31 |
| | **2,88,876.00** | **2,28,864.65** |

**Note**

7.1) The Company is taking advance possession of Government Lands in various places in the state pending alienation orders from the Government of Telangana. With respect to Acquisition of Patta lands, amount are being deposited into the Joint Accounts for land acqusition being maintained by TSIIC Ltd with the Revenue department. Further before opening of the Joint Accounts for land acquisition, amounts were directly deposited into relevant RDO accounts where land acquisition is in progress.

7.2) Enhanced Land Compensation is the compensation paid in addition to the original amount fixed by judiciary or the competent authority against the appeal made by the land owners is treated as Enhanced land compensation.

7.3) TSIIC Ltd., has disputed allocation / apportionment of certain Assets and Liabilities as part of the Demerger Scheme. Accordingly, the position of Equity / Liability & Assets has been re-casted to ascertain the net amount due to/due from APIIC Ltd., due to Demerger Scheme. As per the re-casted allocation/apportionment of the disputed assets, the net amount due from APIIC Ltd. to TSIIC Ltd. is Rs.63,647.99 Lakhs, which is included in the above Reorganisation Adjustment Account. We have not fairvalued the reorganisation adjustment account as the same are subject to Final Approval by respective State Governments / Competent Authority.



**Note 8**

| **INVENTORY** | **AS AT** | **AS AT** |
|---|---|---|
| **Particulars** | **31.03.2026** | **31.03.2025** |
| **Stock** | | |
| Construction Materials | - | - |
| Stock - Land | 19,72,609.27 | 19,36,765.00 |
| Stock - Land Development | 888.21 | 892.43 |
| Stock - Buildings | 170.97 | 186.51 |
| Stock - Sheds | 550.33 | 550.74 |
| Stock - Water Supply | 2,273.29 | 2,281.79 |
| Stock - Sewerage | 92.38 | 92.63 |
| Stock - External Electrification | 1,463.79 | 1,492.86 |
| Stock - Roads and Bridges | 6,266.11 | 6,322.11 |
| Houses - Stock | 11.09 | 11.09 |
| Hire Purchase Stock - Sheds | 41.36 | 41.36 |
| Work in Progress | 4,02,410.16 | 3,28,573.90 |
| | **23,86,776.96** | **22,77,210.42** |
| **Less: Provision for IE's & IDA's** | -3,32,628.77 | -1,27,208.45 |
| **TOTAL** | **20,54,148.19** | **21,50,001.97** |

**Note**

1) Inventory is taken at cost, lower of cost and Net Realisable Value

2)The Inventory records of the company are yet to be reconciled.

3) Since inventory records are yet to be reconciled, work in progress is not yet capitalized to the respective Industrial Parks

4)As the execution of Industrial park developmental works happens beyond one financial year, the provision for the future expenditure to be incurred with respect to the land sold is provided through Provision for IEs & IDAs.
Provisions for IEs & IDAs is the provision made against the cost of land sold. Once the inventory is reconciled, provision will be adjusted against Stock and Work in Progress.

5) Work in progress consists of Development works like laying of Roads, construction of storm water drains, Street lights, Construction of central median and Urban Afforestation etc.

6) The Company is recognising work in progress for the develiopment works done in the estates. Since estate wise Civil Works cost is not available company is following a methodology where company is recognising the development cost @27% on purchase cost and the same is being credited to "Provision for IEs & IDAs"

**Note 9**

| **TRADE RECEIVABLES** | **AS AT** | **AS AT** |
|---|---|---|
| **Particulars** | **31.03.2026** | **31.03.2025** |
| Trade Receivables | | |
| Unsecured, considered good | 5,277.35 | 5,074.99 |
| Less: Expected Credit Loss | -2,521.16 | -2,262.99 |
| | **2,756.19** | **2,812.00** |

**Note 9.1**

**Trade Receivables Age Analysis**

| | | |
|---|---|---|
| **(i) Undisputed Trade receivables - considered good** | | |
| Less than 6 months | 627.40 | 427.53 |
| 6 months - 1 year | 27.93 | 147.79 |
| 1-2 Years | 989.24 | 1,136.49 |
| 2-3 Years | 929.32 | 888.23 |
| More than 3 years | 2,703.46 | 2,474.94 |
| **(ii) Undisputed Trade receivables - considered doubtful** | - | - |
| **(iii) Disputed Trade receivables - considered good** | - | - |
| **(iv) Disputed Trade receivables - considered doubtful** | - | |
| **Total** | **5,277.35** | **5,074.99** |

1)The age wise analysis for the sundry debtors was done based on the date of invoice instead of due date for payment. Allowance for doubtful debts is created at 100% on principal amount for debtors outstanding more than 3 years.

2)Sundry debtors are subject to confirmation.

**Note 10**

| **Cash and Cash Equivalents** | **AS AT** | **AS AT** |
|---|---|---|
| **Particulars** | **31.03.2026** | **31.03.2025** |
| Balance with Banks Accounts | 71,402.69 | 63,617.86 |
| Cash on Hand | - | - |
| Cheque in Transit | 0.13 | 897.74 |
| **Bank Deposits less than 3 months** | - | - |
| Fixed Deposits | 18,800.00 | 2,511.82 |
| | **90,202.82** | **67,027.42** |

**Note 10.1**

| **Bank Balances other than Note 10** | **AS AT** | **AS AT** |
|---|---|---|
| **Particulars** | **31.03.2026** | **31.03.2025** |
| Fixed Deposits more than 3 Months but less than 12 months | 2,87,584.97 | 1,20,240.78 |
| ***Earmarked funds*** | - | - |
| Balances in Land Acquisition - Joint A/c<br>(Bank)Balances with RDOs | 6,329.17 | 6,281.96 |
| Lien Fixed Deposit in favour of NABARD LOAN | - | - |
| Lien Fixed Deposit in favour of SBI LOAN- HPCL | - | 590.83 |
| IALA Payment Gateway Control Bank Accounts | 808.11 | 785.34 |
| | - | - |
| | **2,94,722.25** | **1,27,898.91** |

**Note:**

**10.2) Balance in Land Acquisition**- Joint A/c's are the bank Accounts opened for payment of compensation amount to the land owners as per the awards passed by the RDOs. These accounts are being operated by TSIIC Ltd with the Revenue department. Further before opening of the Joint Accounts for land acquisition, amounts were directly deposited into relevant RDO accounts where land acquisition was in progress.

**10.3) IALA Payment Gateway control Bank Accounts are the bank Accounts** opened for enabling the entrepreneurs to make online payment against the demands made by the IALAs towards Property Taxes, Building Approval fee etc.

**Note 11**

| **Short term loans and advances** | **AS AT** | **AS AT** |
|---|---|---|
| **Particulars** | **31.03.2026** | **31.03.2025** |
| Advances to staff | 499.13 | 600.93 |
| | **499.13** | **600.93** |

**Note 11.1**

1) The short term advances to staff are given to employees for meeting expense for any program/event or which are not in the nature of loans & advances to staff, the advances would be returned if unspent / event cancellation. Since the same are of short term in nature the fair valuation is not carried out.

2) Loans and Advances are subject to confirmation.

**Note 12**

| **Other Financial Assets** | **AS AT** | **AS AT** |
|---|---|---|
| **Particulars** | **31.03.2026** | **31.03.2025** |
| Accrued Interest | 2,206.80 | 131.64 |
| Public Deposit Account | - | - |
| Fixed Deposits | 160.10 | 200.00 |
| Accrued Interest On Fixed Deposits | - | 1.50 |
| | **2,366.90** | **333.14** |

**Note:**

**12.0)Public Deposit (PD) Account** is being operated to receive funds directly from various departments of GoTS which are to be expended for the specific purpose for which they are sanctioned.

**Note 12.1**

| **Current Tax Assets/ (Liabilities)** | | |
|---|---|---|
| **Particulars** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
| IT Deducted at Source | 11,114.27 | 6,661.24 |
| | **11,114.27** | **6,661.24** |

**Note 13**

| **Other Current Assets** | | |
|---|---|---|
| **Particulars** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
| Other Current Assets | 1,225.65 | 806.35 |
| Advance to Gratuity Trust | 411.94 | 351.94 |
| Guarantee Commission to the extent not written off | 0.36 | 0.36 |
| Misc advance | 0.10 | 0.10 |
| Income Tax refund receivable | 9.00 | 1.35 |
| Due from IEISL | 75.42 | 75.42 |
| Due from SEM India | 180.96 | 180.96 |
| Due from HPCL | - | - |
| Due from Biotech | 0.01 | 0.01 |
| GST TDS | 0.30 | 0.30 |
| Deposits | 36.53 | 36.53 |
| GST ITC | 16.32 | 9.73 |
| Advance Income tax | 29.23 | - |
| | **1,985.83** | **1,463.05** |

**Note:**

**13.1)**The Amount of Gratuity is paid to the Retired Employees pending receipt of the same from LIC gratuity policy. Any short receipt of gratuity amount from LIC is booked as TSIIC expenditure.



T.S. Industrial Infrastructure Corpn. Ltd. HYD.

**Note 14**

| **Share Capital**<br>**Particulars** | **AS AT**<br>**31.03.2026** | **AS AT**<br>**31.03.2025** |
|---|---|---|
| Authorised Share Capital<br>(100000 shares @ R.s 1000 each) | 1000 | 1000 |
| Issued, subscribed ,paid up capital<br>(100 shares @ R.s 1000 each) | 1 | 1 |
| Share Suspense Account<br>(68053 shares@ R.s 1000 each) | 680.53 | 680.53 |
| | **681.53** | **681.53** |

As per demerger scheme, 68053(Nos) shares of Rs.1000/- each, amounting to Rs.680.53 lakhs were allotted to TSIIC Ltd. The erstwhile APIIC Ltd. has not transferred the share certificate in the name of "TSIIC Ltd". and the shares are still in the name of "APIIC Ltd." Hence, the value of share capital for Rs.680.53 lakhs allotted to TSIIC Ltd. as per Demerger Scheme is shown under Share Capital Suspense Account.

**(a.) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

| | **AS AT 31.03.2026** | | **AS AT 31.03.2025** | |
|---|---|---|---|---|
| | **No. of Shares** | **Amount** | **No. of Shares** | **Amount** |
| At the beginning of the period | 100 | 100000 | 100 | 100000 |
| Issued during the period | 0 | 0 | 0 | 0 |
| Outstanding at the end of the period | 100 | 100000 | 100 | 100000 |

**(b). Details of shareholders holding more than 5% shares in the company**

| | **AS AT 31.03.2026** | | **AS AT 31.03.2025** | |
|---|---|---|---|---|
| | **No. of Shares** | **% holding** | **No. of Shares** | **% holding** |
| Government of Telangana including its nominees | 100 | 100% | 100 | 100% |

**(C). Disclosure of Shareholding of Promoters**

| | **AS AT 31.03.2026** | | **AS AT 31.03.2025** | |
|---|---|---|---|---|
| | **No. of Shares** | **% holding** | **No. of Shares** | **% holding** |
| Government of Telangana including its nominees | 100 | 100% | 100 | 100% |

(d) The Company has only one class of shares i.e. equity shares ranking pari passu with all respects including entitlement of dividend, voting and repayment of capital. Each equity share carries one vote.

| **Other Equity**<br>**Particulars** | **AS AT**<br>**31.03.2026** | **AS AT**<br>**31.03.2025** |
|---|---|---|
| **Capital Reserve** | | |
| Opening Balance | 541.84 | 541.84 |
| Profit/(Loss) During the year | - | - |
| Closing Balance | **541.84** | **541.84** |
| **General Reserve** | | |
| Opening Balance | 54,084.93 | 57,733.15 |
| Profit/(Loss) During the year | -56,457.72 | -3,648.22 |
| Closing Balance | **-2,372.79** | **54,084.93** |
| **Other Comprehensive Income** | | |
| Opening Balance | 1,624.68 | 658.37 |
| Profit/(Loss) During the year | 53,904.24 | 966.31 |
| Closing Balance | **55,528.92** | **1,624.68** |

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**

**14.1.NON CONTROLLING INTEREST (NCI)**

| S.NO. | PARTICULARS | % OF TSIIC HOLDING | NCI |
|---|---|---|---|
| 1 | M/s.Ecity manufacturing cluster Ltd | 1.00 | - |
| 2 | M/s.Maheswaram Science Park Ltd | 1.00 | - |
| 3 | M/s.Fab City SPV (India) P Ltd | 0.89 | 0.11 |
| 4 | M/s.Zaheerabad NIMZ Ltd | 1.00 | - |
| 5 | M/S. Hyderabad Pharma City Ltd | 1.00 | - |
| 6 | M/S. Telangana Life Sciences Infrastructure Development Ltd | 1.00 | - |
| 7 | M/s. Bio Tech Hub | 1.00 | |
| 8 | M/S. CETP-KMTP Warangal Ltd | 1.00 | |
| 9 | NICDIT | 51% | 49% |
| | | | |
| **DATE** | **PARTICULARS** | **AMOUNT (in Rs.)** | **Share of NCI** |
| AT 01.04.2016 | Share capital of NCI (in FAB CITY) | 1,00,000 | 11,000 |
| | Reserves & Retained earnings | -6,67,51,155 | -73,42,627 |
| | | **-6,66,51,155** | **-73,31,627** |
| | | | |
| AT 31.03.2017 | Increase in Reserves During the Year | -1,60,69,742 | -17,67,672 |
| | | **-8,27,20,897** | **-90,99,299** |
| | | | |
| At 31.03.2018 | Increase in Reserves During the Year | -1,06,93,568 | -11,76,292 |
| | | **-9,34,14,465** | **-1,02,75,591** |
| | | | |
| At 31.03.2019 | Increase in Reserves During the Year | -92,48,887 | -10,17,378 |
| | | **-10,26,63,352** | **-1,12,92,969** |
| | | | |
| At 31.03.2020 | Increase in Reserves During the Year | -91,61,859 | -10,07,804 |
| | | **-11,18,25,211** | **-1,23,00,773** |
| | | | |
| At 31.03.2021 | Increase in Reserves During the Year | -1516042 | -1,66,765 |
| | | **-11,33,41,253** | **-1,24,67,538** |
| | | | |
| At 31.03.2022 | Increase in Reserves During the Year | 1,14,76,804.27 | 12,62,448.47 |
| | | **-10,18,64,448.73** | **-1,12,05,089.36** |
| | | | |
| At 31.03.2023 | Increase in Reserves During the Year | -8,72,98,996.32 | -96,02,889.60 |
| | | **-18,91,63,445.05** | **-2,08,07,978.96** |
| | | | |
| At 31.03.2024 | Increase in Reserves During the Year * | 30,79,604.05 | 3,38,756.45 |
| | | **-18,60,83,841.00** | **-2,04,69,222.51** |
| | | | |
| At 31.03.2025 | Increase in Reserves During the Year * | 44,31,733.05 | 4,87,490.64 |
| | | **-18,16,52,107.95** | **-1,99,81,731.87** |
| At 31.03.2026 | Increase In Reserves during the year * | **-3,93,81,370.87** | **-43,31,950.80** |
| | | **-22,10,33,478.82** | **-2,43,13,682.67** |

**Note 15**

| **Long Term Borrowings - Financial Liabilities Measured at Amortised cost** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| a. Secured | | |
| 9.35% Non convertible,Listed and secured debentures | 9,54,433.59 | 9,83,452.05 |
| b. Unsecured | | |
| Loan From Government | 20,000.00 | 20,000.00 |
| Loan from HUDCO | 37,510.23 | 37,336.74 |
| Loan from SBI | - | 27,170.96 |
| Loan from IALA | 6.05 | 5.48 |
| | **10,11,949.87** | **10,67,965.23** |

**Note 15.1**

**a. 9.35% Non convertible debentures:**

Telangana State Industrial Infrastructure Corporation Limited raised senior, secured, rated, listed, redeemable, taxable non-convertible bonds, each bearing a face value of INR 1,00,000 (Indian Rupees One Lakh only) for a base issue size of INR 5,000 Crores with a green shoe option to retain oversubscription of INR 4,995.28 Crores i.e. for an aggregate issue size of up to INR 9,995.28 crores. Against the Bonds raised interest rate of 9.35% for which the interest amount is to be paid quarterly to the investors. Repayment of debentures within next 12 Months is shown under short term borrowings (Note 20).

**Note 15.2**
**b.Details of Unsecured Loan**
**i) Loan From Government**

An amount of ₹200 crore was received by the Company from the Government of Telangana as a loan vide G.O. Rt. No. 66 dated 26.03.2025. However, the said Government Order does not specify the rate of interest, tenure of the loan and repayment schedule. Accordingly, the fair value of the loan has not been determined in accordance with the requirements of Ind AS 109 – Financial Instruments. The impact, if any, arising on account of initial recognition and subsequent measurement of the loan has not been ascertained.

**ii) Loan From HUDCO:**

HUDCO was approached by TSIIC Ltd. towards Financial Assistance for Land Acquisition for development had been considered in (i) NIMZ Zaheerabad Phase II, (ii) Pharma Village at Nyalkal in Sanga Reddy District and (iii) Pharma Village in

**Terms of Loan**

Loan amount of Rs.1000 Cr having Rate of Interest: 9.28% pa for Rs 600 Cr for infra development and 9.68% pa for Rs 400 Cr of land acquisition. Both fixed for one year and then yearly reset.
The tenor of the loan is 10 years including a moratorium for principal of 2.5 years and repayment in 7.50 years (on quarterly basis

**Security**

Telangana State Government Guarantee along with State Government Budgetary support. The guarantee commission of Rs 7.6 Crores is provided and amortized over a life of the guarantee period.

**Repayment**

The tenor of the loan is 10 years including a moratorium for principal of 2.5 years and repayment in 7.50 years (on quarterly basis)
Loan from Hudco is fair valued and Difference between book value and fair value is routed through Profit and loss (FVTPL)

**B) Loan From STATE BANK OF INDIA:**

SBI was approached by TSIIC Ltd. towards Financial Assistance of Rs. 1000 Crores for implementation of core infrastructure for Phase – I of Hyderabad Pharma City proposed as an Integrated manufacturing Township in Mucherla. SBI has released an amount of Rs. 275.90 crores against the sanctioned loan amount of Rs.1000 crores as first tranch on 28.02.2022.

**Closure - SBI loan was pre-closed on 16-09-2025**

**Terms of Loan**

Repayable in 20 equal quarterly installments of Rs 50 Crore each starting from 28.04.2026 till 28.01.2031. Interest to be paid as and when applied. The Guarantee commission of 2% on the released amount is to be paid to the Government.

**Security**

Telangana State Government Guaranteed the loan without Budgetary support.

**Closure - SBI loan was pre-closed on 16-09-2025**

**C) Loan From IALA:**

TSIIC has taken loan from Various IALA's (Nanakramguda, Madhapur, Manikonda towards Financial assistance for Acquisition / Alienation of lands for establishment of Hyderabad Pharma City limited (HPCL) near shamshabad to establish Pharma cluster within the state of telangana.

**Terms of Loan & Repayment**

Interest free loan amount of Rs.150 Crore repayable at the end of 90th year which was taken during the FY 2015-2016

**Security**

No security has been pledged for availing the loan.

An Amount of Rs.150.00 Cr Interest free Loan was taken form IALAs for a period of 90 Years towards Financial assistance for Acquisition / Alienation of lands for establishment of Hyderabad Pharma City, Hyderabad by TSIIC Ltd. The same is discounted using the company's borrowing rate i.e.,10.40% & corresponding deferred income was disclosed in Note 17.level 3 inputs were used for valuation of the same.

| Note 16<br>OTHER FINANCIAL LIABILITIES | AS AT<br>31.03.2026 | AS AT<br>31.03.2025 |
|---|---|---|
| Deposit Towards Water | 719.58 | 719.58 |
| Deposit Towards Rentals | 437.08 | 351.45 |
| Miscellaneous Deposit | 193.52 | 200.23 |
| Miscellaneous Deposit - Works | 2,784.31 | 2,372.70 |
| Miscellaneous Deposit - EMD/FSD (Note: 16.2) | 7,291.75 | 8,018.16 |
| Due To Govt. Of Telangana - Land Alineated | 7,64,798.04 | 7,63,800.70 |
| Interest earned - Due to consolidated fund of india | 55.95 | 43.93 |
| Security deposit towards lease rental | 110.52 | 110.52 |
| | **7,76,390.75** | **7,75,617.27** |

**16.1) MISCELLANEOUS DEPOSIT - EMD / FSD**

We have received 100.29 crores towards Expression of Interest ( EOI) from the prospective buyers for the Land to be allocated in the Telangana Special Food Processing Zones identified in various places across the State of Telangana.

**16.2) Due to Govt of Telangana- Land Alienation**

It is the Amount payable to the GOT's against the land handed over to TSIIC Ltd alienation orders received. Further pending receipt of alienation orders from GOTs, the provision was made as per the proposals of TSIIC Ltd. During execution of sale of land/ plot, stock of land/plot balance should be available in the books of Accounts. Hence the same is brought into the books of Accounts on provisional basis pending receipt of alienation orders from the GOTs.

| Note 17<br>LONG TERM PROVISIONS | AS AT<br>31.03.2026 | AS AT<br>31.03.2025 |
|---|---|---|
| Provision for leave benefits | 1,049.62 | 1,049.54 |
| Provision for Gratuity | 466.36 | 499.94 |
| Provision for PS Charges | 1,628.33 | 1,569.82 |
| | **3144.31** | **3119.30** |

**Note**

**17.1)**Gratuity and Leave Benefit Expenses are fair valued and accounted as per Actuarial Valuation Report under IND AS.

**17.2) Provision for PS(Petty Supervision) Charges** is provided @1.5% on the items under part A of General Abstract attached to the Technical Sanction proceedings. It is provided for all the works being executed by TSIIC Ltd so as to meet the expenditure towards salaries of work charged employees like watchman, Head mazdoor etc. All the regular employees

| Note 18<br>DEFERRED TAX LIABILITIES | AS AT<br>31.03.2026 | AS AT<br>31.03.2025 |
|---|---|---|
| Deferred tax liabilities - Net | 1,265.71 | 1,260.36 |
| | **1265.71** | **1260.36** |

**Note 19**

| OTHER NON CURRENT LIABILITIES | AS AT 31.03.2026 | AS AT 31.03.2025 |
|---|---|---|
| Grant in Aid- Telangana Budget (19.1) | 62,907.69 | 59,907.69 |
| Resource Mobilisation (Note: 19.2) | 1,69,574.43 | 40,677.05 |
| Project related Grants ( Note: 19.3) | 1,04,554.64 | 1,02,570.01 |
| Deposit Works Undertaken (IALA) | 26,874.61 | 25,281.28 |
| Unamortised lease premium (Note: 19.4) | 13,538.32 | 14,766.21 |
| Other Liabilities | 4,897.81 | 4,849.31 |
| Deferred income (IALA loan INDAS adjustment) | 13,164.88 | 13,331.52 |
| Graint In Aid EMC 2.0 Divitipally Project (Note: 19.5) | 7,743.03 | 7,743.03 |
| | **4,03,255.40** | **2,69,126.10** |

**Note 19.1 : Grant in Aid- Telangana Budget**

Company has received Rs.172.5 crores in FY 2015-16, Rs.25 Crores in FY 2020-21 and Rs.401.96 crores in FY 2021-22 as grant from Govt of Telangana. Company incurred expenditure of Rs. 5.73 crores during the financial years 2015-16 to 2017-18 and debited the amount to this ledger. This Net amount has been recognized as Grant and shown under other noncurrent liabilities.

**Note 19.2 : Resource Mobilisation**

Erstwhile State of Andhra Pradesh Government allotted lands in Raidurg area measuring 424.23 Acres and 46.20 Acres to erstwhile APIIC Ltd. before bifurcation against the amounts given to the State Government Rs 4892.27 crores and they were shown under "Long term loans and advances". Further Sale proceeds of land at Raidurg were adjusted against this head and also shown under "Long term loans and advances". Such balance as on the date of demerger is Rs 1472.01 crores and was fully allocated to TSIIC Ltd. as part of demerger scheme. As per note on demerger such allocation was disputed by TSIIC Ltd. and it has recognized only Rs 613.53 crores. Further during the FY 2015-16, FY 2016-17 the company has further sold land at Raidurg and proceeds were adjusted against Resource Mobilisation. In the absence of alienation orders from the government, Cost of land is not fixed and not accounted in the books.

Cost incurred towards development of land at Raidurg is under the Account Head Civil works in Progress and is not yet adjusted to the cost of development against the sales and not considered for Profit/Loss as the entire estate is to be taken as one single unit and after adjustment of all the costs and the sales either Profit or Loss can be arrived.

**Note:19.3 Project Related Grants**

**a.)Following table represents the Grants from GoI and amounts deposited by TSIIC on various MSME projects:**

| Name of the MSME/ Name of the MSME A/c / Bank Account Number | Bank Name | Amount deposited by PAO MSME, Govt of India / Date of deposit | Amount deposited by TSIIC/ Date of deposit |
|---|---|---|---|
| MSME IP- MANCHERIAL | Kotak Mahindra Bank | 1,09,16,000 | |
| TSIIC Ltd. IP, Mancherial | | 30.03.2026 | |
| MSME IP- NARMALA | Kotak Mahindra Bank | 2,00,00,000.00 | |
| TSIIC Ltd. IP, NARMALA, RAJANNA | | 25.03.2026 | |
| MSME IE-KMTP | Kotak Mahindra Bank | 1,59,11,000.00 | |
| TSIIC Ltd. IE, KMTP,Warangal Dt. | | 30.03.2026 | |
| MSME FFC-MADIKONDA | Kotak Mahindra Bank | 8,05,36,000.00 | |
| TSIIC Ltd. FFC-MADIKONDA,Warangal Dt. | | 25.03.2026 | |
| MSME Marketing Hub | Kotak Mahindra Bank | 3,40,00,000.00 | |
| TSIIC Ltd.- Marketing Hub, | | 31.03.2026 | |
| MSME IP Gadwal | Kotak Mahindra Bank | - | 2,00,63,000.00 |
| TSIIC Ltd.- IP,Gadwal. Jogulamba Gadwal Dt. | | | 31.03.2026 (JV) |
| MSME CFC RICE MILL Cluster, Jagtial | Kotak Mahindra Bank | - | 49,90,000.00 |
| TSIIC Ltd.-CFC RICE MILL Cluster, Jagtia IDt. | | | 01.04.2025 |
| Interest earned on Grants | | | 1,20,45,149.00 |
| Rounding off of GoT Grants due | | | 1,000.00 |
| PM MITRA Scheme | State Bank of India | 30,00,00,000.00 | - |
| TSIIC Ltd.- PM MITRA Scheme Escrow A/c | | 21.02.2026 | |

**b.)** Project related grants includes the principal and Interest portion of HUDCO & NABARD loans paid by TSIIC and reimbursable by Govt of Telangana.

**c)** Grant from Govt towards NABARD loan represent the amount due on NABARD loan Principal amount repaid during F.Y:2023-24

**d)** Grant from Govt towards HUDCO loan represent the amount due on HUDCO loan Principal amount repaid during F.Y:2023-24

**e)** Project related Grants includes Funds received towards CETP Pashamylaram (with ZLD) at IDA Pashamylaram.

| Means of Finance | Revised Approved amount(Rs. in Crores) | Amount contributed (Rs.in crores) |
|---|---|---|
| Central Grant | 25.76 | 7.06 |
| SIA (TSIIC) | 58.78 | 7.81 |
| Member Industries | 9.7 | 0.2 |
| Debt | 10 | Nil |
| Deposit by TSPCB | | 12.5 |
| **Total Cost** | **104.24** | **27.57** |

**f)** The Revised estimated cost of the Project is **Rs. 101.16 crores** keeping the central grant same i.e., Rs.25.76 crores and the same is approved during the meeting held on **02.02.2024**

**Note 19.4: Unamortised lease premium**

TSIIC allots lands to Entrepreneurs on long lease basis for a period of 33/66/99 years and accordingly collects lease premium amounts. The amounts collected as lease premium will be amortised over the lease period and the same is recognized as lease rental income accordingly.

**Note 19.5: Grant In Aid EMC 2.0 Divitipally Project**

An amount of Rs. 77,43,03,000/- had been received from Meity, GoI towards 1st instalment of Grant-in-aid from GoI on EMC 2.0 Divitipally Project

**Note 20**

| **Borrowings** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| **Current Maturities of long term debt** | | |
| Due To IALA ( Note: 16.1) | 37,098.03 | 34,503.92 |
| 9.35% Non Convertible,Listed and secured debentures | 31,235.25 | - |
| Current Maturities - IALA LOAN | - | - |
| | **68,333.28** | **34,503.92** |

**Note 20.1) DUE TO IALA:**

**a) The amount under this head predominnantly includes the following:**

| Purpose | Amount (Rs. In Crores) | Name of IALA |
|---|---|---|
| Towards construction of T-Hub Phase II at Hyderabad Knowledge City, Raidurg, Panmaktha(V), | 20.00 | IALA Madhapur & IALA Cyberabad |
| Taken from IALA for affecting payments outstanding vendors / | 50.00 | IALA |
| Towards stamp duty for IALA registrations and is to be returned to the respective IALAs. | 25.10 | Registration Department, Telangana towards Stamp Duty registration of IALAs |
| Towards GoTS share of MSME project -IP Auto nagar | 2.00 | IALA Auto nagar, Rangareddy district |
| Towards Extension of 33KV Power supply for a CMD of 2000KVA with a connection load of 1600KW to T-Hub Phase II | 4.34 | Commissioner TSIIC Madhapur |
| Towards repayment of deposit received from UNITECH Limited. | 100.00 | IALA |
| Received from IALA for Expenditure works. | 100.00 | IALA |
| towards depositing with RDO Rajendranagar for land acquisition for an | 27.68 | IALA Manikonda |
| State share amount received from IALA towards final approval for | 1.50 | TSIIC IALA Palvoncha |

**b)** The Company has obtained an unsecured loan amounting to ₹ 34,503.92 lakhs from the Industrial Area Local Authority (IALA). The loan does not carry any stipulated repayment schedule or interest clause. However, the Company is under a contractual obligation to repay the amount as and when mutually agreed between the parties.

In accordance with Ind AS 32 – Financial Instruments: Presentation, the loan has been classified as a financial liability, since the arrangement gives rise to a contractual obligation to deliver cash in the future.

As there are no specified repayment terms and the loan is interest-free, its fair value at initial recognition has been considered to be equivalent to the carrying amount of ₹ 34,503.92 lakhs, which represents management's best estimate of its present value under Ind AS 109 – Financial Instruments: Recognition and Measurement and Ind AS 113 – Fair Value Measurement.

**Note 20.1**

| **Trade Payables** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Sundry Creditors | 745.70 | 1,126.60 |
| | **745.70** | **1126.60** |
| **Trade Payables Ageing** | | |
| **(i) Undisputed - Trade Payables** | | |
| - Less than 6 months | 28.39 | 25.35 |
| - 6 months - 1 year | 8.25 | 424.66 |
| - 1-2 Years | 19.85 | 386.31 |
| - 2-3 Years | 382.64 | 37.48 |
| - More than 3 years | 306.57 | 252.80 |
| **(ii) Disputed - Trade Payables** | - | - |
| **Total** | **745.70** | **1,126.60** |

**Note 20.1.a**
Trade payables do not require any revaluation as all the payables are outstanding for less than 12 months and present value factor discounting is negligible. Hence, valued at book value.

**Note 20.1.b**
Sundry Creditors and Other Deposits are subject to confirmation.

**Note 21**

| **Other Financial Liabilities** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Statutory Liabilities | 953.93 | 1,175.36 |
| Other Financial Liabilities | 361.70 | 366.35 |
| Due to Government of India (Interest Income) | 43.32 | 43.32 |
| | **1,358.95** | **1,585.03** |

**Note 22**

| **Other Current Liabilities** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| A.P.Reorganisation ADJ.A/C (Due From APIIC) | 161.40 | 161.40 |
| Deposits from allottees (Ref 22.1) | 6,80,432.08 | 5,71,081.34 |
| Other current liabilities | 7,319.43 | 3,747.10 |
| Other current liabilities (Payable to TSIIC-Subsidaries) | - | 1,274.58 |
| Grant In Aid (Maheswaram) (Ref 22.2) | 3,040.80 | 3,040.80 |
| Grant In Aid (E-city) (Ref 22.3) | 10,611.80 | 10,611.80 |
| Due to IL & FS Environmental Infrastructure and Services Ltd | 202.93 | - |
| | **7,01,768.44** | **5,89,917.02** |

**Note 22.1**

Deposit from allottees is treated as Current Liabilities and shall be transferred to Revenue at the time of execution of sale deed and rights of property is transferred to allottee. The partywise schedules for deposits received from allottees has been prepared other than for Demerger Balance. Deposits received from Allottees are subject to confirmation

**Note 22.2**

**Grant In Aid (Maheswaram)**

| Particulars | Amount(RS.) | Year |
|---|---|---|
| Amount transferred from Maheshwaram Science park Ltd to TSIIC Maheshwaram Project | 9,60,00,000.00 | 2017-18 |
| Grant Received from GOI | 18,12,10,000.00 | 2018-19 |
| Amount received from Maheshwaram Science park Ltd to TSIIC Maheshwaram Project | 3,80,00,000.00 | 2017-18 |
| | **31,52,10,000.00** | |
| Amoun shown as receivable from Maheswaram Science | **-1,11,30,000.00** | 2016-17 |
| **Grand Total** | **30,40,80,000.00** | |

Upto F.Y: 2019-20, an amount of 3152 lakhs were received from Government of India, towards GoI share of Electronics Manufacturing Cluster at Maheswaram(M), Ranga Reddy District, Telangana as per the Final approval of the project received from Ministry of Electronics & Information Technology (Meity), Government of India.

**Note 22.3**

**Grant In Aid (E- City)**

| Particulars | Amount(Rs.) | Year |
|---|---|---|
| Amount received from Ecity manufacturing to TSIIC ECITY Project | 25,00,00,000.00 | 2017-18 |
| Grant Received from GOI | 25,48,33,650.00 | 2018-19 |
| | **50,48,33,650.00** | |
| Amount transferred from Ecity Manufacturing cluster ltd to TSIIC E-City Project-being the intrest on fixed deposit | 2,57,90,000.00 | 2016-17 |
| **Grand Total** | **53,06,23,650.00** | |

Upto F.Y 2019-20, an amount of Rs.5048 lakhs - were received from Government of India, towards GoI share of Electronics Manufacturing Cluster at E-City, Raviryala(V), Maheswaram( M) , Hyderabad as per the Final approval of the project received from Ministry of Electronics & Information Technology (Meity), Government of India and further due to intrest component added the figure in the financials reflected as Rs. 5306.24 lakhs

**Note 23**

| **Short Term Provisions** | **AS AT 31.03.2026** | **AS AT 31.03.2025** |
|---|---|---|
| Provision for Leave Benefits | 238.04 | 256.54 |
| Provision for Gratuity | 56.95 | 82.26 |
| Provision for others | 53.80 | 77.97 |
| Provision for Taxation | 430.78 | 433.32 |
| | **779.56** | **850.08** |

**NOTE 24**
**REVENUE FROM OPERATIONS**

| | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| **Sale of Goods** | | |
| Sale of Land, Houses & Sheds | 5,41,989.07 | 46,439.97 |
| **Income from Services** | | |
| Lease Income | 2,317.26 | 1,741.57 |
| Water Income | 327.37 | 311.36 |
| **Other Operating Revenue** | | |
| Interest on Hire Purchase and Others | -105.64 | 1,713.93 |
| Process fees | 2,255.15 | 331.41 |
| Centage charges | 2,737.56 | 1,664.80 |
| Penalty and Surcharges | 8.93 | 54.74 |
| Local Authority Income | 543.63 | 238.08 |
| Sub Division Charges | 341.25 | 170.65 |
| Delay Condonation fees | 482.74 | 1,381.85 |
| Liquidated Damages | 43.61 | 29.38 |
| Restoration Charges | 86.73 | 303.88 |
| Extention of Time | 917.69 | 1,058.55 |
| Project development fee | 175.00 | 51.89 |
| | **5,52,120.35** | **55,492.06** |

**Note:**

**24.1)** Certain Sales made by TSIIC Ltd pertaining to the extent of land under e- City Ltd are being executed through the Zonal manager, Shamshabad. E-city Ltd, being a subsidiary the overall income and expenditure needs to be recognised by the subsidiary. Hence the sales, cost of sales and Provision for IEs & IDAs pertaining to e-City are shown separately.

**24.2)** Lease Income: In the Industrial Estates/ Industrial Parks of TSIIC Ltd, vacant land is given for lease at the request of the entrepreneurs for utilizing the same in implementation of the project.

**24.3)** Water Supply :During the Establishment of Industrial parks/ Industrial Estates basic amenities like Electricity, Water Supply were provided by TSIIC Ltd. For providing water supply to the entrepreneurs, bulk water supply connection was taken from HMWS& SB and in turn distributed to the entrepreneurs. Providing of this facility was not with the intention of obtaining profits.

**24.4)** Centage Charges: TSIIC Executes Civil works for Government Departments. Centage charges are levied at certain percentage which is considered as an administrative expenses for TSIIC towards executing the entrusted Civil Works. The percentage of Centage is as per the MOU entered between TSIIC Ltd & Department.

**24.5)** Penalties: Penalties are levied on the land allottees for various reasons as per the allotment Regulations of TSIIC Ltd.

**24.6)** Restoration Charges: In case of allotments where cancellation is done for non- implementation within stipulated time from the date of possession of the premises, and when the premises is not resumed by the Zonal Manager, any request for restoration of allotment shall be made by the allottee, to the Zonal manager within one month from the date of receipt of cancellation orders- cum- Resumption notice.

**24.7)** Delay Condonation fees: As per the Allotment order and Agreement of sale, the allottee is allowed two years time for full implementation of project. The period of implementation may be considered to be extended on payment of fees for delay in implementation. The fees paid against delaying the implementation of the project is considered as Delay Condonation fees.

**Note 25**

| **OTHER INCOME** | **F.Y. 2025-26** | **F.Y. 2024-25** |
|---|---|---|
| **Interest income on** | | |
| Advances to Staff | 7.31 | 9.08 |
| Other Loans and Advances | - | - |
| Fixed Deposits & Sweep deposits | 7,785.83 | 1,735.20 |
| Rental & Water charges Arrears | 51.11 | 79.87 |
| Interest on Refund of Income Tax | 0.01 | 0.49 |
| Dividend Receipt | 4,857.82 | 4,117.63 |
| Miscellaneous Receipts | 3,032.96 | 497.36 |
| | 166.64 | 166.64 |
| Deferred Income (On Loan from IALA) | | |
| Revenue Grant | - | - |
| Interest income on bond | 8,494.34 | 9,472.80 |
| Interest income w.r.t INDAS fair valuation | - | - |
| | - | - |
| Processing fee | 53.37 | - |
| Other Income | 0.64 | 1.77 |
| Interest Income | 177.99 | 163.62 |
| | **24,628.02** | **16,244.46** |

**Note 25.1 : Revenue Grant**

As per the Loan agreement the Interest paid on HUDCO & NABARD Loans are being reimbursed from the Govt. of Telangana and the same is being considered as Revenue Grant

**Note 25.2 : Deferred Income of IALA Loan Fair Valuation**

IND AS adjustment under Amortized Cost Method.



Industrial Infrastructure Corpn. Ltd. * T.S. HYD.

## Note 26

**COST OF SALES**

| | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| Cost of sales - Land | 5,22,700.62 | 38,315.92 |
| Cost of sales - Houses | - | 50.51 |
| Cost of sales - Sheds | 1.29 | 11.95 |
| | **5,22,701.91** | **38,378.38** |

**Note:**

**26.1)** IND AS requires expense to be disclosed as cost of material consumed, purchase of stock in trade and change in inventory . However TSIIC is following a method named cost of sales in which all the prior mentioned expenses are included . Thus this disclosure is deemed to be appropriate

**26.2)** As the execution of Industrial park developmental works are executed beyond one financial year, the provision for the future expenditure to be incurred with respect to the land sold is provided through Provision for IEs & IDAs. Provisions for IEs & IDAs is the provision made against the cost of land sold. Once the inventory is reconciled, provision will be adjusted against Stock and Work in Progress.

## Note 27

**EMPLOYEE BENEFIT EXPENSES**

| | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| Salaries , Wages and Other Benefits(Refer **Note:27.1**) | 3,249.41 | 2,873.66 |
| Contribution towards Provident and other Funds | 386.31 | 397.18 |
| Staff Welfare Expenses | 28.22 | -27.59 |
| | **3,663.94** | **3,243.25** |

## Note 28

**FINANCE COST**

| | F.Y. 2025-2026 | F.Y. 2024-2025 |
|---|---|---|
| Bank charges | 0.34 | 0.22 |
| Interest expense on Loan fair valuation | 2,390.85 | 859.68 |
| Interest on Loans | 97,085.12 | 30,662.96 |
| Guarantee Commission | - | - |
| | **99,476.31** | **31,522.86** |

Interest expense on Loan fair valuation include Interest on Loan from HUDCO . As per terms of HUDCO loan agreement , interest on the loan is to be compensated by State Government . As the loan is fair valued , interest on fair valuation is accounted correspondingly revenue also accounted for in the name of Revenue Grant.

## Note 28.1

**DEPRECIATION**

| | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| Depreciation | 295.52 | 129.88 |

## Note 29

**OTHER EXPENSES**

| | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|
| **(a) Repairs & Maintenance** | | |
| Computers | 14.03 | 9.96 |
| Pump sets | - | 0.11 |
| Electrification | 4.21 | 3.43 |
| Office Equipment | 6.97 | 3.37 |
| Refrigerators, Acs and Air Coolers | 0.72 | 2.49 |
| Vehicles | 4.89 | 2.83 |



T.S. Industrial Infrastructure Corpn. Ltd. HYD.

| | | |
|---|---|---|
| Furniture and Fixtures | 0.15 | 1.21 |
| Others | 0.02 | 1.93 |
| Electric Equipment | 0.02 | 0.06 |
| **Sub Total** | **31.01** | **25.39** |
| | | |
| **(b) Administration & General expenses** | | |
| Travelling Expenses | 60.70 | 43.25 |
| Rent | 112.86 | 103.55 |
| Rates and taxes | 16.15 | 94.68 |
| Vehicle maintenance | 257.15 | 273.14 |
| Electricity charges | 41.82 | 41.16 |
| Water charges | 383.94 | 379.62 |
| Repairs and maintenance - Estates | 82.91 | - |
| Insurance | 57.13 | 52.88 |
| Other expenses | 520.98 | 248.16 |
| Corporate Social Responsibility | 389.31 | - |
| Professional & Retainer Charges | 1,567.34 | 1,107.99 |
| Legal Charges | 734.65 | 212.32 |
| Provision for Bad Debts | - | - |
| Security Services | 1,100.50 | 1,102.70 |
| Rebate on Land Cost | - | - |
| Business Promotion & Advertisement | 305.22 | 111.83 |
| GST Expense | - | 0.02 |
| Office Expenses | - | - |
| Interest on GST | - | 0.61 |
| Bank charges & Commission | 0.02 | 0.04 |
| Consultancy Charges | - | - |
| Inauguration expenses | - | - |
| License Fee | - | 3.20 |
| BG Commission | - | 0.24 |
| Coaching & Training Services | - | - |
| Interest on TDS | - | 0.13 |
| Manpower services | - | 2.56 |
| House keeping services | - | - |
| Petrol charges | - | - |
| Internet expenses | - | - |
| Printing & stationery | - | - |
| Processing charges | - | - |
| Manpower supplies | - | - |
| Telephone Charges | - | 0.07 |
| GST Late filing fee | 0.10 | 0.01 |
| Incometax Expenses | 7.01 | - |
| Project Management Cost | - | - |
| Lease Premium Reversal | 425.85 | |
| Consultancy charges | 9.19 | |
| Incorporation /MCA Chargescharges | 255.90 | |
| **Sub Total** | **6,328.73** | **3,778.16** |





## (c) Administration charges on Deposit works

| | | |
|---|---|---|
| Administration charges on Deposit Works | - | - |
| **Sub Total** | **0.00** | **0.00** |

## (d) Expenditure on ERP

| | | |
|---|---|---|
| ERP Expenditure | 75.35 | 29.51 |
| | **75.35** | **29.51** |

| | | |
|---|---|---|
| **Total Other Expenses(a+b+c+d)** | **6,435.09** | **3,833.06** |

**Note 30**

| **DETAILS SHOWING AUDITORS REMUNERATION** | **F.Y. 2025-26** | **F.Y. 2024-25** |
|---|---|---|
| Statutory Audit Fees | 18.07 | 16.52 |
| | **18.07** | **16.52** |

**NOTE 31**

**CONTINGENT LIABILITIES**

A total amount of Rs. 13.36 Lakhs demanded by the Income Tax Department till F.Y 2025-26 towards Tax Deducted at source(TDS) accordingly disclosure is made.

| **LAND ACQUISITION & ALLOTMENT:** | **2025-26** | **2024-25** |
|---|---|---|
| Claims made by pattadars but being contested in lower Courts | 1,600.00 | 1,600.00 |
| Claims decreed by lower courts, but being contested in higher Courts | 61,732.00 | 21,339.00 |
| Other Legal Cases | 507.00 | 450.00 |
| Legal Expenses including Advocate Fees | 700.00 | 450.00 |

**Contingent Liabilities:**

**Legal Cases relating to Kancha Gachibowli Land**

Three Public Interest Litigations(PIL) Writ petitions are pending before the Hon'ble Court concerning the alienation of approximately 400 acres of land in survey No .25,Kancha Gachibowli village, serilingampally Mandal ,Ranga Reddy District,in favour of TGIIC for development of an IT/Mixed Use Project.
The petitioners have challenged the legality of Land alienation under G.O.Ms No 54 dated 26.06.2024 and the related development process, alleging violations of forest conservation laws,and have sought cancellation of he government order,restraint on development activities and protection/restoration of alleged forest land.The matters are pending adjudication.The financial implications,if any ,are presently unascertainable.

The petitioners have challenged the legality of Land alienation under G.O.Ms No 54 dated 26.06.2024 and the related development process, alleging violations of forest conservation laws,and have sought cancellation of he government order,restraint on development activities and protection/restoration of alleged forest land.The matters are pending adjudication.The financial implications,if any ,are presently unascertainable .

## 32 Employee benefit obligations

The Company has two post employment benefit plans for its eligible employees, namely gratuity and Leave Encashment.

### a) Defined benefit plan

i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age., carried out by an independent actuary. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional units of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain/losses are immediately taken to other comprehensive income and are not deferred.
ii) Compensated absences, a defined benefit plan, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary.

### b) Defined Contribution plan

The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Company does not have any obligation other than the contribution made.

### c) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

| Actuarial study analysis | Gratuity | |
|---|---|---|
| | Year ended 31 March 2026 | Year ended 31 March 2025 |
| **Principal actuarial assumptions** | | |
| Salary Growth Rate | 6.0% | 6.0% |
| Discount Rate | 7.29% | 6.79% |
| Withdrawal/ Attrition Rate | 0.0% | 0.0% |
| Mortality Rate(IALM 2012-14 Ult.) | 100.0% | 100.0% |
| Disability Rate | 0.0% | 0.0% |
| Retirement Age | 61 years | 61 years |
| Average Future Service | 12.52 | 12.98 |
| **1. Change in Defined Benefit Obligation (DBO)** | | |
| **Present value of DBO at start of the period** | 7,26,75,178 | 8,00,58,576 |
| *Service Cost* | | |
| a. Current Service Cost | 3,89,044 | 4,56,287 |
| b. Past Service Cost | | |
| c. Actuarial Loss/(Gain) from changes in financial assumptions | (28,65,123) | 26,18,929 |
| d. Actuarial Loss/(Gain) from experience over the past period | (6,82,160) | (22,40,088) |
| Interest Cost | 47,29,416 | 52,99,556 |
| Benefits Paid | (60,45,017) | (1,35,18,082) |
| **Present value of DBO at end of the period** | **6,82,01,338** | **7,26,75,178** |
| **2. Reconciliation of Fair value of Assets** | | |
| Fair value of assets at the beginning | **1,44,55,634** | **1,29,61,255** |
| Interest Income | 9,92,265 | 9,51,296 |
| Employer contribution | 3,15,971 | 3,92,729 |
| Return on asset | 1,06,460 | 32,550 |
| Other (Employee Contribution, Taxes, Expenses)/Adjustment to Opening Balance | - | 1,17,804 |
| Fair value of assets at the end | **1,58,70,330** | **1,44,55,634** |
| **3. Expenses recognised in the profit and loss account** | | |
| Service Cost | | |
| a. Current Service Cost | 3,89,044 | 4,56,287 |
| b. Past Service Cost | - | - |
| Net Interest on net defined benefit liability/ (asset) | 37,37,151 | 43,48,260 |
| **Employer Expenses** | **41,26,195** | **48,04,547** |
| **4. Net Liability/ (Asset) recognised in the balance sheet** | | |
| Closing balance of DBO | 6,82,01,338 | 7,26,75,178 |
| Closing balance of Asset | 1,58,70,330 | 1,44,55,634 |
| **Funded status** | 5,23,31,008 | 5,82,19,544 |
| **Of which, short term liability** | | |
| Experience adjustment on plan liabilities: (gain)/loss | (6,82,160) | (22,40,088) |
| **5: Movement in other comprehensive income** | | |
| **Balance at start of year (loss)/ gain** | - | - |
| *Re-measurements on DBO* | | |
| *a. Return on plan assets* | (1,06,460) | (32,550) |
| b. Actuarial (loss)/gain from changes in financial assumptions | (28,65,123) | 26,18,929 |
| c. Actuarial (loss)/gain from experience over the past period | (6,82,160) | (22,40,088) |
| **Balance at end of year gain** | **(36,53,743)** | **3,46,291** |

**Sensitivity analysis of significant assumptions**

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

| PARTICULARS | 31-03-2026 | | 31-03-2025 | |
|---|---|---|---|---|
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Salary growth rate | 6,86,01,585 | 6,77,47,667 | 7,31,66,537 | 7,22,08,755 |
| Discount rate | 6,29,94,391 | 7,41,25,526 | 6,69,39,112 | 7,92,48,116 |
| Withdrawal rate | 7,13,29,044 | 6,82,01,338 | 7,59,77,482 | 7,26,75,178 |

During 1975 APIIC Ltd. has taken up Group Gratuity Life Assurance (GGLA) scheme from LIC of India for the regular employees towards meeting the Gratuity payment vide Master Policy No. 39082. Post bifurcation of the State, Telangana State Industrial Infrastructure Corporation Ltd. has taken up a new policy in favour of newly joined employee in the year 2015 vide Policy No. 504002557 and accordingly TSIIC Ltd. regular employees have been transferred to this Policy.

Vide mail Dt. 02.08.206 LIC of India requested to transfer TSIIC Ltd. share from the GGLA fund value of Rs. 11,84,56,857/- as on 02.08.2016 to TSIIC Ltd new gratuity policy. TSIIC Ltd. requested APIIC Ltd. to transfer the proportionate fund value as many TSIIC Ltd. employees retired / expired. TSIIC Ltd. is paying the gratuity amounts from its own funds as the same are not being received from LIC Ltd. The amounts paid by TSIIC Ltd. is Rs. 4,45,33,520/-

Further the premium amount of Rs. 1,04,97,295/-was also paid by TSIIC Ltd. for keeping the policy alive.
An amount of Rs. 4,45,33,520/- is actually due from APIIC Ltd / LIC India Ltd as per the vide letter dated: 10-08-2022.

| Particulars | Leave encashment | |
|---|---|---|
| | Year ended 31 March 2026 | Year ended 31 March 2025 |
| **Principal actuarial assumptions** | | |
| Salary growth rate | 6.00% | 6.00% |
| Discount rate | 7.29% | 6.79% |
| Withdrawal/ attrition rate: | 0.0% | 0.0% |
| Mortality rate(IALM 2012-14 Ult.) | 100.0% | 100.0% |
| No of employees | 74 | 77 |
| Average Past Service | 20.49 | 20.01 |
| Average Age | 48.48 | 48.02 |
| Accumulated Earned Leave | 17,368 | 17,902 |
| **1. Reconciliation of Defined Benefit Obligation (DBO)** | | |
| **Present value of DBO at start of the period** | 13,06,07,727 | 13,39,85,528 |
| *Service Cost* | | |
| a. Current Service Cost | 45,01,295 | 43,32,779 |
| b. Past Service Cost | - | - |
| c. Actuarial Loss/(Gain) from changes in financial assumptions | (30,12,288) | 26,00,039 |
| d. Actuarial Loss/(Gain) from experience over the past period | 18,74,880 | (40,56,841) |
| Interest Cost | 84,06,148 | 91,30,994 |
| Benefits Paid | - | - |
| Benefit Payments from Employer | (1,36,11,694) | (1,53,84,772) |
| **Present value of DBO at end of the period** | **12,87,66,068** | **13,06,07,727** |
| **2. Expenses recognised in the profit and loss account** | | |
| Service Cost | | |
| a. Current Service Cost | 45,01,295 | 43,32,779 |
| b. Past Service Cost | - | - |
| Net Interest on net defined benefit liability/ (asset) | 84,06,148 | 91,30,994 |
| **Employer Expenses** | **1,29,07,443** | **1,34,63,773** |
| **3. Net Liability/ (Asset) recognised in the balance sheet** | | |
| Closing balance of DBO | 12,87,66,068 | 13,06,07,727 |
| **Closing balance of Asset** | - | - |
| **Funded status** | 12,87,66,068 | 13,06,07,727 |
| Experience adjustment on plan liabilities: (gain)/loss | 18,74,880 | (40,56,841) |
| **4: Movement in other comprehensive income** | | |
| **Balance at start of year (loss)/ gain** | - | - |
| *Re-measurements on DBO* | | |
| *a. Return on plan assets* | - | - |
| b. Actuarial (loss)/gain from changes in financial assumptions | (30,12,288) | 26,00,039 |
| c. Actuarial (loss)/gain from experience over the past period | 18,74,880 | (40,56,841) |
| **Balance at end of year gain** | **(11,37,408)** | **(14,56,802)** |

**Sensitivity analysis of significant assumptions**
The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

| PARTICULARS | 31-03-2026 | | 31-03-2025 | |
|---|---|---|---|---|
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Salary Growth rate | 13,56,90,149 | 12,23,33,584 | 13,76,81,967 | 12,40,53,818 |
| Discount rate | 12,31,36,273 | 13,49,33,193 | 12,48,49,291 | 13,69,38,298 |
| Attrition rate | 12,90,99,200 | 12,87,66,068 | 13,08,19,336 | 13,06,07,727 |



Industrial Infrastructure Corpn. Ltd. HYD.

**NOTE: 33**

**1) Financial risk management objective and policies**

The Company's principal financial liabilities comprise trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, security deposits, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The company's risk management policies are established to identify and analyze the risk faced by the company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group's activities. The company through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which all employee understand their roles and obligations.

**A. Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from company's receivables from customers and loans.

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables. The carrying amount of financial assets represents maximum credit risk exposure.

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base.

The management has established a system under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables based on factual information as on the Balance sheet date.

**2) Financial risk management objective and policies (continued)**

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at bank and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| PARTICULARS | As at 31 March 2026 | As at 31 March 2025 |
|---|---|---|
| Trade and other receivables | 5,277.35 | 5,074.99 |
| Cash and cash equivalents | 3,84,925.07 | 1,94,926.33 |
| **TOTAL** | **3,90,202.43** | **2,00,001.32** |

| **Impairment losses** | **As at 31 March 2026** | **As at 31 March 2025** |
|---|---|---|
| **Trade and other receivables** | | |
| Opening balance | 2,262.99 | 1,930.77 |
| Provided during the year | 258.17 | 332.22 |
| Written off during the year | - | - |
| Closing balance | **2,521.16** | **2,262.99** |

No significant changes in estimation techniques or assumptions were made during the reporting period

**B. Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

**3) Capital management**

**Risk Management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future developments of the business. The Company is focused on maintaining a strong equity base to ensure independence, security as well as financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company.

The Company's debt to equity ratio at the reporting date are as follows:

| Particulars | As at 31 March 2026 | As at 31 March 2025 |
|---|---|---|
| **Total Equity** | **19,783.82** | **73,618.63** |
| **As a percentage of total capital** | **1.80%** | **6.26%** |
| | | |
| Long-term borrowings including current maturities | 10,80,283 | 11,02,469 |
| **Total Borrowings** | **10,80,283** | **11,02,469** |
| **As a percentage of total capital** | **98.20%** | **93.74%** |
| | | |
| **Total capital (Equity and Borrowings)** | **11,00,067** | **11,76,088** |



**NOTE: 34**

**Financial instruments**

a) The amortised cost and fair value of financial instruments by categories

| Particulars | Note | As at 31 March 2026 | | As at 31 March 2025 | |
|---|---|---|---|---|---|
| | | Carrying Values | Fair Value | Carrying Values | Fair Value |
| **Financial assets Measured at amortised cost** | | | | | |
| Investments | 3 | 15,905.18 | 15,905.18 | 15,905.18 | 15,905.18 |
| **Total** | | **15,905.18** | **15,905.18** | **15,905.18** | **15,905.18** |
| | | | | | |
| **Financial assets Measured at fair value through other comprehensive income** | | | | | |
| Investments | 3 | 11,285.05 | 31,586.80 | 11,292.94 | 28,928.74 |
| **Total** | | **11,285.05** | **31,586.80** | **11,292.94** | **28,928.74** |
| | | | | | |
| **Financial liabilities measured at Amortized Cost** | | | | | |
| LOAN FROM HUDCO | | - | - | - | - |
| LOAN FROM IALA | | 15,000.00 | 6.05 | 15,000.00 | 5.48 |
| DEFERRED REVENUE IALA LOAN | | - | 13,164.88 | - | 13,331.52 |
| 9.35% NON CONVERTIBLE,LISTED AND SECURED DEBENTURES | | 9,99,983.74 | 9,85,668.84 | 9,99,983.74 | 9,83,452.05 |
| LOAN FROM SBI | | - | - | 27,589.41 | 27,170.96 |
| **Total** | | **10,14,983.74** | **9,98,839.77** | **10,42,573.15** | **10,23,960.01** |
| | | | | | |

1)The Company has not disclosed the fair value of cash and bank balances , loans, other financial assets, trade payables and other financial liabilities because their carrying amounts are reasonable approximation of its fair value.

2)All The Above items have been Fair Valued using Level III inputs.

**TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED**
**Notes to the Consolidated Financial Statements for the year ended March 31, 2026**
**(All amounts in Indian Rupees in lakhs, except share data and unless stated otherwise)**

**NOTE: 35**

**Earnings per share (EPS)**

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to Equity holders of the company by the weighted Average number of Equity Shares outstanding during the year.

| **i. Profit attributable to equity holders of the company** | | **Year Ended 31 March 2026** | **Year ended 31 March 2025** |
|---|---|---|---|
| Profit attributable to equity holders of the Company | | -55,865.64 | -5,502.63 |
| **Profit attributable to equity holders of the Company for basic earnings** | | -55,865.64 | **-5,502.63** |
| | | | |
| **ii. Weighted average number of ordinary shares (IN NUMBERS)** | | **Year Ended 31 March 2026** | **Year ended 31 March 2025** |
| Opening balance of issued shares | | 100 | 100 |
| Effect of fresh issue of shares during the year/ | | 68,053 | 68,053 |
| **Weighted average number of equity** | | | |
| **iii. Basic and diluted earnings per share ( IN Rupees)** | | **Year Ended 31 March 2026** | **Year ended 31 March 2025** |
| Basic Earnings per share | | -5,58,65,642.14 | -55,02,634.44 |
| Diluted Earnings per share | | -81,970.92 | -8,073.94 |

Industrial Infrastructure Corpn. Ltd. ★ T.S. HYD.

**36** Under Ind AS, the Group has measured investments at fair value. Changes in Fair value is routed through OCI.

**37 Segment Reporting:**

There are no operating segments.

**38 Earnings and Expenditure in Foreign Currency:**

Foreign Exchange earnings and expenditure is NIL

**39** The Company has reclassified & recasted previous year figures to confirm to this year's classification.

**40 INDUSTRIAL AREA LOCAL AUTHORITY:**

The Government of Telangana has entrusted certain Local Authority powers to the Company like collection of Property Tax, maintenance of Common facilities in respect of certain Industrial Parks and Industrial Development Areas. The local authority powers are vested with TSIIC Ltd. Industrial Area Local Authority (IALA) for each industrial area and the income and expenditure in this regard is being accounted for in the books of accounts maintained by the respective IALAs and hence not accounted for in the accounts of the

**41 Other Notes**

Pashamylaram Common Infrastructure Private Limited is a project approved under MIIUS scheme of Government of India and an SPV formed with 45 members as stake holders (Entrepreneurs), Pashamylaram Industrial Park to setup a Common Effluent Treatment Plant (CEPT) (ZLD System) with an investment of Rs.25 Crores for which TSIIC Limited has been appointed as State Implementing Agency. TSIIC Limited has allocated 5 acres of land and submitted Detailed Project Report (DPR) for Financial Assistance under Modified Industrial Infrastructure Up-gradation Scheme (MIIUS) to the Central Government.

As per the Final approval communicated by the Ministry of Commerce and Industries, Government of India, an amount of Rs.23.56 crores was granted. During the year 2016-17 an amount of Rs.7,06,80,000/- was received from the Central Government.

Pending reimbursement from Government of Telangana State Share, TSIIC has contributed Rs.7.81 crores during the financial year 2016-17. The beneficiaries i.e Pashamylaram Common Infrastructure Private Limited contributed Rs.20 lakhs towards their share during the Financial Year 2016-17. The status quo is maintained during the F.Y. 2019-20.

TSIIC has taken up e-auction of land as per the Telangana State Government instructions through MSTC Ltd.

Through open auction at Kokapet an amount of Rs. 729.04 crores was deposited by the agencies with MSTC and an amount of Rs.14.6 crores was paid to TSIIC after deducting their

**42** service charges of Rs. 44,25,000 ( i.e 2% of sale proceeds) towards reimbursement of the expenditure incurred towards taking up minimal development expenditure of the sites ( as per Go MS no:13, dt: 10.06.2021).

As per the records of TSIIC, the expenditure incurred was more than Rs. 14.6 crores in the later financial years F.Y 2022-23.

**43 Note on Departure from Ind AS 116**

1) The Company has departed from the compliance of Ind AS 116.

2)As per the standard where company is a lessee it is required to segregate the leases into operating and finance leases at their commencement. For finance leases the company is required to disclose the present value of all future payments as lease liability and recognize a corresponding right of use asset which will be depreciated over the period of lease. Where the company is a lessor the company is required to recognize the net investment in lease and account for the interest income on lease rentals. For operating leases lease rentals are to be recognized on straight line basis or another systematic basis if such other basis is more appropriate.

3) The company is unable to comply with the standard due to the reasons mentioned below:

T.S. Industrial Infrastructure Corpn. Ltd. HYD.

**Where Company is a Lessee**

As the Company has not renewed the agreements for assets taken on lease, the terms which are required for determining the lease liability and right of use asset are not available. Due to the deficiency in information the standard couldn't be complied in this respect.

**Where Company is a Lessor**

The Company is into the business of infrastructure development and is promoted by Government of Telangana. It has given various lands under its inventory on lease cum sale basis and at value less than fair market value if the customers comply with the parameters as prescribed by the state government and approved by the Board of Directors. The value of the inventory is not mapped by the Company between the book value and physical availability. As the value of the inventory is not available and sale of land at value less than fair market value if the prescribed parameters are complied, the company is unable to calculate the net investment in lease and the standard couldn't be complied in this respect.

4) The lease rentals, both income and expense, are charged to profit and loss account as and when incurred or received for both operating and finance leases. The financial effect of the departure from the standard couldn't be quantified due to the voluminous nature of transactions.

5) Except for the financial effect of non-compliance of the standard mentioned above, the management has concluded that the financial statements true and fair view of the entity's financial position, financial performance and cash flows.

**44** CSR DISCLOSURE: For the F.Y.25-26 the average net profit(last three years) is Rs.5616.07 Lakhs and CSR amount to be spent as Rs.112.32 Lakhs (based on audited financial statements of last three years) which is spent in current year along with Cumulative CSR balance from earlier years amounting to Rs.389.31 lakhs in the F.Y 2025-26. Unpsent cumulative balance of CSR as at 31.03.2026 amount to Rs.626.34 Lakhs (based on signed financials).

## 45 Disclosure of Related Parties

**SUBSIDIRY COMPANIES**

M/s.Ecity manufacturing cluster Ltd
M/s.Maheswaram Science Park Ltd
M/s.Fab City SPV (India) P Ltd
M/s.Zaheerabad NIMZ Ltd
M/s. Hyderabad Pharma City Ltd
Step Subsidary-HPC LIFE SCIENCES UNIVERSITY FOUNDATION-INCORPORATED ON
M/s. Telangana Life Sciences Infrastructure Development Ltd
M/s. Bio Tech Hub
M/s. CETP-KMTP Warangal Ltd
M/s. NICDIT Zaheerabad Industrial Smart City Limited

**ASSOCIATE COMPANIES**

M/s.Cyberabad Convention Center (P) Ltd
M/s.Boulder Hills Leisure (P) Ltd
M/s.Emmar Hills Township (P) Ltd.



**JOINT VENTURE COMPANIES**

M/s.K Raheja IT Park Ltd
M/s.Intime Properties Pvt. Ltd.
M/s.Sundew Properties Pvt. Ltd.,
M/s.CBD Tower (P) Ltd
M/s. Ace Urban Infocity Limited

**OTHER INVESTMENT COMPANIES**

M/s.Patancheru Envirotech Ltd
M/s.Hyderabad Information Technology Venture Enterprises Ltd
M/s.Cyberabad Trustee Company (P) Ltd
M/s. Hyderabad Pharma Infrastructure & Technologies Ltd
M/s.Cyberabad Trustee Company (P) Ltd (HIVE FUND)- Trust

**DIRECTORS**

Sri. K Shashanka, IAS - VC&MD
Jayesh Ranjan, IAS
D. Ronald Rose, IAS
Neetu Kumari Prasad, IAS
S.Krishna Aditya, IAS
Sunil Sharma
E.Vishnu Vardhan Reddy
K.Haritha
Jyothi Buddha Prakash
D.Krishna Bhasker, IAS
Navin Mittal, IAS

**KEY MANAGERIAL PERSONS**

Smt.T.Nirmala Jaggareddy, Chairperson
Sri. K Shashanka, IAS - VC&MD
Dr. E. Vishnu vardhan Reddy, IFS - VC&MD
Smt. Dola Chatterjee - Company Secretary

## 46 Transactions with Subsidiaries/ Associate/ Joint Venture/ Other Companies

| S.No | Name of the Company | Balance as at 31.03.2026 | Balance as at 31.03.2025 |
|---|---|---|---|
| 1 | Fab City SPV (India) Pvt Ltd | 40,19,74,851 | 29,66,44,882 |
| 2 | Ecity Manufacturing Cluster Limited | 1,29,40,72,992 | 1,21,42,46,348 |
| 3 | Maheshwaram Science Park Limited | 32,84,03,163 | 2,93,47,029 |
| 4 | Zaheerabad NIMZ Limited | 7,45,92,604 | 7,00,92,194 |
| 5 | Hyderabad Pharma city Limited | 35,81,88,452 | 7,00,81,453 |
| 6 | Telangana Life Sciences Infrastructure Development Limited | 4,06,174 | 3,91,174 |
| 7 | Bio Tech Hub | 1,05,212 | 91,612 |
| 8 | CETP-KMTP Warangal Ltd | 25,53,09,864 | 24,92,76,418 |
| 9 | NICDIT ZAHEERABAD INDUSTRIAL SMART CITY LIMITED | 15,51,561 | - |

## 46.1 Dividend from Investment Companies

| S.No | Name of the Company | Amount ( In R.s) |
|---|---|---|
| 1 | M/s.K Raheja IT Park Ltd | 5,89,60,000 |
| 2 | M/s.Intime Properties Pvt. Ltd | 14,39,90,000 |
| 3 | M/s.Sundew Properties Pvt. Ltd | 28,22,60,000 |
| 4 | M/s.Bhagyanagar Gas limited | 5,72,000 |

46.2 There are no transactions with the companies other than those disclosed above.

**Sitting fees paid to Directors**

| Sl.no | Name of the Director | Designation | Amount ( In R.s) |
|---|---|---|---|
| **50th Board of Directors Meeting held on dt:29/05/2025** | | | |
| 1 | Smt.T.Nirmala Jaggareddy | Chairperson, TSIIC Ltd | 5,000 |
| 2 | Sri.Navin Mittal, IAS | Principal Secretary to Govt. Revenue Department Govt. of Telangana | 5,000 |
| 3 | Dr.E.Vishnu Vardhan Reddy, IFS | Vice-Chairman & Managing Director, TSIIC Ltd | 5,000 |
| 4 | Sri.G.Ravi, IAS | Member Secretary, TG – PCB, Hyderabad | 5,000 |
| 5 | Dr.G.Malsur | Director of Industries, Govt. Of Telangana | 5,000 |



| 51st Board of Directors Meeting held on dt:12/08/2025 | | | Amount ( In R.s) |
|---|---|---|---|
| 1 | Smt.Nirmala Reddy | Chairperson, TSIIC Ltd | 5,000 |
| 2 | Sri.Lokesh Kumar D.S., IAS | Secretary to Govt. Revenue Department Govt. of Telangana | 5,000 |
| 3 | Sri.K.Shashanka, IAS | Vice-Chairman & Managing Director, TSIIC Ltd | 5,000 |
| 4 | Sri.G.Ravi, IAS | Member Secretary, TG – PCB, Hyderabad | 5,000 |
| 5 | Sri.J.Nikhil Chakravarthi, IA&AS | Director of Industries, Govt. of Telangana | 5,000 |
| **52nd Board of Directors Meeting held on dt:11/11/2025** | | | **Amount ( In R.s)** |
| 1 | Smt.Nirmala Reddy | Chairperson, TSIIC Ltd | 5,000 |
| 2 | Sri.Lokesh Kumar D.S., IAS | Secretary to Govt. Revenue Department Govt. of Telangana | 5,000 |
| 3 | Sri.K.Shashanka, IAS | Vice-Chairman & Managing Director, TSIIC Ltd | 5,000 |
| 4 | Sri.G.Ravi, IAS | Member Secretary, TG – PCB, Hyderabad | 5,000 |
| 5 | Sri.J.Nikhil Chakravarthi, IA&AS | Director of Industries, Govt. of Telangana | 5,000 |
| **53rd Board of Directors Meeting held on 13/02/2026** | | | **Amount ( In R.s)** |
| 1 | Smt.Nirmala Reddy | Chairperson, TSIIC Ltd | 5,000 |
| 2 | Sri. Sanjay Kumar, IAS | Special Chief Secretary to Govt. (I&C) Department Govt. of Telangana | 5,000 |
| 3 | Sri. Lokesh Kumar D.S., IAS | Secretary to Govt. Revenue Department Govt. of Telangana | 5,000 |
| 4 | Sri. K.Shashanka, IAS | Vice-Chairman & Managing Director, TSIIC Ltd | 5,000 |
| 5 | Sri. G.Ravi, IAS | Member Secretary, TG – PCB, Hyderabad | 5,000 |
| 6 | Sri.J. Nikhil Chakravarthi, IA&AS | Director of Industries, Govt. of Telangana | 5,000 |



46.3

**Remuneration to Key Managerial Persons**

| Sl. No | Name of the KPM | Amount(Rs.) |
|---|---|---|
| 1 | Smt.T.Nirmala Jaggareddy | Rs. 23,40,000.00 |
| 2 | Dr.E.Vishnu Vardhan Reddy, IFS | Not Drawing salary from TSIIC |
| 3 | Sri. K.Shashanka, IAS | Not Drawing salary from TSIIC |
| 3 | Smt. Dola Chatterjee | Rs. 23,91,775.00 |

47 The Company has not been declared a wilful defaulter by any bank, financial institution, other lender or government authority during the year or up to the date of approval of the financial statements.

48 The Company has not entered into any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956, during the year.

49 All amounts presented are in ₹ Lakhs unless otherwise stated and have been rounded off to nearest two decimals.

50 The financials are prepared on a going concern basis and corporation has no intention to liquidate the entity or cease trading or has no realistic alternative to do so.

**For And On Behalf Of The Board**

**As per our report dated**
**For**
**Chartered Accountants**
**Manohar & Venkata**
**Chartered Accountants**
**(FRN: 009672S)**

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

**M.J. Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Place: Hyderabad**

**K. Ramu**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. Shashanka**
**Vice Chairman &**
**Managing Director**
**DIN: 07900230**

J. Nikhil Chakravarthi
Director
DIN : 11188119

T.S. Industrial Infrastructure Corp. Ltd. ★ HYD.

**Annexure**

**FORM NO. AOC.1**

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Part "A": Subsidiaries

| S No. | PARTICULARS | In Rupees | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Name of the subsidiary** | **FABCITY SPV INDIA PVT LTD** | **ECITY MANUFACTURING CLUSTER** | **MAHESHWARAM SCIENCE PARK LIMITED** | **HYDERABAD PHARMA CITY LIMITED** | **ZAHEERABAD NIMZ LIMITED** | **TELANGANA LIFE SCIENCES LTD** | **BIO-TECH HUB LTD** | **CETP-KAKATIYA MEGA TEXTILE PARK WARANGAL LTD** | **NICDIT ZAHEERABAD INDUSTRIAL SMART CITY LIMITED** |
| 2 | Reporting period for the Subsidiary concerned, if different from the holding company's reporting period | 01-04-2025 To 31-03-2026 | 01-04-2025 To 31-03-2026 | 01-04-2025 To 31-03-2026 | 01-04-2025 To 31-03-2026 | 01-04-2025 To 31-03-2026 | 01-04-2025 To 31-03-2026 | 01-04-2025 To 31-03-2026 | 01-04-2025 To 31-03-2026 | 01-04-2025 To 31-03-2026 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| 4 | Share capital | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 | 5,89,25,01,270 |
| 5 | Reserves & surplus | (22,10,33,479) | (3,81,24,790) | (1,80,51,202) | (12,87,48,279) | (6,73,55,801) | (4,25,406) | (1,02,54,375) | 57,86,749 | 8,34,71,04,431 |
| 6 | Total assets | 57,78,02,129 | 1,84,20,54,882 | 31,31,66,320 | 23,52,49,944 | 84,64,603 | 94,767 | 5,48,25,970 | 26,76,50,969 | 8,34,91,49,386 |
| 7 | Total Liabilities | 79,88,35,609 | 1,88,00,79,672 | 33,12,17,522 | 36,39,98,223 | 7,58,20,404 | 5,20,174 | 6,50,80,345 | 26,18,64,220 | 20,44,955 |
| 8 | Investments | - | - | - | - | - | - | - | - | - |
| 9 | Turnover | 92,25,195 | - | - | - | - | - | - | - | - |
| 10 | Profit/(loss) before taxation | (3,94,57,534) | (2,62,309) | (9,34,944) | (8,40,543) | (64,77,930) | (41,099) | (17,27,300) | 1,38,93,697 | (2,02,94,659) |
| 11 | Provision for taxation/Deferred tax | 76,163 | - | - | 25,605 | - | - | - | 36,12,361 | - |
| 12 | Profit/(loss) after taxation | (3,93,81,371) | (2,62,309) | (9,34,944) | (8,14,939) | (64,77,930) | (41,099) | (17,27,300) | 1,02,81,336 | (2,02,94,659) |
| 13 | Proposed Dividend | - | - | - | - | - | - | - | - | - |
| 14 | % of share holding | 89% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 51% |

**As per our report dated**
**Manohar & Venkata**
**Chartered Accountants**
**(FRN:0009672S)**

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

**M.J. Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Hyderabad**

**FOR AND ON BEHALF OF THE BOARD**

T.S. Industrial Infrastructure Corpn. Ltd. ★ HYD

**K. RAMU**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. SHASHANKA**
**VC & MD**
**DIN: 07900230**

J. Nikhil Chakravarthi
DIN : 11188119
Director

**AOC-1**

Part "B": Joint ventures & Associates

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies

| **PARTICULARS** | | | **In Rupees** |
|---|---|---|---|
| **Name of the Associate** | **Emmar hills township Private Limited** | **Boulder hills leisure Private Limited** | **Cyberabad convention Centre Private Limited** |
| 1. Latest audited Balance sheet date | 31-03-2026 | 31-03-2026 | 31-03-2026 |
| 2. Shares of Associate held by the company at year end | - | - | - |
| No of shares | 2,50,32,202 | 1,97,49,698 | 3,84,80,000 |
| Amount of Investment (Cost to TSIIC) | 25,03,22,020 | 19,74,96,980 | 38,48,00,000 |
| Extent of holding % | 26% | 26% | 26% |
| 3. Description of how there is significant influence | Associate | Associate | Associate |
| 4. Reason why associate is not consolidated | N.A | N.A | N.A |
| 5. Net worth attributable to shareholding as per latest audited balance sheet | 27,30,03,560 | 39,32,91,990 | 7,19,53,45,000 |
| 6.Profit / loss for the year | (6,80,65,600) | (82,67,820) | 98,65,95,000 |
| i. Considered in consolidation* | (1,76,97,056) | (21,49,633) | 25,61,68,181 |
| ii. Not considered in consolidation | - | - | - |

**As per our report dated**
**Manohar & Venkata**
**Chartered Accountants**
**(FRN:0009672S)**

**M.J. Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Hyderabad**

**FOR AND ON BEHALF OF THE BOARD**

**K. RAMU**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. SHASHANKA**
**VC & MD**
**DIN: 07900230**

J. Nikhil Chakravarthi
DIN : 11188119
Director

**AOC-1**

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Joint ventures companies

| PARTICULARS | | | | In Rupees | |
|---|---|---|---|---|---|
| **Name of the Joint venture** | **Sundew Properties Limited** | **CBD Tower Private Limited** | **ACE Urban Infocity** | **Intime Properties Limited** | **K. Raheja IT Park Limited** |
| 1. Latest audited balance sheet date | 31-03-2026 | 31-03-2026 | 31-03-2026 | 31-03-2026 | 31-03-2026 |
| 2. Shares of Associate held by the company at year end | | | | | |
| No of shares | 30,98,775 | 2,09,48,234 | 29,70,000 | 1,48,690 | 22,00,000 |
| Amount of Investment (Cost to TSIIC) | 11,79,010 | 20,94,82,340 | 1,98,00,000 | 14,26,400 | 2,20,00,000 |
| Extent of holding % | 11% | 11% | 11% | 11% | 11% |
| 3. Description of how there is significant influence | As per Joint venture arrangement | As per Joint venture arrangement | As per Joint venture arrangement | As per Joint venture arrangement | As per Joint venture arrangement |
| 4. Reason why associate is not consolidated | N.A | N.A | N.A | N.A | N.A |
| 5.Networth attributable to shareholding as per latest audited balance sheet | 1,71,83,30,000 | 1,86,55,48,000 | 2,60,41,29,000 | 2,13,22,90,000 | 1,37,40,10,000 |
| 6.Profit / Loss for the year | 2,36,62,10,000 | - | 16,84,63,000 | 86,42,80,000 | 1,02,19,00,000 |
| i. Considered in consolidation* | 26,02,83,100 | - | 1,85,30,930 | 9,50,70,800 | 11,24,09,000 |
| ii. Not considered in consolidation | - | - | - | - | - |

*Represents amounts attributable to Shareholding of the company after reduction of Dividend from Profit.

**As per our report dated**
**Manohar & Venkata**
**Chartered Accountants**
**(FRN:0009672S)**

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

**M.J. Manohar**
**Partner**
**Membership No. 206612**
**Date:**
**Hyderabad**

**FOR AND ON BEHALF OF THE BOARD**

**K. RAMU**
**General Manager (F)**
**PAN: AHZPK0509Q**

**K. SHASHANKA**
**VC & MD**
**DIN: 07900230**

J. Nikhil Chakravarthi
Director
DIN : 11188119

T.S. Industrial Infrastructure Corpn. Ltd. * HYD.

Manohar & Venkata
Chartered Accountants

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# Independent Auditor's Report

To
The Members of
**Telangana State Industrial Infrastructure Corporation Limited**

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Adverse Opinion

We have audited the accompanying Consolidated financial statements of **M/s Telangana State Industrial Infrastructure Corporation Limited** (herein after referred as "the company" or "TSIIC"), which comprise the balance sheet as at 31st March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph of our report, the aforesaid financial statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and do not give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit and other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Adverse Opinion:

1. **Other noncurrent assets - Demerger & Reorganization Adjustment of Rs. 63,811.16 lakhs**

Attention is invited to Note no. 7 in the Consolidated financial statements, as per the provisions of AP Reorganization Act and by virtue of Scheme of Demerger as approved by the Board of Directors of combined APIIC Ltd and Expert Committee, Assets and Liabilities of erstwhile APIIC were allocated/apportioned between APIIC and TSIIC. This has resulted in an amount of Rs.22,559.59 Lakhs as payable by TSIIC to APIIC. The same is termed as Reorganization Adjustment Account.

TSIIC has disputed the allocation/apportionment of certain Assets and Liabilities. Accordingly, the position of Equity/Liability and Assets has been re-casted. As per the re-casted allocation/apportionment an amount of Rs.63,647.99 Lakhs has been recognized as due from APIIC instead of payable by TSIIC to APIIC of Rs.22,559.59 lakhs.

Manohar & Venkata ★ Chartered Accountants ★ FRN Reg. No. 009672S HYDERABAD

Below is the summary of disputed balances. **(Rs. in lakhs)**

| Particulars | Amount |
|---|---|
| **Amount payable by TSIIC Ltd. to APIIC Ltd. as per Expert Committee approval** | **(22,559.56)** |
| **Adjustments:** | |
| Long term Loans and Advances - GOAP - Resource Mobilisation (Rs.1,47,201.33 Lakhs – Rs.61,353.51 Lakhs) | **85,847.82** |
| Cash and Cash Equivalents - SBH - PD - 176 – Treasury | **588.84** |
| Non-Current Investments - L & T Info city | **(115.47)** |
| Non-Current Investments - Cyberabad Trustee Company (P) Ltd - HIVE Fund | **(112.27)** |
| Non-Current Investments - Cyberabad Trustee Company (P) Ltd | **(0.24)** |
| Non-Current Investments - Hyderabad Information Technology Venture Enterprises Limited | **(1.21)** |
| **Amount receivable by TSIIC Ltd from APIIC Ltd, as shown under - long term Loans and Advances** | **63,647.91** |
| **Adjustments made after demerger:** | |
| Dividend on L&T Shares (100% receivable by TSIIC) received by APIIC | **161.09** |
| TDS Remitted on APIIC PAN | **2.11** |
| **Balance as on 31st March 2026 (31st March 2025: Rs.63,811.16 lakhs)** | **63,811.16** |

Rs.63,811.16 is shown under other noncurrent assets. As on the date as there is no certainty of recovery, company shall make provision on prudent basis. By not doing so company has overstated the assets.

**1. Assets and Liabilities – for which no details are available (Before Demerger)**

Below are the assets and liabilities brought forward from the earlier years (Before Demerger) for which there is no information with the company. Company has neither reconciled the balances nor made provision. In the absence of adequate information, we are unable to comment on the balances.

Details of such balances are mentioned below: **(Rs. in Lakhs)**

| Particulars | Assets | Liabilities |
|---|---|---|
| Fixed Assets/PPE | 1203.13 | |
| Fixed Assets/PPE – SEZ | 11,609.58 | |
| Inventories | 2,463.80 | |
| Trade Payables | | (57.91) |
| Trade Receivables | 1,557.70 | |
| Other non-current Asset | 5.36 | |
| Other non-current liabilities | | (7,634.72) |
| Other current Liabilities | | (245.95) |
| Long term Loans and Advances | 5264.81 | |
| Short Term Loans and Advances | 339.35 | |
| Other Financial Assets | 24.31 | |
| Other Financial Liabilities | | (2,854.14) |
| **Total** | **22,468.04** | **(10,792.72)** |

**2. Lands situated at Raidurg:**

Attention is invited to Note no. 19.2 in the Consolidated financial statements, as per the information and explanations, it is understood that, erstwhile State of Andhra Pradesh



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Government allotted lands in Raidurg area ad measuring 424.23 Acres and 46.20 Acres to erstwhile APIIC before bifurcation of State of Andhra Pradesh. Erstwhile APIIC has paid Rs.4,89,227 Lakhs to the erstwhile State of Andhra Pradesh and shown the same as "Long term loans and advances". Sale proceeds of land at Raidurg were adjusted against "Long term loans and advances". Such balance as on the date of demerger was Rs.1,47,201.33 Lakhs and was fully allocated to TSIIC as part of demerger scheme.

Though the underlying asset is land and it has received proceeds over and above the advance, such allocation was disputed by the company (As mentioned in point 1) and it has recognized advance of Rs.61,353.51 Lakhs only as on the date of demerger.

As per the information and explanations, it is understood that, during FY 2015-16, FY 2016-17 and FY 2025-26 the company has further sold land and proceeds were credited to the long-term loans and advances (to the extent of sale deed executed). Balance as on 31st March 2026 of Rs.169,574.43 Lakhs (31 March 2025: Rs. 40,677.05 lakhs) is shown under 'Other non-current liabilities – Resource mobilization'.

Apart from that the company has received certain amount for which sale deeds are not executed. Such amount is shown under 'other current liabilities - Deposits from allottees'. Detailed information w.r.t to deposit received towards Raidurg land is not available.

Also, land to some extent at Raidurg was sold and proceeds were directly taken by the State Government of Telangana. Also, there is an unsold land at Raidurg.

In the absence of alienation orders from the government, Cost of land is not fixed and not accounted in the books.

Cost incurred towards development of land at Raidurg is debited to CWIP but the same is not adjusted against resource mobilization. This has resulted in overstatement of CWIP in the books of accounts.

In our view the accounting treatment of land sales and cost incurred towards development of land etc. is not in accordance with the prevailing accounting standards. In the absence of adequate information, we are unable to comment on the financial implication on the financial statements.

**3. Inventory (Land) - Physical Verification, Recognition and Valuation**

i. Attention is invited to Note no. 8 in the Consolidated financial statements w.r.t Inventory. The management of the company has not carried out any physical verification or reconciliation of inventory/land with the records maintained as on 31st March 2026. Also, Upon, review of inventory data maintained by the company in spreadsheets, we have noted following discrepancies:
   a. In certain estates extent of land is available but land cost is zero.
   b. In certain estates extent of land is available but land cost is in negative balance.
   c. In certain estates extent and land cost is showing negative figures.
   d. In certain estates extent is zero but there is land cost .

**Hence the Inventory Land is subject to physical verification and reconciliations. In the absence of adequate information, we are unable to comment on the impact on the financial statements.**



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ii. The Company has not recognized "Inventory – Land" in the books of accounts, despite receiving advance possession from the Government, because the alienation orders have not yet been received and corresponding liability towards such land was also accounted in the books of accounts. However, the Company is recognizing the land only to the extent that it has been sold out of the total land received in the form of advance possession from the Government, at a value determined by the Price Fixation Committee. **As the information about lands pending for alienation order are not available, we are unable to quantify the impact on the financial statements.**

iii. Upon verification of Deposits towards Land acquisition on a test check basis, it is observed that Inventory (Land) was not recognized or capitalized though few of the letter of awards has been received by the company. However, we could not quantify the amount which is to be shown under Inventory (Land). Hence, with this there would be certain impact on the understatement of inventory and an overstatement of deposit towards land acquisition.

iv. Publication charges include an amount of Rs.653.75 Lakhs (This amount is arrived based on the narration entered by the respective zones in the Tally accounting software maintained by the company which are yet to reconciled) incurred for land acquisition were included in deposits towards land acquisition and not being capitalized to Inventory - Land. This contravenes IND AS-2 (Inventories), **resulting in an overstatement of deposits towards land acquisition and an understatement of inventory.**

**4. Inventory – Work in progress:**

i. Attention is invited to Note no. 8 in the Consolidated financial statements, Inventory includes work in progress of Rs. 4,02,410.16 Lakhs as on 31st March 2026 (31st March 2025: Rs. 3,28,573.91 lakhs).

ii. Company doesn't have estate wise break up of development cost incurred since entire expenditure incurred towards development of industrial estates are accounted in single ledger. Due to which, total cost incurred towards particular industrial estate cannot be ascertained thereby estate wise profit or loss cannot be ascertained.

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Further it is observed that, though certain development works have been completed, company is showing as inventory – work in progress instead of obtaining completion certificates and transferring it to respective accounting heads.

iii. Attention is invited to Note no. 26 & 8 in the Consolidated financial statements, company is recognizing sale as and when the sale deed is executed. On provisional basis, cost of development of land is accounted as Provision for IE's and IDA's. Such provision is quantified based on the assumption that 27% of the cost of land and development is towards company's margin and administration overheads. During the year company has made a provision of Rs. 2,05,420.32 Lakhs and the Closing balance is Rs.3,32,628.77 Lakhs.

Actual cost incurred towards development of land is debited to "Inventory – work in progress" Closing balance is Rs. 4,02,410.16 Lakhs.

Provision made towards the development of land of Rs. 3,32,628.77 Lakhs and Inventory – work in progress of Rs. 4,02,410.16 Lakhs is not reviewed estate wise to ascertain under absorption or over absorption of cost. As a result, Profit arrived by the company is only based the estimated cost of development but not actual cost. **In the absence of adequate information, we are unable to quantify the impact on the aforesaid financial statements.**

iv. **Land given on Lease:** Attention is invited to Note No. 2 in the Consolidated financial statements. The Company has incurred expenditure towards the development of land that has been leased. However, the expenditure incurred for this development is recorded under "Inventory - Work in Progress (WIP)" instead of being classified as "Capital Work in Progress (WIP)." Furthermore, despite certain development works having been completed, the Company continues to classify these expenditures as inventory – work in progress instead of obtaining completion certificates and capitalizing the costs to the appropriate accounting heads.

**5. Inventory – Other than Land**

Attention is invited to Note no. 8 in the Consolidated financial statements, Inventory includes Inventory - Other than land i.e., Buildings, Sheds, Water supply, Sewerage, External Electrification, Roads & bridges etc. of Rs.10,869.32) Lakhs (31st March 2025: Rs. 10,979.09 lakhs). There is no adequate information provided to substantiate the existence and value of these assets. Hence, we are unable to comment on the same.

**6. Enhanced compensation:**

Attention is invited to Note No. 7 "Other Noncurrent Assets – Deposit towards Enhanced Land Acquisition" in the financial statements, wherein the company has paid an amount of Rs.3,149.42 lakhs as at 31st March 2026 (as at 31st March 2025: Rs. 3,149.42 lakhs) as enhanced compensation in various cases based on respective court orders and other demands. Certain portion of this amount was remitted to the court more than 15 years ago.

According to the information and explanations provided, this amount is recoverable from the corresponding land allottees only if the sale deeds have not been executed. Recovery cannot be made from allottees whose sale deeds have already been executed. The company has not reviewed the deposits made to ascertain the cases of recovery. Also, the ...no



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correspondence with allottees to initiate recovery. Consequently, the recovery remains uncertain, and no provision has been made for this amount.

**As a result, Other Noncurrent Assets are overstated, and Cost of Sales (Expense) is understated to the extent of Rs. 3,149.42 lakhs.**

**7. Other current liabilities - Deposits from Allottees:**

Attention is invited to Note no. 22.1 in the financial statements, as on 31.03.2026, amount received as Deposits from Allottees towards allotment of land is Rs. 6,80,432.08 Lakhs (31st March 2025: Rs. 5,71,081.34 Lakhs). In certain cases, balances between the schedules and books of accounts are not matching. In certain other cases, allotee wise details are not stated in the schedules. In other instance, it is observed that the company has recovered excess consideration which may have to be repaid to the allottee at a later point. In view of the above instances the balances are subject to reconciliation.

**8. Deposits towards Water and Receivables**

Attention is invited to Note no. 16 in the Consolidated financial statements, which includes deposits towards Water for an amount of Rs. 719.58 Lakhs. Out of which Rs. 235.63 lakhs identified as nonrefundable and Rs. 483.95 lakhs which are neither identified as refundable nor nonrefundable. Both nonrefundable and refundable deposits are recorded in the same ledger.

Further, in certain cases, nonrefundable deposits are shown as liabilities. In certain other cases, deposits are not appearing in the liabilities, this implies that they have been treated as income in the respective years. In view of the above, deposits of Rs. 719.58 Lakhs are subject to detailed reconciliation and adjustment.

Further, it is observed that company has made provision towards receivables outstanding for more than 3 years of Rs. 2,521.16 Lakhs. As there are no demands raised by the company on the consumers and there is no other communication to recover such balances, the company shall write off such receivables in the books of accounts after thorough scrutiny.

**9. Grant - E-City project:**

Attention is invited to Note No. 22.3 in the Consolidated financial statements. The Ministry of Electronics & Information Technology (MEITY) approved, through their letter dated August 2, 2017, the setup of the E-City project Greenfield Electronics Manufacturing Cluster over an area of 603.52 acres at E-City, Fab City, Ranga Reddy District, Telangana, with an approved project cost of Rs.66,700.00 lakhs (rounded off).

**The means of finance for the project are as follows:**

**(Rs. in lakhs)**

| S. No | Source of Funds | Amount |
|---|---|---|
| 1. | Grant in aid from GOI | 30,176.00 |
| 2. | Contribution from Chief Promoter M/s TSIIC | 19,849.00 |
| 3. | Contribution from Constituent units | 16,675.00 |
| **Total** | | **66,700.00** |



Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

As of March 31, 2026, an amount of Rs. 5,306.24 lakhs has been received from the Government of India (GOI) and is shown under other current liabilities. Additionally, an amount of Rs. 7,384.14 lakhs has been received by E-City Manufacturing Cluster Limited. On 27 March 2023 unspent grant of 2,078.59 lakhs along with interest 158.06 lakhs have been repaid to government. In total, Rs. 12,432.14 lakhs have been received from the GOI towards the E-City project and balance of grant in aid as on 31 March 2026 is 10,353.56 lakhs.

**Key terms of sanction letter which are not complied as on 31st March 2026 is as below:**

| Key sanction terms | Status |
|---|---|
| Project shall be completed within 36 months from the date of final approval i.e. 02-08-2017 | The project has not been completed within the stipulated time frame. Company has received grant only of Rs.12,432.14 Lakhs put of total sanctioned grant of Rs.30,176.00 lakhs. |
| The chief promoter (TSIIC) shall transfer the land to the SPV | Land was earmarked but has not been awarded in favor of the SPV. |
| TSIIC or SPV shall open an Escrow account with a Nationalized bank | TSIIC has opened a separate bank account for this project, but certain amounts were also spent through other bank accounts in the books of SPV. |
| An SPV Shall be created and transactions shall be routed through the SPV. | The SPV has been created. However, the land has not been transferred. Expenditures are incurred by both TSIIC and the SPV. Sales were recorded in the books of TSIIC. A grant of Rs.5,048.00 lakhs was received by TSIIC, and a grant of Rs.7,384.14 lakhs was received by the SPV. |
| TSIIC or SPV (as the case be) shall maintain a register of Permanent and Semi-Permanent Assets acquired wholly or mainly out of the funds of Grant-in aid. | TSIIC or SPV is not maintaining any type of register for Permanent and Semi-Permanent Assets acquired wholly or mainly out of the funds of Grant-in aid. |

As per the sanction terms, in the event of persistent delay in the project, MEITY has the right to foreclose the project, appoint a new implementing agency for the execution of the project, and recover the entire grant-in-aid released along with interest and penalties as stipulated in the approval letter. However, the Company believes that there will be no such possibility. Hence, it has not accounted for any liability and interest thereon. There is no sufficient and appropriate audit evidence to corroborate the company's view.

As of March 31, 2026, the account balances and transactions pertaining to the E-City project which are yet be transferred to SPV are as below.

**(Rs. in lakhs)**

| Particulars | Amount |
|---|---|
| Other current liabilities include Grants received from GOI | 5,048.00 |
| Sales recognized prior to F.Y 2025-26 | 5,556.60 |
| Cost recognized prior to F.Y 2025-26 to nullify the sales impact | 5,556.60 |
| Sales during the F.Y 2025-26 | 3,248.00 |



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| | |
|---|---|
| Cost of Sales during F.Y 2025-26 to nullify the sales impact | 3,248.53 |
| Bank balances | - |
| Inventory* | -4,373.17 |

*Inventory of Rs. -4,373.17 lakhs is as per inventory data manually maintained in spreadsheet which consists of land acquisition cost. This doesn't include expenditure incurred towards development of E-city as the company accounts expenditure towards development expenditure of E-city along with other development expenditure.

Sales pertaining to E-city project of Rs. 8,408.79 Lakhs (FY 19-20), Rs. 1,835.40 Lakhs (FY 20-21), Rs. 378.18 Lakhs (FY 21-22), Rs. 2,596.02 Lakhs (FY 22-23), Rs. 1,646.62 Lakhs (FY 23-24), Rs. 3,909.98 Lakhs (FY 24-25) and Rs. 3,248.53 Lakhs (FY 25-26) is recognized as revenue of the company. Cost to the same extent is also recognized in the profit and loss account of the company to nullify the impact.

Expenditure incurred up to March 31, 2019, on behalf of the SPV is accounted for in the Company's books and forms part of Inventory – Work in Progress. However, the actual amount spent on this project is not ascertainable as expenditures are accounted for along with other projects.

Recognition of sales and cost of sales pertaining to E-City project through the Company is not in accordance with generally accepted accounting principles (GAAP).

**10. Grant - Maheshwaram Project:**

Attention is invited to Note no. 22.2 in the Consolidated financial statements, TSIIC has received grants under Electronic Manufacturing Cluster (EMC) Scheme from Ministry of Electronics & Information Technology (MEITY), through their letter dated August 8, 2017 towards setting up Greenfield Electronics Manufacturing Cluster over an area of 310.70 acres at Maheshwaram, Ranga Reddy District, Telangana with an approved project of Rs.43,700.00 lakhs (rounded off).

**Means of Finance:** **(Rs. in lakhs)**

| S. No | Sources of Fund | Amount |
|---|---|---|
| 1. | Grant in aid from GOI | 17,240.00 |
| 2. | Contribution from Chief Promoter M/s TSIIC | 15,535.00 |
| 3. | Contribution from Constituent units | 10,925.00 |
| | **Total** | **43,700.00** |

As of March 31st, 2026 an amount of Rs.3,152.10 Lakhs have been received from the Government of India (GOI) and Maheshwaram science park limited is shown under other current liabilities.

**Key terms of sanction letter which are not complied as on 31st March 2026 is as below:**

| Key sanction terms | Status |
|---|---|
| Project shall be completed within 36 months from the date of final approval i.e. 08-08-2017 | The project has not been completed within the stipulated time frame. Company has received grant only of Rs.3,152.10 Lakhs put of total sanctioned |



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| | |
|---|---|
| | grant of Rs.43,700 lakhs. |
| The chief promoter (TSIIC) shall transfer the land to the SPV | Land is not alienated in the favor of the company and the same is not transferred to SPV. |
| TSIIC or SPV shall open an Escrow account with a Nationalized bank | TSIIC has opened a separate bank account for this project, but certain amounts were also spent through other bank accounts in the books of SPV. |
| An SPV Shall be created and transactions shall be routed through the SPV. | The SPV has been created; Land is not alienated in the favor of the company and the same is not transferred to SPV. Expenditures are incurred by both TSIIC and the SPV. Grants received from GOI of Rs.3,152.10 lakhs are shown under other current liabilities |
| TSIIC or SPV (as the case be) shall maintain a register of Permanent and Semi-Permanent Assets acquired wholly or mainly out of the funds of Grant-in aid. | TSIIC or SPV is not maintaining any type of register for Permanent and Semi-Permanent Assets acquired wholly or mainly out of the funds of Grant-in aid. |

As per the sanction terms, in the event of persistent delay in the project, MEITY has the right to foreclose the project, appoint a new implementing agency for the execution of the project, and recover the entire grant-in-aid released along with interest and penalties as stipulated in the approval letter. However, the Company believes that there will be no such possibility. Hence, it has not accounted for any liability and interest thereon. There is no sufficient and appropriate audit evidence to corroborate the Company's view.

Balance pertaining to SPV which are yet to be transferred are as below.

**(Rs. in lakhs)**

| Particulars | Amount |
|---|---|
| Other current liabilities include Grants received from GOI | 3,040.80 |
| Bank balances | 66.20 |

Expenditure incurred towards the project is accounted in the Company's books and forms part of Inventory – Work in Progress. However, the actual amount spent on this project is not ascertainable as expenditures are accounted for along with other projects.

**11. Grant-in-aid Modified Industrial Infrastructure Upgradation Scheme (MIIUS):**

Department of Industrial Policy and Promotion sanctioned grant for setting up a Common Facility Centre at Pashamylaram, Medak. Initial project cost of Rs.64.24 crores was approved on 5th March 2015 under the Department of Industrial Policy and Promotion. The project cost was later increased to Rs.104.24 crores on 10th August 2017. On 15th March 2024, the Department for Promotion of Industry and Internal Trade downwardly revised the project cost to Rs.101.16 crores.

As per the sanction terms, in the event of persistent delay in the project, Sanctioning authority has the right recover the entire grant-in-aid released along with interest and penalties as stipulated in the approval letter. Though there is a significant delay in completion of the project, company is of the view that there will be no recovery by the sanctioning authority. Accordingly, company has not recognized liability along with



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interest.

Company customarily levies and collects centage charges as revenue for work done for other government departments. Centage income should not be recognized for internal projects or works. Despite this, company has recognized few amounts as centage income by debiting the CWIP ledger, resulting in an overstatement of CWIP and centage income. We are unable to quantify the amount of centage income for the year under review.

The financial implications of the above, if any, are currently unascertainable.

**12. National Investment and Manufacturing Zones (NIMZ) at Medak & Hyderabad**

Attention is drawn to Note No.15 in the consolidated financial statements concerning the NIMZ project at Medak and Hyderabad. TSIIC has obtained a loan of Rs.72,500 lakhs from HUDCO and incurred expenditures towards land acquisition and development costs, which have been accounted for under work in progress - Inventory. We have been informed that these amounts will to be transferred to the SPV created for the project.

As of 31.03.2026, the assets and liabilities related to this project are included in company's books. However, the company lacks adequate information regarding the specific expenditures incurred for land acquisition and development costs. In the absence of adequate information, we are unable to comment on the potential impact on the financial statements, if any.

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**13. Plant, Property and equipment (PPE):**

i. Attention is invited to Note no. 2 in the Consolidated financial statements, the Company has not maintained proper records in respect of PPE showing full particulars, including quantitative details and situation.

ii. Company is capitalizing assets on the date of payment instead of date when the asset is available for use. Resulting in contravention of IND AS – 16 Property, Plant and Equipment.

iii. **Standard Designed Factory Buildings**: The Company has leased out cubicles in the SDF Buildings (Standard Designed Factory Buildings) at EPIP, Pashamylaram, to industrial units engaged in the export of their products. However, it has been noted that the SDF Buildings are not recorded in the Company's asset Register. Additionally, the Company has not conducted a reconciliation of assets physically held against those recorded in the books of accounts.

iv. Company has not performed a comprehensive fixed asset verification. In the absence of a complete Fixed Asset Register and thorough physical verification, we are unable to assess the potential impact on the financial statements.

v. PPE consists of Land and SEZ Land, as per information and explanations provided to us title deeds are yet to transferred in the name of the company.

**14. Centage:**

Attention is invited to Note no. 24 in the Consolidated financial statements, the company executes civil works for various Government Departments, such as ITE&C where centage charges are typically levied as an administrative expense towards executing these entrusted Civil Works. The centage percentage is determined based on agreed terms between the company and the respective government department. However, we have identified certain cases where the company has executed civil works on behalf of ITE&C without levying the centage charges. This has resulted in an understatement of income and an understatement of receivables from the respective government departments. In the absence of adequate information, we are unable to comment on the financial implication on the aforesaid financial statements.

**15. Valuation of Non-Current Investments and Provision for Diminution in Value of Investments:**

**i. Investments in CBD Towers Private Limited:**

As per the agreement dated May 28, 2008, the erstwhile APIIC Ltd. had allotted land measuring 80.27 acres in Sy. Nos. 283 and 311 of Manchirevula village, Rajendra Nagar Mandal, R.R District, to M/s CBD Towers Private Limited. The total quoted price for Module I (30 acres at Rs.657 Lakhs per acre) amounts to Rs.19,710.00 Lakhs, while the total quoted price for Mod ule II (50.27 acres at Rs.657 Lakhs per acre) is Rs.33,032.39 Lakhs.



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For Module I, the Company was initially allotted 1,236 Equity Shares of Rs.10 each and fully convertible debentures valued at Rs.17,999.88 Lakhs (with 17,99,98,764 debentures at a face value of Rs.10 each) as consideration other than cash. Subsequently, 2,09,46,998 debentures were converted into equity shares on a 1:1 basis, leaving a balance of 15,90,51,766 debentures valued at Rs.15,905.18 Lakhs, which has been carried as an investment at cost.

Upon reviewing the Development Agreement dated May 28, 2008, between the Company and M/s CBD Towers Private Limited, it was noted that a balance of Rs.1,710.00 Lakhs is due.

Out of this, Rs.860.00 Lakhs was paid via Demand Draft No. 475402 dated October 22, 2007, and Rs.850.00 Lakhs via Cheque No. 475674 dated May 22, 2008. As per Development Agreement, an additional amount of Rs. 3,290 Lakhs was paid as performance security, and Rs. 300.00 Lakhs was paid towards development expenses by CBD Towers Private Limited. However, these Rs. 5,300 Lakhs (Rs. 860 Lakhs + Rs. 850.00 Lakhs + Rs. 3,290 Lakhs + Rs. 300.00 Lakhs) amounts have not been identified in the Company's books of accounts as receipts.

For Module II, the Company paid Rs. 10,000 Lakhs on July 30, 2008 by CBD Towers Private Limited, but this amount has not been identified in the books of accounts. The balance amount of Rs. 23,027.39 Lakhs, along with a development premium at 12% per annum from the date of development (i.e., August 25, 2008), is still outstanding.

M/s CBD Towers Private Limited does not have any assets other than the allotted land. The Company has neither received the full consideration on time nor the interest on debentures and the development premium till date, with a decision on this matter still pending between parties.

Additionally, the Company holds 11% stake in M/s CBD Towers Private Limited, which has been recorded at a cost of Rs.2,094.82 Lakhs and valued at Rs. 2,052.10 Lakhs. This valuation is made despite the fact that M/s CBD Towers (P) Ltd has no other assets apart from the land allotted by TSIIC. Since, the company has not obtained the third party valuation reports we could not assess the impact of such investments on the Financial statements.

The Company has not shown the amount of Rs. 1,710 Lakhs and Rs. 23,027 Lakhs as receivables in the Financial Statements. In the absence of adequate information, we are unable to comment on the financial implication of the above.

| Sl. No | Particulars | Module - I | Module – II |
|---|---|---|---|
| 1 | Land (in acres) | 30 | 50.27 |
| 2 | Cost per Acre (Rs. in Lakhs) | 657.00 | 657.00 |
| 3 | Amount (Rs. in Lakhs) | 19,710.00 | 33,027.39 |



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| | | | |
|---|---|---|---|
| 4 | Consideration | 1. 1236 Equity Shares of Rs.10 each i.e **Rs. 12,360/-**<br>2. 17,99,98,764 Fully Convertible debentures of Rs. 10 each i.e **Rs. 17,999.88 Lakhs**<br>3. DD No. 475402 dated 22.10.2007 for an amount of **Rs. 860 Lakhs** (Claimed as paid by CBD Towers Private Limited)<br>4. DD No. 475674 dated 22.05.2008 for an amount of **Rs. 850 Lakhs** (Claimed as paid by CBD Towers Private Limited) | 1. **Rs. 10,000 Lakhs** received on 30.07.2008 through DD. |
| | Balance Receivable | **Rs. 1,710 Lakhs** | **Rs. 23,027 Lakhs** |

**ii. Investment in Convertible Debentures of CBD Towers Private Ltd:**

The Company has not valued the Investment in Debentures fairly, which continues to be carried at a cost of Rs.15,905.18 Lakhs as of March 31, 2026 (same as March 31, 2025). In the absence of adequate information, we are unable to comment on the financial implications of these investments in the financial statements.

**iii. Boulder Hills Leisure Private Limited:**

Attention is invited to Note no 3 – Noncurrent investments. It includes investment in Boulder Hills Leisure Private Limited (BHLPL) of Rs.1,022.56 lakhs (31st March 2025 Rs. 1,044.06 lakhs) (measured at fair value using the financial statements of BHLPL). We have reviewed the audit report issued by an independent firm of Chartered Accountants Vide its Report dated 24th September, 2026 on the financial Statements of BHLPL for year ending 31.03.2026 and noted that the auditor has given disclaimer opinion. Relevant extract is reproduced as under:

a. *"Trade payables include amounts payable to the Emaar Properties PJSC, the ultimate holding company in respect of reimbursement of expenses aggregating to Rs. 137.17 Lakhs (31 March 2025: Rs. 124.32 Lakhs) which has been outstanding for a period of more than three years as at March 31, 2026, which is not in compliance with provisions Of Foreign Exchange Management Act, 1999. We are unable to comment on the consequential effects, thereof, if any, on the financial statements.*

b. *The Company had received legal notice from Telangana State Industrial Infrastructure Corporation (TSIIC) stating that the assignment agreement is illegal and void. The Company had also been subject to litigations relating to allegation of irregularities in allotment of project land. Additionally, CBI had conducted an inquiry and filed charge sheet alleging irregularities in execution of lease deed and assignment agreement. Pending resolution of disputes, we are unable to comment upon appropriateness and completeness of revenue recognized in current year and up to date revenue*



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*aggregating to Rs.80.46 Lakhs (31 March 2025: Rs. 68.52 Lakhs) and Rs.570.81 lakhs (31 March 2025: Rs.490.35 lakhs) respectively, recoverability of trade receivables of Rs.8.33 Lakhs (31 March 2025: Rs.8.53 lakhs), ability of the Company to continue its operations in the foreseeable future and other consequential impact, if any on the financial statements.*

c. *The accompanying financial statements do not include adjustment for impairment loss, if any, in the carrying value of the property, plant and equipment aggregating to Rs.3,578.37 Lakhs (31 March 2025: Rs. 3,665.26 Lakhs). Management has neither prepared future cash flow projections or made a reasonable estimate to measure the 'value in use', nor has it determined realizable value of property, plant and equipment, but believes that the entire carrying value of property, plant and equipment is recoverable in the ordinary course of business. In the absence of the management's projections and estimates, we are unable to comment upon impairment, if any, in the carrying value of the fixed assets.*

d. *The Income Tax Department has raised certain demands on the Company aggregating to Rs.52.57 Lakhs (31 March 2025: Rs. 52.57 Lakhs) which are being contested by the company, pending resolution of the matter, we are unable to comment upon the impact of the aforesaid demands on the financial statements.*

From the above it can be noted that there is no certainty of continuing its operations, impairment loss is not accounted, there are demands against BHLPL and there may be other financial implications in view of legal notice and CBI enquiry. Hence recognizing the investment at fair value of Rs.1,022.56 Lakhs is not prudent.

**iv. Emmar Hills Township Private limited**

Attention is invited to Note no 3 – Noncurrent investments. It includes investment in Emmar Hills Township Private limited (EHTPL) of Rs.709.81 lakhs (31 March 2025: Rs. 886.78 lakhs) (measured at fair value using the financial statements of EHTPL). We have reviewed the audit report issued by an independent firm of Chartered Accountants Vide its Report dated 24th September, 2026 on the financial Statements of EHTPL for year ending 31.03.2026 and noted that the auditor has given disclaimer opinion. Relevant extract is reproduced as under:

a. *"Trade payables includes amounts payable to the Emaar Properties PJSC, the Ultimate holding company towards import of property, plant and equipment and reimbursement of expenses aggregating to Rs.4,083.29 lakhs (31 March 2025: Rs. 3,425.59 lakhs) which has been outstanding for a period of more than three years as at 31 March 2026, which is not in compliance with the provisions of Foreign Exchange Management Act, 1999.*

b. *The Company had received legal notice from Andhra Pradesh Industrial Infrastructure Corporation (APIIC) stating that development agreement entered into with Emmar India Limited (formerly known as Emmar MGF Land Limited) ('co-developer') is illegal and void. Further the Company and co-developer have been subject to litigations relating to allegation of irregularities in allotment of project land, stoppage of registration of properties, injection restraining the company from creating third*



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*party interest, reconstruction of Temples on Land owned by the Company etc. which are been contested by the company. Additionally, CBI had conducted an inquiry and filed charge sheet alleging irregularities in execution of development agreement cum GPA agency agreement and Enforcement directorate has attached certain properties of the company to a tune of Rs.114.06 crores (31st March 2025: Rs.114.06 crores). Pending resolution of disputes, we are unable to comment upon appropriateness and completeness of unearned revenue recognized up to 31 March 2026 aggregating to Rs. 4,292.26 (31 March 2025: Rs. 4,292.26), revenue recognized upto 31 March 2026 Rs. 533.94 Lakhs (31 March 2025: Rs.533.94 lakhs)and on the recoverability of trade receivables of Rs.1,446 Lakhs (31 March 2025: Rs. 1,446.25 lakhs), and loans and advances to related party of Rs.297.97 lakhs (31 March 2025: Rs.297.97 lakhs) outstanding as at 31 March 2026. Further, due to significance of the ongoing litigations, we are also unable to comment on the ability of the Company to continue its operations in the foreseeable future and other consequential impact, if any on the financial statements.*

c. *The Income Tax Department has raised certain demands on the Company aggregating to Rs.1,239.16 Lakhs (31 March 2025: Rs. 1,239.16 lakhs) and has proposed certain adjustments aggregating to Rs.3,331.71 lakhs (31 March 2025: Rs.3,331.71 lakhs) to the assessed income which are being contested by the company. Pending resolution of the matter, we are unable to comment upon the impact of the aforesaid demands on the financial statements.*

It is also observed from financials statements, other current liabilities include share application money amounting to Rs.1,147.98 (31 March, 2025 Rs.1,147.98 Lakhs) against which no equity shares have been issued and which has been outstanding for a period of more than 60 days as at 31 March 2026, which is not in compliance with the provisions of Foreign Exchange Management Act, 1999. From the above it can be noted that there is no certainty of continuing its operations, there are demands against EHTPL and there may be other financial implications in view of legal notice and CBI enquiry. Hence recognizing the investment at fair value of Rs.709.81 lakhs is not prudent.

**Fair valuation of Investments in Subsidiaries and Cyberabad Trustee Company Private Limited – HIVE Fund based on Unaudited Financial Statements**

Attention is invited to Note No. 3 in the Consolidated financial statements. The Company holds investments in 9 subsidiaries and in Cyberabad Trustee Company Private Limited – HIVE Fund. Valuation of these Investments has been carried out based on the unaudited Financial Statements. Hence these balances are subject to change (if any).

The Company has not obtained third party valuation reports for Investment in Subsidiaries, Associates and Joint Ventures.

The following Subsidiaries of the company whose Financial Statements are unaudited for the Financial Year 2025-26 are given below:

**Subsidiaries:**

1. M/s. Fab City SPV (India) Private Limited
2. M/s. Maheswaram Science Park Limited



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3. NICDIT Zaheerabad Industrial Smart City Limited
1. M/s. Ecity manufacturing cluster Limited
2. M/s. Zaheerabad NIMZ Limited
3. M/s. Hyderabad Pharma City Limited
4. M/s. Telangana Life Sciences Infrastructure Development Limited
5. M/s. Bio Tech Hub Limited
6. M/s. CETP-KMTP Warangal Limited

The following Associates and Joint Ventures of the company whose Financial Statements are audited for the Financial Year 2025-26 are given below:

**Associate Companies**

1. M/s. Cyberabad Convention Center Private Limited
2. M/s. Boulder Hills Leisure Private Limited
3. M/s. Emmar Hills Township Private Limited

**Joint Venture Companies**

1. M/s. K Raheja IT Park Limited
2. M/s. Intime Properties Private Limited
3. M/s. Sundew Properties Private Limited
4. M/s. CBD Tower Private Limited
5. M/s. Ace Urban Infocity Limited

**Non-Availability of Share Certificates:**

The Company has not provided share certificates as evidence of its ownership in its subsidiary entities, Associates and Joint Ventures. Due to this limitation, we were unable to verify the existence, completeness, and accuracy of the Company's investments in these subsidiaries, Associates and Joint Ventures. This could materially affect the financial statements, particularly the value and disclosure of investments.

**16. Reserves & Surplus - Capital Reserve:**

Attention is invited to Note no. 14 in the Consolidated financial statements, Government of India has cleared (December 1994) the proposal of the State Government to set up an Export Promotion Industrial Parks (EPIPs) with the Central and State Assistance to the extent of 75 per cent and 25 per cent respectively of the Infrastructural Development cost excluding the cost of land at Pashamylaram. Accordingly, from time-to-time Rs.1,300 Lakhs have been released by the Central (Rs.1,000 Lakhs) and State (Rs.300 Lakhs) Government. Further, in order to make EPIPs more attractive to the entrepreneurs, the Central Government directed the Company to exclude the grant amount while working out the cost of plot/shed in EPIPS. The Company (erstwhile APIIC) has executed the civil works for land development by the end of May 2000 and most of the plots have been allotted. During bifurcation of the Company (APIIC), the Expert Committee distributed the Capital Reserve of Rs.1,300 Lakhs existed in the books, to both the



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companies (APIIC and TSIIC) on population ratio basis (i.e., 58.32: 41.68). It is observed that Company's share of Rs. 541.84 Lakhs has been continuing in their books under Capital Reserve which appears to be not in order as the Company should have considered the same as revenue grant. As per Ind AS 20, company should have credited to the Profit & Loss account on a systematic basis i.e., as and when the sale was recognized. This has resulted in overstatement of Capital Reserve by Rs.541.84 Lakhs and Understatement of General reserve by Rs.541.84 Lakhs.

**17. Long Term Loans and Advances – Due from subsidiaries:**

i. On review of subsidiary company financial statements and other entities, we have noted certain discrepancies between balances shown as "Due to TSIIC" vis a vis balances shown as due from subsidiaries and other entities in the books of company. Details of the same are given below:

**(Rs. In Lakhs)**

| S. No | Particulars | Balance as per TSIIC as on 31.03.2026 | Balance as per Subsidiary Company as on 31.03.2026 | Variance |
|---|---|---|---|---|
| **Subsidiaries:** | | | | |
| 1 | Fab city SPV(India) Private Limited | 1,445.8 | 4,019.7 | -2,574.0 |
| 2 | Hyderabad Pharma City Limited | 9,946.6 | 3,581.9 | 6,364.7 |
| 3 | E-city Manufacturing Cluster Limited | 12,940.7 | 12,940.7 | 0.0 |
| 4 | Maheshwaram Science Park Limited | 3,284.0 | 3,284.0 | -0.0 |
| 5 | Zaheerabad NIMZ Limited | 745.9 | 745.9 | 0.0 |
| 6 | Telangana Life Sciences Infrastructure Development Limited | 4.1 | 4.1 | -0.0 |
| 7 | Bio Tech Hub Limited | 1.1 | 1.1 | -0.0 |
| 8 | CETP-KMTP Warangal Limited | 2,553.1 | 2,553.1 | 0.0 |
| 9 | NICDIT ZHB Industrial Smart City Ltd | 15.4 | 15.5 | -0.2 |
| | | **30,936.6** | **27,146.0** | **3,790.5** |

Hence these balances are subject to reconciliations and adjustments. Company has not created provision with respect to the balance receivable from Hyderabad Pharma City Limited on prudent basis for difference amount of Rs. 6,364.70 Lakhs.

*All the above figures are obtained from the unaudited financial statements provided to us.

**18. Long outstanding Staff Advances:**



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Attention is invited to Note No. 11 in the Consolidated financial statements. The advance to staff outstanding as of 31st March 2026 amounts to Rs. 499.13 lakhs (31st March 2025: Rs. 600.93 lakhs). These advances include and amount of Rs. 308.49 Lakhs as demerger balance under "Miscellaneous Advances – Others" head. These advances are provided for various purposes, including tour advances, rent advances, etc., to officers and staff. However, certain advances such as tour advances, festival advances and miscellaneous advances have been outstanding for periods ranging for more than 2 to 12 years. These advances are subject to reconciliation and adjustments if necessary. In the absence of adequate information with respect to these advances, we are unable to comment on the potential impact on the financial statements, if any.

**19. Long term Provisions - Provision for Petty Supervision Charges:**

Attention is invited to Note no. 17 in the Consolidated financial statements, there is of Rs. 1,628.33 lakhs in Provision for PS charges ledger as on 31.03.2026 (31 March 2025: Rs. 1,569.82 lakhs). An amount of Rs. 58.51 Lakhs was received and accounted as PS charges during the year. Ideally this amount should be adjusted to security salaries who had worked for the development of such lands. In case the provision is no longer required the same needs to be written back after obtaining necessary approvals. In the absence of adequate information, we are unable to comment on the financial implication of the above.

**20. Other Operating Revenue & Other income:**

Attention is invited to Note no. 24 & 25 and accounting policy no. D 1(a) and 1(b) in the Consolidated financial statements, Penal interest on allottee for extension of time, building plan approval fee from IALA, Rental Income, Delay condonation fee, penal interest on delayed payments towards land cost and dividend income are recognized as income on receipt basis.

However, it is observed that penal interest received on delayed payments has been accounted under Deposits towards the sale of land. Upon execution of sale deed, the same is treated as income. This is in contravention to the accounting policy of the company. In the absence of adequate information, we are unable to quantify the impact on aforesaid financial statements.

**21. Non-Confirmation of Balances:**

Attention is invited to Note no. 4,5,7,9 & 20 in the Consolidated financial statements, no balance confirmation certificates are available in respect of Loans and Advances dues from Related Parties, Dues from Telangana Government, Dues from T-Work Foundation, Dues from Departments of Telangana State Government, Security Deposits, Staff Advances, Deposits made towards land acquisition, Trade Receivables, Borrowings and Trade Payables. Hence such balances are subject to reconciliation or adjustment if any.

**22.** The company doesn't possess adequate internal financial controls over financial reporting, we are unable to comment if there are any other financial adjustments to be made to the aforesaid financial statements. Considering the size of business and decentralized accounting activities, the scope of internal audit is not adequate.



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**23.** Attention is invited to Note no. 21 in the Consolidated financial statements, we have noted cases of non-compliance w.r.t TDS, TDS on GST, Levy of GST and non-remittances of NAC (National academy of construction), Labour Cess, seigniorage charges, SMET (State Mineral exploration trust) and DMF (District Mineral Fund). In the absence of adequate information, we are unable to comment on the consequential effect of the same on the aforesaid financial statements.

**24.** Attention is invited to Note No. 20.1 in the Consolidated financial statements. The company has not established a process for identifying MSME parties. As a result, the company has failed to separately disclose payables to MSMEs, which is a contravention of the requirements under Schedule III of the Companies Act, 2013.

**25.** Company has not made adequate disclosures as mandated by Schedule III of Companies Act, 2013 which are mentioned below:

i. Company shall give details of all the immovable properties whose title deeds are not held in the name of the company in the specific format as mentioned in Schedule III of Companies Act, 2013. However, company has not complied with the same.

ii. Company shall disclose in its Financial Statements, the deviation from the accounting standards, the reasons for such deviation and the financial effects, if any, arising out of such deviation. However, company deviated from certain Ind AS, however, company has not disclosed the same in the Financial Statements.

**26.** The company has not complied the following Ind AS:

i. As a lessor and as a lessee, the company has not fully complied with Ind AS 116 in terms of measurement, recognition and disclosures (Refer note 2 of Significant accounting policies).

ii. There are timing differences, but the company has not calculated and recognized deferred tax. Thereby Ind AS 12 is not complied.

iii. Security deposits are not accounted in accordance with Ind AS 109.

iv. Revenue grant and certain noncash adjustments are not accounted in the cash flow statement in accordance with Ind AS 7.

v. Company has not disclosed necessary disclosures required under Ind AS 113.

vi. As per Ind AS 36, Company shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. However, company has not made such assessment which is not in line with Ind AS 36.

vii. As per IND AS – 20: Government grants shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. However, company is not recognizing grant as income in profit and loss on a systematic basis even though related costs for which the grant is received is recognized in profit or loss resulting in contravention of IND AS – 20.

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viii. The company has accounted for certain incomes and expenses that pertain to previous financial years. The accounting treatment given by the company is not in accordance with "Ind AS 8 – Accounting policies, Change in accounting estimates and errors".

ix. The company has not calculated or recognized deferred tax assets and liabilities in accordance with applicable Indian Accounting Standard, as the company does not have sufficient information to estimate the deferred tax.

As there is no adequate information available, we are unable to quantify the impact on the financial statements.

27. **Miscellaneous deposit** – Attention is invited to Note no. 16 in the consolidated financial statements, works and miscellaneous deposit - EMD/FSD as shown under other financial liabilities includes deposits which are outstanding for more than 3 years. There is no reconciliation done between the book balances and underlying schedules. Hence these balances are subject to reconciliation. In the absence of adequate information, we are unable to quantify the understatement or overstatement of liabilities.

28. **Contingent Liabilities**

i. **Inadequate Disclosure of Contingent Liabilities and Pending Litigations:** Attention is invited to Note No. 31 in the Consolidated financial statements, where TSIIC has disclosed contingent liabilities related to pending litigations initiated by Pattadars seeking higher compensation for land acquired by TSIIC. The quantum of contingent liability has been computed as follows:

ii. **Disputes pending at High court**: Contingent liabilities are calculated as claim made by Pattadars at the time of acquisition, along with interest calculated at three times of the original compensation.

iii. **Disputes pending at Lower courts**

a. For Awards Passed Within 10 Years from 31st March 2026: Contingent liabilities are calculated as claim made by Pattadars at the time of acquisition, along with interest calculated at twice the original compensation.

b. For Awards Passed Beyond 10 Years from 31st March 2026: Contingent liabilities are calculated as claim made by Pattadars at the time of acquisition, along with interest calculated at three times the original compensation.

It is important to note that the actual claims by Pattadars, including interest, may differ from the amounts calculated above. Company has not quantified the contingent liability in a rational manner by scrutinizing the facts of each claim.

During the year, the Company raised ₹ 9,995.28 crore through 9.35% non-convertible redeemable bonds/debentures, secured by a mortgage over 400 acres of land at Survey No. 25, Kancha Gachibowli Village, Serilingampally Mandal, Ranga Reddy District and guaranteed by the Government of Telangana. Further, three Public Interest Litigation writ



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petitions are pending before the Hon'ble Court concerning the alienation of 400 acres of land in favour of TGIIC for development of an IT/Mixed Use project. The petitioners have challenged the legality of the land alienation under G.O.Ms.No.54 dated 26.06.2024 and the related development process, alleging violations of forest conservation laws, and have sought cancellation of the Government Order, restraint on development activities, and protection/restoration of the alleged forest land. The matters are pending adjudication. The financial implications, if any, are presently unascertainable.

Moreover, the Company has not reviewed if there are any disputes apart from the legal cases we could not ascertain the unfavorable orders issued during the year to comment upon the disclosure of these matters as contingent liabilities in the respective financial statements for those financial years. As a result, there is no sufficient and appropriate audit evidence to confirm the completeness of contingent liabilities and potential financial impact if any.

**29. Deposit towards works undertaken**

The company has received funds from various departments of State Government for construction of various projects/buildings. Such receipts have been credited to GL 9133 "Deposit towards works undertaken." On the other hand, expenses incurred for those projects are debited to the same GL 9133. As a result, expenditure incurred for each project cannot be ascertained.

Further, in certain projects company has spent more money than it has received. These amounts are to be received from a particular department. In view of the current accounting practice, the company has not shown receivable separately except for ITE&C works and Siricilla Textile Park, but it has set off against the deposits received for other projects. This accounting treatment is not in accordance with the Generally accepted accounting principles or accounting standards and has resulted in understatement of liabilities and assets. As there is no adequate information, we are unable to quantify the impact on the financial statements.

**30. Funds Received and Expenditure Incurred for IT-Related Projects, Recognition of Income, and Receivables from ITE&C Department -**

The Company has not received any funds from the ITE&C Department for the construction of T-Hub, IT Towers, Incubation Buildings, and other IT-related projects across various zones during the year 2025-26. As of March 31, 2026, the Company has not received any funds but incurred expenditure spent on these projects. Consequently, books of accounts shows a receivable of Rs. 68,137.95 from the ITE&C Department.

However, we do not find sufficient and appropriate audit evidence on computation of due amount for the following reasons:

i. We have identified that expenditure considered for computation of due amount is not complete. Amount paid for statutory payments is not considered in the due computation.

ii. Some of the amount received from IT&C department is considered for works done related to other than IT&C department, for this we don't find sufficient and appropriate audit evidence for allocation of amount to works other than IT&C



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department.

Additionally, the Company is recognizing rental income from the lease of ITE&C Incubation Buildings that are not owned by the Company. The Company also incurs expenses related to these buildings, including maintenance, electricity charges, internet charges, etc., which are recorded as receivables from the ITE&C Department. In the absence of adequate information to substantiate the recognition of this income and the corresponding receivables, we are unable to comment on the potential implications of these matters on the financial statements.

**31. Dispute Regarding Gratuity Payments under Master Policy**

The company has secured a Master Policy for Group Gratuity insurance, identified by Policy Number 504002557, from Life Insurance Corporation of India (LIC). It has come to our attention that LIC is currently withholding the disbursement of Gratuity amounts that are due upon the superannuation of employees due to ongoing dispute between APIIC and TSIIC on account of demerger.

As a result, the company has been disbursing the Gratuity amounts directly to the employees upon their superannuation. These disbursed amounts are being recorded as receivables under "Other Current Assets" in the books of accounts. In the absence of adequate information, we are unable to comment of certainty of realization.

**32.** On test basis, Company is accounting certain expenditure on payment basis. At the end of the year, provision is made towards outstanding expenses not paid. However, there is no comprehensive system in place to identify outstanding expenses. As result, we are unable to comment if the outstanding expenses recognized is complete.

**33. Demand from M/s. Hyderabad Pharma Infrastructure and Technologies Limited (HPIT)**

Company received a demand in 2015, between the company and M/s. HPIT. As per the MoU, TSIIC is obligated to transfer the laboratory equipment usage charges collected from M/s. United States Pharmacopeia India Private Limited (USP) to M/s. HPIT amounting to Rs. 86.47 lakhs. However, the same is not being remitted.

HPIT has filed a Writ Petition to claim the arrears, which is currently pending before the Hon'ble High Court of Telangana. The claim pertains to the amount allegedly pending since 2015.

Company has neither recognized the above claim as liability or contingent liability.

**34. Grant in Aid - Telangana Budget**

Attention is invited to Note 19.1 of the financial statements. Company has received Rs.172.5 crores in FY 2015-16, Rs.25 Crores in FY 2020-21 and Rs.401.96 crores in FY 2021-22 as grant from Govt of Telangana. Company incurred expenditure of Rs. 5.73 crores during the financial years 2015-16 to 2017-18 and debited the amount to this ledger. This Net amount has been recognized as Grant and shown under other noncurrent liabilities.
Company has not analyzed the status of each project for which grants are received and as result not given accounting treatment in accordance with Ind AS 20. In the absence of adequate information, we are unable to comment impact on the financial statements.



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**35. Non reconciliation of taxable income between the books and GST returns.**

Company has not carried out the reconciliation of taxable income between the book of accounts and GST returns. As a result, liability if any had to be recognized has not been recognized. Turnover Reconciliation could not be carried out due to non-availability of adequate information. In the absence of adequate information, we are unable to quantify the impact of the financial statements.

**36. Price Fixation Committee and Consideration of Government Grants**

The company has established a Price Fixation Committee responsible for determining the sale price of land. It has been communicated that the price fixation process considers factors such as the cost of land, estimated land development costs, other administrative charges, and a profit markup. As the company has not provided the basis for price fixation by the committee, we are unable to validate the price fixed. Also, we are unable to check if the grants received are considered in fixing the price.

**37. Delay in Execution of Sale deeds**

The Company is not executing the Sale deeds as and when the conditions are met. It has been observed that there are instances where the execution of sale deeds has been delayed by 1 to 5 years, even after the allottees have fulfilled the conditions specified in agreement of sale. This has resulted in delays in the recognition of income by TSIIC.

**38. Valuation of Inventory**

Attention is invited to Note no. 8, Company policy about Inventory valuation states that inventories are valued at lower of cost or net realizable value ("NRV") but in course of our audit it is noticed that the Company does not have any data or details about the NRV of the Inventory. As such, the inventories are valued at cost. The impact of such practice on Consolidated Financial Statements is not ascertained.



**Emphasis of Matter**

**Industrial Area Local Authority – Accounts.**

i. As mentioned in Note No. 41 in the consolidated financial statements, the Government of Telangana has entrusted certain Local Authority powers to the Company like collection of Property Tax, maintenance of Common facilities in respect of certain Industrial Parks and Industrial Development Areas. The local authority powers are vested with TSIIC Industrial Area Local Authority (IALA) for each industrial area and the income and expenditure in this regard is being accounted for in the books of accounts maintained by the respective IALAs and hence not accounted for in the accounts of the Company.

ii. **Dues from Government of Telangana, T-Work Foundation and Various Government Departments of Telangana State –** Attention is invited to Note no. 5&6 which includes an amount of Rs. 1,49,170.69 Lakhs is outstanding from Government of Telangana State, T-Work Foundation and Various Government Departments of Telangana State including Deposits works of Sircilla Textile Park. Following are the dues which are long pending:

a. Rs.31,682.5 Lakhs from the Handloom & Textile Department for costs incurred in developing the Sircilla Textile Park.

b. Rs.2,935.00 Lakhs from T-Works Foundation.
c. Rs.68,137.95 Lakhs from the ITE&C Department for expenses related to the construction of T-Hub, IT Towers, and other IT-related projects across various zones.
d. Rs.500.00 Lakhs from M/s. Telangana State Trade Promotion Corporation Limited.
e. Rs.120.00 Lakhs from M/s. Telangana Technology Services Ltd towards T-Hub includes funds transferred to T-Hub for participation at World Economic Forum at Davos Kioster.
f. Rs. 47.04 Lakhs due from TSMSIDC Department for the expenditure incurred for Covid-19 hospital preparedness towards procurement of Oxygen flow meters.
g. Rs. 1399.68 Lakhs from Roads& Buildings Department.
h. Rs.603.49 Lakhs from the Government of Telangana for expenses related to IIDF.
i. Rs.4,641.25 Lakhs from the Government of Telangana as rebates provided to allottees at the time of land allotment.
j. Rs.377.83 Lakhs from the Government of Telangana for expenses incurred towards IIIT Deposit works.
k. Rs.174.87 Lakhs from the Government of Telangana for costs associated with IT Parks.
l. Rs. 673.87 Lakhs from Government of Telangana towards repayment of NABARD Loan.
m. Rs. 9723.15 Lakhs from Government of Telangana towards repayment of HUDCO Loan.
**n.** Rs. 26,804.44 due from Govt of Telangana comprises of payments made by TSIIC which are actually reimbursable under IP budget such as expenditure on Bio-Asia, on Covid pandemic related expenditure, remuneration paid to Sri. Praveen PA, Director (Aerospace & Research) and various other projects. Further it also includes the MSME Project's share of Govt of Telangana pending reimbursement from Govt of Telangana.

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These amounts have been pending for a considerable time and may have significant implications on the financial position of the entity.

iii. **Delay in completion of Mega food Park** –The Company was sanctioned a grant of Rs. 5,000.00 Lakhs for establishing a Mega Food Park at Buggapadu Village, Sathupally Mandal, Khammam, with a total project cost of Rs.10,944.00 Lakhs. As of March 31, 2026, an amount of Rs. 2,850.00 Lakhs has been received as a grant. According to the final approval terms, the Company was required to complete the project within 30 months from the date of receipt of the first installment of the grant from the Ministry. The first installment was received on April 1, 2017, requiring the project to be completed by October 1, 2019. However, the Company has not completed the project as of March 31, 2026.

iv. **E-auction of Land** – Attention is invited to Note No. 43 of the consolidated financial statements. TSIIC has conducted an e-auction of land in accordance with the instructions of the Telangana State Government through MSTC Ltd. Through this open auction at Kokapet, a total amount of Rs.729.04 crores were deposited by the bidders with MSTC, and an amount of Rs.14.6 crores was subsequently paid to TSIIC after deducting service charges of Rs.44.25 lakhs (i.e., 2% of the sale proceeds). This amount was meant to reimburse the expenditure incurred towards facilitation of E-auction and minimal development of the sites, as per Government Order MS No: 13, dated June 10, 2021. Till 31st March 2021, company has incurred an amount of Rs.795.20 Lakhs towards advertisement charges. However, as per explanation provided by the management, the actual expenditure incurred exceeded Rs.14.6 crores in the subsequent financial years.

v. **Deposit Works at Siricilla Textile Park** - Attention is invited to Note no. 5.1 of the Consolidated Financial statements, TSIIC has undertaken deposit works for the development of the Siricilla Textile Park in Siricilla, Rajanna Siricilla District. The company received amounts of Rs.1,000.00 Lakhs on 27.08.2019 and Rs.500.00 Lakhs on 18.11.2019 from the Handloom & Textile Department, Government of Telangana State (GoTS). However, TSIIC has incurred a total expenditure of Rs. 14,148.89 Lakhs towards the development of the park. During the FY 2023-24, TSIIC has incurred Rs. 13,918.61 Lakhs for development of Sircilla Textile Park. As a result, the company has accounted for an outstanding amount of Rs.31,682.50 Lakhs (as at 31st March 2025: Rs. 31,682.50Lakhs) due from the Handloom & Textile Department, which has remained unpaid for long period.

vi. Attention is invited to Note no. Note no. 9, 20.2, 4, 7 and 10 of the consolidated financial statements, Company needs to establish a system for obtaining confirmation of balances for receivables, payables, advances, deposits and project stock held by the third party.

vii. **Borrowings from IALA (Due to IALA):**

Attention is invited to Note no. 20.1 in the Consolidated financial statements. Company has received an amount of Rs.37,098.03 lakhs from IALA, majorly consists of the following:

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| Sl. No | Year | Particulars | Amount (Rs. in Crores) | Purpose |
|---|---|---|---|---|
| 1 | FY 2018-19 | IALA Madhapur & IALA Cyberabad | 20.00 | Towards construction of T-Hub Phase II at Hyderabad Knowledge City, Raidurg, Panmaktha(V), |
| 2 | FY 2019-20 | IALA | 50.00 | Taken from IALA for affecting payments outstanding vendors / agencies executing IT infrastructure works pertaining to T-Hub (Phase – II), IT Towers in Karimnagar, Nizamabad, Khammam, Warangal and Mahabubnagar and T-Works. |
| 3 | FY 2019-20 | Registration Department, Telangana towards Stamp Duty registration of IALAs | 25.10 | Towards stamp duty for IALA registrations and is to be returned to the respective IALAs. |
| 4 | FY 2020-21 | IALA Auto Nagar, Rangareddy district | 2.00 | Towards GoTS share of MSME project -IP Auto nagar |
| 5 | FY 2020-21 | Commissioner TSIIC Madhapur | 4.34 | Towards Extension of 33KV Power supply for a CMD of 2000KVA with a connection load of 1600KW to T-Hub Phase II |
| 6 | FY 2021-22 | IALA | 100.00 | Towards repayment of deposit received from UNITECH Limited. |
| 7 | FY 2021-22 | IALA | 100.00 | Received from IALA for Expenditure works. |
| 8 | FY 2021-22 | IALA Manikonda | 27.68 | Towards depositing with RDO Rajendranagar for land acquisition for an extent of 10.1425 Acres at Vattinagulapally (V), Gandipet (M), Rajendranagar Dist for formation of 100 feet road from IP Osmansagar to Outer ring road. |
| 9 | FY 2021-22 | TSIIC IALA Palvoncha | 1.50 | State share amount received from IALA towards final approval for upgradation of Industrial Estate at palvoncha, Bhadradri. |
| | | | **330.62** | |

In accordance with Ind AS 32 – Financial Instruments: Presentation, the loan has been classified as a financial liability, since the arrangement gives rise to a contractual obligation to deliver cash in the future.

As there are no specified repayment terms and the loan is interest-free, its fair value at initial recognition has been considered to be equivalent to the carrying amount of ₹ 37,098.03 lakhs, which represents management's best estimate of its present value under

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Ind AS 109 – Financial Instruments: Recognition and Measurement and Ind AS 113 – Fair Value Measurement.

Our Opinion is not modified in respect of the above matter.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019. 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also are responsible for overseeing the financial reporting process of the company.

**Auditor's Responsibility for the audit of the Consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 SAs 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 Consolidated financial statements.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the Consolidated 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.

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

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

iv. Conclude on the appropriateness of management's 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 Consolidated 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.

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

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.




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**Other Matters:**

Company has prepared the financial statements of FY 2025-26 based on opening balances derived from audited financial statements for FY 2024-25. However, these financial statements and for the financial statements for FY 2021-22, FY 2022-23 and FY 2023-24 are yet to be adopted in the Annual General Meeting. Our audit is subject to the adoption of financial statements in the Annual General Meeting.

Further, the Financial Information with respect to nine Subsidiaries reflecting in this Consolidated Financial Statements is unaudited and have been furnished to us by the management which were approved by them in their Board Meetings.

Also, the Comptroller and Audit General under Section 143(6) of the companies act 2013, has not issued Final Comments for the Financial year 2024-25.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(5) of the Act, on the basis of verification of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure C"**, to this report a statement on the directions issued by Comptroller & Auditor General of India, to the extent applicable.

3. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) Except for the effects of the matters described in the Basis for Adverse Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

    c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Cash flow Statement dealt with by this Report are in agreement with the books of account.

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d) Except for the effects of the matters described in the Basis for Adverse of Opinion Paragraph, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) The matters specified in the Basis for Adverse of Opinion Paragraph, in our opinion, may not have an adverse effect on the functioning of the company.

f) Being a Government Company, the Company is exempt from the provisions of section 164(2) of the Act regarding disqualification of Directors, in terms of circular No. GSR 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India.

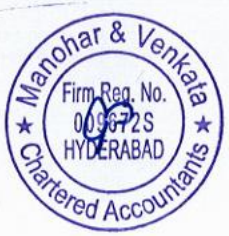
g) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse of Opinion Paragraph, read with paragraph 3(b) above;

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".** Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

   i. Due to the possible effects of the matters described in the Basis for Adverse of Opinion Paragraph, we are unable to state whether the Company has disclosed fully the impact of pending litigations on its financial position of the company as at 31st March 2026 as detailed in Note 31 of the accompanying financial statements.

   ii. Except for the effects of the matters described in the Basis for Adverse Opinion paragraph above we are unable to state whether the company has made adequate provision as at 31st March 2026, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts if any.



iii. According to the records of the company, no amount is required to be transferred to the Investor Education and Protection Fund by the Company during the reporting period.

iv.

- The management has represented that, to the best of its knowledge and belief, no funds have been advanced, loaned, or invested (either from borrowed funds, share premium, or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.

- The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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.

- Based on such audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. During the financial year 2025-26, no dividends were paid, and the board of directors has not proposed any dividend for the financial year ended 31st March 2026. Hence, reporting on compliance with Section 123 of the Act is not applicable.

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vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company. Accordingly, during the audit, it was observed that the company has enabled the audit trail feature in its system but the trail implemented is not effective and is improper. Specifically, the audit trail logs were incomplete, lacked key details (such as user identifications for certain transactions), and did not allow for adequate tracing of transactions. This results in non-compliance with the relevant provisions and the inability to track changes made in the system.

For **Manohar & Venkata**
Chartered Accountants
FRN: 0009672S

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

Date : 12-11-2026
Place: Hyderabad

**M.J. Manohar**
Partner-M No. 206612
UDIN: 26206612EHYKMW4491

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Telangana State Industrial Infrastructure Corporation Limited of even date.**

**i.**

a. The Company is not maintaining proper records showing full particulars, including quantitative details and the situation of property, plant, and equipment, and relevant details of right-of-use assets, and investment property to the value of PPE as shown in the Balance sheet.

b. The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of Order is not applicable to the company.

c. The Company does not have a program of physical verification of property, plant and equipment at the reasonable intervals. In our opinion, the periodicity of physical verification of fixed assets is not reasonable having regard to the size of the company and the nature of its assets. As there is no physical verification carried out during the year commenting on the discrepancy and dealing in the books of accounts is not applicable.

d. The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in Note No. 2 to the financial statements are not held in the name of the company, as the final orders approving the demerger scheme are awaited from the respective state governments/competent authorities. As mentioned in Note No. 2, Buildings include the 6th floor purchased by APIIC from APIDC, for which the sale deed has not yet been executed by APIDC Ltd. in favor of the erstwhile APIIC.

e. The company has not revalued any of its property, plant, and equipment (including right-of-use assets) or intangible assets during the year.

f. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

**ii.** In respect of Inventory of the Company

a. Company has not conducted physical verification of inventory since the incorporation of the company.

b. The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

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**iii.** During the year the company has not made investments 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 or any other parties except an investment and certain advances.

a. During the year company has given advances which are detailed as below.

| S. No | Name of the Related party | Nature of Relationship | Nature of Transaction | Aggregate Amount during the year | Balance as at 31.03.2026 |
|---|---|---|---|---|---|
| 2 | Ecity Manufacturing Cluster Limited | Subsidiary | Other Advances | 798.27 | 12,940.73 |
| 3 | Maheshwaram Science Park Limited | Subsidiary | Other Advances | 2,990.56 | 3,284.03 |
| 4 | Zaheerabad NIMZ Limited | Subsidiary | Other Advances | 64.31 | 745.93 |
| 5 | Hyderabad Pharma city Limited | Subsidiary | Other Advances | 223.94 | 9,946.56 |
| 6 | Bio Tech Hub Limited | Subsidiary | Other Advances | 0.1 | 1.05 |
| 7 | CETP-KMTP Warangal Ltd | Subsidiary | Other Advances | 58.53 | 2,553.1 |
| 8 | NICDIT ZHB Industrial Smart City | Subsidiary | Other Advances | 9.53 | 15.36 |

b. In our opinion, and according to the information and explanations given to us, the investments made are not prejudicial to the interest of the Company.

c. In respect of advances in the nature of loan given by the company there is no agreed schedule for repayment principal and interest. Hence, we are unable to comment on clause 3(iii)c, 3(iii)d and 3(iii)e of the order.

d. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

**iv.** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

**v.** In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

**vi.** The Company has failed to comply with the provision for maintenance of cost records as required under section 148(1) of the Companies Act, 2013 and as per rule 3(B) of Companies (Cost records and audit) Rules, 2014 as amended up to 16th July 2016 which is mandatory for the company for the financial year 2025-26.

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**vii.**

a. As per information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value-added tax, cess, and other material statutory dues applicable to the company have generally been regularly deposited by it with the appropriate authority.

There are no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value-added tax, cess, and other material statutory dues applicable to the company in arrears as at 31st March 2026 for a period of more than six months from the date they become payable, except the following:

| Name of the Statute | Nature of dues | Amount (Rs. in Lakhs) | Remarks |
|---|---|---|---|
| Mining & Geology Department | DMFT, SMET, Seigniorage | 21.40 | Dues pertain to multiple periods. Certain portion is long pending. |
| Building & Other Construction Workers' Welfare Cess [BOCWW Cess] | Labour cess | 10.47 | Dues pertain to multiple periods. Certain portion is long pending. |
| National Academy of Construction | NAC | 26.72 | Dues pertain to multiple periods. Certain portion is long pending. |
| Income Tax Department | TDS | 52.93 | Dues pertain to multiple periods. Certain portion is long pending. |




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b. where statutory dues in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value-added tax, cess, have not been deposited on account of any dispute except for Income tax and Goods and Service tax as mentioned below:

**(Rs. in Lakhs)**

| Name of the statute | Period to which the amount relates / Subject | Nature of Dues | Forum where dispute is pending | Amount |
|---|---|---|---|---|
| The Income Tax Act, 1961 | AY 2018-19 | Income Tax | CIT(A) | 265.22 |
| The Income Tax Act, 1961 | AY 2020-21 | Income Tax | Assessing Officer | 68.54 |
| The Income Tax Act, 1961 | AY 2020-21 | Income Tax | CIT(A) | 13,001.68 |
| The Income Tax Act, 1961 | AY 2021-22 | Income Tax | Assessing Officer | 604.32 |
| The Income Tax Act, 1961 | AY 2023-24 | Income Tax | Assessing Officer | 971.06 |
| The Income Tax Act, 1961 | AY 2024-25 | Income Tax | CIT(A) | 32,021.41 |
| CGST Act, 2017 | FY 2020-21 | GST | GST Authorities | 4.28 |

**viii.** There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

**ix.**

a. In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c. To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

d. On an overall examination of the Consolidated Financial Statements of the Company, funds raised on a short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e. Company has been sanctioned with a loan from State Bank of India (SBI) of Rs.1,00,000 lakhs for the purpose of development of Hyderabad Pharma City Project Phase I for which a separate SPV was formed by TSIIC in the form of wholly owned subsidiary named Hyderabad Pharma City Limited (M/s. HPCL). Out of sanctioned loan an amount of Rs.27,590.00 Lakhs was received during FY 2021-22 (on 28th February 2022) from SBI. No funds have been received during the current Financial Year from the bank. Details of transactions and the amounts received during FY 2021-22 are given below:

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(Rs. in Lakhs)

| Date | Name of the subsidiary | Nature of loan | Nature of transaction for which funds utilized | Name of Lender | Amount Involved |
|---|---|---|---|---|---|
| 28-02-2022 | Hyderabad Pharma City Limited | Long term loan | For HPCL Phase I Implementation | SBI | 27,590.00 |

Subsequently the loan has been closed as of 31-Mar-26

f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies hence reporting on clause 3(ix)(f) of the Order is not applicable.

**x.**

a. In our opinion and according to the information and explanations given to us, the company has utilized the money raised by way of initial public offer by issuing non-convertible debentures during the year. These are used for the purposes for which they were raised.

b. During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable. As per demerger scheme, 68053(Nos) shares of Rs.1000/- each, amounting to Rs.680.53 lakhs were allotted to TSIIC Ltd. The erstwhile APIIC Ltd. has not transferred the share certificate in the name of "TSIIC Ltd" and the shares are still in the name of "APIIC Ltd." Hence, the value of share capital for Rs.680.53 lakhs allotted to TSIIC Ltd. as per Demerger Scheme is shown under Share Capital Suspense Account.

**xi.**

a. In view of the matters stated in the basis for adverse opinion and weaknesses observed in the internal financial controls, we are unable to comment on the fraud by the company or any fraud on the company has been noticed or reported during the year.

b. To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors, in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c. As per the information and explanations received from the management, there are no whistle blower complaints received during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

**xii.** In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

**xiii.** In our opinion, the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with related parties, and details of related party transactions have been disclosed in the Consolidated Financial Statements as required by the applicable accounting standards.

**xiv.**

a. In our opinion, and based on our examination, the company has an internal audit system in

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place, but it is not commensurate with the size and nature of its business.

b. We have considered, the internal audit reports for the year under audit, issued to the Company for the year in determining the nature, timing and extent of our audit procedures which were made available to us.

**xv.** In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Act are not applicable to the Company.

**xvi.**

a. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

b. The Company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to obtain CoR for such activities from the Reserve Bank of India.

c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

d. As represented by the management, the Group does not have more than one Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

**xvii.** The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

**xviii.** There has been no resignation of the statutory auditors of the Company during the year.

**xix.** According to the information and explanations given to us and on the basis of the financial ratios (Refer Note 35.1 to the Consolidated Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**xx.**

a. According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section (5) of section 135 of the said Act.



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b. According to the information and explanations given to us and based on our examination of the records of the Company, there is an amount of Rs. 626.34 Lakhs remaining unspent (cumulatively till 31.03.2026) under sub section 5 of section 135 of the Act pursuant to any ongoing CSR project, and company has not transferred such amount to the special account which is in non-compliance with provision of sub section (6) of section 135 of the said Act.

**xxi.** Reporting under clause xxi is not applicable in respect of audit of Consolidated financial statements of the company. Accordingly, no comment has been included in respect of said clause under this report.

For **Manohar & Venkata**
Chartered Accountants
FRN: 0009672S

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

Date : 12-11-2026
Place: Hyderabad

**M.J. Manohar**
Partner-M No. 206612
UDIN:26206612EHVKMW4491

Manohar And Venkata
Chartered Accountants

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in Paragraph 3(h) under "Report on Other legal and Regulatory requirements" section of our report to the Members of M/s Telangana State Industrial Infrastructure Corporation Limited of even date.**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act") The Consolidated Financial Statements of M/s Telangana State Industrial Infrastructure Corporation Limited**

We have audited the Internal financial controls over financial reporting of **M/s Telangana State Industrial Infrastructure Corporation Limited** ("the Company") as of March 31, 2026 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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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 system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Basis of Qualified Opinion**

**Weak Internal Controls and Internal Checks**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Company's internal financial controls over financial reporting as at March 31, 2026.

1. The Company does not have an appropriate internal control system for ensuring capitalization of property, plant and equipment and due to delay in issuance of work completion certificate by respective engineering departments which has potentially resulted into under capitalization of property, plant and equipment and corresponding impact on operational results due to lower charge of depreciation.

2. The company does not have a system to conduct the physical verification of Capital Work in Progress (CWIP) to determine the actual stage of completion of the project as on March 31, 2026. Thus, the impact of the same is not ascertainable as on March 31, 2026.

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3. The Company does not have an appropriate internal control system to reconcile the financial account pertaining to Goods and Services Tax etc. with the relevant tax records and returns which can possibly result into under/over statement of such amounts in the financial statements.

4. The Company does not have an appropriate internal control to make management assertions with respect to "existence" of balances of assets and liabilities at the year end. The company is unable to provide party wise information with respect to balances such as Deposit towards land acquisition, Demerger balances, Miscellaneous credits, Advances given to various personals ledgers etc.

5. The company does not have an appropriate internal control to convert sale agreements into sale deeds even after the entrepreneurs have commenced business and satisfied the conditions for the transfer of ownership. This conversion of sale deeds affects the recognition of sales in the books of accounts of the company.

6. The company does not have an appropriate internal control for the recognition of land in the books of accounts. Due to a lack of information from the Lands Wing (Acquisition), the Finance team is unable to determine the recognition of land, which affects the value of stock presented in the financials.

7. The company does not have an appropriate internal control for the recognition/track of lands.

8. The company does not have appropriate internal controls for accounting transactions/events occurring in the zones. An accounting manual to facilitate proper and uniform accounting across all zonal offices has not been documented, leading to discrepancies in accounting treatments applied across zones.

9. The company does not have an appropriate internal control system for journal entries and lacks documented evidence of reviews performed with respect to journal entries.

10. The company does not have an appropriate internal control system for the computation of civil work bills and their components in the zones, leading to variations in the accuracy and valuation of such balances.

11. The company does not have an appropriate internal control system for the chargeability of centage on the works performed by the company, which impacts the valuation and completeness of revenue recognized in the books of accounts.

12. The company does not have an appropriate internal control system for the reconciliation and writing off of account balances for both receivables and payables.

13. The Company does not have an appropriate internal control system for the implementation of an ERP system. The lack of ERP system implementation, given the nature and volume of the organization's activities, exposes it to potential material weaknesses. The Company lacks an audit trail, which results in a lack of control over entries recorded and modifications/rectifications made in the ERP system.

14. The Company's internal financial control over seeking balance confirmations and periodic review of balances from various suppliers, service providers, consumers etc. are not

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operating effectively. These material weaknesses could potentially result in material misstatement in trade payables, trade receivables, liability and income of the Company

15. The company does not have appropriate internal financial controls over the onboarding of employees.

16. The company does not have appropriate internal financial controls over drafting proper accounting policies to reflect transactions/events with the Government of Telangana, thereby not presenting a true and fair account balance due to/payable by the company.

17. The Company does not have an appropriate internal control system over maintenance of records of Property, Plant & Equipment.

18. The company does not have an appropriate internal control system for the maintenance of records of stock held in its name.

19. The Company lacks appropriate internal controls for the reconciliation of Inventory, Property, Plant and Equipment, Grants, Deposits towards land acquisition, Lease premium, Sundry Debtors, Loans and Advances, Provisions, Sundry Creditors, and other Deposits.

20. The Company does not have an appropriate internal control system to verify compliance with statutory provisions, ensure proper revenue recognition, and ensure compliance with accounting standards.

21. The Company's design and implementation of Controls and procedures to ensure adherence to mandatory accounting standards and generally accepted Accounting Principles are not adequate and have material impact on the financial statements.

22. During the year the company has not conducted any System audit by any external firm / agency which would certify that the information security management system existing in the company is as per Information Security Management System Standards.

23. The company does not have a formal documented Business Continuity Plan (BCP), Restoration plan & Disaster Recovery Plan (DRP) that addresses all core processes, technologies.

24. **Delay in Execution of Sale Deeds -** As per the terms and conditions outlined in the Agreement towards the sale of land, the sale deed is to be executed after the fulfillment of the conditions attached to it. However, it has been noted that there are significant delays in the execution of sale deeds, even though the conditions have been fulfilled well in advance of the sale deed's execution date. This is because of absence of review mechanism at regular intervals by the company.

25. **Discrepancies in the Calculation of Taxable Value for GST on Civil Works –** Upon reviewing the civil works executed by the company for the development of industrial estates, discrepancies were noted in the calculation of the taxable value for levying GST. In certain cases, the taxable value included District Mineral Foundation Trust (DMFT) and State Mineral Exploration Trust (SMET) charges, while in other cases, these charges were not included in the taxable value.



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26. **Discrepancies in the Calculation of Centage charges on Civil Works** – Upon reviewing the civil works executed by the company for the development of industrial estates, discrepancies were noted in the calculation of the Centage charges. In certain cases, centage is calculated on Gross value which includes NAC and GST, while in other cases, these charges were not included in the taxable value.

27. **Discrepancies in Income Recognition Related to Building Permit Fees Collected by IALA** –The company is receiving a share of Building Permit Fees collected by IALA, which is accounted for as income under Other Operating Revenue. IALA collects building permit fees from allottees, sharing 10% of the collected fees with the company. However, it has been observed that in one particular zone, both 10% of the building permit fee and 100% of the processing fee collected from the allottees are transferred to company. In contrast, in other zones, only 10% of the building permit fee is shared with company.

    There is no established guideline regarding the sharing of income between company and IALA concerning fees collected for building permits. This inconsistency has resulted in discrepancies in the recognition of this income across different zones. In the absence of adequate information, we are unable to determine the impact on the financial statements.

28. **Discrepancy in calculation of FSD** – As per the terms of the work contract, the Final Security Deposit (FSD) is to be collected at 5% of the total value of work done. The process for collection is as follows:

    **2.5% of the Estimated Contract Value:** Collected at the commencement of the work.

    **Remaining 2.5%:** Collected at the time of payment of the final balance, which is calculated as 5% of the total value of work done less the 2.5% collected initially.

    However, it has been observed that in certain zones, the collection process deviates from the standard procedure. In these zones, 2.5% of the Estimated Contract Value is collected at the beginning of the work, and an additional 2.5% on the total value of work done is collected at the time of payment of the final balance. This results in an inconsistent application of the FSD collection process across different zones. In the absence of adequate information, we are unbale to comment on the impact on the financial statement.

29. The Company did not have an appropriate internal financial control system for physical verification of items of Property, Plant & Equipment of the company at various zones at reasonable intervals and adjustment of material discrepancies noticed during such verification.

30. The Company is executing certain civil works on behalf of the Government of Telangana and other government departments of Telangana State. However, it has been observed that the funds received and the expenditure incurred for these projects are being accounted for in a single ledger. This practice has resulted in a lack of clear identification of the funds received from each government department and the corresponding expenditure incurred towards the same.

31. Negative (Credit) balances under Asset or Expense Ledgers have been observed and shown net balances in the Consolidated Financial Statements.

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32. Positive (Debit) balances under Liability or Income Ledgers have been observed and shown net balances in the Consolidated Financial Statements.

33. During the year the company has not conducted any System audit by any external firm / agency which would certify that the information security management system existing in the company is as per Information Security Management System Standards.

34. We identified a material weakness in the company's internal controls over Work in Progress inventory, specifically inadequate procedures for tracking and valuing the Work in Progress. This weakness has resulted in a material misstatement of inventory in the amount of Rs. 23,86,776.98 Lakhs (Rs. 22,77,210.42 Lakhs as on 31st March 2025) which management has chosen not to correct. As a result, we were unable to obtain sufficient evidence regarding the accuracy of the WIP balances.

**Qualified Opinion**

In conjunction with our audit of the Consolidated financial statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to Consolidated financial statements of the Company.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company have maintained, in all material respects, adequate internal financial controls with reference to Consolidated financial statements and such internal financial controls with reference to Consolidated financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to Consolidated financial statements 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 (the "Guidance Note").
A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2026 Consolidated financial statements of the Company, and these material weaknesses have affected our opinion on the Consolidated financial statements of the Company and we have issued a qualified opinion on the Consolidated financial statements.

For **Manohar & Venkata**
Chartered Accountants
FRN: 0009672S

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

Date : 12-11-2026
Place: Hyderabad

**M.J. Manohar**
Partner-M No. 206612
UDIN:

H.No. 1-1-564 Sri Mahayogi Laxmamma Nivas Gandhinagar Hyderabad 500020
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Manohar And Venkata
Chartered Accountants

## ANNEXURE "C" TO THE INDEPENDENT AUDITORS' REPORT:

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **M/s Telangana State Industrial Infrastructure Corporation Limited of even date.**

**Report on the Directions of the Comptroller and auditor General of India required under sub section 5 of Section 143 of the Companies Act, 2013 ("the Act")**

Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of **M/s Telangana State Industrial Infrastructure Corporation Limited** (Consolidated) for the year 2025-26.

| S. No | Directions | Response |
|---|---|---|
| 1 | Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements. | The Company has made investments in various entities, resulting in the formation of subsidiaries, associates, and joint ventures.<br><br>Company has valued the Investments in subsidiaries at **Cost** based on the unaudited financials statements which were subsequently approved by Board of Directors of their entities.<br><br>Investments in associates and joint ventures have been measured at fair value, in accordance with Indian Accounting Standards (Ind AS), using audited financial statements. The management has adopted the Net Asset Value (NAV) method as the basis for valuation.<br><br>Similarly, Investments in other entities have been valued at fair value, based on audited financial statements prepared in accordance with Ind AS. The Net Asset Value method has also been applied by the management for these valuations.<br><br>We have not observed any deviations except reported by us in the Basis of Adverse opinion paragraph of this report.<br><br>For detailed investment data, refer to Note 4 of the Consolidated financial statements |

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| S. No | Directions | Response |
|---|---|---|
| 2 | Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. Whether a review of the IT system and controls significant to the Company's financial reporting process, including cyber security, had been carried out, and material discrepancies found, if any, may be stated | Yes, the Company has system in place to process all the accounting transactions through IT system (Tally).<br><br>Company has practice of accounting transactions out of IT system.<br><br>The company's policies result in certain balances and assets being excluded from the books of accounts, leading to financial statements that do not present a true and fair view. |
| 3 | Whether funds (grants/subsidies etc.) received/receivable for specific schemes from central/ state government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation. | Funds (grants/subsidies) received/receivable for specific schemes from central/state government agencies are accounted for as grants in the books of accounts.<br><br>The amount incurred/spent by the company is recorded along with other project expenditures. The amount spent on each project cannot be ascertained. In the absence of adequate information, we are unable to comment on the unspent amount.<br><br>For more details, refer to point 10, 11 & 12 in the audit report. |
| 4 | Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks?<br>If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately? | The risk Management policy framed by the company is not adequate. This Policy lacks on areas such as processes, evaluation of risks and mitigation plans etc.,<br><br>We are unable to comment more on this as the detailed policy is not provided for us. |

| S. No | Directions | Response |
|---|---|---|
| 5 | Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and | As the company has raised funds through public offer issuance of bonds during December 2024. Hence, the company has to comply with Securities and Exchange Board of |



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| S. No | Directions | Response |
|---|---|---|
| | other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable?<br>If not, the cases of deviation may be highlighted. | India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI.<br><br>The details of fees payable to legal advisors, lead managers, advertising and marketing expenses, underwriting commission, brokerage selling commission and upload fees, fees payable to the Registrar to the issue, fee payable to the regulators including stock exchanges, expenses incurred on printing and distribution of the issue stationery, stamp duty, other miscellaneous expenses (credit rating fees, arrangers fees & other misc. expenses) were not disclosed.<br><br>The Company has not complied with the requirements of forming various committees like audit committee, remuneration committee, stake holders relationship committee, risk management committee |
| 6 | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. | According to the information and explanations given to us and based on our examination of the records of the company, there has been no restructuring/ waiver/ write off of debts/loans/interest etc. made by a lender due to the company's inability to repay the loan. |

For **Manohar & Venkata**
Chartered Accountants
FRN: 0009672S

Manohar & Venkata ★ Chartered Accountants ★ Firm Reg. No. 009672S HYDERABAD

Date : 12-11-2026
Place: Hyderabad

**M.J. Manohar**
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UDIN: 26206612EHYKMW4491

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