

NESCO HOSPITALITY PRIVATE LIMITED

CIN : U55204MH2014PTC260414

Regd. Office : Hall No. 1, Nesco Center, Western Express Highway,
Goregaon (East), Mumbai- 400063.

Telephone no.: 022 66450123

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 7th Annual Report of the Company together with the audited financial statements of the Company for the year ended 31 March 2021.

1. Financial Results:

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Income	3.95	16.04
Profit before depreciation and Tax	(4.77)	7.79
Depreciation	-	-
Profit before taxes	(4.77)	7.79
Provision for taxes	-	1.96
Short / Excess provision for taxes for earlier years	-	(5.60)
Net Profit after tax for the year	(4.77)	11.43
Balance brought forward	274.72	279.48
Earnings Per Share	(1.91)	4.57

2. Dividend:

Your Directors do not propose any dividend for the year under review.

3. Share Capital:

The paid up equity capital as on 31 March 2021 was ₹ 25,00,000/-. Your Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity during the financial year.

4. Directors:

There is no change in the constitution of the Board of Directors during the year under review.

5. Board Meetings:

Pursuant to Section 134(3)(b), during the year under review, four Board Meetings were conveyed and held on 11 May 2020, 24 July 2020, 02 November 2020 and 02 February 2021. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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6. Directors' Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that: -

- a) in the preparation of the annual accounts for the financial year ended 31 March 2021, the applicable accounting standards and schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31 March 2021 and of the profit and loss of the Company for the financial year ended 31 March 2021;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and,
- f) proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

7. Auditors and Audit Report:

Pursuant to the provisions of Section 139 (1) and 141, of the Companies Act, 2013, the Company has received a certificate from the Auditors to the effect that the proposed appointment is in accordance with the limits specified under Section 139(9) of the Companies Act, 2013.

Audit Report is self-explanatory and does not contain any adverse remarks or disclaimer, which your Directors require to explain pursuant to Clause (f) of Section 134 of the Companies Act, 2013.

8. Public Deposits:

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the period under review.

9. Safety, Health and Environment:

Your Company recognizes its role in health and safety, as well as its responsibility towards environment and society. Safety and security of personnel, assets and environmental protection are also on top of the agenda of the Company at its manufacturing facilities. Clean environment and sustainable development integrated with the business objective is the focus of operations of the Company.

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10. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The Company is undertaking the necessary energy conservation activities in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

There were no foreign exchange earnings and outgo during the year under review.

11. Particulars of Loan, Guarantee or Investments:

The Company has not made investments under provisions of Section 186 of the Companies Act, 2013.

12. Particulars of Employees:

There was no employee in respect to whom information is required to be given pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

13. Merger with Nesco Limited:

Pursuant to Section 233 of the Companies Act, 2013, the Scheme of Amalgamation of Nesco Hospitality Private Limited with Nesco Limited as approved by the shareholders of the Company is submitted to the Regional Director for the approval. Order for the Amalgamation is awaited.

14. Extract of Annual Return:

The Annual Return of the Company as on 31 March 2021 is prepared in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014.

15. Related Party Transactions:

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

16. Acknowledgment:

The Directors thank the shareholders, customers and vendors for the support. The Directors also thank all employees of the Company for their valuable contribution.

For and on behalf of the Board of Directors

Dipesh R. Singhania
Chairman
Mumbai, 25 May 2021

(₹ in lakhs)

Particulars	Notes	As at 31 March	
		2021	2020
Assets			
Non-Current Assets			
Property, Plant and Equipment		-	-
Financial Assets			
Loans / Sundry Deposits	2	10.19	10.79
Non Current Tax Assets (Net)	3	0.11	-
Total Non-Current Assets		10.30	10.79
Current Assets			
Inventories		4.91	5.69
Financial Assets			
Trade Receivables		-	-
Cash and Cash Equivalents	4	338.12	321.53
Other Current Assets	5	3.50	0.11
Total Current Assets		346.52	327.33
Total Assets		356.82	338.11
Equity and Liabilities			
Equity			
Equity Share Capital	6	25.00	25.00
Other Equity		274.72	279.48
Total Equity		299.72	304.48
Liabilities			
Non-Current Liabilities			
		-	-
Total Non-Current Liabilities		-	-
Current Liabilities			
Financial Liabilities			
Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		0.09	-
Other Current Financial Liabilities	7	56.98	33.06
Other Current Liabilities	8	0.02	0.12
Current Tax Liabilities (Net)		-	0.45
Total Current Liabilities		57.09	33.63
Total Equity and Liabilities		356.82	338.11

Notes forming part of the financial statements

1 to 18

As per our report of even date

For and on behalf of the Board

For Arvind & Co
Chartered Accountants
FRN. 100569W

Gaurang A Patel
Partner
Membership No : 036700

Mumbai, 25 May 2021

Krishna S. Patel
Director
DIN- 01519572

Panaji, 25 May 2021

Dipesh R. Singhania
Director
DIN- 03608903

Mumbai, 25 May 2021

Nesco Hospitality Private Limited

CIN: U55204MH2014PTC260414

Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Notes	For the Year	
		2020-2021	2019-2020
Revenue			
Income from Operations		0.32	0.41
Income from Other Sources		3.63	15.63
Total Income		3.95	16.04
Expenses			
Cost of Materials Consumed	9	0.78	0.22
Employee Benefits Expenses	10	-	0.01
Finance Cost		-	0.02
Other Expenses	11	7.93	8.01
Total Expenses		8.72	8.25
Profit/(Loss) before tax		(4.77)	7.79
Tax Expense			
Current Tax		-	1.96
Deferred Tax		-	-
Income Tax for Earlier Year		-	(5.60)
Total Tax Expense		-	(3.64)
Profit/(Loss) after tax		(4.77)	11.43

Notes forming part of the financial statements

1 to 18

As per our report of even date

For and on behalf of the Board

For Arvind & Co
Chartered Accountants
FRN. 100569W

Gaurang A Patel
Partner
Membership No : 036700

Krishna S. Patel
Director
DIN- 01519572

Dipesh R. Singhanian
Director
DIN- 03608903

Mumbai, 25 May 2021

Panaji, 25 May 2021

Mumbai, 25 May 2021

Nesco Hospitality Private Limited

CIN: U55204MH2014PTC260414

Cash Flow Statement for the year ended on 31 March 2021

(₹ in lakhs)

Particulars	Year	
	2020-2021	2019-2020
A) Cash Flow From Operating Activities		
Net Profit Before Income Tax	(4.77)	7.79
Add/(Less):		
Interest Income	(3.59)	(15.16)
Finance Cost	-	0.02
Sundry Creditors/Liabilities Written Back (Net)	(0.04)	(3.63)
Operating Profit Before Change In Operating Assets And Liabilities	(8.39)	(15.14)
Add/(Less):		
(Increase)/Decrease in Inventory	0.78	(5.69)
(Increase)/Decrease in Trade & Other Receivable	-	(0.17)
(Increase)/Decrease in Other Operating Assets	(3.39)	-
Increase/(Decrease) in Trade Payables	0.09	0.76
Increase/(Decrease) in Provisions	-	12.89
Increase/(Decrease) in Other Operating Liabilities	23.86	21.35
Cash Generated From Operations	12.95	0.43
Add/(Less):		
Income Tax Paid (Net of Refund)	(0.56)	(5.23)
Net Cash Generated from Operating Activities - [A]	12.39	(4.80)
B) Cash Flow From Investing Activities		
Investments in Deposits	0.60	
Interest Received	3.59	15.16
	-	15.16
Net Cash Used in Investing Activities - [B]	4.19	15.16
C) Cash Flow Used in Financing Activities		
Finance Costs Paid	-	(0.02)
	-	(0.02)
Net Cash Used in Financing Activities - [C]	-	(0.02)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	16.59	10.35
Cash and Cash Equivalents as at 01 April	321.53	311.18
Cash and Cash Equivalents as at 31 March	338.12	321.53

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
Other Balances with Banks
Balances With Banks in Current Accounts

Year	
2020-2021	2019-2020
-	-
-	14.19
338.12	307.34
338.12	321.53

As per our report of even date

For and on behalf of the Board

For Arvind & Co
Chartered Accountants
FRN. 100569W

Gaurang A Patel
Partner
Membership No : 036700

Mumbai, 25 May 2021

Krishna S. Patel
Director
DIN- 01519572

Panaji, 25 May 2021

Dipesh R. Singhania
Director
DIN- 03608903

Mumbai, 25 May 2021

1. Statement of significant accounting policies and practices

A. Corporate Information

Nesco Hospitality Private Limited ("NHPL" or the "Company"), incorporated on 26 December 2014, is a 100% subsidiary of Nesco Limited which is a public limited Company. The Company is primarily engaged in the business of providing hospitality services.

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. Revenue recognition

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

D. Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a weighted average basis) or net realizable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase.

E. Employee benefits

- i. Short term employee benefits payable within twelve months of rendering the service are classified as short term employee benefits and they are recognised as an expense in the statement of profit and loss.
- ii. Post-employment and other long term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long-term benefits are charged to the statement of profit and loss.

F. Trade receivables

Trade receivables are stated after writing off debts considered as bad.

G. Provisions and contingencies

The company creates a provision when there exists a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources, when there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

H. 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.

Nesco Hospitality Private Limited

Notes Forming part of the Financial Statements

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
2 Loans / Sundry Deposits		
Security Deposits with Public Bodies	10.19	10.79
	10.19	10.79
3 Non Current Tax Assets		
Advance Payment of Income Tax (Net)	0.11	-
	0.11	21.57
4 Cash and Bank Balances		
Cash On Hand	-	-
Other Balances with Banks	-	14.19
Balances With Banks in Current Accounts	338.12	307.34
	338.12	321.53
5 Other Current Assets		
Advance Recoverable in Cash Or Kind	3.50	-
GST credit to be availed and other prepaid taxes	-	0.11
	3.50	0.11
6 Equity Share Capital		
Authorised		
1,000,000 Equity Shares of Rs. 10 each	100.00	100.00
Issued and Paid-up		
250,000 Equity Shares of Rs. 10 each	25.00	25.00
	25.00	25.00
<u>Details of Shareholders holding more than 5% Equity Shares</u>		
Nesco Limited	No. of Shares	2,50,000
	% of Holding	100.00%
<u>Reconciliation of number of shares outstanding</u>		
Issued on incorporation of the Company	2,50,000	2,50,000
Outstanding at the end of the year	2,50,000	2,50,000
<u>Terms / Rights Attached to Equity Shares</u>		
The company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuring annual general meeting.		
7 Other Financial Liabilities		
Other Payables	54.98	33.06
Security Deposits	2.00	-
	56.98	33.06
8 Other Current Liabilities		
Payable Towards TDS / TCS	0.02	0.12
	0.02	0.12

Nesco Hospitality Private Limited

Notes Forming part of the Financial Statements

(₹ in lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
9	Food and Beverages Consumed		
	Opening Stock	5.69	-
	Add : Purchases	-	5.90
	Less: Closing Stock	4.91	5.69
		0.78	0.22
10	Employee Benefits expenses		
	Salary, wages and allowances	-	-
	Company's Contribution to PF & ESIC	-	0.01
		-	0.01
11	Other Expenses:		
	Audit Fees	0.30	0.30
	Legal & Professional Fees	0.48	0.75
	Printing, Stationery, Postage and Communication expenses	0.22	-
	Rates and Taxes	6.93	6.96
		7.93	8.01

*Legal and Professional Fees include GST Input Credit written off Rs. 0.11 lakhs Related to previous year FY 2019-20.

12 Category wise classification of financial instrument

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	338.12	-	-	338.12
Total Financial Assets	338.12	-	-	338.12
Financial Liabilities				
Trade Payables	0.09	-	-	0.09
Other financial liabilities	56.98	-	-	56.98
Total Financial Liabilities	57.07	-	-	57.07

The carrying value of financial instruments by categories as of 31 March 2020 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	321.53	-	-	321.53
Total Financial Assets	321.53	-	-	321.53
Financial Liabilities				
Trade Payables	-	-	-	-
Other financial liabilities	33.06	-	-	33.06
Total Financial Liabilities	33.06	-	-	33.06

13 Earnings per share:

Particulars	2020-2021	2019-2020
a) Profit / (Loss) after tax (₹ in Lakhs)	(4.77)	11.43
b) Number of equity shares outstanding	250,000	250,000
c) Face value of each equity share (₹)	10	10
d) Basic and diluted earnings per share (₹)	(1.91)	4.57

14 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)	Mr. Dipesh R. Singhanian

(b) Related party transactions: -

Particulars	For the year 2020-2021	For the year 2019-2020
Transactions during the year with Nesco Limited	21.88	12.38

(₹ in Lakhs)

15 There are no amounts due or interest payable thereon due to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006

16 Segment Information:

The Company is engaged only in the business segment of providing hospitality services and there are no other reportable business segments.

17 Previous year figures are regrouped wherever necessary.

18 The financial statements are approved for issue by the Board of Directors at its meeting held on 25 May 2021.

As per our report of even date
For Arvind & Co.
Chartered Accountants

For and on behalf of the Board

Gaurang A. Patel
Partner
Membership No. 036700
Firm Registration No. 100569W
Mumbai, 25 May 2021

Krishna S Patel
Director

Dipesh R Singhanian
Director

Panaji, 25 May 2021

Mumbai, 25 May 2021

To,
 The Members
Nesco Foundation for Innovation and Development

Board of Directors have pleasure in presenting the 2nd Annual Report of the Company together with the audited financial statements for the financial year ended 31 March 2021.

1. Financial Results

(₹ in lakhs)

Particulars	For the year ended 31.03.2021	For the period 09.10.2019 to 31.03.2020
Income	9.84	0.61
Expenditure	9.44	2.01
Surplus / (Deficit) for the year	0.40	(1.40)
Earning per Share (in ₹)	4.00	(14.00)

2. Share Capital

The paid-up equity capital as on 31 March 2021 was ₹ 1,00,000/-.

3. Directors

There is no change in the constitution of the Board of Directors during the year under review.

4. Board Meetings

Pursuant to Section 134(3)(b), during the year under review, five Board Meetings were conveyed and held on 11 May 2020, 24 July 2020, 05 August 2020, 02 November 2020 and 02 February 2021. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

5. Directors' Responsibility Statement as required under Section 134(3)(C) of the Companies Act, 2013

The Directors state that: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation by way of notes to accounts relating to material departures;
- The selected accounting policies were applied consistently and the judgments and estimates made by them are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31 March 2021 and of the profit and loss of the Company for the year ended on that date;

- c. The proper and sufficient care has been taken for the 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 fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal controls are adequate and were operating effectively.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. Auditors and Audit Report

The Board of Directors in their meeting held on 11 May 2020 in accordance with the provisions of Section 139(1) of the Companies Act, 2013, had appointed M/s Manubhai & Shah LLP, to act as the Statutory Auditors of your Company for a period of five years i.e., till the conclusion of the 6th Annual General Meeting. The Company had received certificate from the Auditors to the effect that the appointment is in accordance with the limits specified under Section 139(9) of the Companies Act, 2013.

The Notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

7. Safety, Health and Environment

Your Company recognizes its role in health and safety, as well as its responsibility towards environment and society. Safety and security of personnel, assets and environmental protection are also on top of the agenda of the Company.

8. Conversion of energy, technology absorption, foreign exchange earnings and outgo

The provisions of Section 134(3)(m) of the Companies Act, 2013, relating to conservation of energy and technology absorption are not applicable to the Company.

There is no foreign exchange earnings and outgo during the year under review.

9. Particulars of Loan, Guarantee or Investments

Your Company has not made investments under provisions of Section 186 of the Companies Act, 2013.

10. Particulars of Employees

There is no employee in respect to whom information is required to be given pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

11. Annual Return

The Annual Return of the Company as on 31 March 2021 is prepared in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014.

12. Subsidiaries

Your Company is a Wholly Owned Subsidiary of Nesco Limited. There are no subsidiaries of your Company.

13. Related Party Transactions

There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

All Contracts or arrangements or transactions entered by the Company with Related Parties were in its ordinary course of business and on an arm's length basis.

14. Indian Accounting Standards

Your Company has adopted Indian accounting Standard (Ind AS) notified by the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 2013 and general circulars issued from time to time.

15. Acknowledgement

Your Directors thank the shareholders, customers and vendors for the support. The Directors also thank all employees of the Company for their valuable contribution.

For and on behalf of the Board

Sumant J. Patel
Director
(DIN: 00186976)

Mumbai
25 May 2021

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	
		2021	2020
Assets			
Non-Current Assets			
Other Intangible Assets	2	0.43	0.52
Total Non-Current Assets		0.43	0.52
Current Assets			
Financial Assets			
Cash and Cash Equivalents	3	0.21	0.73
Other Current Assets		0.20	-
Total Current Assets		0.41	0.73
Total Assets		0.84	1.25
Equity and Liabilities			
Equity			
Equity Share Capital	4a	1.00	1.00
Other Equity	4b	(1.00)	(1.40)
Total Equity		-	(0.40)
Liabilities			
Non-Current Liabilities			
		-	-
Total Non-Current Liabilities		-	-
Current Liabilities			
Financial Liabilities			
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		0.14	-
Other Current Financial Liabilities	5	0.62	1.65
Other Current Liabilities	6	0.08	-
Provisions - Current		-	-
Current Tax Liabilities (Net)		-	-
Total Current Liabilities		0.84	1.65
Total Equity and Liabilities		0.84	1.25

Notes forming part of the financial statements

1 to 17

As per our report of even date

For and on behalf of the Board

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

Darshan Shah
Partner
Membership No : 131508

Sumant J. Patel
Director
DIN- 00186976

Krishna S. Patel
Director
DIN- 01519572

Mumbai, 25 May 2021

Panaji, 25 May 2021

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 ended 31.03.2021	For the period 09th October 2019 to 31st March 2020
Income			
Donation Received		9.84	0.61
Total Income		9.84	0.61
Expenditure			
Expense on Incubation Facility		3.13	-
Expense on Education Facility		1.05	-
Depreciation and Amortisation Expenses		0.09	0.01
Other Expenses	7	5.17	2.00
Total Expenditure		9.44	2.01
Surplus / (Deficit) for the period		0.40	(1.40)
Earning per Share (face value ₹ 10/- each)	14		
Basic & Diluted (in ₹)		4.00	(14.00)

Notes forming part of the financial statements

1 to 17

As per our report of even date

For and on behalf of the Board

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

Darshan Shah
Partner
Membership No : 131508

Sumant J. Patel
Director
DIN- 00186976

Krishna S. Patel
Director
DIN- 01519572

Mumbai, 25 May 2021

Panaji, 25 May 2021

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

Cash Flow Statement

(₹ in lakhs)

Particulars	For the Year Ended	
	31.03.2021	31.03.2020
A) Cash Flow From Operating Activities		
Net Profit Before Income Tax	0.40	(1.40)
Add/(Less):		
Depreciation	0.09	
Finance Cost	0.00	
	- 0.09	-
Operating Profit Before Change In Operating Assets And Liabilities	0.49	(1.40)
Add/(Less):		
(Increase)/Decrease in Other Operating Assets	(0.20)	-
Increase/(Decrease) in Trade Payables	0.14	
Increase/(Decrease) in Provisions	-	1.65
Increase/(Decrease) in Other Operating Liabilities	(0.95)	(1.01)
Cash Generated From Operations	(0.52)	0.25
Add/(Less):		
Income Tax Paid (Net of Refund)	-	-
Net Cash Generated from Operating Activities - [A]	(0.52)	0.25
B) Cash Flow From Investing Activities		
Purchase of Fixed Assets / Capital Work In Progress / Capital Advances	0.00	(0.52)
	- 0.00	(0.52)
Net Cash Used in Investing Activities - [B]	0.00	(0.52)
C) Cash Flow Used in Financing Activities		
Receipt for Share Capital Money from Holding Company	-	1.00
Net Cash Used in Financing Activities - [C]	(0.00)	1.00
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(0.52)	0.73
Cash and Cash Equivalents as at 01 April	0.73	-
Cash and Cash Equivalents as at 31 March	0.21	0.73

Notes:

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting

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

(₹ in lakhs)	
2020-2021	2019-2020
-	-
0.21	0.73
0.21	0.73

As per our report of even date

For and on behalf of the Board

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

Darshan Shah
Partner
Membership No : 131508

Mumbai, 25 May 2021

Sumant J. Patel
Director
DIN- 00186976

Krishna S. Patel
Director
DIN- 01519572

Panaji, 25 May 2021

Nesco Foundation for Innovation and Development
Statement of Changes in Equity

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
A	Equity Share Capital		
	Balance at the beginning	1.00	-
	Changes in equity share capital during the year	-	1.00
	Balance at the end	1.00	1.00
B	Other Equity		
	Retained Earnings		
	Balance at the beginning	(1.40)	-
	Profit / (Loss) for the year	0.40	(1.40)
	Balance at the end	(1.00)	(1.40)

As per our report of even date

For and on behalf of the Board

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

Darshan Shah
Partner
Membership No : 131508

Sumant J. Patel
Director
DIN- 00186976

Krishna S. Patel
Director
DIN- 01519572

Mumbai, 25 May 2021

Panaji, 25 May 2021

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 9th October, 2019. The Company is wholly owned subsidiary of Nesco Limited and primarily engaged in implementing Corporate Social Responsibility projects of parent company.

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:

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.

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.
- 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

Particulars	31.03.2021	31.03.2020
2 Other Intangible Assets		
Opening Gross Carrying Amount	0.53	-
Additions during the year	-	0.53
Closing gross carrying amount	0.53	0.53
Opening accumulated depreciation	0.01	-
Depreciation during the year	0.09	0.01
Closing accumulated depreciation	0.10	0.01
Closing Net Carrying Amount	0.43	0.52
3 Cash and Bank Balances		
Cash On Hand	-	-
Balances With Banks in Current Accounts	0.21	0.73
	0.21	0.73
4a Equity Share Capital		
Authorised		
10,000 Equity shares of Rs 10 each	1.00	1.00
Issued and Paid-up		
10,000 Equity shares of Rs 10 each	1.00	1.00
	1.00	1.00
<u>Details of Shareholders holding more than 5% Equity Shares</u>		
Nesco Limited	No. of Shares	9,999
	% of Holding	99.99%
<u>Reconciliation of number of shares outstanding</u>		
Issued on incorporation for the Company	10,000	10,000
Outstanding at the end of the year	10,000	10,000
<u>Terms / Rights Attached to Equity Shares</u>		
Each holder of Equity share is entitled to One vote per share held. The company been a company registered under Sec 8 of the Companies Act, 2013 is required to compulsory 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.		
4b Other Equity		
<u>Retained Earnings:</u>		
Balance at the beginning	(1.40)	-
Profit / (Loss) for the year	0.40	(1.40)
Balance at the end	(1.00)	(1.40)
5 Other financial liabilities (Current)		
Payable to Employees	0.04	
Other Payables	0.58	1.65
	0.62	1.65
6 Other current liabilities		
Payable Towards TDS / TCS	0.08	-
	0.08	-

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

(₹ in lakhs)

Particulars	2020-2021	2019-2020
7 Other Expenses:		
Administrative, Office & General Exps.	1.73	0.02
Rent	0.66	-
Legal & Professional Fees	0.76	1.68
Audit Fees	0.40	0.30
Software and IT Expenses	1.62	-
	5.17	2.00

8 Category wise classification of financial instrument

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
Total Financial Liabilities	0.62	-	-	0.62

The carrying value of financial instruments by categories as of 31 March 2020 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	0.73	-	-	0.73
Total Financial Assets	0.73	-	-	0.73
Financial Liabilities				
other financial liabilities	1.65	-	-	1.65
Total Financial Liabilities	1.65	-	-	1.65

9 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.

10 Disclosure under the MSMED Act 2006:

Disclosure under the MSMED Act 2006 is provided as under for the year 2020-21, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in lakhs)		
Particulars	As on 31 March 2021	As on 31 March 2020
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	NIL	NIL
Interest due on above	NIL	NIL
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.

11 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

12 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)	Mr. Sumant J. Patel

(b) Related party transactions: -

(₹ in lakhs)

Particulars	For the year 2020-2021	For the year 2019-2020
Share Capital money received from Nesco Limited	NIL	1.00
Amounts received as donation from Nesco Limited	9.84	0.61
Rent Paid to Mr Sumant J. Patel	0.66	NIL

13 Leases:

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

Company as Lessee:

The Company has taken office premises at Karamsad, Gujarat under non-cancellable Operating Lease. These lease rentals are payable by the Company on a monthly basis. The Company has elected not to recognise 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 ₹1,00,000 in value). 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 Future minimum rentals payable within one year under non-cancellable operating leases are ₹1.58 lakhs (Previous Year ₹ NIL)

Lease payment recognized in statement of income and expenditure is ₹0.66 lakhs (Previous year ₹ NIL)

14 Earnings per share:

Particulars	2020-21	2019-20
Surplus/(Deficit) after Tax as per statement of Income and Expenditure (₹ in lakhs)	0.40	(1.40)
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)	4	-14.00

15 Segment Reporting:

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

16 Previous year figures are regrouped wherever necessary.

17 The financial statements are approved for issue by the Board of Directors at its meeting held on 25 May 2021.
