

Manubhai & Shah LLP

Chartered Accountants

Independent Auditor's Report

To

The Board of Directors of Nesco Foundation for Innovation and Development

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Nesco Foundation for Innovation and Development** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Income and Expenditure (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 financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards 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 31st March 2022, the Surplus and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have

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determined that there are no key audit matters which need to be communicated to the members of the company.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors report including annexures but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Financial Results

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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results 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 financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.



Report on Other Legal and Regulatory Requirements

- 1) The Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, is not applicable to the Company.
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Income and Expenditure including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we would like to state that we are exempted from such reporting vide notification G.S.R 583 (E) dated 13th June, 2017;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we would like to state that section 197 is not applicable to the Company.
 - (h) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact on its financial position in its financial statements;
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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;
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person or entity, including foreign entity ("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;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
- (v) During the year the Company has neither declared nor paid any dividend.

**FOR MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS**

Firm's Registration No: 106041W/W100136



**ASHISH SHAH
PARTNER**

Membership No.: 103750

UDIN: 22103750AIZDVG3790



Mumbai, May 13, 2022

Nesco Foundation for Innovation & Development
(A Company licensed under section 8 of the Companies Act 2013)

Balance Sheet

(₹ in lakhs)

Particulars	Notes	As at 31 March	
		2022	2021
Assets			
Non-Current Assets			
Property, Plant and Equipment	2	4.68	-
Other Intangible Assets	3	0.34	0.43
Financial Assets			
Other Non Current Financial Assets	4	2.82	-
Total Non-Current Assets		7.84	0.43
Current Assets			
Financial Assets			
Cash and Cash Equivalents	5	6.18	0.21
Other Current Assets		0.70	0.20
Total Current Assets		6.88	0.41
Total Assets		14.72	0.84
Equity and Liabilities			
Equity			
Equity Share Capital	6A	1.00	1.00
Other Equity	6B	6.94	(1.00)
Total Equity		7.94	0.00
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities		3.60	-
Total Non-Current Liabilities		3.60	-
Current Liabilities			
Financial Liabilities			
Lease Liabilities		1.24	-
Trade Payables		-	-
Total Outstanding Dues of Micro Enterprises and Small Enterprises	7	-	-
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		0.98	0.14
Other Current Financial Liabilities	8	0.73	0.62
Other Current Liabilities	9	0.23	0.08
Total Current Liabilities		3.18	0.84
Total Equity and Liabilities		14.72	0.84

Notes forming part of the financial statements

1 to 22

As per our report of even date

For Manubhai & Shah LLP
Chartered Accountants
FRN: 106041W/W100136

Ashish Shah
Partner
Membership No : 103750

Mumbai, 13 May 2022



For and on behalf of the Board

Sudha S. Patel
Director
DIN - 00187055

Krishna S. Patel
Director
DIN - 01519572

Vietnam, 13 May 2022

Singapore, 13 May 2022



Nesco Foundation for Innovation & Development
(A Company licensed under section 8 of the Companies Act 2013)

Statement of Income and Expenditure

(₹ in lakhs)

Particulars	Notes	For the year	
		2021 - 2022	2020 - 2021
Income			
Donation Received against Ongoing project		100.22	9.84
Donation Received Others		10.50	-
Income from Other Sources		0.48	-
Total Income		111.20	9.84
Expenditure			
Expense on Incubation Facility		6.58	3.13
Expense on Education Facility		29.06	1.05
Expense on Covid-19 Safety & Hygiene measures		59.10	-
Depreciation and Amortisation Expenses		1.39	0.09
Finance Cost		0.42	-
Other Expenses	10	6.70	5.17
Total Expenditure		103.26	9.44
Surplus before tax		7.94	0.40
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Total Tax Expense		-	-
Surplus after tax for the year		7.94	0.40
Other Comprehensive Income (OCI)			
(A) Items that will not be reclassified to Statement of Profit and Loss		-	-
a) Remeasurement of Defined Benefit Plans - Net of Tax		-	-
b) Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through		-	-
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the year		7.94	0.40

Earning per Share (face value ₹ 10/- each)

Basic & Diluted (in ₹) 16 79.44 4.00

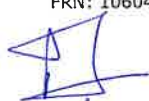
Notes forming part of the financial statements

1 to 22

As per our report of even date

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Cash Flow Statement

(₹ in lakhs)

Particulars	For the Year	
	2021-2022	2020-2021
A) Cash Flow From Operating Activities		
Surplus Before Income Tax	7.94	0.40
Add/(Less):		
Depreciation	1.39	0.09
Finance Cost	0.42	0.00
Operating Profit Before Change In Operating Assets And Liabilities	9.76	0.49
Add/(Less):		
(Increase)/Decrease in Other Operating Assets	(3.32)	(0.20)
Increase/(Decrease) in Trade Payables	0.85	0.14
Increase/(Decrease) in Other Operating Liabilities	0.25	(0.95)
Cash Generated From Operations	7.54	(0.52)
Add/(Less):		
Income Tax Paid (Net of Refund)	-	-
Net Cash Generated from Operating Activities - [A]	7.54	(0.52)
B) Cash Flow From Investing Activities		
Purchase of Fixed Assets / Capital Work In Progress / Capital Advances	(5.99)	0.00
Net Cash Used in Investing Activities - [B]	(5.99)	0.00
C) Cash Flow Used in Financing Activities		
Increase in Lease Liability	4.83	
Finance Cost	(0.42)	(0.00)
Net Cash Used in Financing Activities - [C]	4.41	(0.00)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	5.97	(0.52)
Cash and Cash Equivalents as at 01 April	0.21	0.73
Cash and Cash Equivalents as at 31 March	6.18	0.21

Notes:

- a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7)- Statement of Cash Flow

- b) Cash and Cash Equivalents comprises of
Cash On Hand
Balances With Banks in Current Accounts

(₹ in lakhs)	
2021-2022	2020-2021
6.18	0.21
6.18	0.21

As per our report of even date

For and on behalf of the Board

For Manubhai & Shah LLP
Chartered Accountants
FRN: 106041W/W100136

Ashish Shah
Partner
Membership No : 103750

Mumbai, 13 May 2022



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Singapore, 13 May 2022



**Nesco Foundation for Innovation and Development
Statement of Changes in Equity**

A. Equity Share Capital

(₹ in lakhs)				
Balance as at 01 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2021	Changes in equity share capital during the current year	Balance as at 31 March 2022
1.00	-	-	-	1.00

(₹ in lakhs)				
Balance as at 01 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2020	Changes in equity share capital during the previous year	Balance as at 31 March 2021
1.00	-	-	-	1.00

B. Other Equity

	As at 31 March	
	2022	2021
Retained Earnings		
Balance at the beginning	(1.00)	(1.40)
Surplus for the year	7.94	0.40
Balance at the end	6.94	(1.00)

As per our report of even date

For and on behalf of the Board

For Manubhai & Shah LLP
Chartered Accountants
FRN: 106041W/W100136



Ashish Shah
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Mumbai, 13 May 2022




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Vietnam, 13 May 2022



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DIN - 01519572

Singapore, 13 May 2022



1.Statement of significant accounting policies and practices

A. Corporate Information

Nesco Foundation for Innovation and Development ("the Company"), a non-profit making Company, within the meaning of Section 8 of the Companies Act, 2013, was incorporated in India on 9 October, 2019. The Company is primarily engaged in CSR activities which are mainly in line with the specified areas for CSR in Schedule VII of Companies Act, 2013.

B. Basis of preparation: - Compliance with Ind AS

These financial statements have been prepared in compliance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act 2013 (The Act) [the Companies (Indian Accounting Standards) Rules, 2015], and other relevant provisions of the Act, on the accrual basis under historical cost convention.

C. Use of estimates

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 the reported income and expenses during the year. The management believes that the estimates used in the 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 / materialized and if material, their effects are disclosed in the notes to the financial statements.

D. Current/ non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's Normal operating cycle and other criteria set out in Schedule-III of the Act. For the purpose of current / non-current classification of assets and liabilities, the company has ascertained its normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets and their realization in cash and cash equivalents.

E. Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test. Purchase cost and consultancy fees for major software are amortized over the useful life of the software. Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 6 years.

F. Revenue recognition

Revenue is recognized only when it can be reliably measured, and it is reasonable to expect ultimate collection.

G. Cash and cash equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.



H. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Investments and other Financial Assets:

(i) Classification:

The Company classifies its financial assets in following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on entity's business model for managing financial assets and the contractual terms of cash flow.

(ii) Initial recognition and measurement:

At initial recognition, the Company measures a financial asset at fair value, plus in case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transactions costs of financial assets carried at fair value through profit and loss are expensed in profit or loss.

(iii) Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. A gain or loss on such an instrument is recognised in profit or loss. Interest income from these financial assets is included in other income using effective interest method. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where represent solely payments of principal and interest, are measured at fair value initially as well as at each reporting date through other comprehensive income. Fair value movements in the carrying amount are recognized in the other comprehensive income, except for the recognition of impairment of gains and losses, interest revenue and foreign exchange gain or loss which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(v) Financial Assets measured at fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVTOCI are measured initially as well as at each reporting date at fair value through profit or loss as other income. Income from these financial assets is included in other income.

(vi) Investment in Subsidiary and Associates:



Nesco Foundation for Innovation and Development
Notes to Financial Statements

Investment in equity instruments of Subsidiaries and Associates are measured at cost in accordance with the option available in Ind AS 27, "Separate Financial Statements".

Investment in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in economic environment.

(vii) Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI.

Fair value changes in case of the equity instruments classified as FVTOCI are recognised in the Other Comprehensive Income. There is no subsequent reclassification of gains and losses from other comprehensive income to profit or loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains / (losses) in the statement of profit and loss. Dividend from such investments are recognised in profit and loss as other income when the Company's right to receive payments is established. Impairment loss (and reversal of impairment loss) on equity instruments measured at FVTOCI are not accounted separately from other changes in fair value.

(viii) Investment in Debt Instruments: A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

(ix) Impairment of Financial Assets: The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

(x) De-recognition of Financial Assets:

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

A financial asset is derecognised only when the Company –

- has transferred the right to receive cash flows from the financial asset or
- retains contractual rights to receive the cash flows of the financial asset, but assumes contractual obligation to pay the cash flows to one or more recipients or
- does not retain the control of the financial asset or
- does not have continuing involvement in the financial asset.



Nesco Foundation for Innovation and Development
Notes to Financial Statements

When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of financial assets. In such cases, financial asset is derecognised. When the entity has not transferred substantially all risks and rewards of ownership of financial asset, the financial asset is not derecognised.

(xi) Income recognition:

Interest income from debt instruments is recognised using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When computing effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments.

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

2. Financial Liabilities:

i) Classification:

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

ii) Initial recognition and measurement: All financial liabilities that are classified as to be subsequently measured not at Fair value through Profit and Loss (FVTPL), are recognised initially at fair value, being transaction price net of directly attributable transaction costs. Financial liabilities include trade and other payables, security deposits etc.

iii) Subsequent measurement: All Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. The EIR amortisation is included as finance costs in the statement of profit and loss.

iv) De-recognition of Financial Liabilities: A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3. Offsetting Financial Instruments:

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

I. Segment Reporting:

Operating segments have been identified on the basis of the nature of business activities from which the Company earns revenues or incurs expenses and for which discrete financial information is available. The Management monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Operating segments have been identified on the basis of the nature of products / services.

i) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.

ii) Expenses that are directly identifiable with/ or allocable to segments are considered for determining the segment result. Expenses which relate the Company as a whole and not allocable to segments are included in un-allocable expenditure.



Nesco Foundation for Innovation and Development
Notes to Financial Statements

- iii) Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
- iv) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

J. Earnings Per Share:

Basic Earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

K. Leases:

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than Rs. 1,00,000 in value). The Company recognizes the lease payments associated with these leases as an expense over the lease term.



Nesco Foundation for Innovation & Development
Notes Forming part of the Financial Statements

(₹ in Lakhs)

Note no.	Particulars	As at 31 March	
		2022	2021
2	Property, Plant and Equipment		
	Right of Use - Leasehold Land*		
	Opening Gross Carrying Amount	-	-
	Additions during the year	5.99	-
	Closing Gross Carrying Amount	5.99	-
	Opening accumulated depreciation	-	-
	Depreciation during the year	1.31	-
	Closing accumulated depreciation	1.31	-
	Closing Net Carrying Amount	4.68	-
	*Lease Agreement is duly executed in the favour of the company		
3	Other Intangible Assets		
	Opening Gross Carrying Amount	0.53	0.53
	Additions during the year	-	-
	Closing Gross Carrying Amount	0.53	0.53
	Opening accumulated depreciation	0.10	0.01
	Depreciation during the year	0.09	0.09
	Closing accumulated depreciation	0.19	0.10
	Closing Net Carrying Amount	0.34	0.43
4	Other Non Current Financial Assets		
	Security Deposits (Unsecured, Considered Good)	2.82	-
		2.82	-
5	Cash and Bank Balances		
	Cash & Cash equivalents		
	Cash On Hand	-	-
	Balances With Banks in Current Accounts	6.18	0.21
		6.18	0.21



Nesco Foundation for Innovation & Development
Notes Forming part of the Financial Statements

(₹ in Lakhs)

Note no.	Particulars	As at 31 March	
		2022	2021
6A	Equity Share Capital		
	Authorised		
	10,000 Equity shares of Rs 10 each	1.00	1.00
	(Previous year 10000 equity shares of Rs.10 each)		
	Issued and Paid-up		
	10,000 Equity shares of Rs 10 each	1.00	1.00
	(Previous year 10000 equity shares of Rs.10 each)		
		1.00	1.00
	<u>Reconciliation of shares outstanding at the beginning and at the end of the year</u>		
	At the beginning of the year	No. of Shares Rs.(in lakhs)	10,000 1.00
	Changes in Equity Share Capital during the year	No. of Shares Rs.(in lakhs)	- -
	At the end of the year	No. of Shares Rs.(in lakhs)	10,000 1.00
	<u>Details of Shares held by Holding Company</u>		
	Nesco Limited	No. of Shares % of Holding	9,999 99.99%
	<u>Details of Shareholders holding more than 5% Equity Shares</u>		
	Nesco Limited	No. of Shares % of Holding	9,999 99.99%
	<u>Details of Shares held by Promoters</u>		
	Nesco Limited	No. of Shares % of Holding % of change during the year	9,999 99.99% -
6B	Other Equity		
	Balance at the beginning	(1.00)	(1.40)
	Surplus for the year	7.94	0.40
	Balance at the end	6.94	(1.00)
<u>Terms / Rights Attached to Equity Shares</u>			
Each holder of Equity share is entitled to One vote per share held. The company being a company registered under Sec 8 of the Companies Act, 2013 is required to compulsorily apply its profit, if any, or other income in promoting its objective and is prohibited from the payment of any dividends to its member (shareholders). In the event of liquidation of the company, the holders of the equity shares shall be not be entitled to receive the remaining assets of the company after satisfaction of debts and liabilities. Such remaining assets shall be given or transferred to such other company registered under Sec 8 of the Companies Act, 2013 having similar objects, Subject to such conditions as the Tribunal may impose or may be sold and proceeds thereof credited to the rehabilitation and Insolvency Fund formed under section 269.			



Nesco Foundation for Innovation & Development
Notes Forming part of the Financial Statements

Note no.7

(₹ in lakhs)

Particulars	As at 31 March	
	2022	2021
Trade payables		
(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
(b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	0.98	0.14
Total	0.98	0.14

Trade Payables ageing schedule for the year ended 31 March 2022

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	0.98	-	-	-	0.98
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	0.98	-	-	-	0.98

Trade Payables ageing schedule for the year ended 31 March 2021

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	0.14	-	-	-	0.14
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	0.14	-	-	-	0.14

Note no.8

(₹ in Lakhs)

Particulars	As at 31 March	
	2022	2021
Other financial liabilities		
Payable to Employees	-	0.04
Other Payables	0.73	0.58
	0.73	0.62

Note no.9

(₹ in Lakhs)

Particulars	As at 31 March	
	2022	2021
Other current liabilities		
Payable Towards TDS / TCS	0.23	0.08
	0.23	0.08



Nesco Foundation for Innovation & Development
Notes Forming part of the Financial Statements

(₹ in Lakhs)

Note no.	Particulars	For the year	
		2021-2022	2020-2021
10	Other Expenses:		
	Administrative, Office & General Exps.	1.06	1.73
	Rent	-	0.66
	Legal & Professional Fees	1.94	0.76
	Audit Fees	0.54	0.40
	Software and IT Expenses	1.83	1.62
	Repairs & Maintenance Charges	0.07	-
	Miscellaneous Expenditure	1.27	-
		6.70	5.17

11 Category wise classification of financial instrument

The carrying value of financial instruments by categories as of 31 March 2022 is as follows

(₹ in Lakhs)

Financial Assets / Financial Liabilities	Amortised cost	Fair value through profit or loss	Fair value through comprehensive income	Total carrying value
Financial Assets				
Cash and cash equivalents	6.18	-	-	6.18
Other Financial Asset	2.82	-	-	2.82
Total Financial Assets	9.00	-	-	9.00
Financial Liabilities				
Lease Liability	4.83	-	-	4.83
Trade Payables	0.98	-	-	0.98
Other financial liabilities	0.73	-	-	0.73
Total Financial Liabilities	6.55	-	-	6.55

The carrying value of financial instruments by categories as of 31 March 2021 is as follows

(₹ in Lakhs)

Financial Assets / Financial Liabilities	Amortised cost	Fair value through profit or loss	Fair value through comprehensive income	Total carrying value
Financial Assets				
Cash and cash equivalents	0.21	-	-	0.21
Total Financial Assets	0.21	-	-	0.21
Financial Liabilities				
Other financial liabilities	0.62	-	-	0.62
Trade Payables	0.14	-	-	0.14
Total Financial Liabilities	0.76	-	-	0.76



Nesco Foundation for Innovation and Development
Notes forming part of Financial Statements

Note 12 - Contingent Liabilities and Commitments:

- Income tax demand disputed by the Company ₹ Nil.
- Claims against the Company not acknowledged as debts ₹ Nil.
- Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ Nil.

Note 13 - Disclosure under the MSMED Act 2006:

Disclosure under the MSMED Act 2006 is provided as under for the year 2021-22, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in lakhs)		
Particulars	As at 31 March 2022	As at 31 March 2021
1. Principal amount and the interest due thereon remaining unpaid in each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to Micro and Small Enterprise	-	-
Interest due on above	-	-
2. Interest paid by the company in terms of Section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
3. Interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed day during the period), but without adding interest specified under the MSMED Act 2006	-	-
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
5. Interest due and remaining payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified based on information collected by the Management. This has been relied upon by the auditors.



Nesco Foundation for Innovation and Development
Notes forming part of Financial Statements

Note 14 - Disclosure as per Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- a) There are no Investments made in related party during the year.
- b) There are no loans given to any related party during the year.
- c) There are no guarantees issued by the Company in accordance with Section 186 of the Companies Act, 2013 read with rules issued thereunder

Note 15 - Related party disclosures:

- (a) List of related parties and relationships

Parent / Holding Company	(i)	Nesco Limited
Key management personnel (Director)	(i)	Mr. Krishna S. Patel
	(ii)	Mrs. Sudha S. Patel (w.e.f. 11 November 2021)
	(iii)	Mr. Sumant J. Patel (left for his heavenly abode on 17 November 2021)

- (b) Related party transactions: -

(₹ in lakhs)		
Particulars	For the year 2021-2022	For the year 2020-2021
Amounts received as donation from Nesco Limited	100.22	9.84
Rent Paid to Mr Sumant J. Patel	1.42	0.66

Note 16 - Earnings per share:

(₹ in lakhs)		
Particulars	2021-22	2020-21
Surplus after Tax as per statement of Income and Expenditure (₹ in lakhs)	7.94	0.40
Weighted average Number of equity shares outstanding during the years	10000	10000
Basic and diluted earnings per share in Rupees (Face value- ₹ 10 per share)	79.44	4.00

Note 17 - Segment Reporting:

The Company is only engaged in implementing/providing CSR activities for Nesco Limited and there are no reportable segments.



Nesco Foundation for Innovation and Development
Notes forming part of Financial Statements

Note 18 - Leases:

Pursuant to Ind AS 116 – Leases, following information is disclosed:

Company as Lessee:

NFID recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

NFID has taken a part of land at Karamsad, Gujarat under non-cancellable Operating Lease. These lease rentals are payable on monthly basis. It recognizes this lease as right of use assets and lease liability.

The company recognises the lease payments associated with these leases as an expense over the lease term. There is no contingent rent payable to lessors under the lease agreements.

The following is the carrying amounts of Company's Right of Use assets (ROU), Movement in liabilities, amount recognized in Income & Expenditure and Cash outflow for ROU assets: -

(₹ in lakhs)

Particulars	2021 – 22	2020 – 21
Additions to Right of Use Assets	5.99	-
Depreciation for Right of Use Assets	1.31	-
Carrying Amount of Right of Use Assets	4.68	-
Interest Expense on Lease Liabilities	0.42	-
Repayment of Right of Use Assets	1.58	-

Contractual maturity analysis of undiscounted lease liabilities is given below:-

Particulars	As at 31 st March 2022	As at 31 st March 2021
Less than one year	1.58	-
One to two years	1.58	-
Two to five years	2.49	-
More than five years	-	-
Total	5.65	-



Nesco Foundation for Innovation & Development
Notes Forming part of the Financial Statements

Note 19 - Ratio Analysis

Note 19 - Ratio Analysis											
Sr.No.	Particulars	(₹ in lakhs)		(₹ in lakhs)		Denominator		Ratios		Variance (in %)	
		Particulars	Numerator	2021-22	2020-21	Particulars	2021-22	2020-21	2021-22		2020-21
1	Current Ratio	Current Assets		6.88	0.41	Current Liabilities	3.18	0.84	2.17	0.49	342.10*
2	Debt Equity Ratio	Total Debt (Borrowings)		-	-	Shareholder's Equity	-	-	NA	NA	NA
3	Debt Service Coverage Ratio	Net Operating Income		-	-	Debt Service	-	-	NA	NA	NA
4	Return on Equity Ratio	Profit		-	-	Average Shareholders Equity	-	-	NA	NA	NA
5	Inventory Turnover Ratio	Sales		-	-	Average Inventory	-	-	NA	NA	NA
6	Trade Receivables Turnover Ratio	Revenue from Operations		-	-	Average Trade Receivables	-	-	NA	NA	NA
7	Trade Payables Turnover Ratio	Total Purchases		-	-	Average Trade Payables	-	-	NA	NA	NA
8	Net Capital Turnover Ratio	Net Sales		-	-	Average Working Capital	-	-	NA	NA	NA
9	Net Profit Ratio	Surplus		-	-	Net Sales	-	-	NA	NA	NA
10	Return on Capital employed	EBIT		-	-	Capital Employed	-	-	NA	NA	NA
11	Return on Investment	Return/Profit/Earnings		-	-	Average Investment	-	-	NA	NA	NA

*Excess balance of funds



Note 20 - Additional Regulatory Information required by Schedule III to the Companies Act, 2013.

- (i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (iv) Utilisation of borrowed funds and share premium
 - I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) 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
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
 - II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (v) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (vi) The Company has not traded or invested in crypto currency or virtual currency during the current year and previous year.
- (vii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- (viii) During the current year and previous year, the company had no transactions with struck off companies.

Note 21 - Previous year figures are regrouped wherever necessary.

Note 22 - The financial statements are approved for issue by the Board of Directors at its meeting held on 13 May 2022.

