

nesco



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## **BOARD OF DIRECTORS**

*Mr. Krishna S. Patel*

*Mr. Sumant J. Patel*

*Mr. Mahendra K. Chouhan*

*Mrs. Sudha S. Patel*

*Mr. Jai S. Diwanji*

*Mr. K. S. Srinivasa Murty*

*Mr. Manu M. Parpia*

*Mrs. Amrita Verma Chowdhury*

*Chairman and Managing Director (w.e.f. 15 June 2021)*

*Executive Director and Chief Mentor (w.e.f. 15 June 2021)*

*Independent Director*

*Non-Executive Director*

*Independent Director*

*Independent Director*

*Independent Director*

*Independent Director*

## **STATUTORY AUDITORS**

**Manubhai & Shah LLP, Chartered Accountants**

## **BANKER**

**HDFC Bank Limited**

## **REGISTERED OFFICE**

**Nesco Center,**

Western Express Highway, Goregaon (East),

Mumbai 400063. CIN: L17100MH1946PLC004886

Email: [companysecretary@nesco.in](mailto:companysecretary@nesco.in) Web: [www.nesco.in](http://www.nesco.in)

Tel: 022 66450123 Fax: 022 66450101

## **BRANCH OFFICES**

**New Delhi**

J-7, Himalaya House,  
23, K. G. Marg,  
New Delhi 110001

**Kolkata**

Binoy Bhavan,  
Camac Street,  
Kolkata 700016

**Chennai**

Smartworks Coworking  
Spaces Pvt. Ltd. Bharati  
Vilas, Jawaharlal Nehru  
Salai, Ekkaduthangal,  
Chennai 600032.

## **PLANTS**

**Karamsad**

Anand Sojitra Road,  
Karamsad,  
Gujarat 388325

**Vishnoli**

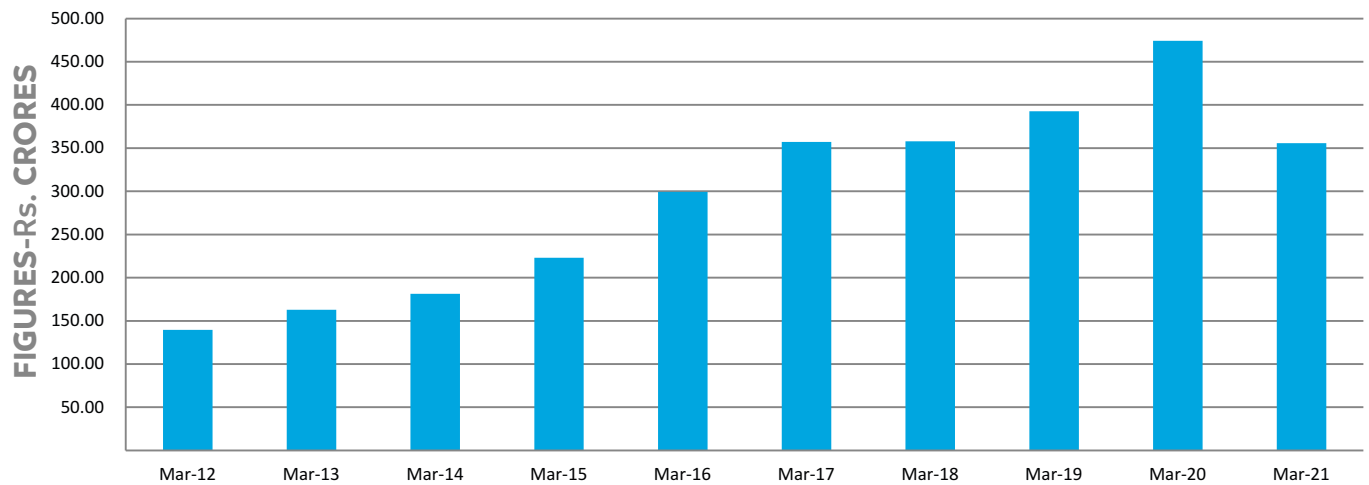
Nadiad Petlad Road,  
Vishnoli,  
Gujarat 388130

## **REGISTRAR AND SHARE TRANSFER AGENTS**

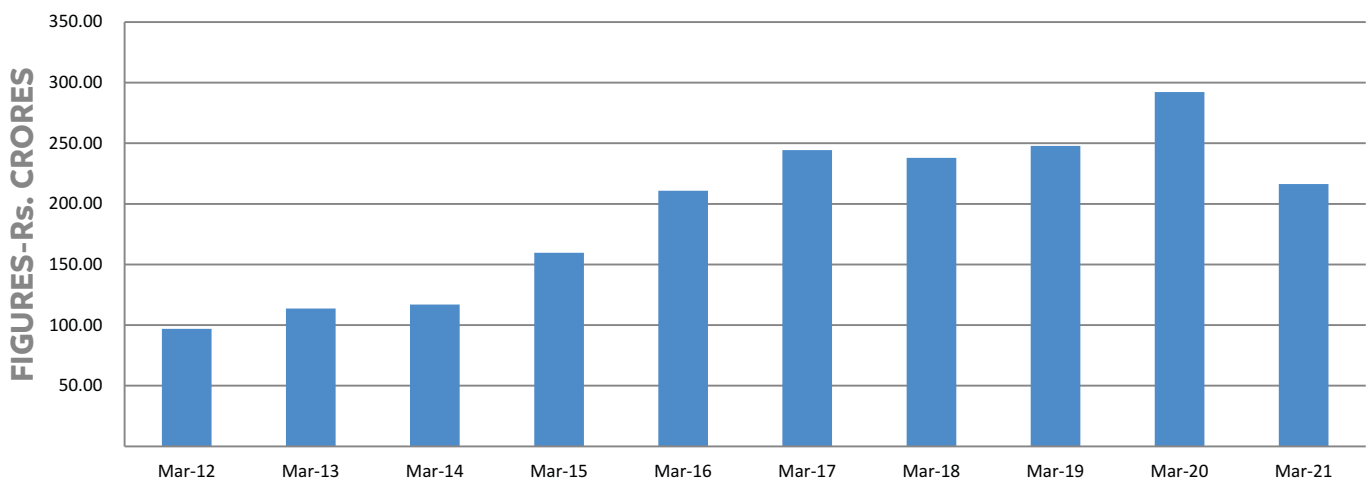
**Link Intime India Private Limited**

# 10 YEARS AT A GLANCE

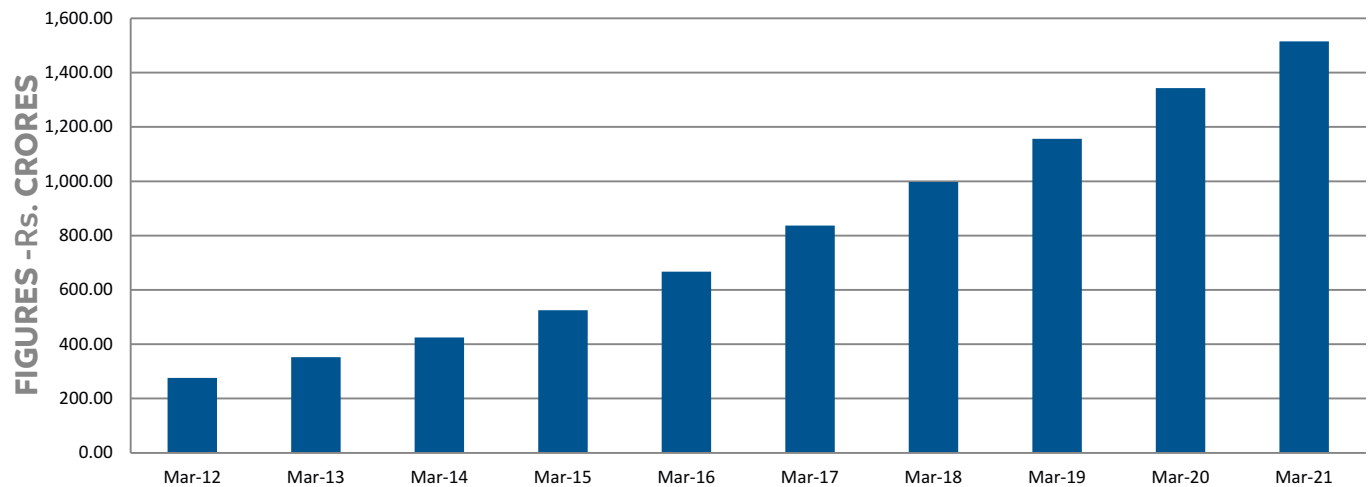
## TOTAL REVENUE



## PROFIT BEFORE TAX



## RESERVES



## REPORT OF BOARD OF DIRECTORS

Dear Members,

Board of Directors have pleasure in presenting 62nd annual report of your Company for the financial year ended 31 March 2021.

### 1. Financial Results:

(₹ in lakhs)

| Particulars                          | Consolidated |           | Standalone |           |
|--------------------------------------|--------------|-----------|------------|-----------|
|                                      | 2020-21      | 2019-20   | 2020-21    | 2019-20   |
| Income                               | 35,569.72    | 47,427.87 | 35,565.77  | 47,411.83 |
| Profit before depreciation and tax   | 24,203.67    | 31,472.30 | 24,207.94  | 31,465.91 |
| Depreciation                         | 2,573.06     | 2,243.77  | 2,572.97   | 2,243.76  |
| Profit Before Taxes                  | 21,630.61    | 29,228.53 | 21,634.97  | 29,222.15 |
| Tax Expenses                         | 4,385.05     | 5,839.52  | 4,385.05   | 5,843.15  |
| Net Profit after Taxes               | 17,245.56    | 23,389.01 | 17,249.92  | 23,379.00 |
| Opening Balance of Retained Earnings | 50.00        | 50.00     | 50.00      | 50.00     |
| Amount available for appropriations: | 17,217.43    | 23,427.75 | 17,221.79  | 23,417.74 |
| <b>Appropriations:</b>               |              |           |            |           |
| 1. Dividend                          | -            | 3,875.33  | -          | 3,875.33  |
| 2. Tax on Dividend                   | -            | 796.58    | -          | 796.58    |
| 3. Transfer to General Reserve       | 17,167.43    | 18,705.84 | 17,171.79  | 18,695.83 |
| Closing Balance of Retained Earnings | 50.00        | 50.00     | 50.00      | 50.00     |
| Earning Per Share (Basic) (in ₹)     | 24.48        | 33.19     | 24.48      | 33.18     |
| Earning Per Share (Diluted) (in ₹)   | 24.48        | 33.19     | 24.48      | 33.18     |

### 2. Review of Operations:

Your Company achieved a consolidated turnover of ₹ 35,569.72 lakhs as compared to previous year consolidated turnover of ₹ 47,427.87 lakhs.

Consolidated profit before tax was at ₹ 21,630.61 lakhs as compared to ₹ 29,228.53 lakhs in the year 2019-20.

Consolidated earnings per share amounted to ₹ 24.48 (previous year ₹ 33.19). Company's reserves were ₹ 1,51,513.71 lakhs (previous year ₹ 1,34,338.59 lakhs).

### 3. Dividend:

Your Directors are pleased to recommend a dividend of 150% per equity share amounting to ₹ 3 per equity share of ₹ 2 each (same as last year) for the financial year ended 31 March 2021 for approval of shareholders at the ensuing Annual General Meeting.

#### Dividend Distribution Policy

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Dividend Distribution Policy is available on the Company's website at [www.nesco.in](http://www.nesco.in).

#### **4. Management Discussion and Analysis:**

Management Discussion and Analysis as specified under the Listing Regulations is presented as a separate section in this Annual Report.

#### **5. Company's Performance:**

##### **i) Nesco IT Park:**

During the year, revenue from IT Park increased by 14.89% to ₹ 24,606.29 lakhs (previous year ₹ 21,416.82 lakhs).

80% of Tower 03 and 75% of Tower 04 are occupied by our clients. Hall 3 provides Incubation Centre facility; and a Child Care Centre for children of employees working in Nesco Center.

Our IT Towers accommodate world's leading multinationals such as HSBC, KPMG, PWC, MSCI, BlackRock, Here Solution, Framestore, Priceline and several others. Due to the ongoing Covid-19 Pandemic, most of our clients have instructed their employees to work from home.

##### **ii) Bombay Exhibition Centre:**

**a. Guest Exhibitions and Events:** During the year one guest exhibition was held in our Centre, which was organized by an existing client. Other exhibitions could not be conducted in view of the lockdown and related restrictions imposed from time to time to contain ongoing Pandemic. Income from the Exhibition Centre for the year was ₹ 595.11 lakhs compared to ₹ 15,860.11 lakhs in the previous year, there was a decline in revenue by 96.25%.

**b. Nesco Exhibitions and Events:** During the financial year 2020-21, Company had successfully organized one exhibition named India Auto Show. It couldn't conduct its other exhibitions lined up due to the ongoing pandemic.

Since 23 March 2020, in view of the lockdown to control the COVID-19 pandemic, all exhibitions have been either postponed or cancelled. This has significantly impacted performance of financial year 2020-21. However, Company is closely monitoring the situation and future developments.

##### **iii) Nesco Foods:**

Income for the year from the foods division declined by 63.58% to ₹ 1,299.61 lakhs as compared to ₹ 3,568.82 lakhs during the previous year.

Nesco Foods caters to the needs of visitors to exhibitions and conventions and employees working in Nesco IT Park. The kitchen facility is fully operational. Currently, Nesco Foods is catering to the food requirements of Jumbo Dedicated Covid Health Center made by MCGM in BEC Halls.

##### **iv) Indabrator:**

During the year under review, income from Indabrator increased by 12.09% to ₹ 2,608.76 lakhs as compared to ₹ 2,327.43 lakhs during the previous year.

**v) Investments and Other Income:**

Income from investments and other income was ₹ 6,459.95 lakhs (previous year ₹ 4,254.69 lakhs), increased by 51.83%.

**6. Finance:**

Your Company had no debt as on 31 March 2021. Company's liquid resources (fixed maturity plans, mutual funds, cash and bank balances) increased by 19.48% to ₹ 81,923.11 lakhs from ₹ 68,566.60 lakhs.

Your Company has neither accepted any deposits from the public during the year nor are any deposits outstanding for repayment.

**7. Internal Financial Controls related to Financial Statements:**

Internal financial control over financial reporting have been designed to provide reasonable assurance with regards to recording and providing reliable financial information and complying with applicable accounting standards.

Your Company has well laid out policies on financial reporting, asset management, adherence to Management policies and also on promoting compliance of ethical and well-defined standards.

The Company follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps.

The Company periodically tracks all amendments to Accounting Standards and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same. Corporate accounts function is actively involved in designing large process changes as well as validating changes to IT systems that have a bearing on the books of account. All resultant changes to the policy and impact on financials are disclosed after due validation with the Audit Committee.

The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the internal auditors. The internal audit is conducted at various locations of the Company and covers all key areas. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

**8. Corporate Social Responsibility (CSR):**

Your Company has undertaken various projects during the year in the field of promotion of Education and Special Education, Health Care, Safe Drinking water, women empowerment and provides support to young entrepreneurs in developing their innovative ideas. The Company is evaluating and will take up more CSR activities in different areas. The CSR Policy of the Company is available on the website of the Company at [www.nesco.in](http://www.nesco.in).

Annual report on CSR activities undertaken during the financial year ended 31 March 2021 in accordance with Section 135 of the Companies Act, 2013 (Act) and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in "Annexure A" attached to this report.

**9. Directors and Key Managerial Personnel:**

Mrs. Sudha S. Patel, Non-executive Director, retires by rotation at the ensuing annual general meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and articles of association of your Company and being eligible has offered herself for reappointment. Her brief resume and other related information have been detailed in the annexure to the notice.

Mr. Sumant J. Patel, Executive Chairman, Mr. Krishna S. Patel, Vice Chairman & Managing Director, Mr. Dipesh R. Singhania, Chief Financial Officer and Ms. Jinal J. Shah, Company Secretary and Compliance Officer of the Company are the Key Managerial Personnel of the Company.

#### **10. Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 read with the rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for evaluation of the annual performance of the Directors, Board and Committees was carried out.

Regulation 17 of the Listing Regulations mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors.

The Independent Directors at their separate meeting review the performance of Non-Independent Directors and the Board as a whole, Chairperson of the Company after taking into account the views of Executive Director and Non-Executive Directors, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The evaluation of all the Directors, the Board and Committees as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report section in this annual report.

#### **11. Training of Independent Directors:**

Your Company's Independent Directors are highly qualified and have been associated with corporate and business organizations. They understand Company's business and activities very well, however, pursuant to Regulation 4 of the Listing Regulations, the Board had shown all the Independent Directors Company's business and manufacturing activities and were also introduced to Company's staff.

#### **12. Declaration by Independent Directors:**

All Independent Directors have given declarations that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

#### **13. Number of Board and Committee Meetings:**

Pursuant to Section 134(3)(b), details of Board Meetings held during the year are given in the report on Corporate Governance which forms part of this Annual Report.

During the year four board meetings and four audit committee meetings were held, details of which are given in the Corporate Governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

A separate meeting of Independent Directors, pursuant to Section 149(7) read with Schedule VI of the Companies Act, 2013 and Regulation 25 was held on 12 February 2021.

#### **14. Policy on Directors appointment and Remuneration and other details:**

The salient features of the Nomination and Remuneration Policy of the Company and other matters provided in Section 178(3) of the act are set out in the Corporate Governance Report which forms part of this Annual Report.

The said policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment & re-appointment of directors on the Board of the Company and persons holding senior management positions in the Company, including their remuneration and other matters as provided under Section 178

of the act and Listing Regulations. The Nomination and Remuneration Policy is available on the website of the Company at [www.nesco.in](http://www.nesco.in).

The remuneration paid to the directors, key managerial personnel and senior management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

#### **15. Director's 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 in place and that such systems were adequate and operating effectively.

#### **16. Auditors:**

##### **a. Statutory Audit and Auditors Report:**

The Board of Directors in their meeting held on 24 May 2019, on the basis of recommendations of the Audit Committee and 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 second term of five years i.e., till the conclusion of the 65th 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.

M/s. Manubhai & Shah LLP has confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended 31 March 2021. The Auditors' Report for the financial year ended 31 March 2021 on the financial statements of the Company forms part of this Annual Report.

The Auditors Report for the financial year 2020-21, does not contain any qualification, reservation or adverse remark.

##### **b. Secretarial Audit and Secretarial Audit Report:**

In terms of Section 204 of the Companies Act, 2013, the Board of Directors at its meeting held on 19 May 2020, appointed Ms. Neeta H. Desai of M/s. ND & Associates, Practising Company Secretary, as the Secretarial Auditor to conduct an audit of the Secretarial records, for the financial year 2020-21.

The Secretarial Audit Report for the financial year 2020-21 is annexed herewith as “Annexure B.” The Secretarial Auditors Report does not contain any qualification, reservation or adverse remark.

None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013.

**17. Particulars of Loans, Guarantees and Investments:**

The particulars of loans, guarantees and investments made by the Company pursuant to Section 186 of the Companies Act, 2013 have been disclosed in the financial statements forming part of this annual report. There are no guarantees issued by the Company.

**18. Vigil Mechanism/Whistle Blower Policy:**

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company has a vigil mechanism to deal with fraud and mismanagement, if any. The policy is placed on the website of the Company.

**19. Risk Management:**

The Company endeavors to continually sharpen its Risk Management systems and processes in line with a rapidly changing business environment. The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board threaten the existence of the Company.

The Board of Directors of the Company on the recommendation of the Risk Management Committee has developed risk management policy for the Company which articulates the Company's approach to address the uncertainties in its endeavor to achieve its stated and implicit objectives.

**20. Safety, Health and Environment:**

Your Company recognizes its role in health and safety, as well as its responsibility towards environment and society. In fact, your Company's goals are: no accidents, no injuries to people and no damage to environment. 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 the Company. The projects and activities are planned and designed with environment protection as an integral part to ensure a safe and clean environment for sustainable development.

**21. Corporate Governance:**

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from M/s. Manubhai & Shah LLP, Chartered Accountants confirming compliance with requirement of corporate governance forms an integral part of this report.

**22. Prevention of Sexual Harassment at Workplace:**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, read with rules made thereunder, your Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

## 23. Extract of Annual Return:

The Annual Return of the Company as on 31 March 2021 in Form MGT - 7 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <https://www.nesco.in/financials>.

## 24. Particulars of Employees:

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company has been annexed herewith as "Annexure C."

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

Your Company is continuously striving to conserve energy in all its business activities. During the year under review, Company has installed several equipments, which are reducing power consumption by over 20% in IT Park building. It is trying to make all its IT Park building 'Net Zero Energy Building' in phased manner.

- IT Tower 03

Energy Performance Index (EPI) of IT Tower 03 currently is 155 Kwh/Sq. Mtr./Annum. Efforts are made by the Company to reduce it to 125 Kwh/Sq. Mtr./Annum by 2022. Efforts are being made to make the building Net Zero Energy Building in a phased manner by 2023.

- IT Tower 04

Tower 04 of Nesco IT Park is now complete and is a Green Building with LED lightings, energy efficient designs, use of latest power saving techniques and equipments, sustainable site selection, etc. This will further lead to energy conservation. Efforts are being made to make this building as Net Zero Energy Building in the coming years.

Nesco Complex at Goregaon consist of more than 1,500 grown up trees. It continues its efforts in increasing the trees annually. Thus, helping in reducing carbon footprints in and around the surrounding areas.

The Company's foreign exchange earnings during the year was ₹ 80.71 lakhs and outgo during the year was ₹ 156.26 lakhs.

## 26. Subsidiaries:

### a. Nesco Foundation for Innovation and Development:

A Wholly Owned Subsidiary of your Company, incorporated under Section 8 of the Companies Act, 2013 has obtained registration under Section 80G and 12AA of the Income Tax Act, 1961. It has also received its CSR-1 registration.

Nesco Foundation has commissioned Nesco Incubation Centre which is located near Indabator's Karamsad premises.

In February 2020, Nesco Foundation along with A D Patel Institute of Technology & CVM University, Charutar Vidya Mandal had organized a mega startup event known as "Startup Sankrant 2020". Nesco Foundation earned attention through this event.

During the year 65 entrepreneurs had approached the Centre for incubation support. From these 3 start-ups were finalized and approved to provide seed fund grant based on innovation, interest, product novelty and market potential.

**b. Nesco Hospitality Private Limited:**

A wholly owned subsidiary of your Company operated Food Courts in the Nesco Complex.

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 was approved by ROC on 13 January 2020 and is submitted to the Regional Director for approval which is expected shortly.

A separate statement containing the salient features of financial statements of subsidiaries of your Company prescribed in Form AOC-1 forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013 (Act).

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and the financial statements of each of the subsidiary companies, are available on our website at [www.nesco.in](http://www.nesco.in). The Company's Policy for determining material subsidiaries may be accessed on the website of the Company at [www.nesco.in](http://www.nesco.in).

The Company does not have a material subsidiary.

**27. Related Party Transactions:**

During the financial year 2020-21, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013. All transactions with related parties were reviewed and approved by the Audit Committee. All related party transactions that were entered were on an arm's length basis and were in the ordinary course of business.

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.

Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as "Annexure D" to this Report.

**28. Deposits from Public:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**29. Business Responsibility Report:**

A Business Responsibility Report as per Regulation 34 of the Listing Regulations forms part of this Annual Report.

**30. Indian Accounting Standards:**

Your Company has adopted Indian Accounting Standard (Ind AS) notified by MCA and the relevant provision of the Companies Act, 2013 and the general circulars issued by the Ministry of Corporate Affairs from time to time. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements. In the preparation of the financial statements, figures of previous year have been reclassified or regrouped wherever necessary to bring it in line with the Indian Accounting Standard (Ind AS).

**31. Impact of COVID-19 Pandemic:**

The country witnessed lockdown being implemented since March 2020. There were also restrictions of varying extent across larger part of the world, due to the COVID-19 pandemic. This impacted the business operations of the Company significantly.

- Indabrator: From June 2020, the division resumed manufacturing operations after taking requisite permissions from Government authorities and adopting all prescribed safety measures.
- Due to the ongoing Pandemic, during the Financial Year 2020-21, our Exhibitions division was impacted.

All our Exhibition Halls have been provided to the Municipal Corporation of Greater Mumbai (MCGM) as we continue to fight the COVID – 19. Halls of Nesco Center are being used as Jumbo Dedicated Health Centre and Vaccination Centre.

- Revenues of Nesco Foods were impacted as majority clients of foods division are exhibition organizers, exhibitors and visitors. Currently, Nesco Foods is providing food to Municipal Corporation of Greater Mumbai (MCGM).
- Our divisions Indabrator and Nesco IT Park are operating in a normal way.

### **32. Appreciation:**

Your Directors wish to convey their appreciation for the support extended by the shareholders, clients and the employees of the Company.

**For and on behalf of the Board of Directors**

**Sumant J. Patel**  
**Executive Chairman**  
**DIN: 00186976**

**Panaji**  
**28 May 2021**

**Annual Report on CSR Activities for the Financial Year ended 31 March 2021**
**1. Brief outline on CSR Policy of the Company:**

Nesco's Corporate Social Responsibility (CSR) policy is aimed at demonstrating care for the community through its focus on promoting education and special education, skill development, safe drinking water, health & wellness and livelihood enhancement and ensuring sustainability. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

**2. Composition of CSR Committee:**

| Sr. No. | Name of Director        | Designation / Nature of Directorship        | No. of Committee meetings during the year 2020-21 |          |
|---------|-------------------------|---------------------------------------------|---------------------------------------------------|----------|
|         |                         |                                             | Held                                              | Attended |
| 1.      | Mr. Sumant J. Patel     | Chairman / Executive Chairman               | 1                                                 | 1        |
| 2.      | Mr. Krishna S. Patel    | Member / Vice Chairman & Managing Director  | 1                                                 | 1        |
| 3.      | Mr. Mahendra K. Chouhan | Member / Non-executive Independent Director | 1                                                 | 1        |
| 4.      | Mr. Jai S. Diwanji      | Member / Non-executive Independent Director | 1                                                 | 1        |

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

<https://www.nesco.in/social-responsibility>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

Impact Assessment is not applicable to the Company.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

| Sr. No.      | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|--------------|----------------|--------------------------------------------------------------------|---------------------------------------------------------------------|
| -            | -              | NIL                                                                | NIL                                                                 |
| <b>Total</b> |                |                                                                    |                                                                     |

**6. Average net profit of the company as per section 135(5).**

Average Net Profit: ₹ 26,868.38 lakhs

| Sr. No. | Particulars                                                                                         | Amount (₹ in lakhs) |
|---------|-----------------------------------------------------------------------------------------------------|---------------------|
| (a)     | Two percent of average net profit of the company as per section 135(5)                              | ₹ 537.37            |
| (b)     | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | NIL                 |
| (c)     | Amount required to be set off for the financial year, if any                                        | NIL                 |
| (d)     | Total CSR obligation for the financial year (7a+7b-7c):                                             | ₹ 537.37            |

**8(a) CSR amount spent or unspent for the financial year:**

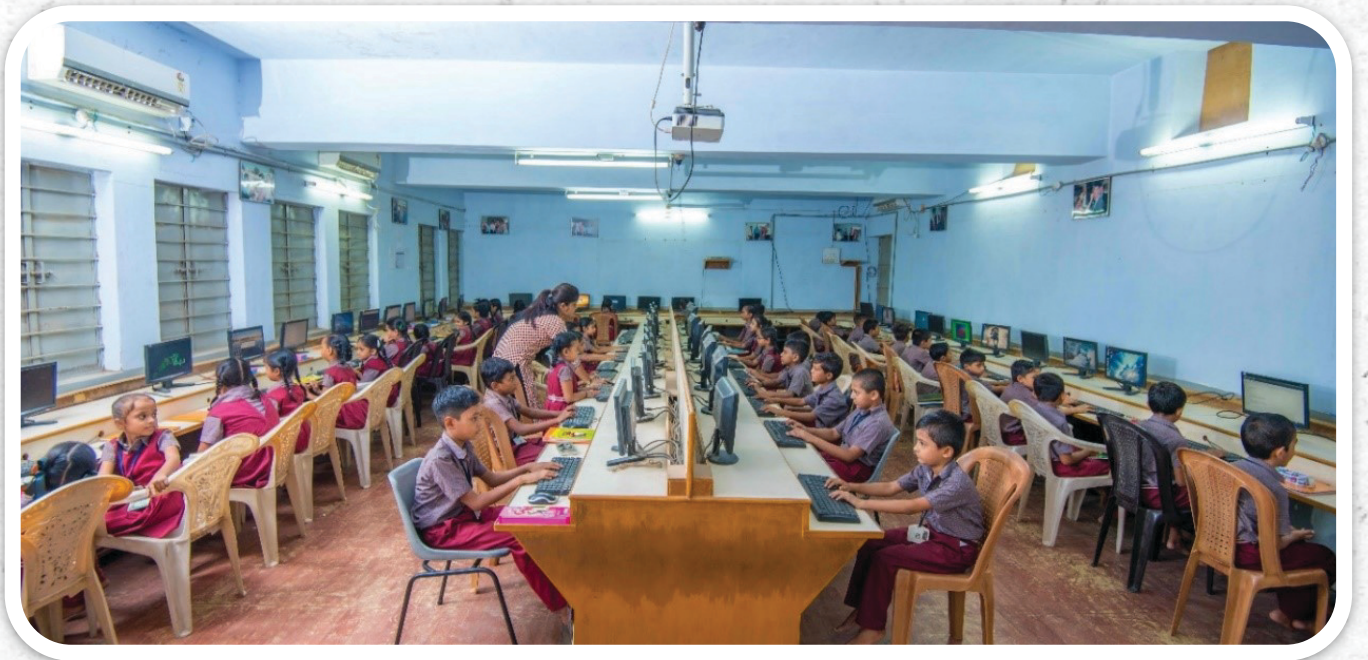
| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹)                                                  |                  |                                                                                                      |        |                  |
|--------------------------------------------------|------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------|--------|------------------|
|                                                  | Total Amount transferred to Unspent CSR Account as per section 135(6). |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |        |                  |
|                                                  | Amount                                                                 | Date of transfer | Name of the Fund                                                                                     | Amount | Date of transfer |
| 3,53,89,354                                      | 1,90,00,000                                                            | 30.04.2021       | -                                                                                                    | -      | -                |

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

| Sr. No.      | Name of the Project                                                            | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project |          | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |                         |
|--------------|--------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------|-------------------------|----------|------------------|-----------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------|-------------------------|
|              |                                                                                |                                                             |                     | State                   | District |                  |                                         |                                                   |                                                                                        |                                          | Name                                                 | CSR Registration number |
| 1            | Expansion of S J Patel English Medium School (CBSE), Karamsad                  | Promoting Education                                         | Yes                 | Gujarat                 | Anand    | Two Years        | 1,67,58,531                             | 1,21,00,383                                       | 40,498                                                                                 | No                                       | Shree Santram Samaj Seva Trust                       | CSR00004446             |
| 2            | Construction at C J Patel English Medium School, Karamsad                      | Promoting Education                                         | Yes                 | Gujarat                 | Anand    | Two Years        | 1,70,07,519                             | 26,34,360                                         | 1,43,73,159                                                                            | No                                       | Karamsad Kelavani Mandal                             | CSR00003877             |
| 3            | Support to Gurukrupa Agro Industries                                           | Livelihood enhancement and ensuring sustainability          | Yes                 | Gujarat                 | Anand    | One Year         | 6,91,300                                | 63,320                                            | 6,27,980                                                                               | No                                       | Nesco Foundation for Innovation and Development      | CSR00000877             |
| 4            | Support to Aquibots                                                            | Promoting Special education                                 | Yes                 | Gujarat                 | Anand    | One Year         | 3,90,000                                | -                                                 | 3,90,000                                                                               | No                                       | Nesco Foundation for Innovation and Development      | CSR00000877             |
| 5            | Support to Testomatic                                                          | Livelihood enhancement and ensuring sustainability          | Yes                 | Gujarat                 | Anand    | One Year         | 2,80,000                                | 2,49,737                                          | 30,263                                                                                 | No                                       | Nesco Foundation for Innovation and Development      | CSR00000877             |
| 6            | Atal Tinkering Lab (ATL) at C J Patel English Medium School, Karamsad          | Promoting Special education                                 | Yes                 | Gujarat                 | Anand    | One Year         | 16,56,000                               | -                                                 | 16,56,000                                                                              | No                                       | Karamsad Kelavani Mandal                             | CSR00003877             |
| 7            | Fire Protection System for C J Patel Eng. Med. School, Karamsad (New Building) | Infrastructure facilities for schools Kelavani              | Yes                 | Gujarat                 | Anand    | One Year         | 4,83,800                                | -                                                 | 4,83,800                                                                               | No                                       | Karamsad Kelavani Mandal                             | CSR00003877             |
| 8            | Fire Protection System for C J Patel Eng. Med. School, Karamsad (Old Building) | Infrastructure facilities for schools                       | Yes                 | Gujarat                 | Anand    | One Year         | 5,31,000                                | -                                                 | 5,31,000                                                                               | No                                       | Karamsad Kelavani Mandal                             | CSR00003877             |
| 9            | Fire Protection System for S J Patel Eng. Med. School, Karamsad (CBSE)         | Infrastructure facilities for schools                       | Yes                 | Gujarat                 | Anand    | One Year         | 3,83,500                                | -                                                 | 3,83,500                                                                               | No                                       | Shree Santram Samaj Seva Trust                       | CSR00004446             |
| 10           | Fire Protection System for S J Patel Eng. Med. School, Tarapur                 | Infrastructure facilities for schools                       | Yes                 | Gujarat                 | Anand    | One Year         | 4,83,800                                | -                                                 | 4,83,800                                                                               | No                                       | Tarapur Kelavani Mandal                              | CSR00003709             |
| <b>Total</b> |                                                                                |                                                             |                     |                         |          |                  | <b>3,86,65,450</b>                      | <b>1,50,47,800</b>                                | <b>1,90,00,000</b>                                                                     |                                          |                                                      |                         |

## CORPORATE SOCIAL RESPONSIBILITY

Your Company has established three English Medium Schools at Tarapur and Karamsad for the students of nearby villages. During the year, your Company has completed construction of a floor at Sumant Jethabhai Patel English Medium School, Karamsad for Secondary and Higher Secondary Education. Company has also started construction of a new KG section at C J Patel English Medium School, Karamsad



Smt. C J Patel English Medium School - Computer Lab



Completion of Construction of Second Floor at  
Sumant Jethabhai Patel English Medium School, Karamsad

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

| Sr. No.      | Name of the Project                                                               | Item from the list of activities in schedule VII to the Act  | Local area (Yes/ No) | Location of the project |          | Amount spent for the project (in ₹) | Mode of implementation Direct (Yes/No) | Mode of implementation - Through implementing agency |                         |
|--------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------|-------------------------|----------|-------------------------------------|----------------------------------------|------------------------------------------------------|-------------------------|
|              |                                                                                   |                                                              |                      | State                   | District |                                     |                                        | Name                                                 | CSR registration number |
| 1            | CBSE Consultant Fee for S J Patel Eng. Med. School, Karamsad                      | Promoting Education                                          | Yes                  | Gujarat                 | Anand    | 3,00,000                            | No                                     | Shree Santram Samaj Seva Trust                       | CSR00004446             |
| 2            | Compound Wall Color Work at S J Patel Eng. Med. School, Karamsad                  | Infrastructure facilities for schools                        | Yes                  | Gujarat                 | Anand    | 1,01,680                            | No                                     | Shree Santram Samaj Seva Trust                       | CSR00004446             |
| 3            | KG Classroom Wall Painting at S J Patel Eng. Med. School                          | Promoting Education                                          | Yes                  | Gujarat                 | Anand    | 62,127                              | No                                     | Tarapur Kelavani Mandal                              | CSR00003709             |
| 4            | Students Scholarship at S J Patel Eng. Med. School, Tarapur                       | Promoting Education                                          | Yes                  | Gujarat                 | Anand    | 4,13,900                            | No                                     | Tarapur Kelavani Mandal                              | CSR00003709             |
| 5            | Water Purifier & Cooler for Drinking Water at S J Patel Eng. Med. School, Tarapur | Infrastructure facilities for schools & Promoting HealthCare | Yes                  | Gujarat                 | Anand    | 1,05,000                            | No                                     | Nesco Foundation for Innovation and Development      | CSR00000877             |
| 6            | Photography activities at Schools                                                 | Promoting Education                                          | Yes                  | Gujarat                 | Anand    | 14,000                              | No                                     | Karamsad Kelavani Mandal                             | CSR00003877             |
| 7            | Teachers Uniform for C J Patel English Medium Higher Secondary School             | Promoting Education                                          | Yes                  | Gujarat                 | Anand    | 29,400                              | No                                     | Karamsad Kelavani Mandal                             | CSR00003877             |
| 8            | Corpus Fund for Education                                                         | Promoting Education                                          | Yes                  | Maharashtra             | Nashik   | 1,25,00,000                         | Yes                                    | Pravara Rural Education Society                      | Not Applicable          |
| 9            | Corpus fund for Health Care                                                       | Promoting Healthcare                                         | Yes                  | Gujarat                 | Anand    | 30,00,000                           | Yes                                    | Charutar Arogya Mandal                               | CSR00002068             |
| 10           | Corpus Fund for Education                                                         | Promoting Education                                          | Yes                  | Gujarat                 | Anand    | 5,00,000                            | Yes                                    | Charutar Vidya Mandal                                | Not Applicable          |
| 11           | Contribution towards Cancer Cure Unit                                             | Promoting Healthcare                                         | Yes                  | Maharashtra             | Mumbai   | 7,425                               | Yes                                    | HDFC Mutual Fund                                     | Not Applicable          |
| 12           | Repairing at C J Patel English School (Old Building), Karamsad                    | Infrastructure facilities for schools                        | Yes                  | Gujarat                 | Anand    | 11,86,466                           | No                                     | Karamsad Kelavani Mandal                             | CSR00003877             |
| 13           | Overhead Water Tank, Karamsad                                                     | Safe Drinking Water                                          | Yes                  | Gujarat                 | Anand    | 2,48,729                            | No                                     | Karamsad Kelavani Mandal                             | CSR00003877             |
| 14           | Overhead Water Tank, Vishnoli                                                     | Safe Drinking Water                                          | Yes                  | Gujarat                 | Anand    | 4,09,960                            | No                                     | Karamsad Kelavani Mandal                             | CSR00003877             |
| <b>Total</b> |                                                                                   |                                                              |                      |                         |          | <b>1,88,78,687</b>                  |                                        |                                                      |                         |

**(d) Amount spent in Administrative Overheads: ₹ 14.63 lakhs****(e) Amount spent on Impact Assessment, if applicable: Not Applicable****(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 543.89 lakhs\***

\* Includes an amount of ₹ 190.00 lakhs earmarked for ongoing projects transferred to Unspent CSR Account in terms of Section 135(6) of the Companies Act, 2013 for the Financial Year 2020-21

**(g) Excess amount for set off, if any**

| Sr. No. | Particular                                                                                                  | Amount (₹ in lakhs) |
|---------|-------------------------------------------------------------------------------------------------------------|---------------------|
| (i)     | Two percent of average net profit of the company as per section 135(5 )                                     | ₹ 537.37            |
| (ii)    | Total amount spent for the Financial Year *                                                                 | ₹ 543.89            |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]                                                       | ₹ 6.52              |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -                   |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | ₹ 6.52              |

\* Includes an amount of ₹ 190.00 lakhs earmarked for ongoing projects transferred to Unspent CSR Account in terms of Section 135(6) of the Companies Act, 2013 for the Financial Year 2020-21

**9(a) Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**  
Not Applicable

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year :** Not Applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

The Unspent CSR amount pertains to Ongoing Projects where the duration of the Project continued beyond one financial year. The balance amount to be spent on such projects will be incurred within the prescribed time limit in accordance with the CSR Amendment rules and have been transferred to 'Nesco Limited Unspent CSR Account for F Y 2020-21'.

**For and on behalf of CSR Committee**

**Sumant J. Patel**  
Chairman, CSR Committee  
DIN : 00186976

**Krishna S. Patel**  
Vice Chairman & Managing Director  
DIN: 01519572

**Panaji**  
28 May 2021

## ANNEXURE B

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Nesco Limited  
Nesco Complex,  
Western Express Highway,  
Goregaon (East), Mumbai - 400063.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Nesco Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our electronic verification (since physical verification was not possible on account of Pandemic of COVID -19 and Lockdown) of the M/s. Nesco Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives electronically during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined electronically the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit period)**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period) and**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**
- (v) Other laws as per the representation made by the Company are as follows;
  - Factories Act, 1948
  - Industrial Disputes Act, 1947
  - Industrial Relations Act, 1962
  - Payment of Wages Act, 1936
  - Payment of Gratuity Act, 1972
  - Employees Compensation Act, 1923
  - Industries (Development & Regulation) Act, 1951
  - Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - Employees State Insurance Act, 1948
  - Environment Protection Act, 1986
  - Indian Contracts Act, 1872
  - Indian Stamp Act, 1899
  - Income Tax Act, 1961 and Indirect Tax Laws
  - Environment (Protection) Act, 1986
  - Water (Prevention and control of pollution) Act, 1974
  - Applicable Municipal / Panchayat Laws

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board (SS – 1) and general meetings (SS – 2) are complied.
- (ii) The provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (LODR) ;

During the period under review and as per the explanations/representation made by the management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, laws and regulations to the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

The Company has paid dividend in the audit period and has complied with all the Dividend related and IEPF related compliances as per Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Provisions are made for sharing and handling unpublished price sensitive information for legitimate purposes.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instance of :

- (i) Public/Right/Preference issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Foreign technical collaborations.

We report that during the audit period the process of merger of its wholly owned subsidiary M/s. Nesco Hospitality Private Limited with the holding Company (Nesco Limited) is in process.

We further report that during the audit period, the Company has accomplished the CSR activities through the newly incorporated wholly owned Section 8 Company for executing its CSR activities.

Further, our report of even dated to be read along with the following clarifications:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis of my opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws and regulations and happening.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For ND & Associates**

**Mumbai**  
**21 May 2021**  
**UDIN : F003262C000355295**

**Neeta H. Desai**  
**Practising Company Secretary**  
**COP No. 4741**

**PARTICULARS OF EMPLOYEES**

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

| <b>Executive Director</b> | <b>Ratio to median remuneration</b> |
|---------------------------|-------------------------------------|
| Mr. Sumant J. Patel       | 186.80                              |
| Mr. Krishna S. Patel      | 193.97                              |

| <b>Non- executive Directors</b> | <b>Ratio to median remuneration</b> |
|---------------------------------|-------------------------------------|
| NIL                             | NIL                                 |

- b. **The percentage increase / (decrease) in remuneration of each director, chief financial officer, company secretary in the financial year:**

| <b>Name</b>                                                 | <b>% increase / (decrease)</b> |
|-------------------------------------------------------------|--------------------------------|
| Mr. Sumant J. Patel, Executive Chairman                     | (34.64)                        |
| Mr. Krishna S. Patel, Vice Chairman and Managing Director   | (33.79)                        |
| Mr. Dipesh R. Singhanian, Chief Financial Officer           | 14.01                          |
| Ms. Jinal J. Shah, Company Secretary and Compliance Officer | 29.28                          |

- c. **The percentage increase / (decrease) in the median remuneration of employees in the financial year: (28%)**
- d. **The number of permanent employees on the rolls of the Company: 130 (excluding Key Managerial Personnel)**
- e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around 10%, after accounting for promotions and other event based compensation revisions.

There was a decrease in the managerial remuneration for the year by 31.64%.

- f. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of the Company.

- g. **The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available on the website of the Company at <https://www.nesco.in/financials>.**

**FORM NO. AOC - 2****(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length.**

Nesco Limited has not entered into any contract or arrangements or transactions with its related parties which are not at arm's length during the financial year 2020-21.

**2. Details of material contracts or arrangements or transactions at arm's length basis.**

All contracts or arrangements or transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any material contract or arrangement or transaction with related parties which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

## MANAGEMENT DISCUSSION AND ANALYSIS

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### A. Business Groups and Developments

#### Nesco IT Park

Nesco Realty carved a new benchmark with its premium Nesco IT Park. A self-sustained facility, the Park is laid out over several million square feet. It accommodates the world's leading multinationals such as HSBC, KPMG, PWC, MSCI, BlackRock, Here Solution, Framestore, Priceline and several others.

#### **Developments**

Our Company retained JLL's landlord representative team for sales and marketing activities of Nesco IT Park Tower 04. JLL comes with strong Tenant Representative and Landlord Representative practice; technology platform and reach to their strong client network globally.

Due to the ongoing COVID-19 Pandemic where movement of people was restricted virtual tour of the IT Park was introduced as a method to let the potential clients have a look at the office space and facilities offered. Marketing activities like Email, Whatsapp, JLL Client Event, Linkedin Post, Roadshows in different cities were used for bringing in new and reputed clients from around the Country.

#### Bombay Exhibition Centre

Bombay Exhibition Centre reflects Belief and Opportunity. Bringing over millions of ideas to life, the Center has helped the globe converge in Mumbai with a common purpose.

As a space of limitless possibility, Bombay Exhibition Centre is endlessly customisable. With robust infrastructure, the center paces itself to global standards. The wide options of venues, the versatility packed within, are topped with helpful services.

With the continued expansion of Bombay Exhibition Centre, there is now a versatile solution for any trade fair. The BEC is already India's largest exhibition venue in the private sector, hosting exhibition for most of the large and reputed organisers from India and across the globe.

Nesco Exhibitions is into the business of organising Exhibitions and Conferences. We have events of different topics varying from B2B, B2C as well as B2G. The focus of each event is to create a huge business platform where the buyer and the seller come face to face and benefit commercially not only for themselves but also in the development of the nation.

Our foray into the event space has been buoyed with excitement. Nesco Events has created unique properties that have quickly become resounding successes. This is taking the business off to an impressive start and is enhancing the Group's strengths to deliver quality entertainment to a burgeoning audience of eager enthusiasts.

Bombay Exhibition Centre has attained historical status in Mumbai as the ideal location for exhibitions, MICE, trade shows, business displays, events and entertainment.

#### **Developments**

#### Guest Exhibitions and Events

Though BEC had strong bookings, shows couldn't be held due to the COVID-19 pandemic scenario.

When the covid cases reduced in February 2021, one exhibition organised by client and one organised by Nesco Exhibition – India Auto Show 2020 were held. Clients who had booked couldn't organise their exhibitions as the number of COVID cases rose sharply thereafter and resulting lockdown measures notified by the State Government.

### **Nesco Exhibitions**

In FY 2020-21, exhibition scheduled were 2nd edition of India Auto Show, Launch of Construct Maharashtra, 3rd edition of EduTech India and Launch of Built Environment.

However due to ongoing Covid 2019 scenario for the complete 2020-21 year, only one exhibition – namely India Auto Show was organised. No other show could be organised due to the prevailing Covid 19 and lockdown measures.

### **Nesco Events**

Rangilo Re – Utsav Gujarat no, Navaratri festival spread across 9 days was not organised during the F Y 2020-21 due to on-going pandemic. There is tremendous revenue opportunity in form of ticket sales and event sponsorship once we can start organising it again.

Paddy Fields – Folk & Fusion music festival, was also not organised during the F Y 2020-21 due to on-going pandemic. Paddy Fields also helps us in generating inquiries and business from third party B2C events like the Filmfare Marathi, Enchanted Valley Carnival music festival, DID Little Champs, Awards Night, COBEX etc.

### **Nesco Foods**

Nesco Foods caters to all levels of social, business and luxury events. It is one of Mumbai's most preferred hospitality providers, well-recognized for their varied capability and array of cuisines. The division operates the largest non-flight kitchen in the city.

### **Developments**

A team of experienced personnel from the industry have been taken on board to drive revenues for this division. Developing market awareness & presence of banquet segment with ballroom in both corporate and social segment. Marketing tools and aids are shaping up for a better reach and stronger brand recall. We participate in various Industry forums for increasing recognition of this new division. Nesco Foods caters to Dedicated Covid and Health Centre (DCHC) and provide them packed meals on daily basis.

### **Indabrator**

Indabrator, our engineering division is a pioneer in the surface-preparation category. Backed by best-in-class technology, Indabrator boasts one of the largest manufacturing units. Today, it remains a Company with impressive market share and multiple innovations in the pipeline and only manufacturer in India for equipments, spares and abrasives all in one location.

### **Developments**

Indabrator has all time high order bookings amounting to ₹ 4,028 lakhs, i.e., 80% higher from F Y 2019-20. Indabrator seized all the opportunities from firms that showed interest in setting-up/expanding green field and brown field projects. Abrasive sales continues its upward trend. Activities related to expansion of abrasive plant capacity at Karamsad were in full swing and expected completion by end of April 2021.

## **B. Opportunities and Threats**

### **Nesco IT Park**

Mumbai Suburban area is home to lot of MNC's, Banks and Global Shared Services. There is huge opportunity as the existing tenants in this location will either look to expand or relocate in the nearby IT Parks. Having said the micro-market lacks 'A' category supply. Landlord with the supply at the right time will be a key differentiation.

Occupier may increase their focus on Environmental, Social and Corporate governance as key consideration while choosing building premises to occupy. Adoption of Green building is likely to act catalyst for preference of occupiers.

The office space providers in the nearby vicinity with approximately 3 Million sq. ft. space and more established Business Parks than Nesco are threat to the business.

### **Bombay Exhibition Centre**

#### **Guest Exhibitions and Events**

Bombay Exhibition Centre could not provide its space for exhibitions during the year due to ongoing Pandemic. Once the pandemic scenario improves, it is expected that the show size would increase due to increased participation by exhibitors seeking added business and markets to make up for the lost period. This would increase BEC revenues.

In the scenario that few states fare well in managing covid whereas Mumbai, Maharashtra faces worsening scenario, few organisers could be compelled to move their exhibitions to other cities or states.

#### **Nesco Exhibitions and Events**

In Nesco Exhibitions and Events, the opportunities are endless, as we can work on various topics that are not being organised otherwise. Opportunities to an open international market to meet and greet the Indian market at India's number one privately owned venue. Getting the exhibitors, visitors and the Government on one single platform is the biggest opportunity. There is also an opportunity of potential strategic tie-ups with third party exhibitions and events as partners, wherein the benefits could range from revenues to brand building and increased footfalls to the venue. Launching new IP's in B2C space (Music Festivals, Food Festivals, Kids festivals).

However, due to ongoing Pandemic COVID-19 we cannot organize any shows during the year 2020-21. Once the pandemic scenario improves, it is expected that we will be able to organize more shows with increased participation from around the Country.

### **Nesco Foods**

Opportunity to have better service offering and venues for Exhibition and Events. The Grande offers a unique package of safe and beautiful venue, F&B Services and well spread out function areas. The division has multiple channels of revenues through various segments: Corporate, Social and MICE.

Currently, ongoing Pandemic is the biggest threat to the business as there are restrictions on gatherings and exhibitions as per advisory issued by the State Government.

### **Indabrator**

The biggest opportunity for Indabrator is the longevity in the business, strong and wide client base, its capability and capacity of handling large projects. Division has integrated manufacturing set-up under one roof. Export of Equipment, Spares and Abrasives can be a good opportunity for the Company.

However, Compliance to international standards, their requirements and local and international competition from established suppliers is a challenge for the Company.

## **C. Risks and Concerns**

Current and immediate risk to the Company is due to the pandemic where public gathering is restricted.

Common and General risk or concern which may impact the Company's business are Statutory permissions, market conditions, natural concerns, riots, uprisings, religious holidays, acceptance of the exhibitions and events concept by the targeted audience and potential sponsors.

The Company has a Risk Management Policy, which provides overall framework of Risk Management appropriate to it and to the business environment under which it operates. Risks are being identified at regular intervals by the Company's Board of Directors and key management personnel.

#### **Nesco IT Park**

Due to COVID 19 situation lot of companies have started looking at reducing their space and reducing the cost as this IT/ITES companies have started "Work from Home" culture. Considering this situation existing client may reduce their spaces or move out to spaces with lower rentals.

Lot of companies have either put their plans for expansion or consolidation on hold or has deferred them for sometime.

#### **Bombay Exhibition Centre**

The major concern of the Company currently is making BEC Halls available for conducting exhibitions and events and relaxations of restrictions applicable on gatherings and functions.

Gestation period of launching new shows, fear in the Exhibitors and Visitors to travel with their teams, restrictions on International travelling due to travel bans, Non-availability of Halls, Lockdown /Semi Lockdown situations are the major concerns of the Company currently. Also organising an exhibition or an event with gathering of more than 50 people is not yet permitted by the state government.

#### **Nesco Foods**

Over the past 2 years, we have successfully built a reputation as a sought after location for Social and Corporate events. Nesco was also getting associated with Food related events. The pandemic has bought a huge gap, which could effectively erase the brand value created. Also, there seems to be no timeline defined by any agency for the end of the current ordeal. In which case, there are no grounds for planning the future.

#### **Indabrator**

Availability of raw material and its price, restrictions on local and international travel, imports to India at a cheaper rate, high logistics cost, uncertain demand scenario around the globe are the matter of concerns for the Company.

#### **Investment**

The Company has invested mostly in Mutual Funds, Corporate Deposits, Non-Convertible Debentures, Bonds and Preference Shares. The volatility in the market may adversely affect the Company due to Mark to Market losses. To overcome this risk, the management reviews the investments on regular basis and verify the returns and present the same before the Board for their consideration every quarter.

### **D. Internal Control Systems**

The Company has proper and adequate system of internal controls which ensure that all the assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorised, recorded and reported correctly.

Our internal financial control framework commensurate with the size and operations of the business and is in line with requirements of the regulations. We have laid down adequate procedures and policies to guide the operations of our business. Divisional Heads are responsible for ensuring compliance with the policies and procedures laid down by the management.

Our internal control systems are routinely tested by the Management, Statutory Auditors and Internal Auditors. All major findings and suggestions arising out of internal audit are reported to and reviewed by the Audit committee.

The management ensures implementation of these suggestions and reviews them periodically. The Company continuously strives to evolve, improve and implement the best practices for each of its major functional areas with a view to strengthen its internal control systems.

## E. Internal Audit

The internal audit is conducted by an independent audit firm comprising of chartered accountants. The internal audit function carries audit basis quarterly / calendar plan. Internal audit comprises risk based approach and also transaction audit for certain identified areas and processes.

## F. Development in Human Resources and Industrial Relations

The Company's vision is to create a cohesive work environment that encourages the employees to pursue their professional and self-development goals in addition to building operational excellence and a sense of belonging. The Company believes that human resources are a critical factor for its growth. The emphasis is on grooming inhouse talent enabling them to take on larger responsibilities. The relations with the employees and workers remained cordial and harmonious throughout the year. The year 2020-21 saw a drop in overall employee benefit expense by almost 20% compared to the previous year. In addition to the above, there is a 8% impact on account of new hires and increments in the current year i.e. a net fall of 28% in like to like costs compared to previous year. The main reason for this drop is on account of Resignations (9%); Retirements (2%); Redundancy (8%) and Cost Savings (9%).

## G. Financial Review

During the year under review, certain business were impacted due to the lockdown measures to contract ongoing pandemic situation resulting in reduction in revenue and profits. The Standalone and Consolidated financial highlights for financial year 2020-21 are as follows:

| Particulars                              | Consolidated |           | Standalone |           |
|------------------------------------------|--------------|-----------|------------|-----------|
|                                          | 2020-21      | 2019-20   | 2020-21    | 2019-20   |
| Revenue from Operations and Other Income | 35,569.72    | 47,427.87 | 35,565.77  | 47,411.83 |
| EBIDTA                                   | 25,025.63    | 32,074.71 | 25,029.90  | 32,068.30 |
| Profit Before Tax                        | 21,630.61    | 29,228.53 | 21,634.97  | 29,222.15 |
| Profit After Tax                         | 17,245.56    | 23,389.01 | 17,249.92  | 23,379.00 |

| Particulars             | Consolidated |         | Standalone |         |
|-------------------------|--------------|---------|------------|---------|
|                         | 2020-21      | 2019-20 | 2020-21    | 2019-20 |
| Debtors Turnover        | 12.61        | 24.95   | 12.61      | 24.95   |
| Inventory Turnover      | 4.88         | 6.68    | 4.91       | 6.70    |
| Current Ratio           | 1.73         | 1.10    | 1.70       | 1.07    |
| Operating Profit Margin | 77.13%       | 69.10%  | 77.15%     | 69.08%  |
| Net Profit Margin       | 59.24%       | 54.17%  | 59.26%     | 54.15%  |
| Return on Net Worth     | 11.23%       | 17.22%  | 11.25%     | 17.25%  |

## H. Capital Expenditure and Expansion Plan

During the financial year 2020-21, expansion plans for IT Park and for BEC were deferred due to the on-going pandemic situation. The Company's Exhibition Halls were occupied by the Municipal Corporation of Greater Mumbai (MCGM) to operate a Jumbo Dedicated Covid and Health Centre which included a Quarantine Centre, Hospital ICU, as well as a Vaccination Centre.

- Nesco IT Park is expecting to complete the designing & finalization of plans for the new Tower 02 which will be located in place of legacy IT building 02 and the adjoining areas. The designs are made by Singapore Based Architects – Aedas and the total development size will be about 4.6 million sq. ft. that includes office space, hotel, car parking and other amenities.

The estimated cost for Tower 02 is around ₹1,80,000 lakhs, with outflow spread across the 5 years and civil work expected to start shortly after overall improvement in the conditions due to pandemic.

The Company's IT Park Division is planning to complete the F&B and Retail areas in Tower 04 which include new Restaurants, Food Court, Gym, Convenience Store, Salon and a Coffee Shop. The expected cost is approximately ₹ 5,000 lakhs.

- Bombay Exhibition Centre is awaiting clearance of State Government to the suggestion of objection filed in respect of DP 2034 which were included in the Excluded Portion (EP).

Company has plans to develop a large world class integrated Exhibition Centre comprising of Exhibition Centre, Convention Centre, Hotel and other amenities.

- Nesco Foods served packed meals to the patients, doctors, and support staff in the Covid Care Centre during the year. For the financial year 2021-22, the division is planning to increase its revenue stream by foraying into outdoor catering and B2B contracts outside the Nesco Center. This additional business will be managed within its existing production capacity.
- At Indabrador division, the abrasive plant manufacturing capacity of 2000 MT/annum has been ramped-up to 6000 MT/annum and expected to generate revenue of approximately ₹ 2,500 lakhs on full capacity basis.

Newly developed Blast wheel with automatic control cage will be tested and installed on 16W Coach Blasting Machine for Indian Railways that will be installed at Liluah site.

Custom design for simultaneous blasting of Internal as well as external surface of large pipe is under development and the same will be installed at Client site at Kharagpur.

- The Company is implementing Enterprise Risk Management and Compliance Tool to better manage its regulatory compliances and risk management. The Company has implemented SAP (SG/HANA) for most of the areas related to accounting functions and now working towards digitization of its business processes and functions across all divisions and functions. Furthermore, the company is expected to complete the implementation of "Microsoft LS Retail" as a front ending solution for all its food courts and restaurants.
- The Company is expecting to complete the upgradation of the existing storm water drain within the Nesco Center in the year 2021-22. This will help eliminate the risk of water logging during monsoon season. The estimated cost of completion for the same is ₹1,000 lakhs.

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## REPORT ON CORPORATE GOVERNANCE

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### 1. Company's Philosophy on Corporate Governance:

The year under review saw challenging times for the Company as well as for the world at large due to the impending COVID-19 pandemic. The situation continues to be exceptional and dynamic. The regulators including Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI) promptly announced many relaxations with respect to the compliance requirements for India Inc. to facilitate companies to conduct smooth operations and cope with the challenging times.

Nesco has always adopted a robust governance framework which played a critical role in ensuring that we remain true to our culture and values. The high standard of corporate governance is the cornerstone of our long termism and continued success.

NESCO believes in maximising the interests of Shareholders and Stakeholders alike. Hence we are also working on Environmental, Social and Governance (ESG) agenda with renewed focus. Nesco is committed to adopt best governance standards and sustainability practices and sustainable development of communities around our areas of businesses. We have a board which is striving to provide effective oversight and maintain a culture of transparency, accountability and equanimity. This culture inspires trust among all stakeholders.

Company has adopted a code of conduct which is applicable to all employees and is posted on the website of the Company. The Company also has in place a code for preventing insider trading.

Company is fully compliant with the requirements of the listing regulations and applicable corporate governance norms and is committed to ensuring compliance with all modifications within the prescribed time.

Customers, Employees, Shareholders and Stakeholders form the nucleus of NESCO's sphere of business. Therefore, the products & services that we provide and the customer satisfaction it generates, gives a special joy to us and to everyone involved. We believe in enriching and uplifting people's lives and that is what makes people believe in us!

### 2. Board of Directors:

The Board has an optimum mix of Executive, Non-Executive and Independent Directors, who have proficiency in their respective fields including competencies required in context of Company's businesses.

The composition and strength of the Board is reviewed periodically to ensure that the Board is a wholesome blend of Directors with complementary skill set and for ensuring compliance with the statutory requirements.

We have a cohesive board with diversity of domain expertise as well as gender diversity. The present strength of the Board of Directors is eight members. The Board comprises of the Executive Chairman, Vice Chairman & Managing Director and six other Non-executive Directors, out of which five are Independent Directors.

Day to day management of the business is conducted by the Head of Departments with Executive Chairman and the Vice Chairman & Managing Director of the Company subject to direction, control and effective oversight by the Board of Directors.

The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations) as well as the Companies Act, 2013 read with the rules issued thereunder.

Details of composition of the Board and summary of other Directorships and Committee Memberships or Chairmanships of each of the Directors as on 31 March 2021 are as follows:

| Name of the Directors       | Nature of Directorship                                  | Directorship in other Companies<br>* | Membership held in Committees<br># | Chairmanship held in Committee of Directors<br>## |
|-----------------------------|---------------------------------------------------------|--------------------------------------|------------------------------------|---------------------------------------------------|
| Mr. Sumant J. Patel         | Promoter / Executive Chairman                           | ---                                  | ---                                | ---                                               |
| Mr. Mahendra K. Chouhan     | Non-Executive and Independent                           | 01                                   | 02                                 | 01                                                |
| Mr. Jai S. Diwanji          | Non-Executive and Independent                           | 01                                   | 04                                 | ---                                               |
| Mr. K. S. Srinivasa Murty   | Non-Executive and Independent                           | ---                                  | 02                                 | ---                                               |
| Mr. Manu M. Parpia          | Non-Executive and Independent                           | 01                                   | 02                                 | 01                                                |
| Mrs. Sudha S. Patel         | Promoter / Non-Executive                                | ---                                  | 01                                 | 01                                                |
| Mr. Krishna S. Patel        | Promoter / Executive/ Vice Chairman & Managing Director | ---                                  | 02                                 | ---                                               |
| Mrs. Amrita Verma Chowdhury | Non-Executive and Independent                           | 03                                   | 03                                 | ---                                               |

\* This excludes directorship held in Nesco Limited, private companies, foreign companies, companies formed under section 8 of the Companies Act, 2013.

# Membership in Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies including Nesco Limited.

## Chairmanship in Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies including Nesco Limited.

The Details of Directors, their inter-se relationship, directorships held in other listed companies, their shareholding in the Company as on 31 March 2021 and their areas of expertise.

| Name of the Directors       | Relationship with each other                                   | Directorships held in other listed entities                                                | No. of shares and percentage held in the Company by Non-Executive Directors |
|-----------------------------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Mr. Sumant J. Patel         | Father of Mr. Krishna S. Patel, Husband of Mrs. Sudha S. Patel | --                                                                                         | Not Applicable                                                              |
| Mr. Mahendra K. Chouhan     | *                                                              | --                                                                                         | NIL                                                                         |
| Mr. Jai S. Diwanji          | *                                                              | Independent Director of Elecon Engineering Company Limited                                 | 2,500 (0.004%)                                                              |
| Mr. K. S. Srinivasa Murty   | *                                                              | --                                                                                         | NIL                                                                         |
| Mr. Manu M. Parpia          | *                                                              | --                                                                                         | 20,000 (0.03%)                                                              |
| Mrs. Sudha S. Patel         | Wife of Mr. Sumant J. Patel, Mother of Mr. Krishna S. Patel    | —                                                                                          | 45,74,720 (6.49%)                                                           |
| Mr. Krishna S. Patel        | Son of Mr. Sumant J. Patel and Mrs. Sudha S. Patel             | --                                                                                         | Not Applicable                                                              |
| Mrs. Amrita Verma Chowdhury | *                                                              | Independent Director of Simmond Marshall Limited and Mahindra Lifespace Developers Limited | NIL                                                                         |

\* No inter-se relationship with any of the Director of the Company.

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank.

### Key Board qualifications, expertise and attributes

Our Company is diversified in four business segments:

- **Nesco IT Park:** Our IT Towers 03 and 04 provides office space on lease to some of the world's leading Companies.
- **Bombay Exhibition Centre (BEC):** BEC provides infrastructure to leading Indian and Foreign organizers for Guest exhibitions and events. Nesco also holds its own exhibitions and events.
- **Nesco Foods:** Our Foods division caters to Banquets, Exhibitions, F&Bs and offices situated in the Nesco Premises. On the days of exhibitions Nesco Foods prepares and serves over 20,000 meals per day.
- **Indabrator:** Our Indabrator division is a leading manufacturer of surface preparation equipment with integrated manufacturing facilities for Equipment, Spares and Abrasives in Gujarat.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's aforesaid business(es) for it to function effectively and those available with the Board as a whole.

|                                           |                                                                                                                                                                                                                                 |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Governance                      | Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests. Experience in boards and committees of other large companies. |
| Legal                                     | Understanding legal and regulatory aspects, mergers and acquisition, etc.                                                                                                                                                       |
| Finance                                   | Understanding the financial statements, financial controls, risk management, accounting aspects in mergers and acquisition, etc.                                                                                                |
| Information Technology                    | A significant background in technology, digitization resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business.                                        |
| Wide management and leadership experience | Strong management and leadership experience, including in areas of business development, strategic planning, operations in technology, manufacturing, investments and finance.                                                  |
| Diversity                                 | Diversity of thought, experience, knowledge, perspective and culture brought to the Board by individual members. Varied mix of strategic perspectives.                                                                          |
| Personal values                           | Personal characteristics matching the Company's values, such as integrity, accountability and high performance standards.                                                                                                       |

Given below is a list of core skills, expertise and competencies of the individual Directors:

| Name of Director            | Skills / Expertise / Competencies |       |         |                        |                                           |           |                 |
|-----------------------------|-----------------------------------|-------|---------|------------------------|-------------------------------------------|-----------|-----------------|
|                             | Corporate Governance              | Legal | Finance | Information Technology | Wide management and leadership experience | Diversity | Personal values |
| Mr. Sumant J. Patel         | ✓                                 | ✓     | ✓       | ✓                      | ✓                                         | ✓         | ✓               |
| Mr. Mahendra K. Chouhan     | ✓                                 | ✓     | ✓       | ✓                      | ✓                                         | ✓         | ✓               |
| Mr. Jai S. Diwanji          | ✓                                 | ✓     | ✓       | ✓                      | ✓                                         | ✓         | ✓               |
| Mr. K. S. Srinivasa Murty   | ✓                                 | ✓     | ✓       | ✓                      | ✓                                         | ✓         | ✓               |
| Mr. Manu M. Parpia          | ✓                                 | ✓     | ✓       | ✓                      | ✓                                         | ✓         | ✓               |
| Mrs. Sudha S. Patel         | ✓                                 | ✓     | ✓       | ✓                      | ✓                                         | ✓         | ✓               |
| Mr. Krishna S. Patel        | ✓                                 | ✓     | ✓       | ✓                      | ✓                                         | ✓         | ✓               |
| Mrs. Amrita Verma Chowdhury | ✓                                 | ✓     | ✓       | ✓                      | ✓                                         | ✓         | ✓               |

### Familiarization Programme:

The Company conducts familiarization programme for Independent Directors to enable them to understand their roles, rights and responsibilities. Presentations are also made at the Board meetings which facilitates them to clearly understand the business of the Company and the environment in which the Company operates. Field visits are also done to various locations of the Company to enable the directors to have a better understanding of the Company's processes. They are also provided a platform to interact with multiple levels of management and are provided with all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole.

Majority of the Non-Executive Independent Directors are associated with the Company for several years. Besides, regular presentations are made to all Non-Executive Independent Directors, an update and details of Company's operations, including new activities undertaken and details of the proposed activities is also provided to the Independent Directors.

Brief details of the Familiarization Programme for Independent Directors are put up on the Company's website at [www.nesco.in](http://www.nesco.in).

### 3. Number of Board Meetings and Attendance Record of Directors:

Meetings of the Board are scheduled well in advance. The Board meets at least once in a quarter to review business of the Company and to consider financial results. Each time a detailed agenda is prepared in consultation with the Executive Chairman and Vice Chairman & Managing Director.

During the financial year, four meetings of the Board of Directors of the Company were held on 19 May 2020, 14 August 2020, 12 November 2020 and 12 February 2021.

The details of attendance of each Director at the Board meetings held during the year and at the last Annual General Meeting is as under:

| Name of Director            | Number of board meetings during the year 2020-21 |           | Attendance at the last AGM held on 14 August 2020* |
|-----------------------------|--------------------------------------------------|-----------|----------------------------------------------------|
|                             | Held*                                            | Attended* |                                                    |
| Mr. Sumant J. Patel         | 4                                                | 4         | Yes                                                |
| Mr. Mahendra K. Chouhan     | 4                                                | 4         | Yes                                                |
| Mr. Jai S. Diwanji          | 4                                                | 4         | Yes                                                |
| Mr. K. S. Srinivasa Murty   | 4                                                | 4         | No                                                 |
| Mr. Manu M. Parpia          | 4                                                | 4         | Yes                                                |
| Mrs. Sudha S. Patel         | 4                                                | 4         | Yes                                                |
| Mr. Krishna S. Patel        | 4                                                | 4         | Yes                                                |
| Mrs. Amrita Verma Chowdhury | 4                                                | 4         | Yes                                                |

\*As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM.

#### 4. Committees of the Board:

The Board has constituted six committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Sexual Harassment Committee.

##### Audit Committee

##### Composition:

The composition of the Audit Committee of the Board of Director of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2020-21 is detailed below:

During the year, Committee met four times on 19 May 2020, 14 August 2020, 12 November 2020 and 12 February 2021. The attendance of each director at the meeting was as follows:

| Sr. no. | Name of the Member          | Nature of membership | No. of Committee meetings during the year 2020-21 |           |
|---------|-----------------------------|----------------------|---------------------------------------------------|-----------|
|         |                             |                      | Held*                                             | Attended* |
| a.      | Mr. Mahendra K. Chouhan     | Chairman             | 4                                                 | 4         |
| b.      | Mr. K. S. Srinivasa Murty   | Member               | 4                                                 | 4         |
| c.      | Mr. Jai S. Diwanji          | Member               | 4                                                 | 4         |
| d.      | Mr. Manu M. Parpia          | Member               | 4                                                 | 4         |
| e.      | Mr. Krishna S. Patel        | Member               | 4                                                 | 4         |
| f.      | Mrs. Amrita Verma Chowdhury | Member               | 4                                                 | 4         |

\*As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM.

Ms. Jinal J. Shah, Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

##### Scope of Audit Committee:

The terms of reference of the Audit Committee are as under:

- Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending appointment, remuneration and terms of appointment of auditors of the listed entity;
- Reviewing with the management the annual financial statements and auditors report before submission to the board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report as per Section 134(3) (C) of the Companies Act, 2013;
  - Changes if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimate based on exercise of judgment by management;
  - Significant changes or adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- Reviewing with the management quarterly, half yearly unaudited financial results before submission to the Board for approval.
- Evaluating the internal financial controls and risk management policies system of the Company.

- f. Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.
- g. Reviewing the adequacy of internal audit functions, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h. Discussion with internal auditors of any significant findings and follow up thereon;
- i. Reviewing the findings, if any, of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
- j. Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k. Reviewing the functioning of the whistle blower mechanism;
- l. To look into the reasons for substantial defaults, if any, in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- m. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- n. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- o. The Audit Committee also reviews:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory Auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- p. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).
- q. Approval or any subsequent modification of transactions of the company with related parties;
- r. Reviewing and scrutinizing the inter-corporate loans and investments;
- s. Appointing registered valuers and defining the terms and conditions for conducting the valuation of undertakings / assets / net-worth / liabilities of the Company, wherever it is necessary. Reviewing the valuation report and follow-up thereon;
- t. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- u. Any other matter referred to by the Board of Directors.

The Chairman of the Audit Committee briefs the Board about the significant discussions held at the Audit Committee Meetings.

## Nomination and Remuneration Committee

### Composition:

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2020-21 is detailed below:

During the year, Committee met two times on 17 May 2020 and 12 November 2020. The attendance of each director at the meeting was as follows:

| Sr. no. | Name of the Member      | Nature of membership | No. of Committee meetings during the year 2020-21 |           |
|---------|-------------------------|----------------------|---------------------------------------------------|-----------|
|         |                         |                      | Held*                                             | Attended* |
| a.      | Mr. Jai S. Diwanji      | Chairman             | 2                                                 | 2         |
| b.      | Mr. Mahendra K. Chouhan | Member               | 2                                                 | 2         |
| c.      | Mrs. Sudha S. Patel     | Member               | 2                                                 | 2         |

\*As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM

### Scope of Nomination and Remuneration Committee:

The broad terms of reference to the Nomination and Remuneration Committee includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;
- Any other matter as the Board may decide from time to time.

The Nomination and Remuneration Committee has determined a process for evaluating the performance of every Director, Committees of the Board and the Board on an annual basis.

### Remuneration Policy:

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results.

Company pays remuneration by way of salary, perquisites and allowances (fixed components) and commission (variable components) to its Executive Chairman and Vice Chairman & Managing Director. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members of the Company. Nomination and Remuneration Committee decides on the commission payable to the Executive Chairman and Vice Chairman & Managing Director as a percentage of profits for the financial year and within the ceiling limits prescribed under the Act based on the performance of the Company as well as of the Executive Chairman and Vice Chairman & Managing Director.

The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at [www.nesco.in](http://www.nesco.in).

**Details of Remuneration of the Directors of the Company for the financial year 2020-21 are as follows:**

(₹ in lakhs)

| Name of Directors          | Designation                       | Sitting fees | Salary        | Perquisites and allowance | Commission      | Provident Fund | Total           |
|----------------------------|-----------------------------------|--------------|---------------|---------------------------|-----------------|----------------|-----------------|
| Mr. Sumant J. Patel        | Executive Chairman                | ---          | 96.00         | ---                       | 555.00          | ---            | 651.00          |
| Mr. Krishna S. Patel       | Vice Chairman & Managing Director | ---          | 108.00        | ---                       | 555.00          | 12.96          | 675.96          |
| Mr. Mahendra K. Chouhan    | Director                          | 5.55         | ---           | ---                       | ---             | ---            | 5.55            |
| Mr. Jai S. Diwanji         | Director                          | 5.80         | ---           | ---                       | ---             | ---            | 5.80            |
| Mr. K. S. Srinivasa Murty  | Director                          | 4.55         | ---           | ---                       | ---             | ---            | 4.55            |
| Mr. Manu M. Parpia         | Director                          | 4.30         | ---           | ---                       | ---             | ---            | 4.30            |
| Mrs. Sudha S. Patel        | Director                          | 2.75         | ---           | ---                       | ---             | ---            | 2.75            |
| Ms. Amrita Verma Chowdhury | Director                          | 4.30         | ---           | ---                       | ---             | ---            | 4.30            |
| <b>Total</b>               |                                   | <b>27.25</b> | <b>204.00</b> | <b>---</b>                | <b>1,110.00</b> | <b>12.96</b>   | <b>1,354.21</b> |

**Mechanism for evaluating Board Members:**

One of the key functions of the Board is to monitor and review the Board evaluation framework. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvements.

Each Board member is requested to evaluate the effectiveness of Board dynamics and relationships, information flow, decision making of Directors, relationship to stakeholders, Company performance, Company strategy, and the effectiveness of the whole Board and its various Committees.

Independent Directors have three key roles i.e. governance, control and guidance. The performance indicators on which the independent directors are evaluated include:

- Ability to contribute to and monitor our corporate governance practice
- Ability to contribute by introducing international best practices to address top- management issues
- Active participation in long-term strategic planning
- Commitment to the fulfillment of Directors' obligations and fiduciary responsibilities, which include participation in Board and Committee meetings.

**Performance Evaluation**

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The Company has a structured assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Executive Chairman, Vice Chairman and Managing Director and Non-Executive Directors.

The Independent Directors at their separate meeting reviewed the performance of Non-Independent Directors and the Board as a whole, Chairperson of the Company after taking into account the views of Non-Executive Directors, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. During the year under review, evaluation of performance of Directors, Board as a whole and Committees of the Board were carried out. Based on the inputs received from the Directors, a separate meeting of the Board would be held to discuss and draw up a plan of action.

## Stakeholders Relationship Committee

### Composition:

The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2020-21 is detailed below:

During the year, Committee met once on 12 November 2020. The attendance of each director at the meeting was as follows:

| Sr. no. | Name of the Member        | Nature of membership | No. of Committee meetings during the year 2020-21 |           |
|---------|---------------------------|----------------------|---------------------------------------------------|-----------|
|         |                           |                      | Held*                                             | Attended* |
| a.      | Mrs. Sudha S. Patel       | Chairman             | 1                                                 | 1         |
| b.      | Mr. K. S. Srinivasa Murty | Member               | 1                                                 | 1         |
| c.      | Mr. Jai S. Diwanji        | Member               | 1                                                 | 1         |
| d.      | Mr. Krishna S. Patel      | Member               | 1                                                 | 1         |

\*As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM.

Ms. Jinal J. Shah, Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

### Scope of Stakeholders Relationship Committee:

The Committee administers the following activities:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- Reviewing measures taken for effective exercise of voting rights by shareholders.
- Reviewing adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Reviewing various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Reviewing matters relating to unclaimed equity shares and dividend transferred to Investor Education and Protection Fund (IEPF) pursuant to IEPF rules.

### Details of complaints received and redressed during the year 2020-21:

| Sr. no. | Nature of Complaints                                         | Pending as on 01.04.2020 | Received | Redressed | Pending as on 31.03.2021 |
|---------|--------------------------------------------------------------|--------------------------|----------|-----------|--------------------------|
| 1       | Non-Receipt of Dividend                                      | NIL                      | 4        | 4         | NIL                      |
| 2       | Non-Receipt of share certificate after transfer/transmission | NIL                      | 3        | 3         | NIL                      |

The Company is in constant touch with Link Intime India Private Limited, the registrar and share transfer agent of the Company, and reviews periodically the outstanding complaints, if any.

At present there are no pending cases wherein adverse claims are made against the Company.

### Corporate Social Responsibility Committee

#### Composition:

The composition of the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2020-21 is detailed below:

During the year Committee met once on 12 February 2021. The attendance of each director at the meeting was as follows:

| Sr. no. | Name of the Member      | Nature of membership | No. of Committee meetings during the year 2020-21 |           |
|---------|-------------------------|----------------------|---------------------------------------------------|-----------|
|         |                         |                      | Held*                                             | Attended* |
| a.      | Mr. Sumant J. Patel     | Chairman             | 1                                                 | 1         |
| b.      | Mr. Krishna S. Patel    | Member               | 1                                                 | 1         |
| c.      | Mr. Mahendra K. Chouhan | Member               | 1                                                 | 1         |
| d.      | Mr. Jai S. Diwanji      | Member               | 1                                                 | 1         |

\*As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM.

#### Scope of Corporate Social Responsibility Committee:

The Committee administers the following activities:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
2. Recommend the amount of expenditure to be incurred on the activities;
3. Monitor implementation and adherence to the Corporate Social Responsibility Policy of the Company from time to time.
4. Such other activities as the Board of Directors may determine from time to time.

The details of CSR initiatives forms part of the Directors Report in the Annual Report. The CSR policy of the Company has been uploaded on the Company's website at [www.nesco.in](http://www.nesco.in).

### Risk Management Committee

Your Company has constituted a Risk Management Committee to monitor and review the Risk Management Policy and plans of the Company.

#### Composition:

The Committee comprises of Mr. Krishna S Patel – Vice Chairman & Managing Director as Chairman, Mr. Jai S. Diwanji - Independent Director, Mr. Mahendra K. Chouhan - Independent Director and Mr. Dipesh R. Singhania - Chief Financial Officer as members.

During the year Committee met once on 12 February 2021. The attendance of each member at the meeting was as follows:

| Sr. no. | Name of the Member      | Nature of membership | No. of Committee meetings during the year 2020-21 |           |
|---------|-------------------------|----------------------|---------------------------------------------------|-----------|
|         |                         |                      | Held*                                             | Attended* |
| a.      | Mr. Krishna S. Patel    | Chairman             | 1                                                 | 1         |
| b.      | Mr. Mahendra K. Chouhan | Member               | 1                                                 | 1         |
| c.      | Mr. Jai S. Diwanji      | Member               | 1                                                 | 1         |
| d.      | Mr. Dipesh R. Singhania | Member               | 1                                                 | 1         |

\*As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM.

### Scope of Risk Management Committee

The terms of reference of the Risk Management Committee includes the following:

- Framing a risk management policy;
- To create a standard, structured and efficient approach to identify, assess and mitigate risks.
- Reviewing and monitoring risk management plan and other functions including risk pertaining to cyber security;
- Ensure adequacy of risk management practices in the Company.

## **5. Independent Directors Meeting:**

During the year under review, a meeting of the Independent Directors of the Company was held on 12 February 2021 in accordance with provisions of Schedule IV (Code of Independent Directors), without the attendance of Non-Independent Directors and members of management inter-alia to discuss:

- To review the performance of Non-Independent Directors and the Board as a whole.
- To review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **6. General Body Meetings**

Details of location, time and date of last three annual general meetings of the Company:

| Year    | AGM  | Location                                                                          | Date           | Time      | No. of special resolutions set out at AGM |
|---------|------|-----------------------------------------------------------------------------------|----------------|-----------|-------------------------------------------|
| 2017-18 | 59th | Nesco Complex, Western Express Highway, Goregaon East, Mumbai – 400063.           | 08 August 2018 | 3.30 P.M. | 1                                         |
| 2018-19 | 60th | Tower 04, Nesco IT Park, Western Express Highway, Goregaon East, Mumbai – 400063. | 05 August 2019 | 3.30 P.M. | 1                                         |
| 2019-20 | 61st | Nesco Center, Western Express Highway, Goregaon East, Mumbai – 400063.            | 14 August 2020 | 2.30 P.M. | 0                                         |

### **Postal Ballot:**

Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules (including any statutory amendments(s) or re-enactment(s) thereof made thereunder), No Special Resolution was passed through Postal Ballot during financial year 2020-21. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this report.

## **7. Means of Communication:**

The Company regularly intimates about the Quarterly, Half-yearly and Annual financial results to the Stock Exchanges as soon as these are taken on record / approved.

Quarterly, Half-yearly and Annual financial results of the Company are published in leading English and vernacular Marathi language newspapers, viz., Business Standard and Lakshwadeep Marathi.

The Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of Listing Regulations and other rules and regulations issued by the SEBI.

Any presentations made to the Institutional Investors or to the Analysts are intimated to the stock exchanges and is disclosed on the website of the Company under the Investors section.

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' tab on the Company's website gives information on various announcements, submissions or disclosures made by the Company to the stock exchanges from time to time.

The results are also displayed on the website of the Company at [www.nesco.in](http://www.nesco.in).

The Company has designated the following email-id exclusively for investors for all their queries: [companysecretary@nesco.in](mailto:companysecretary@nesco.in).

## **8. Compliance Officer:**

Ms. Jinal J. Shah, Company Secretary of the Company, is designated as Compliance Officer of the Company.

## **9. Secretarial Audit:**

Pursuant to Section 204 of the Companies Act, 2013 and Rules thereunder, the Board of Directors of the Company appointed M/s. ND & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company. The Report on Secretarial Audit is annexed and forms part of Directors Report as "Annexure B".

## **10. Secretarial Compliance Report:**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 08 February 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars or guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR - 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company has engaged the services of Ms. Neeta H. Desai (CP No. 4741), Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification.

## **11. Code of Practices and procedures for fair disclosures of unpublished price sensitive information:**

As per the requirements of Regulation 8(1) of Securities and Exchange of Board India (Prohibition of Insider Trading) Regulation, 2015, the Company has formulated Code of fair disclosures of unpublished price sensitive information and has uploaded the same on the official website of the Company. The Company's Code of Conduct to regulate, monitor and report trading by promoters, directors, employees and other connected persons is already in place.

## **12. CEO/CFO Certification:**

The Managing Director and Chief Financial Officer have certified to the Board of Directors, compliance in respect of all matters pursuant to Regulation 17(8) of the Listing Regulation. The certificate is annexed and forms part of this Annual Report as "Annexure E."

## **13. Other Disclosures:**

### **a. Related Party Transactions**

The Company has a process for monitoring the related party transactions. The Audit Committee, during the financial year 2020-21, has approved Related Party Transactions in line with the Policy of dealing with related party transactions and other applicable provisions of the Companies Act, 2013 read with the rules issued thereunder and the Listing Regulations (including any statutory modification(s) or Re-enactment(s) thereof for the time being in force.)

The policy on related party transactions has been uploaded on the website of the Company at [www.nesco.in](http://www.nesco.in).

All the transactions entered into by the Company with the related parties, during the financial year 2020-21, were in the ordinary course of business and on arm's length basis. The details of the related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions of the Companies Act, 2013 read with the rules issued thereunder and Regulation 23 of the Listing Regulations.

There were no materially significant transactions with related parties during the financial year which have potential conflict with the interest of the Company. Suitable disclosures as required by Indian Accounting Standard 24 (Ind AS 24) have been made in the notes to the Financial Statements.

**b. Subsidiary Companies**

The Company does not have any material unlisted subsidiaries in terms of Regulation 16 of the Listing Regulations. However, Nesco Hospitality Private Limited and Nesco Foundation for Innovation and Development are wholly owned subsidiaries of Nesco Limited.

A synopsis of the minutes of the Board meetings of the subsidiary companies are placed at the board meeting on periodical basis. The Audit Committee reviews the financial statements of the unlisted subsidiaries of the Company.

The management of the unlisted subsidiaries periodically brings to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiary, if any.

The Policy for determining material subsidiary has been uploaded and can be accessed on the Company's website at [www.nesco.in](http://www.nesco.in).

**c. Vigil Mechanism/Whistle Blower Policy**

The Company has a vigil mechanism to deal with fraud and mismanagement, if any. The policy is on the website of the Company.

**d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations. The Company has adopted the following discretionary requirements of the Listing Regulations:

**Audit Qualification**

The Company is in the regime of unmodified opinions on financial statements.

**Reporting of Internal Auditor**

The Internal Audit Department of the Company, co-sourced with professional firms of Chartered Accountants, reports directly to the Audit Committee.

**e. Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations**

The Company has not raised funds through preferential allotment or qualified institutional placement.

**f. Certificate from Practicing Company Secretary**

Certificate as required under Part C of Schedule V of Listing Regulations, received from Ms. Neeta H. Desai (CP No. 4741), Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India or Ministry of Corporate Affairs was placed before the Board of Directors at their meeting held on 28 May 2021. The Certificate is enclosed as “Annexure F” in the Annual Report.

**g. Recommendations of Committees of the Board**

There were no instances during the financial year 2020-21, wherein the Board had not accepted recommendations made by any committee of the Board.

**h. Total fees paid to Statutory Auditors of the Company.**

Total fees of ₹ 21.76 lakhs (Rupees Twenty One Lakhs Seventy Six Thousand only) for financial year 2020-21, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors.

**i. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2020-21 are as under:

- Number of complaints filed during the financial year: NIL
- Number of complaints disposed of during the financial year: NIL
- Number of complaints pending as on end of the financial year: NIL

**j. Code of Conduct**

Your Company has framed its own Code of Conduct for the members of the Board of Directors and senior management personnel of the Company. The same is available on the Company's website at [www.nesco.in](http://www.nesco.in).

**k. The Company has duly complied with the requirements specified in Regulations 17 to 27 and clause (b) to (i) of Sub Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.****l. There are no penalties or strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authorities for non-compliance by the Company or on any other matter related to capital markets, during last three years.**

**For and on behalf of the Board of Directors**

**Sumant J. Patel**  
Executive Chairman  
DIN: 00186976

**Panaji**  
28 May 2021

**MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION**

To  
**The Board of Directors**  
Nesco Limited  
Mumbai

Dear Members of the Board,

We, Krishna S. Patel, Vice Chairman and Managing Director and Dipesh R. Singhania, Chief Financial Officer of Nesco Limited, to the best of our knowledge and belief, state that:

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Krishna S. Patel**  
**Vice Chairman and**  
**Managing Director**  
**DIN: 01519572**

**Dipesh R. Singhania**  
**Chief Financial Officer**

**Panaji**  
**28 May 2021**

**Mumbai**  
**28 May 2021**

## ANNEXURE F

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI  
(Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,  
The Members  
Nesco Limited  
Nesco Center,  
Western Express Highway,  
Goregaon East, Mumbai – 400 063

We have examined electronically the relevant registers, records, forms, returns and disclosure received from the Directors of Nesco Limited having CIN L17100MH1946PLC004886 and having registered office at Nesco Center, Western Express Highway, Goregaon East, Mumbai – 400063 (hereinafter referred to as 'the Company') produced before us by the Company by e-mail for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para C sub Clause (10)(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and according to the verifications including Directors Identification number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanation furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or such other Statutory Authority.

| Sr. No. | Name of The Director            | DIN      | Date of appointment in the Company |
|---------|---------------------------------|----------|------------------------------------|
| 1.      | Sumant Jethabhai Patel          | 00186976 | 01/04/2008                         |
| 2.      | Sudha Sumant Patel              | 00187055 | 16/07/2001                         |
| 3.      | Mahendra Kumar Chouhan          | 00187253 | 19/04/2005                         |
| 4.      | Krishna Sumant Patel            | 01519572 | 30/06/2008                         |
| 5.      | Srinivasa Murty Sesha Kuruganti | 00499663 | 30/07/2007                         |
| 6.      | Jai Shishir Diwanji             | 00910410 | 03/11/2012                         |
| 7.      | Manu Mahmud Parpia              | 00118333 | 10/05/2017                         |
| 8.      | Amrita Verma Chowdhury          | 02178520 | 14/05/2019                         |

Ensuring the eligibility for the appointment or continuity of every Director on the Board of above referred Company is the responsibility of the management of the Company. Our responsibility is to express an opinion as stated above based on our verification. This certificate is neither an assurance as to the future viability of the company or effectiveness with which the management has conducted the affairs of the Company.

Mumbai  
28 April 2021  
UDIN : F003262C000199139

For ND & Associates

Neeta H. Desai  
Practising Company Secretary  
COP No. 4741

## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

To  
The Members of Nesco Limited

I, Krishna S. Patel, Vice Chairman and Managing Director of the Company hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31 March 2021.

**Krishna S. Patel**  
**Vice Chairman and**  
**Managing Director**  
**DIN: 01519572**

**Panaji**  
**28 May 2021**

## INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF NESCO LIMITED

We, Manubhai & Shah LLP, Chartered Accountants, the Statutory Auditors of Nesco Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company for the year ended 31 March 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

### Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

## Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2021.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### **For Manubhai & Shah LLP**

#### **Chartered Accountants**

ICAI FRN: 106041W / W100136

### **Darshan Shah**

#### **Partner**

M. No.: 131508

Mumbai

28 May 2021

UDIN: 21131508AAAABW7461

## SHAREHOLDERS INFORMATION

### 1. General Shareholders Information

|    |                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                  |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Annual General Meeting                                                                                                                                                        | The 62 <sup>nd</sup> annual general meeting will be held on Wednesday, 11 August 2021 at 3.30 p.m. through Video Conference and Other Audio Visual Means (OAVM).                                                                                                                                                                                                 |
| 2. | Schedule for declaration of Financial Results during the financial year 2021-22                                                                                               | <p>Financial Year: 01 April 2021 to 31 March 2022</p> <p>First quarterly results: On or before 2<sup>nd</sup> week of August 2021</p> <p>Second quarterly results: On or before 2<sup>nd</sup> week of November 2021</p> <p>Third quarterly results: On or before 2<sup>nd</sup> week of February 2022</p> <p>Annual accounts 2021-22: Last week of May 2022</p> |
| 3. | Date of Book Closure                                                                                                                                                          | Wednesday, 04 August 2021 to Wednesday, 11 August 2021 (both days inclusive)                                                                                                                                                                                                                                                                                     |
| 4. | Listing on Stock Exchange                                                                                                                                                     | <p>The Company's equity shares are listed on:</p> <p><b>BSE Limited</b><br/>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.</p> <p><b>National Stock Exchange of India Limited</b><br/>5th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051.</p>                                                                                |
| 5. | Stock Code                                                                                                                                                                    | BSE 505355<br>NSE NESCO                                                                                                                                                                                                                                                                                                                                          |
| 6. | Demat ISIN in NSDL and CDSL for Equity Shares                                                                                                                                 | INE 317F01035                                                                                                                                                                                                                                                                                                                                                    |
| 7. | <p>Payment of Dividend</p> <p>Final Dividend for financial year 2020-21 of ₹ 3 per equity share recommended by the Board of Directors at its meeting held on 28 May 2021.</p> | <p>On or after 12 August 2021</p> <p>(Subject to approval of the shareholders)</p>                                                                                                                                                                                                                                                                               |

The Company hereby confirms that the Company has paid annual listing fees to both the Exchanges and there is no outstanding payment towards the exchanges as on date.

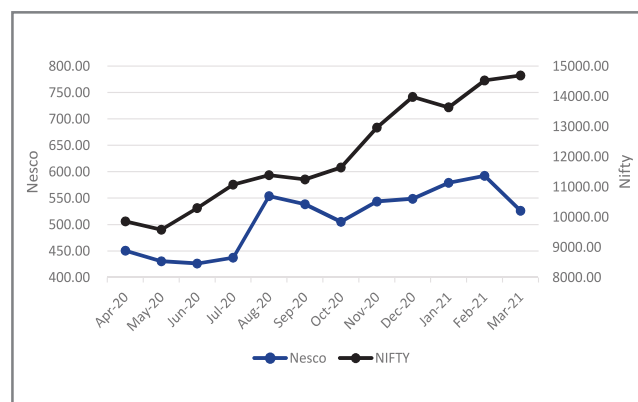
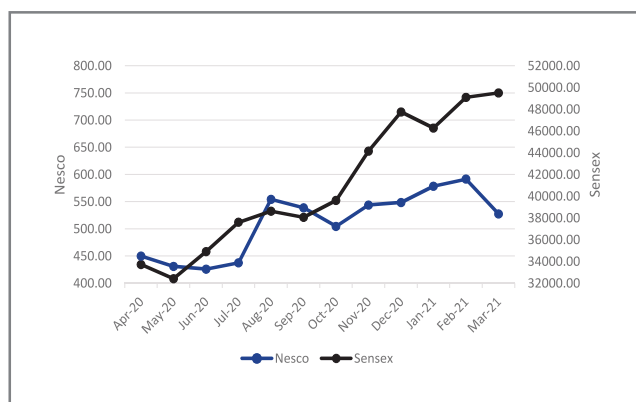
## 2. Stock Market data

Monthly high and low prices of equity shares of the Company quoted at BSE Limited and National Stock Exchange of India Limited during the financial year 2020-21.

| BSE            |        |        | NSE            |        |        |
|----------------|--------|--------|----------------|--------|--------|
| Month          | High   | Low    | Month          | High   | Low    |
| April 2020     | 524.35 | 416.55 | April 2020     | 501.55 | 416.10 |
| May 2020       | 459.00 | 381.10 | May 2020       | 459.30 | 380.00 |
| June 2020      | 485.00 | 425.00 | June 2020      | 479.50 | 423.80 |
| July 2020      | 465.00 | 419.00 | July 2020      | 464.75 | 419.00 |
| August 2020    | 617.80 | 429.00 | August 2020    | 618.00 | 430.00 |
| September 2020 | 609.00 | 507.10 | September 2020 | 609.15 | 507.95 |
| October 2020   | 578.00 | 491.25 | October 2020   | 558.00 | 492.00 |
| November 2020  | 556.05 | 481.25 | November 2020  | 556.05 | 485.00 |
| December 2020  | 582.45 | 483.00 | December 2020  | 582.40 | 500.00 |
| January 2021   | 619.90 | 546.00 | January 2021   | 620.00 | 545.30 |
| February 2021  | 639.00 | 568.00 | February 2021  | 639.00 | 521.95 |
| March 2021     | 609.55 | 513.15 | March 2021     | 609.90 | 516.05 |

### Stock Performance in comparison to broad-based Indices:

The Chart below shows the comparison of the Company's share price movement on BSE Sensex and NSE Nifty for the financial year ended 31 March 2021 (based on month end closing):



## 3. Share Transfer System

During the financial year 2020-21, Sharex Dynamic (India) Private Limited was merged with Link Intime India Private Limited. Accordingly, now Link Intime India Private Limited is Registrar and Share Transfer Agent (RTA) of the Company. The Securities and Exchange Board of India has mandated transfer of securities only in dematerialized form with effect from 01 April 2019, barring certain instances. The shares lodged for transfer, transmission, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

A summary of approved transfers, transmission, dematerialization of shares etc. is placed before the Board of Directors from time to time as per the Listing Regulations.

#### 4. Dematerialization of Shares

Details of shares dematerialized during the year under review are given below:

| Sr. no. | Particulars               | Equity   |
|---------|---------------------------|----------|
| a.      | Number of demat requests  | 68       |
| b.      | Number of shares dematted | 3,42,250 |

#### 5. Categories of Shareholding as on 31 March 2021

| Sr. No.  | Category                                                                                                           | Number of shares held | % of share holding |
|----------|--------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------|
| <b>A</b> | <b>Promoters holding</b>                                                                                           |                       |                    |
| 1.       | Indian                                                                                                             | 4,38,18,313           | 62.19              |
| 2.       | Foreign                                                                                                            | 44,72,000             | 6.35               |
|          | <b>Sub-total (A)</b>                                                                                               | <b>4,82,90,313</b>    | <b>68.54</b>       |
| <b>B</b> | <b>Non-promoters holding</b>                                                                                       |                       |                    |
| 1.       | Institutional investors                                                                                            |                       |                    |
| a.       | Mutual funds                                                                                                       | 30,11,116             | 4.27               |
| b.       | Banks, financial institution, insurance companies (central / state govt. institution / non-government institution) | 14,49,680             | 2.06               |
| c.       | Alternate investment fund                                                                                          | 3,70,974              | 0.53               |
| d.       | FII (s)                                                                                                            | 15,05,843             | 2.14               |
|          | <b>Sub-total (B1)</b>                                                                                              | <b>63,37,613</b>      | <b>9.00</b>        |
| 2.       | Others                                                                                                             |                       |                    |
| a.       | Private bodies corporate                                                                                           | 10,46,472             | 1.48               |
| b.       | Indian public                                                                                                      | 1,34,68,310           | 19.11              |
| c.       | NRIS / OCBS                                                                                                        | 8,15,589              | 1.16               |
| d.       | Trusts                                                                                                             | 4,250                 | 0.01               |
| e.       | NBFCs register with RBI                                                                                            | 3,000                 | 0.00               |
| f.       | Any other - Foreign companies                                                                                      | 0                     | 0.00               |
|          | - HUF                                                                                                              | 4,33,171              | 0.61               |
|          | - Clearing members                                                                                                 | 61,242                | 0.09               |
|          | <b>Sub-total (B2)</b>                                                                                              | <b>1,58,32,034</b>    | <b>22.46</b>       |
|          | <b>Sub-total (B=B1+B2)</b>                                                                                         | <b>2,21,69,647</b>    | <b>31.46</b>       |
|          | <b>Grand total (A+B)</b>                                                                                           | <b>7,04,59,960</b>    | <b>100.00</b>      |

**Distribution of shareholding as on 31 March 2021 is as follows**

| SHARE           | NO OF HOLDERS | (%) OF HOLDERS | TOTAL SHARES       | % OF SHARES   |
|-----------------|---------------|----------------|--------------------|---------------|
| UPTO TO 100     | 29,116        | 73.04          | 8,46,435           | 1.20          |
| 101 TO 200      | 3,166         | 7.94           | 5,06,582           | 0.72          |
| 201 TO 500      | 3,381         | 8.48           | 11,78,771          | 1.67          |
| 501 TO 1000     | 1,819         | 4.56           | 13,90,162          | 1.97          |
| 1001 TO 5000    | 1,841         | 4.62           | 41,25,989          | 5.86          |
| 5001 TO 10000   | 314           | 0.79           | 22,23,758          | 3.16          |
| 10001 TO 100000 | 203           | 0.51           | 46,64,948          | 6.62          |
| 100001 TO ABOVE | 25            | 0.06           | 5,55,23,315        | 78.80         |
| <b>TOTAL</b>    | <b>39,865</b> | <b>100.00</b>  | <b>7,04,59,960</b> | <b>100.00</b> |

**6. Unclaimed / unpaid dividends**

Final dividend for the financial year ended 31 March 2014 and subsequent years, which remain unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on the dates mentioned in the table below. Members who have not claimed or encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's Registrar and Share Transfer Agent M/s. Link Intime India Private Limited.

| Sr. No. | For the financial year ended | Date of declaration | Due for transfer to IEPF |
|---------|------------------------------|---------------------|--------------------------|
| 1       | 31.03.2014                   | 20.08.2014          | 26.09.2021               |
| 2       | 31.03.2015                   | 03.08.2015          | 09.09.2022               |
| 3       | 31.03.2016                   | 17.03.2016          | 21.04.2023               |
| 4       | 31.03.2017                   | 14.08.2017          | 20.09.2024               |
| 5       | 31.03.2018                   | 08.08.2018          | 14.09.2025               |
| 6       | 31.03.2019                   | 05.08.2019          | 11.09.2026               |
| 7       | 31.03.2020                   | 26.03.2020          | 30.04.2027               |

**7. Outstanding Instruments and their impact on equity:**

Company has not issued any GDRs/ ADRs/ Warrants/ Convertible Instruments in past and hence, the Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on 31 March 2021.

**8. Commodity price risk or foreign exchange risk and hedging activities:**

Company does not have any exposure hedged through commodity derivatives.

**9. Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:**

Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31 March 2021. Obtaining credit rating is not applicable to our Company during the year under review.

**10. Plant Locations**

Company's plants are located at Karamsad and Vishnoli in Gujarat.

## **11. Investors Correspondence**

### **Secretarial Department**

Nesco Limited  
Nesco Center, Western Express Highway,  
Goregaon (East), Mumbai 400063.  
Tel: 022 66450123, Email: [companysecretary@nesco.in](mailto:companysecretary@nesco.in),  
Website: [www.nesco.in](http://www.nesco.in)

### **Nodal Officer**

Ms. Jinal J. Shah  
Nesco Limited  
Nesco Center, Western Express Highway,  
Goregaon (East), Mumbai 400063.  
Tel: 022 66450123  
Fax: 022 66450101  
Email: [companysecretary@nesco.in](mailto:companysecretary@nesco.in),  
Website: [www.nesco.in](http://www.nesco.in)

### **Registrar & Share Transfer Agent**

Link Intime India Private Limited  
C-101, 247 Park,  
LBS Marg, Vikhroli (West),  
Mumbai – 400083.  
Tel: 022 49186270  
Fax: +91 22 28512885  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## **For and on behalf of the Board of Directors**

**Sumant J. Patel**  
**Executive Chairman**  
**DIN : 00186976**

**Panaji**  
**28 May 2021**

## BUSINESS RESPONSIBILITY REPORT (BRR)

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN)** L17100MH1946PLC004886
2. **Name of the Company** Nesco Limited
3. **Registered address** Nesco Center, Western Express Highway, Goregaon East, Mumbai – 400 063.
4. **Website** www.nesco.in
5. **E-mail ID** companysecretary@nesco.in
6. **Financial Year Reported** 01 April 2020 to 31 March 2021
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

| NPCS Product Code | Description                                |
|-------------------|--------------------------------------------|
| 99531222          | Exhibition halls                           |
| 99531223          | Office buildings                           |
| 99611299          | Other food products n. e. c.               |
| 99611881          | Machinery for metallurgy and parts thereof |
| 99611889          | Other special purpose machinery n. e. c.   |

### 8. Key Products and Services

| Business                                   | Products/Services                                                                                                                                                                                    |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Manufacturing</b>                       |                                                                                                                                                                                                      |
| Indabrator                                 | <ul style="list-style-type: none"> <li>• Shot blasting, Shot peering and other surface preparation equipment and systems.</li> <li>• Spares and Abrasives for shot blasting, peening, etc</li> </ul> |
| <b>Facility Development and Management</b> |                                                                                                                                                                                                      |
| Bombay Exhibition Centre (BEC)             | • Space and related infrastructure for exhibitions, conventions and conferences                                                                                                                      |
| Nesco Exhibitions and Events               | • Convening own Exhibitions and Events                                                                                                                                                               |
| Nesco IT Park                              | • Space and related infrastructure at Nesco IT Park                                                                                                                                                  |
| Nesco Foods                                | • Provide food catering services                                                                                                                                                                     |

### 9. Total number of Locations where business activity is undertaken by the Company

Our business activity is spread across India. The locations of activity by business are:

|                                                                                                                                                      |                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <b>Manufacturing</b><br>• Indabrator                                                                                                                 | 1. Karamsad, Gujarat<br>2. Vishnoli, Gujarat |
| <b>Facility Development and Management</b><br>• Bombay Exhibition Centre (BEC)<br>• Nesco Exhibitions and Events<br>• Nesco IT Park<br>• Nesco Foods | 1. Mumbai                                    |
| <b>Corporate Office</b>                                                                                                                              | 1. Mumbai                                    |
| <b>Branch Offices</b>                                                                                                                                | 1. New Delhi<br>2. Kolkata<br>3. Chennai     |

## 10. Markets Served by the Company

| Business                       | Markets Served             | Sectors                                                                                                             |
|--------------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------|
| Indabrator                     | Domestic and International | Automotive Industry, Railway Workshops, Heavy Engineering, Forging Industry, Foundries and several other industries |
| Bombay Exhibition Centre (BEC) | Domestic and International | Domestic and International Exhibitions and Events                                                                   |
| Nesco Foods                    | Domestic and International | Caters Foods to Exhibitors, Visitors visiting Domestic and International Exhibitions                                |

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR):** 1,409.20 lakhs
- Total Turnover (INR):** 29,109.44 lakhs
- Total profit after taxes (INR):** 17,249.92 lakhs
- Total Spending on CSR (as % of PAT)(INR):** 543.89 lakhs (3.15% of PAT)
- List of activities in which expenditure in 4 above has been incurred:**

The core focus areas of our CSR Initiatives are Education and Health. The CSR activities in financial year 2020-21 were focused on these areas. This included support to set up smart classes in three English medium schools; expansion of existing English medium school and providing Infrastructure facilities; providing safe drinking water to the villagers by construction of drinking water tanks, contribution towards improvement of Health and towards Cancer Cure. From financial year 2020-21, Company has started supporting young Innovative entrepreneurs through its Wholly Owned Subsidiary.

### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?**

Nesco Hospitality Private Limited and Nesco Foundation for Innovation and Development are wholly owned subsidiaries of Nesco Limited.

- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?**

Our Subsidiary Companies participates in the BR initiatives of Nesco Limited.

- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity/entities?**

We encourage our suppliers to follow our policies with respect to Environment, Health and Safety and Human Rights.

### SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR policy/policies**

| DIN Number | Name                    | Designation                         |
|------------|-------------------------|-------------------------------------|
| 00186976   | Mr. Sumant J. Patel     | Executive Chairman                  |
| 01519572   | Mr. Krishna S. Patel    | Vice Chairman and Managing Director |
| 00187253   | Mr. Mahendra K. Chouhan | Independent Director                |
| 00910410   | Mr. Jai S. Diwanji      | Independent Director                |

#### Details of the BR Head

Name : Mr. Krishna S. Patel  
 Designation : Vice Chairman & Managing Director  
 Telephone No : +91 022 66450123  
 E-mail Id : companysecretary@nesco.in

## 2. Principle-wise (as per NVGs) BR Policy/policies – National Voluntary Guidelines.

| No. | Questions                                                                                                                                                  | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|----|
| 1.  | Do you have a policy/ policies for...                                                                                                                      | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2.  | Has it been formulated in consultation with relevant stakeholders?                                                                                         | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 3.  | Does the policy conform to any national / international standards? If yes, specify? (50 words)*                                                            | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 4.  | Has the policy being approved by the Board? Is yes, is it signed by MD/ owner/ CEO/ appropriate Board Director?                                            | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 5.  | Does the Company have a specified committee of the Board/ Director/ Official to oversee implementation of the policy?                                      | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 6.  | Indicate the link for the policy to be viewed online?**                                                                                                    | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 7.  | Has the policy been formally communicated to all relevant internal & external stakeholders?                                                                | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 8.  | Does the Company have in-house structure to implement the policies                                                                                         | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 9.  | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 10. | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                 | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |

\* The policies are as per the ISO Standards and Indian Green Building Council.

\*\* We have internal as well as external policies related to business responsibility. The link of the external policies is available at <http://www.nesco.in/Policies.html>.

## 3. Governance Related to BR

### a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.

The Board of Directors, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis.

### b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes Business Responsibility Report (BRR) every year as a part of the annual report. It will be available on the Company's website at [www.nesco.in](http://www.nesco.in).

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1 Ethics, Transparency and Accountability

#### 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

We have a Code of Conduct which governs the Directors and senior management of the Company in carrying out their responsibilities towards the Company and stakeholders. The Code has been formulated to promote the highest degree of personal and professional integrity, honesty and values. It is applicable to:

- Members of the Board of Directors.
- Senior management, Key Management Personnel and Functional Heads ("Manager").

The principles of ethics, bribery and corruption are covered in the Code of Conduct. All Directors and senior management members are required to confirm compliance with the Code of Conduct annually.

We have guidelines for bribery, corruption and ethical business conduct which apply to the suppliers, vendors, contractors and implementing agencies.

## 2. Stakeholder complaints received in the past financial year and percentage satisfactorily resolved by the management?

We monitor stakeholder complaints through various formal and informal mechanisms. The complaints received and resolved are listed below:

| Stakeholder Group | Complaints Received (Nos) | Complaints Resolved (Nos) | Complaints pending (as on 31 March 2021) |
|-------------------|---------------------------|---------------------------|------------------------------------------|
| Investors         | 7                         | 7                         | NIL                                      |
| Suppliers         | NIL                       | NIL                       | NIL                                      |
| Local Communities | NIL                       | NIL                       | NIL                                      |
| Customers         | 89                        | 81                        | 8                                        |

There are 8 complaints pending as on 31 March 2021.

## Principle 2 Provide goods and services that are safe and contribute to sustainability throughout their life cycle

### 1. Products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

- Nesco IT Building Tower 03 and Tower 04 are a Platinum LEED Certified Green Buildings. The buildings have green activities that achieved outcomes of energy efficient design, reduction of water use, selection and development of sustainable site, responsible materials selection and waste management, and enhanced indoor environmental quality.
- IT Tower 03  
Energy Performance Index (EPI) of IT Tower 03 currently is 155 Kwh/Sq. Mtr./Annum. Efforts are made by the Company to reduce it to 125 Kwh/Sq. Mtr./Annum by 2022. Efforts are being made to make the building Net Zero Energy Building in a phased manner.
- IT Tower 04  
Tower 04 of Nesco IT Park is now complete and is a Green Building with LED lightings, energy efficient designs, use of latest power saving techniques and equipments, sustainable site selection, etc. This will further lead to energy conservation. Efforts are being made to make this building as Net Zero Energy Building in the coming years.
- We have rain water harvesting at Nesco IT Building Tower 03 and Tower 04. The rain water collected is going to recharge the ground water and help in maintaining the Green Belt.
- About 100 Kilo Litres of Water is recycled through MBBR process for reusing it.
- There are approximately 1500 trees planted in Nesco Complex which provide clean air and oxygen in the nearby vicinity. Temperature at Nesco Complex is lower and better than the surrounding areas due to greenery in and around the complex.

### 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

#### Reduction during Use - Nesco IT Park Tower 03 and Tower 04

There is almost 20% reduction in use of energy and water for the offices because of the Green Building features.

#### Reduction during Sourcing

More than 95% of materials for facilities management and for manufacturing division are sourced locally which helps reduce the emissions from inbound transportation of input materials.

### 3. Procedures for sustainable sourcing (including transportation)

We have a Procurement Policy for facilities development & management and for manufacturing businesses. The Company aims for sustainability in logistics to be achieved by using less polluting and less fuel consuming transport options or selecting vendors who are close to the manufacturing locations (wherever possible and delivering cost efficient products).

#### 4. Sourcing of goods and services from local producers

##### Manufacturing

Materials from the top 5 suppliers in terms of volume were sourced from suppliers within a radius of 100 km from the manufacturing plants.

##### Facilities Management and Development

All food products for the exhibitions and IT Park are sourced locally.

#### 5. Mechanism to recycle products and waste

##### Manufacturing

- 100% of the metal sheet waste generated from fabrication activity is recycled to manufacture castings and abrasives in the foundry.
- 100% rejects from the foundry for making steel shots and castings are remelted into the foundry in a cyclical process.

##### Facilities Management and Development

We have composting pit to manage the food waste generated at the Food Court at Nesco IT Park and Nesco Foods. All the food waste generated during the day is recycled. The outcome of the recycled waste is utilized as the fertilizer for maintenance of the green belt.

5% of our products are recycled every year and 60% of waste generated at our Nesco IT Park is recycled every year. This year due to ongoing restrictions and Work from Home Policies adopted by the Company due to COVID – 19 Pandemic, there was reduction in wastage at Nesco Premises.

#### Principle 3 Promote the wellbeing of all employees

- Total number of employees by category as on 31 March 2021( including KMP).
- Total number of permanent women employees.
- Total number of employees hired on temporary/contractual/casual basis.

| Category                            | Permanent |        |       | Retainer & others |        |       | Contract (Security, Housekeeping & others) |
|-------------------------------------|-----------|--------|-------|-------------------|--------|-------|--------------------------------------------|
|                                     | Male      | Female | Total | Male              | Female | Total |                                            |
| Karamsad Plant                      | 6         | 0      | 6     | 0                 | 0      | 0     | 45                                         |
| Vishnoli Plant                      | 62        | 0      | 62    | 0                 | 0      | 0     | 138                                        |
| Facilities Development & Management | 56        | 9      | 65    | 4                 | 4      | 8     | 51                                         |
| Total                               | 124       | 9      | 133   | 4                 | 4      | 8     | 234                                        |

#### 4. Total number of permanent employees with disabilities.

Nil

#### 5. Employee Association recognized by Management.

As an organization, we allow freedom of association and collective bargaining to our employees. We have a recognized employee association at Vishnoli Plant. At our other locations, there are informal mechanisms for employees to raise any grievances and complaints to the Management.

#### 6. Percentage of permanent employees members of this recognized employee association.

There are no permanent employees who are a part of recognized employee association.

**7. Number of complaints relating to Child Labour, Forced Labour, Involuntary Labour, Sexual Harassment in the last financial year and pending as on the end of the financial year.**

| Sr. No. | Category                                        | No of Complaints filed during the financial year | No of Complaints pending as on end of the financial year |
|---------|-------------------------------------------------|--------------------------------------------------|----------------------------------------------------------|
| 1       | Child Labour /Forced Labour /Involuntary Labour | NIL                                              | NIL                                                      |
| 2       | Sexual Harassment                               | NIL                                              | NIL                                                      |
| 3       | Discriminatory Employment                       | NIL                                              | NIL                                                      |

**8. Percentage of employees given safety and skill upgradation training in financial year 2020-21.**

| Health, Safety, First Aid, Fire Safety |                        |             |           |
|----------------------------------------|------------------------|-------------|-----------|
| Business                               | Location               | Contractual | Permanent |
| Manufacturing                          | Karamsad Plant         | 100%        | 100%      |
|                                        | Vishnoli Plant         | 100%        | 100%      |
| Facilities Development and Management  | Nesco IT Park          | 100%        | 100%      |
|                                        | Nesco Foods            | 100%        | 100%      |
|                                        | Bombay Exhibition Hall | 100%        | 100%      |
|                                        | Nesco Exhibitions      | 100%        | 100%      |

| Training by Topics                              |                                |                           |                  |
|-------------------------------------------------|--------------------------------|---------------------------|------------------|
| Karamsad and Vishnoli                           | Security Personnel             | First Aid, Fire Safety    | Every quarter    |
| Karamsad and Vishnoli                           | Employees                      | Tool Box Talks            | Daily            |
| IT Park and BEC                                 | Permanent, Retainer and Others | Mock Drill on fire safety | Every six months |
| IT Park                                         | Nesco IT Park office employees | Mock Drill on fire safety | Every six months |
| IT Park, BEC, Nesco Exhibitions and Nesco Foods | Security Personnel             | First Aid, Fire Safety    | Daily            |

| Quality, Management Systems and Skill Upgradation Training |                        |             |           |
|------------------------------------------------------------|------------------------|-------------|-----------|
| Business                                                   | Location               | Contractual | Permanent |
| Manufacturing                                              | Karamsad Plant         | 100%        | 100%      |
|                                                            | Vishnoli Plant         | 100%        | 100%      |
| Facilities Development and Management                      | Nesco IT Park          | 100%        | 100%      |
|                                                            | Nesco Foods            | 100%        | 100%      |
|                                                            | Bombay Exhibition Hall | 100%        | 100%      |
|                                                            | Nesco Exhibitions      | 100%        | 100%      |

**Principle 4 Be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

**1. Internal and External Stakeholders**

|          |                                                                                                                                              |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Internal | Employees                                                                                                                                    |
| External | Customers, Vendors, Suppliers, Business Partners, NGOs, Local Communities, Police Department, Law and Order, Municipal Authorities, Bankers. |

## 2. Disadvantaged, vulnerable and marginalized stakeholders and special initiatives to engage with them.

Our CSR Activities like contribution towards Cancer aids; providing education to vulnerable class; setting up of English medium schools; encouraging women in villages; enhancing their skills in various fields and encouraging women empowerment and construction of drinking water tanks in rural areas were aimed at providing access to health care and equal education opportunities. The beneficiaries are the people of the villages who earlier had limited access to this infrastructure and to create awareness related to various diseases.

### Principle 5 Respect and Promote Human Rights

#### 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

We have a policy on Human Rights which covers the employees of Nesco and our Subsidiary Companies, Nesco Hospitality Private Limited and Nesco Foundation for Innovation and Development.

#### 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

| Stakeholder Complaints on Human Rights | No of Complaints filed (2021-21) | No of Complaints pending as on 31 March 2021 |
|----------------------------------------|----------------------------------|----------------------------------------------|
| Vishnoli                               | NIL                              | NIL                                          |
| Karamsad                               | NIL                              | NIL                                          |
| Mumbai                                 | NIL                              | NIL                                          |

### Principle 6 Respect, protect, and make efforts to Restore the Environment

#### 1. Policy related to Principle 6 cover for the Company and stakeholders (Group/Joint Ventures/Suppliers/Contractors/NGOs/others).

We have an Environmental Health and Safety Policy for Indabrador in Karamsad and Vishnoli and the Facilities Management Services at Nesco Center in Mumbai. The policy also applies to the Subsidiary Companies.

#### 2. Strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.

We are cognizant of the impacts of climate change on our business in the medium and long term.

| Manufacturing Division                                                                                                                | Facilities Development and Management                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| We are constantly taking energy efficiency initiatives at our plants. We did a fuel switch from diesel to natural gas in our furnace. | The IT Building 3 and 4 which are now operational are a Platinum LEED Certified Green Buildings. |

#### 3. Does the Company identify and assess potential environmental risks?

Environment and climate change related risks are part of the enterprise risk management framework and are considered under project risk, business operation risk, risk of business continuity, marketing risk and compliance risk.

At the operations level, environmental and health and safety risks are identified as a part of the ISO 14001 and OHSAS 18001 Certification.

#### 4. Does the Company have any project related to Clean Development Mechanism?

No

**5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.**

We have been taking various energy efficiency initiatives at Nesco IT Park and the manufacturing plants at Karamsad and Vishnoli on an ongoing basis. In financial year 2020-21, the following initiatives were taken:

- At Nesco IT Park, we have installed Solar Street Lights in the Campus of IT Tower 04 which helps in reducing electricity consumption.
- At the Bombay Exhibition Centre, we installed power factor capacitor panels. These led to almost 10% reduction in electricity consumption.
- At the Manufacturing Plant in Vishnoli, we have installed sub meters to track the electricity consumption from each process. This has helped us to identify the areas for improvement in energy efficiency.
- We have started running the Foundry Plant in night/three shift. It has enabled us to be energy efficient by reducing idling time by 15%.
- Various measures were taken for replacement and upgradation to more energy efficient machinery at the manufacturing plants for example fuel switch, change in the air pressure line etc.

**6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. We strictly comply with the conditions laid down in the grant of consent to establish and operate by the Pollution Control Board and the Environmental Clearance.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

In financial year 2020-21, there were no show cause notices or fines from CPCB or SPCB.

**Principle 7 Engage in influencing public and regulatory policy in responsible manner**

**1. Is your Company a member of any trade and chamber or association? Name major ones that your business deals with:**

As a policy, Nesco does not engage in public policy formulation and lobbying. However, the Company is a member of several leading Industry Associations, including

- Indian Exhibition Industry Association (IEIA).
- Indo German Chambers of Commerce (IGCC).
- The Institute of Indian Foundrymen
- Maharashtra Economic Development Council

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

We do not lobby or influence public policy formulation.

**Principle 8 Support Inclusive Growth and Equitable Development**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Our Community Initiatives and projects are governed by the CSR Policy of the Company. We lay emphasis on enhancing quality of life for the community in which we live and work. Our CSR vision is embedded in trust, fairness and care. The focus areas of our CSR Initiatives are education and safe drinking water. The community development initiatives taken in the reporting year are:

**Health and Hygiene**

- New water tanks were constructed at Karamsad and Vishnoli having water holding capacity of 9 lakh litres and 3 lakh litres respectively. The Construction of water tanks were completed during the year. The water tanks are now used by the villagers of Karamsad and Vishnoli.

### Education and Special Education

- During the year Company supported the construction of a new floor at S J Patel English Medium School (CBSE Board), Karamsad
- Construction work of new KG section at Smt. C J Patel English Medium School (Karamsad) has commenced and is expected to be completed in this financial year.
- Compound wall and landscaping at S J Patel English Medium School, Karamsad, Smart Class instalments were paid for all three schools. Support is provided to all the three schools by the Company in whichever form required.
- We are supporting young entrepreneurs in developing their creative or innovative ideas.

### Promoting Healthcare

- We contribute to the Corpus Fund for Health and Wellness. To educate and spread awareness about Health problems.
- We contribute to the Cancer Cure fund.

### Livelihood Enhancement and Sustainability

- We are supporting young entrepreneurs who are working on projects which can ensure sustainability and can help in livelihood enhancement.

## 2. Are the programmes / projects undertaken through inhouse team/own foundation/external NGO/government structures/any other organization?

The CSR initiatives were undertaken through existing, recognized and approved institutions.

| Initiative                                                                                                              | Institutions                                              |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| Construction work of New KG section at Smt. C J Patel English Medium School (Karamsad) and development of smart classes | Karamsad Kelavani Mandal                                  |
| Supporting Innovative Entrepreneurs                                                                                     | Nesco Foundation for Innovation and Development           |
| Clean Drinking water facility at S J Patel English Medium School                                                        | Nesco Foundation for Innovation and Development           |
| Expansion of 2nd floor at S J Patel English Medium School (CBSE Board), Karamsad                                        | Shree Santram Samaj Seva Trust                            |
| Infrastructure facilities and Students Scholarship at S J Patel English Medium School, Tarapur                          | Tarapur Kelavani Mandal                                   |
| Corpus Fund for Education                                                                                               | Charutar Vidya Mandal and Pravara Rural Education Society |
| Corpus Fund for Health Care                                                                                             | Charutar Arogya Mandal                                    |
| Charity Fund towards Cancer Care                                                                                        | HDFC Charity Fund                                         |

## 3. Have you done any impact assessment of your initiative?

All the initiatives undertaken by Nesco were chosen with the objective of giving immediate benefits to the beneficiaries including access to latest infrastructure for education and healthcare.

**4. Company's direct contribution to community development projects - amount in INR and the details of the projects undertaken:**

| Initiative                                                                                                                             | Amount Spent in FY 2020-21 (₹ in lakhs) |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Expansion at S J Patel English Medium School (CBSE), Karamsad and consultation fees                                                    | 125.04                                  |
| Construction of new KG section at C J Patel English Medium School, Karamsad                                                            | 26.34                                   |
| Infrastructure upgradation and scholarship                                                                                             | 4.75                                    |
| Construction of New Water Tank at Karamsad and Vishnoli having water holding capacity of 9 lakh litres and 3 lakh litres respectively. | 6.59                                    |
| Infrastructure Upgradation at C J Patel English School (Old Building), Karamsad                                                        | 11.86                                   |
| Photography activities at Schools                                                                                                      | 0.14                                    |
| Teachers Uniform for C J Patel English Medium Higher Secondary School                                                                  | 0.29                                    |
| Contribution to Charutar Vidya Mandal towards education                                                                                | 5.00                                    |
| Contribution to Pravara Rural Education Society towards Education                                                                      | 125.00                                  |
| Contribution to Charutar Arogya Mandal towards Health Care                                                                             | 30.00                                   |
| Contribution to HDFC Charity Fund for Cancer Cure                                                                                      | 0.07                                    |
| Support to young entrepreneurs                                                                                                         | 3.13                                    |
| Drinking water facility at S J Patel Eng. Med. School, Tarapur                                                                         | 1.05                                    |

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

The administration of all the CSR Initiatives is overseen by the CSR Committee of the Board and implemented through institutions who oversee the smooth functioning and long term impact of the infrastructure investments. The future needs are shared with us by these institutions. Depending on the needs of the institutions, the Company provides support in terms of upgradation, repairs, etc.

**Principle 9 Engage with and provide value to customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Owing to the nature of the products and services we provide; immediate resolution of customer complaints is essential for the business.

- **Bombay Exhibition Centre:** Complaints received from exhibitors & organizers of exhibitions in earlier year related to AC temperature, bird droppings, Wi Fi, power tripping etc. However, all complaints are resolved during the event. As there were no exhibitions held during the year, there were no complaints received.
- **Nesco Foods:** We provide food to all our exhibition halls during exhibitions, we also cater weddings held at Nesco Center. Complaints received from customers are usually related to Lightings in Halls, more options for Jain food, more staff be to allotted for starter services, etc. However, due to the ongoing Pandemic, Nesco Foods is catering to the food requirements of MCGM and some others. We have not received any complaint related to food from them.
- **Nesco IT Park:** We maintain excellent quality of infrastructure, security and housekeeping. All feedback received from the occupants is taken seriously and considered. During the financial year we have not received any complaints from our licensees at Nesco IT Park.
- **Indabrator:** 60-70% of the products manufactured at Indabrator are non-standard products customized to customer requirements. Further we provide end to end solution which includes providing product, spares and maintenance of the machinery. During the year we had received 89 complaints out of which 8 complaints (8.98%) were pending as on 31 March 2021.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws?**

**Manufacturing**

For both standard and non-standard products, we give all the product specific requirements and health and safety measures during installation and use of the product. Where relevant, Material Safety Data Sheets (MSDS) are shared.

**Facilities Development and Management**

We are not required to display any information on the product and services. However, where relevant, we share details of the key features of our service offerings for the Exhibition halls and IT Park.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

We follow fair trade practices. There have been no complaints relating to anti competitive behavior or unfair trade practices by any stakeholders.

| Particulars               | Complaints Received (since last 5 yrs) | Complaints Received (2020-21) | Complaints Pending as on 31 March 2021 |
|---------------------------|----------------------------------------|-------------------------------|----------------------------------------|
| Unfair Trade Practices    | NIL                                    | NIL                           | NIL                                    |
| Irresponsible Advertising | NIL                                    | NIL                           | NIL                                    |
| Anti competitive behavior | NIL                                    | NIL                           | NIL                                    |

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The year under review saw challenging times for the Company as well as for the world at large due to the impending COVID-19 pandemic. The situation continues to be exceptional and dynamic till date. Due to various restrictions imposed by the Central and State Government from time to time on gatherings, there were no exhibitions or events held during the year.

Hence, no consumer survey was carried out during the year under review.

## INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

**To**  
**The Members of Nesco Limited**

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Nesco Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below to be the Key Audit Matters to be communicated in the Report:

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How was the matter addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | <p><b><u>Recognition of lease rental income of IT Park &amp; related disclosures.</u></b></p> <p>Lease rental income amounting to ₹ 24,606.29 lakh reported in the Company's financial statement is recognised based on the agreements / contract with the tenants on straight line basis over the lease term. Due to modifications in terms of agreement, risk of material misstatement on such modifications significantly increases for its accuracy, completeness, presentation, and disclosure. This can lead to revenue either being recognised in incorrect accounting periods or at incorrect value thereby impacting the results. Considering these factors, in the context of our audit this matter was of significant and hence considered as a Key Audit Matter</p> | <ul style="list-style-type: none"> <li>Understanding the internal control environment for revenue recognition and to test check with a view to verify its operative effectiveness.</li> <li>Read terms of the contract/ modified agreements / communications with the lessee's and verified accuracy of lease rental income recognition on test basis.</li> <li>On sample basis, examining supporting documents / emails / approval for deferments / waiver given to tenants.</li> <li>Performed analytical procedures.</li> <li>Ensured that revenue is recognized in accordance with accounting standards and policy.</li> </ul> <p>Based on above procedures performed, we did not identify any material exceptions in the lease rental income recognized and related disclosures in the standalone financial statements.</p> |

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>2.</b></p> | <p><b>Provision and disclosure of Contingent Liability in respect of property tax</b></p> <p>The Company had paid property tax amounting to ₹ 338.80 lakh in respect of plot of land on which IT 4 is currently constructed as per the invoices received for the period from November 2014 to March 2021. However, in March 2021, the Company had received request letter with additional property tax liability for the plot and period mentioned above at ₹ 2,044.18 lakh and asking for 50% payment. Of the said demand, the Company has paid ₹ 424.70 lakh in March 2021 under dispute, made a provision of ₹ 994.73 lakh and disclosed ₹ 619.60 lakh as contingent liability.</p> <p>It has also filed a complaint on 8 April, 2021 for not accepting the said liability completely on various grounds.</p> | <ul style="list-style-type: none"> <li>• Gone through the request letter received and complaint filed by the Company.</li> <li>• Obtained details of the working along with supporting documents to evaluate management's assessment of probability of outcome of the disputed liability and provision required for the same.</li> <li>• Also, had discussion with the management's legal expert on the writ petition in the court of law with respect to retrospective application of changed method of calculating the property tax liability.</li> </ul> <p>Based on above procedures performed, we did not identify any material exceptions in the provision recognized and contingent liability disclosed in the standalone financial statements.</p> |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Information Other than the Standalone 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Standalone Financials Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.

- 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 Profit and Loss 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 standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the director is disqualified as on 31<sup>st</sup> March, 2021 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 refer to our separate report in “**Annexure B**”;
  - (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 report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35(1) and (2) to the standalone 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 has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Darshan Shah**  
**Partner**  
 Membership No. 131508  
 Place: Mumbai  
 Date: 28 May 2021  
 UDIN: 21131508AAAABU3759

## ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment and investment property are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We are informed that the maintenance of cost records prescribed by the Central Government of India under Section 148(1) of the Act, is not applicable in respect of the Company’s business.
- (vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts are payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty, Value Added Tax, Goods and Service Tax, Cess as at 31 March 2021 which have not been deposited on accounts of any disputes are as follows:

| Name of the Statute | Nature of dues          | Amount<br>(₹ in lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---------------------|-------------------------|------------------------|------------------------------------|------------------------------------|
| Income Tax          | IT matter under dispute | 7.07                   | AY 2008-09                         | ITAT                               |
|                     |                         | 33.49                  | AY 2010-11                         | ITO                                |
|                     |                         | 63.43                  | AY 2011-12                         | ITO                                |
|                     |                         | 13.15                  | AY 2012-13                         | ITO                                |
|                     |                         | 0.18                   | AY 2013-14                         | ITO                                |
|                     |                         | 2.88                   | AY 2015-16                         | ITO                                |
|                     |                         | 18.80                  | AY 2016-17                         | ITO                                |

- (viii) The Company does not have any loans or borrowings from any financial institution, banks and Government. Also, it did not have any outstanding debentures during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per paragraph 3(xii) of the Order is not required.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Darshan Shah**  
**Partner**  
Membership No. 131508  
Place: Mumbai  
Date: 28 May 2021  
UDIN: 21131508AAAABU3759

## **ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT**

The Annexure referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date,

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Nesco Limited** (“the Company”) as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Darshan Shah**  
**Partner**  
Membership No. 131508  
Place: Mumbai  
Date: 28 May 2021  
UDIN: 21131508AAAABU3759

| Particulars                         | Note No | As at 31 March     |                    |
|-------------------------------------|---------|--------------------|--------------------|
|                                     |         | 2021               | 2020               |
| <b>Assets</b>                       |         |                    |                    |
| <b>Non-Current Assets</b>           |         |                    |                    |
| Property, Plant and Equipment       | 4       | 8,465.20           | 9,086.62           |
| Capital work-in-progress            | 4a      | 5,073.05           | 130.44             |
| Investment property                 | 5       | 67,177.48          | 68,273.51          |
| Other Intangible Assets             | 6       | 228.98             | 266.55             |
| Intangible assets under development |         | 27.39              | 24.99              |
| <b>Financial Assets</b>             |         |                    |                    |
| Investments                         | 7       | 68,572.31          | 63,241.33          |
| Loans / Sundry Deposits             | 8       | 433.56             | 431.56             |
| Other Non Current Financial Assets  | 9       | 7,216.49           | 5,244.49           |
| Non Current Tax Assets (Net)        | 10      | 1,509.91           | 1,419.42           |
| Other non current assets            | 11      | 2,303.36           | 1,775.48           |
| <b>Total Non-Current Assets</b>     |         | <b>1,61,007.72</b> | <b>1,49,894.39</b> |
| <b>Current Assets</b>               |         |                    |                    |
| Inventories                         | 12      | 735.30             | 856.10             |
| <b>Financial assets</b>             |         |                    |                    |
| Investments                         | 7       | 12,455.69          | 4,008.98           |
| Trade Receivables                   | 13      | 2,959.69           | 1,657.23           |
| Cash and Cash Equivalents           | 14a     | 323.41             | 633.44             |
| Other Balances with Banks           | 14b     | 259.38             | 386.59             |
| Other Current Financial Assets      | 15      | 2,250.88           | 1,714.63           |
| Other current assets                | 16      | 1,912.29           | 1,540.95           |
| <b>Total Current Assets</b>         |         | <b>20,896.62</b>   | <b>10,797.92</b>   |
| <b>Total Assets</b>                 |         | <b>1,81,904.34</b> | <b>1,60,692.31</b> |
| <b>Equity and Liabilities</b>       |         |                    |                    |
| <b>Equity</b>                       |         |                    |                    |
| Equity share capital                | 17      | 1,409.20           | 1,409.20           |
| Other Equity                        | 18      | 1,51,239.98        | 1,34,060.50        |
| <b>Total Equity</b>                 |         | <b>1,52,649.18</b> | <b>1,35,469.70</b> |

**CIN : L17100MH1946PLC004886**  
**BALANCE SHEET (Contd.)**

(₹ in lakhs)

| Particulars                                                                            | Note No | As at 31 March     |                    |
|----------------------------------------------------------------------------------------|---------|--------------------|--------------------|
|                                                                                        |         | 2021               | 2020               |
| <b>Liabilities</b>                                                                     |         |                    |                    |
| <b>Non-current Liabilities</b>                                                         |         |                    |                    |
| Financial Liabilities                                                                  |         |                    |                    |
| Other Non Current Financial Liabilities                                                | 19      | 10,559.83          | 9,793.11           |
| Provisions                                                                             | 20      | 537.50             | 381.15             |
| Deferred Tax Liabilities (Net)                                                         | 21      | 3,586.99           | 2,596.22           |
| Other non-current Liabilities                                                          | 22      | 2,311.37           | 2,362.97           |
| <b>Total Non-current Liabilities</b>                                                   |         | <b>16,995.69</b>   | <b>15,133.45</b>   |
| <b>Current Liabilities</b>                                                             |         |                    |                    |
| Financial Liabilities                                                                  |         |                    |                    |
| Trade Payables                                                                         |         |                    |                    |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises                      |         | 196.49             | 37.83              |
| Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises |         | 862.36             | 1,422.55           |
| Other Current Financial Liabilities                                                    | 23      | 5,678.26           | 3,813.86           |
| Other current Liabilities                                                              | 24      | 5,485.98           | 4,763.36           |
| Provisions                                                                             | 25      | 36.39              | 51.56              |
| <b>Total Current Liabilities</b>                                                       |         | <b>12,259.47</b>   | <b>10,089.16</b>   |
| <b>Total Equity and Liabilities</b>                                                    |         | <b>1,81,904.34</b> | <b>1,60,692.31</b> |

Notes forming part of the financial statements  
As per our report of even date

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

Darshan Shah  
Partner  
Membership No : 131508  
Mumbai, 28 May 2021

1 to 49  
For and on behalf of the Board

Sumant J. Patel  
Executive Chairman  
DIN- 00186976  
Panaji, 28 May 2021

Dipesh R. Singhanian  
Chief Financial Officer  
Mumbai, 28 May 2021

Krishna S. Patel  
Vice Chairman and Managing Director  
DIN- 01519572  
Panaji, 28 May 2021

Jinal J. Shah  
Company Secretary and  
Compliance Officer  
Mumbai, 28 May 2021

| Particulars                                                                                       | Note No | For the Year     |                  |
|---------------------------------------------------------------------------------------------------|---------|------------------|------------------|
|                                                                                                   |         | 2020-2021        | 2019-2020        |
| <b>Revenue</b>                                                                                    |         |                  |                  |
| Revenue from Operations                                                                           | 26      | 29,109.44        | 43,172.77        |
| Other Income                                                                                      | 27      | 6,456.33         | 4,239.06         |
| <b>Total Income</b>                                                                               |         | <b>35,565.77</b> | <b>47,411.83</b> |
| <b>Expenses</b>                                                                                   |         |                  |                  |
| Cost of Materials Consumed                                                                        | 28      | 1,554.05         | 1,762.17         |
| Change in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade                      | 29      | 148.04           | 93.58            |
| Employee Benefits Expenses                                                                        | 30      | 1,599.77         | 1,991.25         |
| Finance Cost                                                                                      | 31      | 821.96           | 602.39           |
| Depreciation and Amortisation Expenses                                                            | 4,5 & 6 | 2,572.97         | 2,243.76         |
| Other Expenses                                                                                    | 32      | 7,234.01         | 11,496.53        |
| <b>Total Expenses</b>                                                                             |         | <b>13,930.80</b> | <b>18,189.68</b> |
| <b>Profit before tax</b>                                                                          |         | <b>21,634.97</b> | <b>29,222.15</b> |
| <b>Tax expense</b>                                                                                |         |                  |                  |
| Current Tax                                                                                       |         | 3,368.00         | 5,035.89         |
| Deferred Tax                                                                                      |         | 1,017.05         | 807.26           |
| <b>Total tax expense</b>                                                                          |         | <b>4,385.05</b>  | <b>5,843.15</b>  |
| <b>Profit after tax</b>                                                                           |         | <b>17,249.92</b> | <b>23,379.00</b> |
| Other Comprehensive Income (OCI)                                                                  |         |                  |                  |
| Items that will not be reclassified to profit or loss                                             |         |                  |                  |
| Remeasurement of Defined Benefit Plans                                                            |         | (104.41)         | (15.05)          |
| - Income tax expense on remeasurement of defined employee benefit plans                           |         | 26.28            | 3.79             |
| Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income |         | 7.69             | (5.59)           |
| <b>Total Other Comprehensive Income</b>                                                           |         | <b>(70.44)</b>   | <b>(16.85)</b>   |
| <b>Total Comprehensive Income for the year</b>                                                    |         | <b>17,179.48</b> | <b>23,362.15</b> |
| Earning Per Equity Share (face value of ₹ 2 each)                                                 |         |                  |                  |
| Basic & Diluted ( In ₹)                                                                           | 41      | 24.48            | 33.18            |

Notes forming part of the financial statements  
As per our report of even date

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

Darshan Shah  
Partner  
Membership No : 131508  
Mumbai, 28 May 2021

1 to 49  
For and on behalf of the Board

Sumant J. Patel  
Executive Chairman  
DIN- 00186976  
Panaji, 28 May 2021

Dipesh R. Singhania  
Chief Financial Officer  
Mumbai, 28 May 2021

Krishna S. Patel  
Vice Chairman and Managing Director  
DIN- 01519572  
Panaji, 28 May 2021

Jinal J. Shah  
Company Secretary and  
Compliance Officer  
Mumbai, 28 May 2021

CIN : L17100MH1946PLC004886

## STATEMENT OF CHANGES IN EQUITY

## A) EQUITY SHARE CAPITAL

(₹ in lakhs)

| Particulars                                     | As at 31 March |          |
|-------------------------------------------------|----------------|----------|
|                                                 | 2021           | 2020     |
| Balance at the beginning of the reporting year  | 1,409.20       | 1,409.20 |
| Changes in Equity Share capital during the year | -              | -        |
| Balance at the end of the reporting year        | 1,409.20       | 1,409.20 |

## B) OTHER EQUITY

(₹ in lakhs)

| Particulars                                                                | Reserves and Surplus |                                      |                    | Equity Instruments through OCI | Other items of Other Comprehensive Income | Total Other Equity |
|----------------------------------------------------------------------------|----------------------|--------------------------------------|--------------------|--------------------------------|-------------------------------------------|--------------------|
|                                                                            | Retained Earnings    | Preference Shares Redemption Reserve | General Reserve    |                                |                                           |                    |
| Balance as at 01 April 2019 (A)                                            | 50.00                | 9.56                                 | 1,15,296.23        | 14.47                          | -                                         | 1,15,370.26        |
| <b>Additions during the year</b>                                           |                      |                                      |                    |                                |                                           |                    |
| Profit for the year                                                        | 23,379.00            | -                                    | -                  | -                              | -                                         | 23,379.00          |
| <b>Items of OCI for the year, net of tax</b>                               |                      |                                      |                    |                                |                                           |                    |
| Remeasurement of the defined benefit plans                                 | (11.26)              | -                                    | -                  | -                              | -                                         | (11.26)            |
| Net fair value gain/(loss) on investment in equity instruments through OCI | -                    | -                                    | -                  | (5.59)                         | -                                         | (5.59)             |
| <b>Total Comprehensive Income for the year 2019-20 (B)</b>                 | <b>23,367.74</b>     | <b>-</b>                             | <b>-</b>           | <b>(5.59)</b>                  | <b>-</b>                                  | <b>23,362.15</b>   |
| <b>Reductions during the year</b>                                          |                      |                                      |                    |                                |                                           |                    |
| Dividend                                                                   | (3,875.33)           | -                                    | -                  | -                              | -                                         | (3,875.33)         |
| Income tax on dividend                                                     | (796.58)             | -                                    | -                  | -                              | -                                         | (796.58)           |
| <b>Total (C)</b>                                                           | <b>(4,671.91)</b>    | <b>-</b>                             | <b>-</b>           | <b>-</b>                       | <b>-</b>                                  | <b>(4,671.91)</b>  |
| <b>Transfers during the year</b>                                           |                      |                                      |                    |                                |                                           |                    |
| Retained earnings transferred to General reserve                           | (18,695.83)          | -                                    | 18,695.83          | -                              | -                                         | -                  |
| <b>Total (D)</b>                                                           | <b>(18,695.83)</b>   | <b>-</b>                             | <b>18,695.83</b>   | <b>-</b>                       | <b>-</b>                                  | <b>-</b>           |
| <b>Balance as at 31 March 2020 E = (A+B+C+D)</b>                           | <b>50.00</b>         | <b>9.56</b>                          | <b>1,33,992.06</b> | <b>8.88</b>                    | <b>-</b>                                  | <b>1,34,060.50</b> |
| <b>Additions during the year</b>                                           |                      |                                      |                    |                                |                                           |                    |
| Profit for the year                                                        | 17,249.92            | -                                    | -                  | -                              | -                                         | 17,249.92          |
| <b>Items of OCI for the year, net of tax</b>                               |                      |                                      |                    |                                |                                           |                    |
| Remeasurement of Defined Benefit Plans - Net of Tax                        | (78.13)              | -                                    | -                  | -                              | -                                         | (78.13)            |

(₹ in lakhs)

| Particulars                                                                                       | Reserves and Surplus |                                      |                    | Equity Instruments through OCI | Other items of Other Comprehensive Income | Total Other Equity |
|---------------------------------------------------------------------------------------------------|----------------------|--------------------------------------|--------------------|--------------------------------|-------------------------------------------|--------------------|
|                                                                                                   | Retained Earnings    | Preference Shares Redemption Reserve | General Reserve    |                                |                                           |                    |
| Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income | -                    | -                                    | -                  | 7.69                           | -                                         | 7.69               |
| <b>Total Comprehensive Income for the year 2020-21 (F)</b>                                        | <b>17,171.79</b>     | <b>-</b>                             | <b>-</b>           | <b>7.69</b>                    | <b>-</b>                                  | <b>17,179.48</b>   |
| Retained earnings transferred to General reserve                                                  | (17,171.79)          | -                                    | 17,171.79          | -                              | -                                         | -                  |
| <b>Total (G)</b>                                                                                  | <b>(17,171.79)</b>   | <b>-</b>                             | <b>17,171.79</b>   | <b>-</b>                       | <b>-</b>                                  | <b>-</b>           |
| <b>Balance as at 31 March 2021 H = (E+F+G)</b>                                                    | <b>50.00</b>         | <b>9.56</b>                          | <b>1,51,163.85</b> | <b>16.57</b>                   | <b>-</b>                                  | <b>1,51,239.98</b> |

As per our report of even date

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

Darshan Shah  
Partner  
Membership No : 131508  
Mumbai, 28 May 2021

For and on behalf of the Board

Sumant J. Patel  
Executive Chairman  
DIN- 00186976  
Panaji, 28 May 2021

Dipesh R. Singhanian  
Chief Financial Officer  
Mumbai, 28 May 2021

Krishna S. Patel  
Vice Chairman and Managing Director  
DIN- 01519572  
Panaji, 28 May 2021

Jinal J. Shah  
Company Secretary and  
Compliance Officer  
Mumbai, 28 May 2021

**CIN : L17100MH1946PLC004886**  
**CASH FLOW STATEMENT**

(₹ in lakhs)

| Particulars                                                               | For the Year       |                    |
|---------------------------------------------------------------------------|--------------------|--------------------|
|                                                                           | 2020-2021          | 2019-2020          |
| <b>A) Cash Flow from operating activities</b>                             |                    |                    |
| Net Profit before income tax                                              | 21,634.97          | 29,222.15          |
| Add / (Less):                                                             |                    |                    |
| Depreciation                                                              | 2,572.97           | 2,243.76           |
| Interest income                                                           | (2,278.97)         | (563.03)           |
| Brokerage Income                                                          | (27.44)            | (86.40)            |
| Dividend income                                                           | (55.02)            | (43.57)            |
| Profit/Loss on Sale of Asset                                              | (0.28)             | -                  |
| Finance Cost                                                              | 821.96             | 602.39             |
| Net Gain/(Loss) Arising On Financial Assets Measured at FVTPL             | (3,887.19)         | (3,490.19)         |
| Net Gain/(Loss) Arising On Redemption of Bonds                            | (29.43)            | -                  |
| Prepaid License Fee amortised                                             | (851.41)           | (619.40)           |
| Lease Rental Income                                                       | (2,088.77)         | (6,071.40)         |
| Bad debts/sundry balance written off                                      | 289.26             | 208.43             |
| Allowance for Doubtful Bad Debts                                          | (50.33)            | 65.89              |
| Provision for Warranty Expenses                                           | (3.82)             | (0.57)             |
| Provision for diminuation in value of investments and deposits            | -                  | 2.51               |
| Sundry creditors/liabilities written back (net)                           | (86.43)            | (16.85)            |
|                                                                           | (5,674.90)         | (7,768.42)         |
| <b>Operating profit before change in operating assets and liabilities</b> | <b>15,960.07</b>   | <b>21,453.73</b>   |
| Add / (Less):                                                             |                    |                    |
| (Increase)/Decrease in Inventory                                          | 120.80             | 46.92              |
| (Increase)/Decrease in Trade & other receivable                           | (1,541.39)         | (73.42)            |
| (Increase)/Decrease in Other operating assets                             | (287.81)           | (1,561.15)         |
| Increase/(Decrease) in Trade payables                                     | (315.11)           | 401.78             |
| Increase/(Decrease) in Provisions                                         | 40.59              | 34.81              |
| Increase/(Decrease) in Other operating liabilities                        | 3,348.21           | 6,220.53           |
|                                                                           | 1,365.30           | 5,069.47           |
| Cash generated from operations                                            | <b>17,325.37</b>   | <b>26,523.19</b>   |
| Add / (Less):                                                             |                    |                    |
| Income Tax paid (Net of refund)                                           | (3,458.49)         | (5,687.69)         |
|                                                                           | (3,458.49)         | (5,687.69)         |
| <b>Net Cash generated from operating activities - [A]</b>                 | <b>13,866.88</b>   | <b>20,835.49</b>   |
| Cash Flow from investing activities                                       |                    |                    |
| Purchase of fixed assets / Capital work in Progress / Capital Advances    | (6,666.33)         | (5,696.93)         |
| Purchase of investments                                                   | (17,534.02)        | (41,759.51)        |
| Investments in deposits                                                   | (2.00)             | (79.62)            |
| Proceeds from sale of investments                                         | 7,680.64           | 31,132.36          |
| Interest received                                                         | 2,278.97           | 563.03             |
| Brokerage Income                                                          | 27.44              | 86.40              |
| Dividend received                                                         | 55.02              | 43.57              |
|                                                                           | (14,160.28)        | (15,710.70)        |
| <b>Net Cash used in investing activities - [B]</b>                        | <b>(14,160.28)</b> | <b>(15,710.70)</b> |
| Cash Flow used in financing activities                                    |                    |                    |
| Finance costs paid                                                        | (16.63)            | (19.54)            |
| Dividend paid to shareholders                                             | -                  | (3,875.33)         |
| Tax paid on dividend                                                      | -                  | (796.58)           |
|                                                                           | (16.63)            | (4,691.45)         |
| <b>Net Cash used in financing activities - [C]</b>                        | <b>(16.63)</b>     | <b>(4,691.45)</b>  |
| Net Increase / (Decrease) in Cash / Cash Equivalents (A+B+C)              | (310.03)           | 433.34             |
| Cash/Cash Equivalents at the beginning of the year                        | 633.44             | 200.10             |
| <b>Cash/Cash Equivalents at the end of the year</b>                       | <b>323.41</b>      | <b>633.44</b>      |

(₹ in lakhs)

| Particulars                                                                                                                                                     | 2020-2021     | 2019-2020     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Notes:-</b>                                                                                                                                                  |               |               |
| 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 Equivalent comprises of                                                                                                                        |               |               |
| Cash on hand                                                                                                                                                    | 0.02          | 11.79         |
| Balances with Banks in Current Acocunt                                                                                                                          | 323.39        | 621.65        |
| Cash and Cash Equivalents in Cash Flow Statements                                                                                                               | <u>323.41</u> | <u>633.44</u> |

As per our report of even date

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

Darshan Shah  
Partner  
Membership No : 131508  
Mumbai, 28 May 2021

For and on behalf of the Board

Sumant J. Patel  
Executive Chairman  
DIN- 00186976  
Panaji, 28 May 2021

Dipesh R. Singhania  
Chief Financial Officer

Mumbai, 28 May 2021

Krishna S. Patel  
Vice Chairman and Managing Director  
DIN- 01519572  
Panaji, 28 May 2021

Jinal J. Shah  
Company Secretary and  
Compliance Officer  
Mumbai, 28 May 2021

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### ACCOUNTING POLICIES

#### Company Background

Nesco Limited ("Nesco" or "the Company") was incorporated on 15 April 1946, under the Indian Companies Act VII of 1913. The Company is domiciled in India having registered office at Nesco Center, Western Express Highway, Goregaon (East), Mumbai 400063 and listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company is mainly engaged in the following:

- i) Licencing premises in IT park buildings and providing related services.
- ii) Licencing premises for exhibitions and providing services to the organisers.
- iii) Manufacturing of machines and capital equipment.
- iv) Hospitality and catering services

#### Note 1 - Basis of Preparation of Financial Statements

##### a) 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), read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of the accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

##### b) Current / Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions: -

- i) The asset / liability is expected to be realised / settled in the Company's normal operating cycle.
- ii) The asset is intended for sale or consumption.
- iii) The asset/liability is held primarily for the purpose of trading.
- iv) The asset/liability is expected to be realised / settled within twelve months after the reporting period.
- v) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting cycle.
- vi) In the case of a liability, the Company does not have an unconditional right to defer settlement of a liability for at least twelve months after the reporting cycle.

##### All other assets and liabilities are classified as non-current.

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

##### c) Functional and Presentation Currency:

The Financial Statements are presented in Indian rupees which is the functional currency for the Company. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss. Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

**d) Rounding of Amounts:**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.

**Note 2- Significant Accounting Policies**

**a) Property, Plant and Equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are carried at the historical cost, less accumulated depreciation, and accumulated impairment losses if any. The cost of Property, Plant and Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent recognition is done in assets carrying amount or as a separate asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Profit or Loss on disposal of Property, Plant and Equipment is recognised in the Statement of Profit and Loss. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred.

Expenses incurred on property, plant and equipment, net of income earned during the under-development stage prior to its intended use, are disclosed under Capital Work-in-progress.

**b) Investment Property:**

Investment properties are properties that are held to earn rentals and /or for capital appreciation and not occupied by the Company for its own use. Investment properties are measured initially at cost, including transaction costs and net of recoverable taxes. The cost includes the cost of replacing parts and borrowing costs if recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognized either when they have been disposed of or when they are being occupied by the Company for its own use or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

**c) Depreciation methods, estimated useful lives and residual value:**

Depreciation on Property, Plant and Equipment and Investment Property is provided using the Straight-Line Method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful life of Property, Plant and Equipment is mentioned below:

| <b>Asset Class</b>                       | <b>Years</b> |
|------------------------------------------|--------------|
| Factory Buildings                        | 30           |
| Buildings (other than Factory Buildings) | 60           |
| Plant and Equipment                      | 15           |
| Electrical Installations                 | 10           |
| Patterns and Mouldings                   | 8            |
| Kitchen Equipment                        | 5            |

|                                                |    |
|------------------------------------------------|----|
| Furniture and Fixtures and Office equipment: - |    |
| -Office furniture                              | 10 |
| -Computers                                     | 3  |
| -Office equipment                              | 5  |
| Vehicles                                       | 10 |

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortised over the period of the lease. Depreciation Methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**d) Non-Current Assets held for sale:**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

**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) Impairment of Assets:**

At each balance sheet date, the Company's carrying amount of assets are reviewed to determine whether there is any indication of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

**g) Inventories:**

Raw materials, work in progress, stores and spares and finished goods are valued at the lower of cost or net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing material and stores and spares, weighted average method is used.

Cost of work in progress and finished goods comprises direct materials, direct labour, and an appropriate share of manufacturing overheads.

Cost of Inventories comprises of costs of purchase, cost of conversion, duties, and taxes (other than those refundable), inward freight and all other costs incurred in bringing them to their respective present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**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 is 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) Provisions and Contingencies:**

A provision is recognised, if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

### **j) 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.

1. Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
2. 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.
3. Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.

4. 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.

#### **k) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

##### **Recognition of revenue from major business activities:**

1. Revenue from Industrial Capital Goods Division operations includes sale of manufactured machines and capital equipment, engineering fees, services, and other charges. Revenue from sale of goods is recognized when all the control on the goods have been transferred to the buyer as per the terms of the contracts and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods.
2. Revenue from Bombay Exhibition Centre operations includes income from renting of halls for exhibitions, events and providing other related services to the organisers. Revenue from such renting activity and the related services is recognised in the accounting period in which the event occurs.
3. Revenue from IT Park operations includes income of renting of office space in IT park and providing related services to IT /ITES companies.
4. Interest income is recognised using effective interest method and dividend income is recognised when the right to receive the payment is established.

#### **l) Income tax:**

Income tax expense comprises current tax and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

##### **1. Current tax:**

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **2. Deferred tax:**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

**m) Cash and cash equivalents:**

Cash and cash equivalents include cash on hand, Balances with Banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**n) Trade Receivables:**

Trade receivables are non-interest bearing and receivable in normal operating cycle. Trade receivables are recognised initially at fair value (that is transaction price on initial recognition) and subsequently measured at amortised cost using effective interest method, less provision for impairment.

**o) Leases**

The Company's lease asset classes primarily consist of license for land for office premises. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 01 April 2020.

The Company recognises 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 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 Rs. 1,00,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

**Leases as lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for a major part of the economic life of the asset. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue from operation'.

**p) 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

**q) Employee Benefits:****1. Short term obligations:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**2. Other long term employee obligations:**

Entitlements to annual leave are recognized when they accrue to employees. Annual leave can either be availed or encashed at the time of separation or retirement subject to a restriction on the maximum number of 42 days of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Unit Credit method with actuarial valuations being carried out at each Balance Sheet date.

**3. Post-employment obligations:**

The Company operates the following post-employment schemes.

**i) Defined benefit plans (gratuity):**

The Company has unfunded defined benefit gratuity plan for employees.

Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

**ii) Defined contribution plans such as provident fund:**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**r) Proposed Dividend:**

The final dividend recommended by the Board of Directors is accounted in the financial year in which it is approved by the shareholders in the Annual General Meeting.

**s) Recent Accounting pronouncements:**

There are no new accounting pronouncements that are applicable from 01st April.2021.

### Note 3- Key Accounting Estimates and Judgements:

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### Critical accounting estimates and assumptions

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

**a) Income Taxes:**

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**b) Property, Plant and Equipment and Investment Property:**

Property, Plant and Equipment and Investment Property represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**c) Defined Benefit Obligation:**

The costs of providing other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed since assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

**d) Fair value measurement of Financial Instruments:**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**e) Estimates of uncertainties relating to the global health pandemic from COVID-19:**

The Company has considered the possible effects that may result from the pandemic relating to COVID -19 on the carrying amounts of receivables, investments etc. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 4 - Property, Plant and Equipment

## Changes in carrying value of Property, Plant and Equipment for the year ended 31 March 2021

(₹ in lakhs)

| Particulars                                         | Freehold land | Freehold building* | Plant and machinery | Electrical Installations | Furniture, fixture & office equipment | Vehicles | Total     |
|-----------------------------------------------------|---------------|--------------------|---------------------|--------------------------|---------------------------------------|----------|-----------|
| Opening gross carrying amount                       | 638.23        | 4,611.57           | 4,096.04            | 1,344.49                 | 778.86                                | 438.73   | 11,907.93 |
| Additions                                           | -             | 0.88               | 15.64               | -                        | 47.13                                 | 8.53     | 72.19     |
| Deductions / Adjustments                            | -             | -                  | -                   | -                        | (0.37)                                | (1.28)   | (1.67)    |
| Closing gross carrying amount (A)                   | 638.23        | 4,612.45           | 4,111.68            | 1,344.49                 | 825.62                                | 445.99   | 11,978.44 |
| Opening accumulated depreciation                    | -             | 446.01             | 1,347.27            | 407.39                   | 421.88                                | 198.75   | 2,821.31  |
| Depreciation during the year                        | -             | 127.03             | 288.23              | 128.37                   | 104.00                                | 45.23    | 692.87    |
| Deductions / Adjustments                            | -             | -                  | -                   | -                        | (0.29)                                | (0.65)   | (0.94)    |
| Closing accumulated depreciation and impairment (B) | -             | 573.04             | 1,635.50            | 535.76                   | 525.60                                | 243.34   | 3,513.24  |
| Net carrying amount (A-B)                           | 638.23        | 4,039.41           | 2,476.18            | 808.73                   | 300.02                                | 202.64   | 8,465.20  |

## Changes in carrying value of Property, Plant and Equipment for the year ended 31 March 2020

(₹ in lakhs)

| Particulars                                         | Freehold land | Freehold building* | Plant and machinery | Electrical Installations | Furniture, fixture & office equipment | Vehicles | Total     |
|-----------------------------------------------------|---------------|--------------------|---------------------|--------------------------|---------------------------------------|----------|-----------|
| Opening gross carrying amount                       | 638.23        | 4,400.41           | 3,717.50            | 1,361.88                 | 694.93                                | 437.93   | 11,250.88 |
| Additions                                           | -             | 211.16             | 178.89              | 185.00                   | 89.21                                 | 0.80     | 665.06    |
| Deductions / Adjustments                            | -             | -                  | 199.65              | (202.39)                 | (5.28)                                | -        | (8.02)    |
| Closing gross carrying amount (A)                   | 638.23        | 4,611.57           | 4,096.04            | 1,344.49                 | 778.86                                | 438.73   | 11,907.93 |
| Opening accumulated depreciation                    | -             | 323.30             | 944.43              | 330.79                   | 305.55                                | 150.31   | 2,054.38  |
| Depreciation during the year                        | -             | 122.71             | 357.08              | 122.42                   | 120.11                                | 48.44    | 770.76    |
| Deductions / Adjustments                            | -             | -                  | 45.76               | (45.82)                  | (3.78)                                | -        | (3.84)    |
| Closing accumulated depreciation and impairment (B) | -             | 446.01             | 1,347.27            | 407.39                   | 421.88                                | 198.75   | 2,821.31  |
| Net carrying amount(A-B)                            | 638.23        | 4,165.57           | 2,748.77            | 937.10                   | 356.98                                | 239.98   | 9,086.62  |

\* Freehold Buildings include Karamsad factory which is situated on land taken on rent from Mr. Sumant J. Patel, Executive Chairman

## Note 4a - Capital work-in-progress

(₹ in lakhs)

| Particulars                           | Property Plant & Equipment |       | Investment Property |       | Total          |        |
|---------------------------------------|----------------------------|-------|---------------------|-------|----------------|--------|
|                                       | As at 31 March             |       | As at 31 March      |       | As at 31 March |        |
|                                       | 2021                       | 2020  | 2021                | 2020  | 2021           | 2020   |
| Plant & Machinery                     | 211.26                     | -     | 237.65              | -     | 448.92         | -      |
| Freehold Building                     | 3,193.00                   | 67.97 | 922.84              | 62.47 | 4,115.84       | 130.44 |
| Electrical Installations              | 5.59                       | -     | 337.24              | -     | 342.83         | -      |
| Furniture, fixture & office equipment | -                          | -     | 165.46              | -     | 165.46         | -      |
| Total                                 | 3,409.86                   | 67.97 | 1,663.19            | 62.47 | 5,073.05       | 130.44 |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Note 5 - Investment Property

#### Changes in carrying value of Investment property for the year ended 31 March 2021

(₹ in lakhs)

| Particulars                                                | Freehold building | Plant and machinery | Electrical Installations | Furniture, fixture & office equipment | Total            |
|------------------------------------------------------------|-------------------|---------------------|--------------------------|---------------------------------------|------------------|
| Opening gross carrying amount                              | 62,635.48         | 3,271.58            | 4,829.31                 | 602.96                                | 71,339.33        |
| Additions                                                  | 472.22            | 72.72               | 161.05                   | 33.57                                 | 739.56           |
| Deductions / Adjustments                                   | -                 | -                   | 0.01                     | 0.02                                  | 0.03             |
| <b>Closing gross carrying amount (A)</b>                   | <b>63,107.70</b>  | <b>3,344.30</b>     | <b>4,990.37</b>          | <b>636.55</b>                         | <b>72,078.92</b> |
| Opening accumulated depreciation                           | 1,565.82          | 546.60              | 777.83                   | 175.58                                | 3,065.82         |
| Depreciation during the year                               | 1,019.42          | 226.52              | 514.02                   | 75.66                                 | 1,835.62         |
| Deductions / Adjustments                                   | -                 | -                   | -                        | -                                     | -                |
| <b>Closing accumulated depreciation and impairment (B)</b> | <b>2,585.24</b>   | <b>773.12</b>       | <b>1,291.85</b>          | <b>251.24</b>                         | <b>4,901.44</b>  |
| <b>Net carrying amount (A-B)</b>                           | <b>60,522.46</b>  | <b>2,571.18</b>     | <b>3,698.52</b>          | <b>385.32</b>                         | <b>67,177.48</b> |

#### Changes in carrying value of Investment property for the year ended 31 March 2020

(₹ in lakhs)

| Particulars                                                | Freehold building | Plant and machinery | Electrical Installations | Furniture, fixture & office equipment | Total            |
|------------------------------------------------------------|-------------------|---------------------|--------------------------|---------------------------------------|------------------|
| Opening gross carrying amount                              | 10,834.48         | 1,284.01            | 704.81                   | 872.54                                | 13,695.83        |
| Additions                                                  | 51,527.19         | 1,987.57            | 4,123.63                 | 5.11                                  | 57,643.50        |
| Deductions / Adjustments                                   | 273.81            | -                   | 0.87                     | (274.69)                              | -                |
| <b>Closing gross carrying amount (A)</b>                   | <b>62,635.48</b>  | <b>3,271.58</b>     | <b>4,829.31</b>          | <b>602.96</b>                         | <b>71,339.33</b> |
| Opening accumulated depreciation                           | 708.82            | 363.71              | 365.42                   | 165.20                                | 1,603.15         |
| Depreciation during the year                               | 805.59            | 182.89              | 412.41                   | 61.79                                 | 1,462.68         |
| Deductions / Adjustments                                   | 51.41             | -                   | -                        | (51.41)                               | -                |
| <b>Closing accumulated depreciation and impairment (B)</b> | <b>1,565.82</b>   | <b>546.60</b>       | <b>777.83</b>            | <b>175.58</b>                         | <b>3,065.82</b>  |
| <b>Net carrying amount</b>                                 | <b>61,069.66</b>  | <b>2,724.98</b>     | <b>4,051.49</b>          | <b>427.38</b>                         | <b>68,273.51</b> |

#### Note:-

The fair value of freehold building as at 31 March 2021 is ₹ 3,53,326.16 lakhs ( PY ₹ 3,51,157.58 Lakhs) which is based on Stamp Duty Ready Reckoner published by Government of India every year.

The Company has no restrictions on the realisability of its investment properties.

#### The amount recognised in the Statement of Profit and Loss :-

(₹ in lakhs)

| Particulars                                                                                                                                              | Amount    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 1) Rental income from Investment Property                                                                                                                | 24,606.29 |
| 2) Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period         | 2,284.03  |
| 3) Direct operating expenses (including repairs and maintenance) arising from investment property that did not generated rental income during the period | -         |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 6 - Other Intangible Assets

## Changes in carrying value of Other Intangible Assets for the year ended 31 March 2021

(₹ in lakhs)

| Particulars                                                | As at 31 March |               |
|------------------------------------------------------------|----------------|---------------|
|                                                            | 2021           | 2020          |
| Opening gross carrying amount                              | 280.65         | -             |
| Additions                                                  | 6.94           | 272.63        |
| Deductions / Adjustments                                   | (0.01)         | 8.02          |
| <b>Closing gross carrying amount(A)</b>                    | <b>287.58</b>  | <b>280.65</b> |
| Opening accumulated depreciation                           | 14.10          | -             |
| Depreciation during the year                               | 44.50          | 10.32         |
| Deductions / Adjustments                                   | -              | 3.78          |
| <b>Closing accumulated depreciation and impairment (B)</b> | <b>58.60</b>   | <b>14.10</b>  |
| <b>Net carrying amount (A-B)</b>                           | <b>228.98</b>  | <b>266.55</b> |

## Note 7 - Investments

(₹ in lakhs)

| Particulars                                                                     | 31.03.2021<br>Carrying Value | 31.03.2020<br>Carrying Value |
|---------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A) Investments - Non-Current</b>                                             |                              |                              |
| <b>Unquoted</b>                                                                 |                              |                              |
| Investment in Equity Instruments - Subsidiaries measured at cost                | 26.10                        | 26.10                        |
| Other Investment measured at cost                                               | 1.03                         | 1.03                         |
| Less:- Provision for Diminuation in value of investments                        | (1.03)                       | (1.03)                       |
| <b>Total</b>                                                                    | <b>26.10</b>                 | <b>26.10</b>                 |
| <b>Quoted</b>                                                                   |                              |                              |
| <b>Investment carried at fair value through OCI</b>                             |                              |                              |
| Fully paid equity shares                                                        | 16.62                        | 8.93                         |
| <b>Total</b>                                                                    | <b>16.62</b>                 | <b>8.93</b>                  |
| <b>Investment in Mutual Funds carried at fair value through profit and loss</b> |                              |                              |
| Fixed Maturity Plans                                                            | 4,366.90                     | 10,825.40                    |
| Debt Funds                                                                      | 14,460.09                    | 14,643.60                    |
| Short Term Debt Funds                                                           | 15,036.63                    | 14,808.03                    |
| Balanced Funds                                                                  | 724.26                       | 813.40                       |
| Equity Funds                                                                    | 122.50                       | 269.25                       |
| <b>Total</b>                                                                    | <b>34,710.38</b>             | <b>41,359.68</b>             |
| <b>Investment carried at amortised cost</b>                                     |                              |                              |
| Corporate Deposits                                                              | 400.00                       | 1,415.00                     |
| Non Convertible Debentures and Bonds                                            | 32,719.22                    | 18,506.00                    |
| Preference Shares                                                               | 700.00                       | 1,925.62                     |
| <b>Total</b>                                                                    | <b>33,819.22</b>             | <b>21,846.62</b>             |
| <b>Total Non Current Investments</b>                                            | <b>68,572.31</b>             | <b>63,241.33</b>             |
| <b>Total aggregate amount of quoted and unquoted investment at cost</b>         | <b>62,837.74</b>             | <b>59,082.99</b>             |
| <b>Aggregate amount of impairment in value of investments</b>                   | <b>1.03</b>                  | <b>1.03</b>                  |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

| Particulars                                                                     | 31.03.2021<br>Carrying Value | 31.03.2020<br>Carrying Value |
|---------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>B) Investments - Current</b>                                                 |                              |                              |
| <b>Investment in Mutual Funds carried at fair value through profit and loss</b> |                              |                              |
| Fixed Maturity Plans                                                            | 7,367.22                     | -                            |
| Debt funds - ultra short term bond funds                                        | 3,868.69                     | 3,908.98                     |
| <b>Investment carried at amortised cost</b>                                     |                              |                              |
| Non Convertible Debentures and Bonds                                            | 819.77                       | 100.00                       |
| Corporate Deposits                                                              | 400.00                       | -                            |
| <b>Total</b>                                                                    | <b>12,455.69</b>             | <b>4,008.98</b>              |
| <b>Total Current Investments</b>                                                | <b>12,455.69</b>             | <b>4,008.98</b>              |
| <b>Total aggregate amount of Quoted and Unquoted Investment at Cost</b>         | <b>10,619.77</b>             | <b>3,800.00</b>              |
| <b>Aggregate amount of impairment in value of investments</b>                   | <b>-</b>                     | <b>-</b>                     |

| Particulars                                                            | As at 31 March  |                 |
|------------------------------------------------------------------------|-----------------|-----------------|
|                                                                        | 2021            | 2020            |
| <b>Note 8 Loans (Unsecured, Considered Good)</b>                       |                 |                 |
| Security Deposits with Public Bodies                                   | 433.56          | 431.56          |
|                                                                        | <b>433.56</b>   | <b>431.56</b>   |
| <b>Note 9 Other Non Current Financial Assets</b>                       |                 |                 |
| Lease Rental Receivables                                               | 7,216.49        | 5,244.49        |
|                                                                        | <b>7,216.49</b> | <b>5,244.49</b> |
| <b>Note 10 Non Current Tax Assets (Net)</b>                            |                 |                 |
| Advance Payment of Income Tax (Net)                                    | 1,509.91        | 1,419.42        |
|                                                                        | <b>1,509.91</b> | <b>1,419.42</b> |
| <b>Note 11 Other non current assets</b>                                |                 |                 |
| Capital Advances                                                       | 903.66          | 502.80          |
| Other Long Term Advances                                               | 1,399.70        | 1,272.68        |
|                                                                        | <b>2,303.36</b> | <b>1,775.48</b> |
| <b>Note 12 Inventories (At lower of cost and net realisable value)</b> |                 |                 |
| Raw Materials                                                          | 511.11          | 487.16          |
| Work in Progress                                                       | 199.53          | 347.57          |
| Stores and Spares                                                      | 24.67           | 21.37           |
|                                                                        | <b>735.30</b>   | <b>856.10</b>   |
| <b>Note 13 Trade Receivables</b>                                       |                 |                 |
| a) Unsecured - Considered Good                                         | 2,959.69        | 1,657.23        |
| b) Credit Impaired                                                     | 134.18          | 129.76          |
|                                                                        | 3,093.87        | 1,786.99        |
| Less:-Allowances for Doubtful Trade Receivables                        | (134.18)        | (129.76)        |
|                                                                        | <b>2,959.69</b> | <b>1,657.23</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

| Particulars                                                 | As at 31 March |               |
|-------------------------------------------------------------|----------------|---------------|
|                                                             | 2021           | 2020          |
| <b>Note 14 Cash and Bank Balances</b>                       |                |               |
| a) Cash and cash equivalents                                |                |               |
| Balances With Banks in Current Accounts                     | 323.39         | 621.65        |
| Cash On Hand                                                | 0.02           | 11.79         |
|                                                             | <b>323.41</b>  | <b>633.44</b> |
| b) Other balances with banks                                |                |               |
| Bank Deposits With Less Than 12 Months of Original Maturity | 59.14          | 75.77         |
| Unclaimed Dividend **                                       | 200.24         | 310.82        |
|                                                             | <b>259.38</b>  | <b>386.59</b> |

\*\*The Company can utilise these balances only towards settlement of unclaimed dividend.

**Note 15 Other financial assets (Current)**

|                   |                 |                 |
|-------------------|-----------------|-----------------|
| Deposits (Others) | 51.50           | 62.72           |
| Other Receivables | 2,199.38        | 1,651.91        |
|                   | <b>2,250.88</b> | <b>1,714.63</b> |

**Note 16 Other current assets**

|                                      |                 |                 |
|--------------------------------------|-----------------|-----------------|
| Advance Recoverable in Cash Or Kind  | 125.65          | 141.71          |
| Balances with Government Authorities |                 |                 |
| Sales Tax and GST                    | 673.99          | 704.42          |
| Advances to Suppliers                | 525.99          | 270.26          |
| Advance to Staff                     | 16.45           | 22.41           |
| Other Receivables                    | 570.19          | 402.15          |
|                                      | <b>1,912.29</b> | <b>1,540.95</b> |

**Note 17- Equity Share Capital**

(₹ in lakhs)

| Particulars                                             | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---------------------------------------------------------|------------------------|------------------------|
|                                                         |                        |                        |
| <b>Share Capital</b>                                    |                        |                        |
| <b>Authorised</b>                                       |                        |                        |
| 7,37,50,000 Equity Shares of ₹ 2 each                   |                        |                        |
| (Previous year 7,37,50,000 Equity Shares of ₹ 2 each)   | 1,475.00               | 1,475.00               |
| 2,50,000 Preference Shares of ₹ 10 each                 |                        |                        |
| (Previous year 2,50,000 Preference Shares of ₹ 10 each) | 25.00                  | 25.00                  |
| <b>Total</b>                                            | <b>1,500.00</b>        | <b>1,500.00</b>        |
| <b>Issued, Subscribed and Paid up Capital</b>           |                        |                        |
| 7,04,59,960 Equity Shares of ₹ 2 each, fully paid up    |                        |                        |
| (Previous year 7,04,59,960 Equity Shares of ₹2 each)    | 1,409.20               | 1,409.20               |
| <b>Total</b>                                            | <b>1,409.20</b>        | <b>1,409.20</b>        |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### a) Reconciliation of shares outstanding at the beginning and at the end of the year

| Particulars                  | As at 31 March 2021<br>Equity Shares |              | As at 31 March 2020<br>Equity Shares |              |
|------------------------------|--------------------------------------|--------------|--------------------------------------|--------------|
|                              | Number                               | ₹            | Number                               | ₹            |
| At the beginning of the year | 7,04,59,960                          | 14,09,19,920 | 7,04,59,960                          | 14,09,19,920 |
| Add: Issued during the year  | -                                    | -            | -                                    | -            |
| At the end of the year       | 7,04,59,960                          | 14,09,19,920 | 7,04,59,960                          | 14,09,19,920 |

### b) Terms / Rights Attached to Equity Shares

The Company has only one class referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Proposed Dividend

The Board of Directors at its meeting held on 28 May 2021 have recommended a payment of dividend of ₹3.00 (Rupees Three) per equity share of face value ₹2 each for the financial year ended 31 March 2021 amounting to ₹ 2,113.80 lakhs and subject to approval at the ensuing AGM of the Company and hence is not recognized as a liability.

### d) Details of Shareholders holding more than 5% Equity Shares in the company - @

| Name of Shareholders                 | As at 31 March 2021   |                 | As at 31 March 2020   |                 |
|--------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
|                                      | No. of<br>Shares Held | % of<br>Holding | No. of<br>Shares Held | % of<br>Holding |
| Chandler & Price India Pvt. Ltd.     | 1,95,84,718           | 27.80           | 1,94,61,542           | 27.62           |
| Mr. Sumant J. Patel                  | 88,67,335             | 12.58           | 88,67,335             | 12.58           |
| Patel Consultancy Services Pvt. Ltd. | 53,62,500             | 7.61            | 53,35,000             | 7.57            |
| Mrs. Sudha S. Patel                  | 45,74,720             | 6.49            | 45,74,720             | 6.49            |
| Engineering Global Pte Limited       | 44,72,000             | 6.35            | 44,72,000             | 6.35            |

@ As per the records of the Company, including its register of members

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 18 - Other Equity

| Particulars                                                                                       | Reserves and Surplus |                                      |                    | Equity Instruments through OCI | Other items of Other Comprehensive Income | Total Other Equity |
|---------------------------------------------------------------------------------------------------|----------------------|--------------------------------------|--------------------|--------------------------------|-------------------------------------------|--------------------|
|                                                                                                   | Retained Earnings    | Preference Shares Redemption Reserve | General Reserve    |                                |                                           |                    |
| <b>Balance as at 01 April 2019 (A)</b>                                                            | <b>50.00</b>         | <b>9.56</b>                          | <b>1,15,296.23</b> | <b>14.47</b>                   | <b>-</b>                                  | <b>1,15,370.26</b> |
| <b>Additions during the year</b>                                                                  |                      |                                      |                    |                                |                                           |                    |
| Profit for the year                                                                               | 23,379.00            | -                                    | -                  | -                              | -                                         | 23,379.00          |
| <b>Items of OCI for the year, net of tax</b>                                                      |                      |                                      |                    |                                |                                           |                    |
| Remeasurement of Defined Benefit Plans - Net of Tax                                               | (11.26)              | -                                    | -                  | -                              | -                                         | (11.26)            |
| Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income | -                    | -                                    | -                  | (5.59)                         | -                                         | (5.59)             |
| <b>Total Comprehensive Income for the year 2019-20 (B)</b>                                        | <b>23,367.74</b>     | <b>-</b>                             | <b>-</b>           | <b>(5.59)</b>                  | <b>-</b>                                  | <b>23,362.15</b>   |
| <b>Reductions during the year</b>                                                                 |                      |                                      |                    |                                |                                           |                    |
| Dividend                                                                                          | (3,875.33)           | -                                    | -                  | -                              | -                                         | (3,875.33)         |
| Income tax on dividend                                                                            | (796.58)             | -                                    | -                  | -                              | -                                         | (796.58)           |
| <b>Total (C)</b>                                                                                  | <b>(4,671.91)</b>    | <b>-</b>                             | <b>-</b>           | <b>-</b>                       | <b>-</b>                                  | <b>(4,671.91)</b>  |
| <b>Transfers during the year</b>                                                                  |                      |                                      |                    |                                |                                           |                    |
| Retained earnings transferred to General reserve                                                  | (18,695.83)          | -                                    | 18,695.83          | -                              | -                                         | -                  |
| <b>Total (D)</b>                                                                                  | <b>(18,695.83)</b>   | <b>-</b>                             | <b>18,695.83</b>   | <b>-</b>                       | <b>-</b>                                  | <b>-</b>           |
| <b>Balance as at 31 March 2020 E = (A+B+C+D)</b>                                                  | <b>50.00</b>         | <b>9.56</b>                          | <b>1,33,992.06</b> | <b>8.88</b>                    | <b>-</b>                                  | <b>1,34,060.50</b> |
| <b>Additions during the year</b>                                                                  |                      |                                      |                    |                                |                                           |                    |
| Profit for the year                                                                               | 17,249.92            | -                                    | -                  | -                              | -                                         | 17,249.92          |
| <b>Items of OCI for the year, net of tax</b>                                                      |                      |                                      |                    |                                |                                           |                    |
| Remeasurement of Defined Benefit Plans - Net of Tax                                               | (78.13)              | -                                    | -                  | -                              | -                                         | (78.13)            |
| Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income | -                    | -                                    | -                  | 7.69                           | -                                         | 7.69               |
| <b>Total Comprehensive Income for the year 2020-21 (F)</b>                                        | <b>17,171.79</b>     | <b>-</b>                             | <b>-</b>           | <b>7.69</b>                    | <b>-</b>                                  | <b>17,179.48</b>   |
| <b>Transfers during the year</b>                                                                  |                      |                                      |                    |                                |                                           |                    |
| Retained earnings transferred to General reserve                                                  | (17,171.79)          | -                                    | 17,171.79          | -                              | -                                         | -                  |
| <b>Total (G)</b>                                                                                  | <b>(17,171.79)</b>   | <b>-</b>                             | <b>17,171.79</b>   | <b>-</b>                       | <b>-</b>                                  | <b>-</b>           |
| <b>Balance as at 31 March 2021 H = (E+F+G)</b>                                                    | <b>50.00</b>         | <b>9.56</b>                          | <b>1,51,163.85</b> | <b>16.57</b>                   | <b>-</b>                                  | <b>1,51,239.98</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Description of nature and purpose of each reserve

|                                                       |                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General Reserve                                       | This reserve was created from time to time by way of transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income                  |
| Equity Instruments through Other Comprehensive Income | This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off |
| Preference Shares Redemption Reserve                  | This reserve was created for redemption of preference shares                                                                                                                                                                                                                |
| Other Comprehensive Income                            | This represents cumulative gain and losses on revaluation of long term employee benefits                                                                                                                                                                                    |
| Retained Earnings                                     | Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders                                                                                                       |

( ₹ in lakhs)

| Particulars                                                                                                   | As at 31 March   |                 |
|---------------------------------------------------------------------------------------------------------------|------------------|-----------------|
|                                                                                                               | 2021             | 2020            |
| <b>Note 19 Other financial liabilities (Non Current)</b>                                                      |                  |                 |
| Security Deposits from IT Park Licencees and Others                                                           | 10,559.83        | 9,793.11        |
|                                                                                                               | <b>10,559.83</b> | <b>9,793.11</b> |
| <b>Note 20 Provisions ( Non Current)</b>                                                                      |                  |                 |
| a) Provision for Employee benefits (Refer Note 43)                                                            |                  |                 |
| Gratuity                                                                                                      | 291.75           | 172.22          |
| Leave Encashment                                                                                              | 74.40            | 37.57           |
| b) Compensation Payable (Refer Note 47)                                                                       | 171.36           | 171.36          |
|                                                                                                               | <b>537.50</b>    | <b>381.15</b>   |
| <b>Note 21 Deferred tax liabilities (Net)</b>                                                                 |                  |                 |
| Opening Balance                                                                                               | 2,596.22         | 1,792.75        |
| Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961 | 165.48           | (206.02)        |
| Provision for expenses allowed for tax purpose on payment basis                                               | (257.49)         | 7.07            |
| Difference in carrying value and tax base of investments measured at FVTPL                                    | 736.51           | (79.67)         |
| Allowance of doubtful debts and advances                                                                      | 10.76            | 6.26            |
| Lease Equalisation Reserve assets                                                                             | 368.03           | 1,069.59        |
| Remeasurement of the defined benefit plan through OCI                                                         | (32.52)          | 6.24            |
|                                                                                                               | <b>3,586.99</b>  | <b>2,596.22</b> |
| (Refer Note 44 "Income Taxes" for further details)                                                            |                  |                 |
| <b>Note 22 Other non-current liabilities</b>                                                                  |                  |                 |
| Advance Lease Rentals                                                                                         | 2,311.37         | 2,362.97        |
|                                                                                                               | <b>2,311.37</b>  | <b>2,362.97</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

( ₹ in lakhs)

| Particulars                                          | As at 31 March  |                 |
|------------------------------------------------------|-----------------|-----------------|
|                                                      | 2021            | 2020            |
| <b>Note 23 Other financial liabilities (Current)</b> |                 |                 |
| Unclaimed dividend                                   | 200.24          | 310.82          |
| Payable to Employees                                 | 46.36           | 32.70           |
| Payable towards Capital Expenditure                  | 2,377.49        | 1,091.15        |
| Security Deposits                                    | 909.07          | 1,232.60        |
| Other Payables                                       | 2,145.10        | 1,146.59        |
|                                                      | <b>5,678.26</b> | <b>3,813.86</b> |
| <b>Note 24 Other current liabilities</b>             |                 |                 |
| a) Revenue received in advance                       |                 |                 |
| Advance from Customers                               | 4,686.21        | 3,762.90        |
| b) Others                                            |                 |                 |
| Statutory Payables                                   |                 |                 |
| Payable Towards VAT                                  | -               | 0.34            |
| Payable Towards GST                                  | 215.51          | 282.00          |
| Payable Towards TDS / TCS                            | 574.18          | 705.32          |
| Payable Towards PF / ESIC /PT                        | 10.08           | 12.80           |
|                                                      | <b>5,485.98</b> | <b>4,763.36</b> |
| <b>Note 25 Provisions (Current)</b>                  |                 |                 |
| Provision for Employee benefits ( Refer Note 43)     |                 |                 |
| Gratuity                                             | 15.63           | 27.83           |
| Leave Encashment                                     | 7.77            | 6.93            |
| Provision for Warranty ( Refer Note 47)              | 12.99           | 16.80           |
|                                                      | <b>36.39</b>    | <b>51.56</b>    |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in lakhs)

| Particulars                                                                  | For the year     |                  |
|------------------------------------------------------------------------------|------------------|------------------|
|                                                                              | 2020-2021        | 2019-2020        |
| <b>Note 26 Revenue from Operations.</b>                                      |                  |                  |
| <b>a) Sale of Products</b>                                                   |                  |                  |
| Sales of Machines and Spares                                                 | 2,508.54         | 2,220.44         |
| <b>b) Sale of Services</b>                                                   |                  |                  |
| Bombay Exhibition Centre (Rental and Services)                               | 595.11           | 15,860.11        |
| Nesco IT Park (Rental and Services)                                          | 24,605.87        | 21,416.82        |
| Hospitality Services                                                         | 1,314.07         | 3,568.41         |
| Engineering fees, services and other charges                                 | 85.86            | 106.99           |
|                                                                              | <b>29,109.44</b> | <b>43,172.77</b> |
| <b>Note 27 Other income</b>                                                  |                  |                  |
| Interest Income                                                              | 2,278.97         | 563.03           |
| Dividend from Mutual Fund Investments                                        | 55.02            | 43.57            |
| Net Gain Arising on Financial Assets Measured at FVTPL                       | 3,887.19         | 3,490.19         |
| Net Gain Arising on Redemption of Bonds                                      | 29.43            | -                |
| Sundry Creditors/liabilities written back (net)                              | 86.43            | 16.85            |
| Other Miscellaneous Income                                                   | 119.29           | 125.42           |
|                                                                              | <b>6,456.33</b>  | <b>4,239.06</b>  |
| <b>Note 28 Cost of Materials Consumed</b>                                    |                  |                  |
| Opening Stock                                                                | 487.16           | 444.53           |
| Add: Purchases                                                               | 1,578.00         | 1,804.80         |
|                                                                              | <b>2,065.16</b>  | <b>2,249.33</b>  |
| Less: Closing Stock                                                          | 511.11           | 487.16           |
| <b>Cost of Materials Consumed</b>                                            | <b>1,554.05</b>  | <b>1,762.17</b>  |
| <b>Note 29 Changes in Inventories of finished goods and work in progress</b> |                  |                  |
| Opening Stock of work-in-progress                                            | 347.57           | 441.15           |
| Less: Closing Stock of work in progress                                      | (199.53)         | (347.57)         |
|                                                                              | <b>148.04</b>    | <b>93.58</b>     |
| <b>Note 30 Employee Benefits expense</b>                                     |                  |                  |
| Salaries and Wages                                                           | 1,498.66         | 1,847.23         |
| Contribution to Provident and other funds                                    | 60.50            | 79.05            |
| Gratuity (Refer note 43)                                                     | 36.56            | 38.50            |
| Staff welfare expenses                                                       | 4.05             | 26.47            |
|                                                                              | <b>1,599.77</b>  | <b>1,991.25</b>  |
| <b>Note 31 Finance Costs</b>                                                 |                  |                  |
| Interest on Financial Liabilities Carried at Amortised Cost                  | 805.33           | 582.85           |
| Bank Charges & Guarantee Commission                                          | 8.29             | 11.78            |
| Others                                                                       | 8.34             | 7.76             |
|                                                                              | <b>821.96</b>    | <b>602.39</b>    |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

| Particulars                                              | For the year    |                  |
|----------------------------------------------------------|-----------------|------------------|
|                                                          | 2020 - 2021     | 2019 - 2020      |
| <b>Note 32 Other Expenses</b>                            |                 |                  |
| Consumption of Stores and Spares                         | 105.43          | 120.84           |
| Power, Fuel & Electricity                                | 365.28          | 1,597.32         |
| Contract Manpower                                        | 846.95          | 1,155.55         |
| Repairs and maintenance of :                             |                 |                  |
| - Buildings & Property                                   | 230.83          | 889.55           |
| - Plant & Machinery                                      | 129.49          | 177.23           |
| - Other Assets                                           | 398.71          | 238.10           |
| Printing, Stationery, Postage and Communication expenses | 25.28           | 75.74            |
| Rent                                                     | 33.27           | 39.70            |
| Hire Charges                                             | 48.14           | 269.07           |
| Catering and Other operating supplies                    | 107.92          | 133.62           |
| Rates and Taxes                                          | 1,651.84        | 784.35           |
| Water Charges                                            | 24.70           | 152.06           |
| Advertisement and Sales Promotion                        | 93.44           | 98.21            |
| Membership and Subscription                              | 6.04            | 6.32             |
| Insurance                                                | 107.62          | 88.59            |
| Housekeeping and Other Office Expenses                   | 86.08           | 225.56           |
| Exchange loss on foreign currency transactions           | 1.28            | 0.54             |
| Travelling, Conveyance and vehicle expenses              | 56.26           | 120.91           |
| Payment to Auditors:-                                    |                 |                  |
| - Audit Fees                                             | 20.75           | 20.63            |
| - Certification work                                     | 0.31            | 0.50             |
| Legal & professional fees                                | 340.41          | 1,407.84         |
| Event Expenses                                           | 31.69           | 759.42           |
| CSR Expenses                                             | 543.89          | 501.09           |
| Donation                                                 | 0.25            | 16.91            |
| Freight and handling charges                             | 73.22           | 45.52            |
| Commission to Directors                                  | 1,110.00        | 1,800.00         |
| Directors' sitting fees                                  | 27.25           | 20.95            |
| Security charges                                         | 56.84           | 164.80           |
| Bad Debts / Sundry Balance Written Off                   | 289.26          | 208.43           |
| Allowance for Doubtful Bad Debts and Deposits            | (50.33)         | 64.41            |
| Provision for Diminution in value of investments         | -               | 2.51             |
| Commission & Brokerage                                   | 423.91          | 196.28           |
| Software and IT Expenses                                 | 33.30           | 65.57            |
| Miscellaneous Expenses                                   | 14.70           | 48.41            |
|                                                          | <b>7,234.01</b> | <b>11,496.53</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 33 Category wise classification of financial instruments

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 other comprehensive income | Total carrying value |
|-----------------------------------------------------------------------------|------------------|-----------------------------------|-----------------------------------------------|----------------------|
| <b>Financial Assets</b>                                                     |                  |                                   |                                               |                      |
| Investments                                                                 |                  |                                   |                                               |                      |
| Equity Instruments                                                          | -                | -                                 | 16.62                                         | 16.62                |
| Mutual Funds                                                                | -                | 45,946.29                         | -                                             | 45,946.29            |
| Corporate Deposits, Non-convertible Debentures, Bonds and Preference Shares | 35,038.99        | -                                 | -                                             | 35,038.99            |
| Other Investments                                                           | 26.10            | -                                 | -                                             | 26.10                |
| Trade Receivables                                                           | 2,959.69         | -                                 | -                                             | 2,959.69             |
| Cash and Cash Equivalents                                                   | 323.41           | -                                 | -                                             | 323.41               |
| Other Balances with Banks                                                   | 259.38           | -                                 | -                                             | 259.38               |
| Loans / Sundry Deposits                                                     | 433.56           | -                                 | -                                             | 433.56               |
| Other financial assets                                                      | 9,467.36         | -                                 | -                                             | 9,467.36             |
| <b>Total Financial Assets</b>                                               | <b>48,508.49</b> | <b>45,946.29</b>                  | <b>16.62</b>                                  | <b>94,471.40</b>     |
| <b>Financial Liabilities</b>                                                |                  |                                   |                                               |                      |
| Trade Payables                                                              | 1,058.85         | -                                 | -                                             | 1,058.85             |
| Other financial liabilities                                                 | 16,238.09        | -                                 | -                                             | 16,238.09            |
| <b>Total Financial Liabilities</b>                                          | <b>17,296.93</b> | <b>-</b>                          | <b>-</b>                                      | <b>17,296.93</b>     |

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 other comprehensive income | Total carrying value |
|-----------------------------------------------------------------------------|------------------|-----------------------------------|-----------------------------------------------|----------------------|
| <b>Financial Assets</b>                                                     |                  |                                   |                                               |                      |
| Investments                                                                 |                  |                                   |                                               |                      |
| Equity Instruments                                                          | -                | -                                 | 8.93                                          | 8.93                 |
| Mutual Funds                                                                | -                | 45,268.66                         | -                                             | 45,268.66            |
| Corporate Deposits, Non-convertible Debentures, Bonds and Preference Shares | 21,946.62        | -                                 | -                                             | 21,946.62            |
| Other Investments                                                           | 26.10            | -                                 | -                                             | 26.10                |
| Trade Receivables                                                           | 1,657.23         | -                                 | -                                             | 1,657.23             |
| Cash and Cash Equivalents                                                   | 633.44           | -                                 | -                                             | 633.44               |
| Other Balances with Banks                                                   | 386.59           | -                                 | -                                             | 386.59               |
| Loans / Sundry Deposits                                                     | 431.56           | -                                 | -                                             | 431.56               |
| Other financial assets                                                      | 6,959.12         | -                                 | -                                             | 6,959.12             |
| <b>Total Financial Assets</b>                                               | <b>32,040.66</b> | <b>45,268.66</b>                  | <b>8.93</b>                                   | <b>77,318.25</b>     |
| <b>Financial Liabilities</b>                                                |                  |                                   |                                               |                      |
| Trade Payables                                                              | 1,460.38         | -                                 | -                                             | 1,460.38             |
| Other financial liabilities                                                 | 13,606.97        | -                                 | -                                             | 13,606.97            |
| <b>Total Financial Liabilities</b>                                          | <b>15,067.35</b> | <b>-</b>                          | <b>-</b>                                      | <b>15,067.35</b>     |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Fair value hierarchy

- Level 1 -** Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- Level 2 -** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3 -** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(₹ in lakhs)

| Particulars                       | As of 31 March 2021 | Fair value hierarchy at the end of the reporting period/year using |         |         |
|-----------------------------------|---------------------|--------------------------------------------------------------------|---------|---------|
|                                   |                     | Level 1                                                            | Level 2 | Level 3 |
| Investments in Equity Instruments | 16.62               | 16.62                                                              | -       | -       |
| Investments in Mutual Funds       | 45,946.29           | 45,946.29                                                          | -       | -       |

| Particulars                       | As of 31 March 2020 | Fair value hierarchy at the end of the reporting period/year using |         |         |
|-----------------------------------|---------------------|--------------------------------------------------------------------|---------|---------|
|                                   |                     | Level 1                                                            | Level 2 | Level 3 |
| Investments in Equity Instruments | 8.93                | 8.93                                                               | -       | -       |
| Investments in Mutual Funds       | 45,268.66           | 45,268.66                                                          | -       | -       |

### Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the company did not anticipate that the carrying amounts would be significantly different from the values that would be received or settled.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 34 - Financial Risk Management:

#### Financial Risk Factors:

The Company's financial liabilities comprises mainly of trade payables and other payables. The company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company's activities are exposed to Market risk, credit risk and liquidity risk. The Company has set up Risk Management Committee to minimize any adverse effects of the risk exposure on the financial performance of the Company.

The Board has been monitoring the risks that the Company is exposed to due to outbreak of COVID 19 closely. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

#### 1. Market Risk:

Market risk comprises of three types of risk: Currency Risk, Interest rate Risk and Other Price Risk.

##### a. Foreign Currency Risk:

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign currency exchange rates. The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

(₹ in lakhs)

| Particulars | Liabilities         |                     | Assets              |                     |
|-------------|---------------------|---------------------|---------------------|---------------------|
|             | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| Currency    |                     |                     |                     |                     |
| USD         | NIL                 | NIL                 | 1.04                | 0.81                |
| EURO        | NIL                 | NIL                 | NIL                 | 2.72                |
| OMR         | NIL                 | NIL                 | NIL                 | 0.08                |

The Company has not entered into any forward contract during the year ended 31 March 2021 and 31 March 2020. The Company has not entered into any forward instrument for trades or speculation purpose.

##### b. Interest Rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has NIL interest bearing borrowings, the exposure to risk of changes in market interest rate is NIL. The Company has not used any interest rate derivatives.

##### c. Other Price Risk:

Other Price risk is the risk that fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from both financial assets such as investments in equity instruments and bonds.

The Company invests in units of mutual funds including Fixed Maturity Plans, various debt Funds and Equity funds, and hence exposed to Other Price risk. Company's Treasury dept. manages investments portfolio diversification in order to minimize risk and ongoing monitoring of market prices of investments.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2. Credit Risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss. Trade receivables are typically unsecured and are derived from customers from four operations Nesco IT Park lease, Bombay Exhibition Centre (BEC) revenue, sale of Industrial Capital Goods and Nesco Foods.

The maximum exposure to credit risk on account of trade receivables, at the reporting date is ₹2,959.69 lakhs and ₹1,657.23 lakhs as on 31 March 2021 and 31 March 2020 respectively

The Company minimizes credit risk relating to IT Park lease and BEC business as follows:

- The Company obtains security deposits from IT Park lessees and entitled to terminate lease agreement in case lessee makes defaults in payment of lease for a period of two consecutive months.
- BEC customers are required to pay advance and place refundable security deposit with the Company.
- Hospitality customers are required to pay advances to the Company.

Whereas, in case of trade receivables from Industrial Capital Goods division for sale of machineries, credit risk is managed through credit approvals, establishing credit limits, and continuously monitored by creditworthiness of customers to whom, credit terms are granted in normal course of business.

The Company takes into account available credit risk factors as Company's historical experience for customers, customers' standing for credit defaults in market.

The allowance for lifetime expected credit loss on customer balances as on 31 March 2021 and 31 March 2020 was ₹134.18 lakhs and ₹129.76 lakhs, respectively.

(₹ in lakhs)

| Particulars                                                | As at 31 March 2021 | As at 31 March 2020 |
|------------------------------------------------------------|---------------------|---------------------|
| Balance at the beginning                                   | 129.76              | 119.46              |
| Loss allowance measured at lifetime expected credit losses | 4.41                | 10.30               |
| Balance at the end                                         | 134.18              | 129.76              |

#### Credit risk of financial assets other than Trade receivables:

- Investments in mutual fund schemes are marked to market on ongoing basis, which is major part of total Non-current and current investments.
- Long term loans and advances include deposits with local authorities, electricity Board, electricity companies etc.
- Cash and Cash equivalents are balances with Public and Private Banks.
- Other current assets include lease rentals receivables and deposits with more than 12 months maturities with Public and Private Banks and Earnest Money Deposits with Govt. customer.

Credit risk arising from investment in mutual funds, financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by the international credit rating agencies.

The allowance for lifetime expected credit loss on current license and other fees receivables as on 31 March 2021 and 31 March 2020 was ₹61.74 lakhs and ₹54.10 lakhs, respectively.

(₹ in lakhs)

| Particulars                                                | As at 31 March 2021 | As at 31 March 2020 |
|------------------------------------------------------------|---------------------|---------------------|
| Balance at the beginning                                   | 54.10               | NIL                 |
| Loss allowance measured at lifetime expected credit losses | 7.64                | 54.10               |
| Balance at the end                                         | 61.74               | 54.10               |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 3. Liquidity Risk:

The Company's principal sources of liquidity are cash and cash equivalents, Balances and cash flows that are generated from business. The Company does not have any borrowings. The Company believes that their working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The Company manages the liquidity risk by maintaining adequate cash and cash equivalent ₹323.41 lakhs and ₹633.44 lakhs as on 31 March 2021 and 31 March 2020 respectively

The table below provides details regarding the contractual maturities of significant financial liabilities as on 31 March 2021:

(₹ in lakhs)

| Particulars                                        | Less than 1 year | 1-5 years | More than 5 years | Total     |
|----------------------------------------------------|------------------|-----------|-------------------|-----------|
| <b>Other financial liabilities (non-current)</b>   |                  |           |                   |           |
| Security deposit from IT Park licensees and others | -                | 10,559.83 | -                 | 10,559.83 |
| <b>Other financial liabilities (current)</b>       |                  |           |                   |           |
| Security deposit from licensees and customers      | 909.07           | -         | -                 | 909.07    |
| Trade Payables                                     | 1,058.85         | -         | -                 | 1,058.85  |
| Other financial liabilities                        | 4,769.18         | -         | -                 | 4,769.18  |

Details regarding contractual maturities of significant financial liabilities as on 31 March 2020:

(₹ in lakhs)

| Particulars                                        | Less than 1 year | 1-5 years | More than 5 years | Total    |
|----------------------------------------------------|------------------|-----------|-------------------|----------|
| <b>Other financial liabilities (non-current)</b>   |                  |           |                   |          |
| Security deposit from IT Park licensees and others | -                | 9,793.11  | -                 | 9,793.11 |
| <b>Other financial liabilities (current)</b>       |                  |           |                   |          |
| Security deposit from licensees and customers      | 1,232.60         | -         | -                 | 1,232.60 |
| Trade Payables                                     | 1,460.38         | -         | -                 | 1,460.38 |
| Other financial liabilities                        | 2,581.26         | -         | -                 | 2,581.26 |

### 4. Risk due to Outbreak of COVID 19 Pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. The disruption to regular business operations continues due to the measures taken to curb the impact of the pandemic from time to time, since start of it. The Company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

#### Capital Management

For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As of 31 March 2021, the Company has only one class of shares referred to as Equity Shares and has nil debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long-term financial plans.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 35 - Contingent Liabilities and Commitments:

- 1 Income tax demand disputed by the Company ₹139 lakhs (previous year ₹130.35 lakhs)
- 2 Claims against the Company not acknowledged as debts ₹2,053.65 lakhs (previous year ₹1,393.64 lakhs)
- 3 Estimated value of contracts remaining to be executed on capital account and not provided for is ₹2,623.35 lakhs (previous year ₹1,919.16 lakhs) against which an advance of ₹903.66 lakhs (previous year ₹502.80 lakhs) has been paid
- 4 Indian Bank Guarantees given by bank on Company's behalf ₹721.95 lakhs (Previous year ₹701.43 lakhs).

### Note 36 - 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 At         |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                                                                                                                        | 31 March 2021 | 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)<br>Principal amount due to Micro and Small Enterprise | 196.49        | 37.83         |
| Interest due on above                                                                                                                                                                                                  | -             | 0.72          |
| 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        | 0.43          | -             |
| 4. The amount of interest accrued and remaining unpaid at the end of each accounting year                                                                                                                              | 1.15          | 0.72          |
| 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 37 - Details of Hedged and Unhedged exposure in foreign currency denominated monetary items.

- a) Exposure in Foreign Currency- Hedged: - The company has not entered into any foreign exchange contract. The Company does not enter into any derivative instruments for trading or speculative purpose.
- b) Exposure in Foreign Currency – Un Hedged: - The foreign currency exposure not hedged as on 31 March 2021 are as under

(₹ in lakhs)

| Currency | Payables            |                     | Receivables         |                     |
|----------|---------------------|---------------------|---------------------|---------------------|
|          | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| USD      | NIL                 | NIL                 | 1.04                | 0.81                |

### Note 38 - 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) Details of Investments made are given in Note 7.
- 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 39 - Corporate Social Responsibility expense:

- Gross amount required to be spent by the Company during the year 2020-21 ₹ 537.37 lakhs (Previous year ₹484.34 lakhs) towards CSR activities prescribed under Schedule VII of the Companies Act, 2013.
- Amounts spent during the year on:

(₹ in lakhs)

| Nature of activities            | Year 2020-2021 |                        |               | Year 2019-2020 |                        |               |
|---------------------------------|----------------|------------------------|---------------|----------------|------------------------|---------------|
|                                 | In Cash**      | Yet to be paid in cash | Total         | In Cash        | Yet to be paid in cash | Total         |
| <b>Promoting Education: -</b>   |                |                        |               |                |                        |               |
| i) Construction of school       | 170.44         | 143.73                 | 314.17        | 185.49         | -                      | 185.49        |
| ii) Purpose other than i) above | 183.45         | 46.27                  | 229.72        | 315.60         | -                      | 315.60        |
| <b>Total</b>                    | <b>353.89</b>  | <b>190.00</b>          | <b>543.89</b> | <b>501.09</b>  | <b>-</b>               | <b>501.09</b> |

### 3. Related party transactions in relation to Corporate Social Responsibility

| Nature of activities       | Year 2020-2021 |                        |       | Year 2019-2020 |                        |       |
|----------------------------|----------------|------------------------|-------|----------------|------------------------|-------|
|                            | In Cash**      | Yet to be paid in cash | Total | In Cash        | Yet to be paid in cash | Total |
| Related party transactions | 9.84           | -                      | 9.84  | 0.61           | -                      | 0.61  |

\*\* Represents actual outflow during the year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 40 - Leases:

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

#### Company as Lessor:

Ind AS 116 “Leases” requires the lessor to recognize income from operating leases on a straight-line basis over the lease term which includes rent free period. Thus, contracted lease rental income including future escalation is straight lined over the lease term. This has resulted in recognizing unearned lease income amounting to ₹2,088.77 lakhs for the year ended 31 March 2021.

The Company has entered into operating leases on its Investment Property located at Byculla and Goregaon IT Park premises:

Future minimum rentals receivable under these non-cancellable operating leases are, as follows:

(₹ in lakhs)

| Particulars                                 | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------------------|---------------------|---------------------|
| Within one year                             | 23,026.17           | 18,098.54           |
| After one year but not more than five years | 51,345.07           | 56,572.59           |
| More than 5 years                           | 110.12              | 68.76               |

There is no contingent rent receivable from lessees under the lease agreements.

Lease income recognized during the year in Statement of profit and loss is ₹24,606.29 lakhs (previous year ₹21,416.82 lakhs)

#### Company as Lessee:

The Company has taken factory land 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 ₹17.93 lakhs (PY ₹19.50 lakhs)

Lease payment recognized in statement of profit and loss is ₹33.27 lakhs (Previous year ₹39.70 lakhs)

### Note 41 - Earnings per share:

| Particulars                                                               | 2020-21     | 2019-20     |
|---------------------------------------------------------------------------|-------------|-------------|
| Profit after Tax as per statement of Profit and Loss (₹in lakhs)          | 17,249.92   | 23,379.00   |
| Weighted average Number of equity shares outstanding during the years     | 7,04,59,960 | 7,04,59,960 |
| Basic and diluted earnings per share in Rupees (Face value ₹ 2 per share) | 24.48       | 33.18       |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 42 - Related party disclosures:

#### 1. List of related parties and relationships:

|                                                   |                                                                                                                                                                                                                             |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subsidiaries                                      | Nesco Hospitality Private Ltd<br>Nesco Foundation for Innovation and Development                                                                                                                                            |
| Entities in which KMPs have significant influence | Patel Consultancy Private Ltd<br>J V Patel Investment and Trading Co. Private Ltd.<br>Engineering Global Pte Limited<br>Chandler and Price India Private Limited<br>K S Patel Finance & Investment Company Private Ltd      |
| Key Management Personnel                          | Mr. Sumant J. Patel – Executive Chairman<br>Mr. Krishna S. Patel – Vice Chairman and Managing Director<br>Mr. Dipesh R. Singhania – Chief Financial Officer<br>Ms. Jinal J. Shah - Company Secretary and Compliance Officer |
| Relative of Key Management Personnel              | Mrs. Sudha S. Patel - Non-executive Director                                                                                                                                                                                |
| Non-executive Directors                           | Mr. Mahendra K. Chauhan<br>Mr. Manu M. Parpia<br>Mr. Jai S. Diwanji<br>Mr. K. S. Srinivasa Murty<br>Mrs. Amrita Verma Chowdhury                                                                                             |

#### 2. Related Party Transactions:

(₹ in lakhs)

| Particulars                                     | 2020-2021 | 2019-2020 |
|-------------------------------------------------|-----------|-----------|
| <b>Brokerage Income</b>                         |           |           |
| Chandler and Price India Private Limited        | 27.44     | 86.40     |
| <b>Rent Expense</b>                             |           |           |
| Mr. Sumant J. Patel                             | 18.84     | 19.50     |
| <b>Corporate Social Responsibility Expense</b>  |           |           |
| Nesco Foundation for Innovation and Development | 9.84      | 0.61      |
| <b>Remuneration, perquisites, commission</b>    |           |           |
| Mr. Sumant J. Patel                             | 651.00    | 996.00    |
| Mr. Krishna S. Patel                            | 675.96    | 1,020.96  |
| Mr. Dipesh R. Singhania                         | 118.00    | 103.50    |
| Ms. Jinal J. Shah                               | 9.92      | 7.67      |
| <b>Director sitting fees</b>                    |           |           |
| Mrs. Sudha S. Patel                             | 2.75      | 2.95      |
| Mr. Mahendra K. Chauhan                         | 5.55      | 4.30      |
| Mr. Manu M. Parpia                              | 4.30      | 3.25      |
| Mr. Jai S. Diwanji                              | 5.80      | 3.50      |
| Mr. K. S. Srinivasa Murty                       | 4.55      | 3.35      |
| Mrs. Amrita Verma Chowdhury                     | 4.30      | 3.60      |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|                                                 |         |         |
|-------------------------------------------------|---------|---------|
| <b>Amount received on behalf of Subsidiary</b>  |         |         |
| Nesco Hospitality Private Limited               | -       | 0.45    |
| <b>Amount paid on behalf of Subsidiary</b>      |         |         |
| Nesco Hospitality Private Limited               | 21.89   | 12.77   |
| <b>Amount Payable / (Receivable)</b>            |         |         |
| Mr. Sumant J. Patel                             | 313.40  | 368.22  |
| Mr. Krishna S. Patel                            | 306.88  | 441.84  |
| Mr. Dipesh R. Singhania                         | -       | (2.59)  |
| Nesco Hospitality Private Limited               | (54.67) | (32.78) |
| Chandler and Price India Private Limited        | -       | (14.75) |
| <b>Investments made in Subsidiaries</b>         |         |         |
| Nesco Foundation for Innovation and Development | -       | 1.00    |

Employee benefits for Key Management Personnel is as follows:

(₹ in lakhs)

| Particulars                  | 2020-2021 | 2019-2020 |
|------------------------------|-----------|-----------|
| Short-term employee benefits | 1,454.88  | 2,128.13  |
| Post-employment benefits     | 158.04    | 93.75     |
| Other long-term benefits     | 25.99     | 17.77     |

**Note 43 - Employee Benefits:****1. Post-employment benefits:****a. Defined Contribution plan****Provident Fund and Employee State Insurance Scheme**

Defined contribution plans are Provident Fund Scheme and Employee State Insurance Scheme. The Company contributes to the Government administered provident funds on behalf of its employees.

**b. Defined Benefit plan****Gratuity scheme**

The Company operates a defined benefit gratuity plan for employees. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary. The Company creates adequate provision in its books every year based on actuarial valuation. These benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and investment risk.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The amounts recognised in the Company's financial statements as at year end are as under

(₹ in lakhs)

| Particulars                                                                      | Gratuity (Unfunded) |                     |
|----------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                  | As at 31 March 2021 | As at 31 March 2020 |
| Present Value of Benefit Obligation at the Beginning of the Period               | 200.05              | 168.14              |
| Interest Cost                                                                    | 13.39               | 13.13               |
| Current Service Cost                                                             | 23.16               | 25.37               |
| Benefit Paid Directly by the Employer                                            | (33.64)             | (21.63)             |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | 100.50              | 23.07               |
| Demographic Assumptions                                                          | -                   | 2.12                |
| Actuarial (Gains)/Losses on Obligations - Due to Experience                      | 3.92                | (10.15)             |
| Present Value of Benefit Obligation at the End of the Period                     | 307.38              | 200.05              |

| Amount Recognized in the Balance Sheet                         |          |          |
|----------------------------------------------------------------|----------|----------|
| (Present Value of Benefit Obligation at the end of the Period) | 307.38   | 200.05   |
| Funded Status (Surplus/ (Deficit))                             | (307.38) | (200.05) |
| Net (Liability)/Asset Recognized in the Balance Sheet          | (307.38) | (200.05) |

| Expenses Recognized in the Statement of Profit or Loss for Current Period |       |       |
|---------------------------------------------------------------------------|-------|-------|
| Current Service Cost                                                      | 23.16 | 25.37 |
| Net Interest Cost                                                         | 13.39 | 13.13 |
| Expenses Recognized                                                       | 36.56 | 38.5  |

| Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period |        |       |
|--------------------------------------------------------------------------------|--------|-------|
| Actuarial (Gains)/Losses on Obligation for the Period                          | 104.41 | 15.05 |
| Net (Income)/Expense for the Period Recognized in OCI                          | 104.41 | 15.05 |

| Balance Sheet Reconciliation                          |         |         |
|-------------------------------------------------------|---------|---------|
| Opening Net Liability                                 | 200.05  | 168.14  |
| Expenses Recognized in Statement of Profit or Loss    | 36.56   | 38.5    |
| Expenses Recognized in OCI                            | 104.41  | 15.05   |
| Benefit Paid Directly by the Employer                 | (33.64) | (21.63) |
| Net Liability/(Asset) Recognized in the Balance Sheet | 307.38  | 200.05  |

| Other Details                       |        |        |
|-------------------------------------|--------|--------|
| No of Active Members                | 133    | 158    |
| Per Month Salary for Active Members | 46.75  | 52.80  |
| Average Past Services (Years)       | 6.33   | 6.34   |
| Average Age (Years)                 | 39.26  | 39.13  |
| Average Expected Future Service     | 18.74  | 18.87  |
| Projected Benefit Obligation        | 307.38 | 200.05 |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Assumptions                      |                                          |                                          |
|----------------------------------|------------------------------------------|------------------------------------------|
| Expected Return on Plan Assets   | N.A.                                     | N.A.                                     |
| Rate of Discounting              | 6.55%                                    | 6.70%                                    |
| Rate of Salary Increase          | 10.00%                                   | 6.00%                                    |
| Rate of Employee Turnover        | 5.00%                                    | 5.00%                                    |
| Mortality Rate During Employment | Indian Assured Lives Mortality (2012-14) | Indian Assured Lives Mortality (2012-14) |
| Mortality Rate After Employment  | N.A.                                     | N.A.                                     |

| Maturity Analysis of the Benefit Payments: From the Employer          |        |        |
|-----------------------------------------------------------------------|--------|--------|
| Projected Benefits Payable in Future Years from the Date of Reporting |        |        |
| 1st Following Year                                                    | 15.63  | 27.84  |
| 2 to 5 Years                                                          | 70.63  | 56.41  |
| 6 to 10 Years                                                         | 122.50 | 79.27  |
| More than 10 Years                                                    | 459.64 | 236.55 |

| Sensitivity Analysis                                    |        |        |
|---------------------------------------------------------|--------|--------|
| Projected Benefit Obligation on Current Assumptions     | 307.38 | 200.05 |
| Delta Effect of +1% Change in Rate of Discounting       | (9.6%) | (8.2%) |
| Delta Effect of -1% Change in Rate of Discounting       | 11.1%  | 9.4%   |
| Delta Effect of +1% Change in Rate of Salary Increase   | 10.7%  | 9.3%   |
| Delta Effect of -1% Change in Rate of Salary Increase   | (9.4%) | (8.3%) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (2.2%) | 0.2%   |
| Delta Effect of -1% Change in Rate of Employee Turnover | 2.4%   | (0.2%) |

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## 2. Long Term Employee Benefits:

The liability towards compensated absences (annual leave) as on 31 March 2021, based on actual valuation carried out by using the project accrued benefit method amount to ₹47.73 lakhs (previous year ₹5.63 lakhs) has been recognized on the Statement of Profit and Loss.

### Note 44 - Income Taxes:

A. The major components of Income Tax expense for the year are as under

(₹ in lakhs)

| Particulars                                                            | Year 2020-2021        | Year 2019-2020        |
|------------------------------------------------------------------------|-----------------------|-----------------------|
| Current Taxes                                                          | 3,368.00              | 5,035.89              |
| Deferred Taxes                                                         | 1,017.05              | 807.26                |
| <b>Income Tax Expenses as per statement of Profit and Loss</b>         | <b>4,385.05</b>       | <b>5,843.15</b>       |
| <b>Income Tax Expenses recognised in OCI</b>                           | <b>Year 2020-2021</b> | <b>Year 2019-2020</b> |
| Deferred tax benefit on remeasurement benefit of defined benefit plans | (26.28)               | (3.79)                |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### B. Reconciliation of tax expense and the accounting profit for the year is as under:

(₹ in lakhs)

| Particulars                                                           | Year 2020-2021  | Year 2019-2020  |
|-----------------------------------------------------------------------|-----------------|-----------------|
| Profit before tax                                                     | 21,634.97       | 29,222.15       |
| Enacted Tax rate in India                                             | 25.17%          | 25.17%          |
| <b>Computed enacted tax expenses</b>                                  | <b>5,445.49</b> | <b>7,354.63</b> |
| Add / (Less): Expenses not allowable for tax purposes                 | 254.83          | 322.16          |
| Add / (Less): Income not considered for tax purpose                   | (413.33)        | (1,347.86)      |
| Add / (Less): Effect of expenses, computed differently in tax         | 330.26          | (112.04)        |
| Add / (Less): Effect of expenses, which are allowed on payment basis  | 14.87           | 29.38           |
| Add / (Less): Effect of income, considered under other head of income | (1,247.07)      | (403.12)        |
| <b>Income Tax Expenses</b>                                            | <b>4,385.05</b> | <b>5,843.15</b> |

The tax rate used for reconciliation above is the corporate tax rate of 25.168 % (P Y 25.168%) payable by corporate entities in India on taxable profits under Indian law. During the Previous Year, the Company has opted for lower tax rate under Section 115BAA of the Income Tax Act, 1961 inserted vide Taxation Laws (Amendment) Act, 2019.

- Income considered under other head of income, mainly comprises of IT Park rental income considered under 'Income from House property' as per the provisions of Income Tax Act, 1961.
- Income not considered for tax purpose mainly consists of other income on account of fair valuation of Investments in Mutual funds and dividend income from Investments in mutual funds.

#### Details of income tax assets and liabilities as of 31 March 2021 and 31 March 2020 are as follows:

| Particulars                                   | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------------------------------|---------------------|---------------------|
| Income tax Assets                             | 1,509.91            | 1,419.42            |
| Current Income Tax Liabilities                | -                   | -                   |
| Net current income tax Assets / (Liabilities) | 1,509.91            | 1,419.42            |

The gross movement in the Current Tax assets / (liabilities) for the year ended 31 March 2021 and 31 March 2020 is as follows:

| Particulars                                                         | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------------------------------------------|---------------------|---------------------|
| Net current tax assets / (liabilities) at the beginning of the year | 1,419.42            | 767.62              |
| Income tax paid                                                     |                     |                     |
| Advance tax and TDS                                                 | 3,458.49            | 5,758.32            |
| Self-Assessment Tax paid/Previous year adjustments                  | -                   | (110.63)            |
| Current income tax expenses                                         | (3,368.00)          | (5,035.89)          |
| Net current tax assets / (liabilities) at the end of the year       | <b>1,509.91</b>     | <b>1,419.42</b>     |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Details of deferred tax assets and liabilities as of 31 March 2021 and 31 March 2020 are as follows:

| Particulars                             | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------------------------|---------------------|---------------------|
| Deferred tax Liabilities                | (2,596.22)          | (1,792.75)          |
| Deferred Tax Assets (Liabilities)       | (990.77)            | (803.47)            |
| Net deferred tax Assets / (Liabilities) | (3,586.99)          | (2,596.22)          |

Detailed bifurcation of deferred tax assets and liabilities as of 31 March 2021 and 31 March 2020 are as follows:

| Particulars                                                                                                   | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Net deferred tax assets / (liabilities) at the beginning                                                      | (2,596.22)          | (1,792.75)          |
| Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961 | (165.48)            | 206.02              |
| Provision for expenses allowed for tax purpose on payment basis                                               | 257.49              | (7.07)              |
| Difference in carrying value and tax base of investments measured at FVTPL                                    | (736.51)            | 79.67               |
| Allowance of doubtful debts and advances                                                                      | (10.76)             | (6.26)              |
| Lease Equalisation Reserve assets                                                                             | (368.03)            | (1,069.59)          |
| Remeasurement of the defined benefit plan through OCI                                                         | 32.52               | (6.24)              |
| Net deferred tax assets / (liabilities) at the end                                                            | (3,586.99)          | (2,596.22)          |

The credits relating to temporary differences during the year ended 31 March 2021 and 31 March 2020 are primarily on account of Other income due to fair valuation of investments on mutual funds and Ind AS 116 adjustment.

### Note 45 – Proposed Dividend:

The Board of Directors at its meeting held on 28 May 2021 have recommended a payment of dividend of ₹ 3.00 (Rupees Three) per equity share of face value ₹ 2 each for the financial year ended 31 March 2021 amounting to ₹ 2,113.80 lakhs and subject to approval at the ensuing AGM of the Company and hence is not recognized as a liability.

### Note 46 - Segment Reporting:

The Company has following business segments, which are its reportable segments. Operating segment disclosures are consistent with the information provided to and reviewed by the management.

| Reportable Segment                | Products / Services                                                         |
|-----------------------------------|-----------------------------------------------------------------------------|
| IT Park                           | Licencing premises in IT park buildings and providing related services      |
| Bombay Exhibition Center          | Licencing premises for exhibitions and providing services to the organisers |
| Industrial Capital Goods Division | Manufacturing of machines and capital equipment                             |
| Nesco Foods                       | Hospitality and catering services                                           |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in lakhs)

| Particulars                                       | 2020-2021          | 2019-2020          |
|---------------------------------------------------|--------------------|--------------------|
| <b>Revenue by Segment</b>                         |                    |                    |
| IT Park                                           | 24,606.29          | 21,416.82          |
| Bombay Exhibition Center                          | 595.11             | 15,860.11          |
| Industrial Capital Goods Division                 | 2,608.76           | 2,327.42           |
| Nesco Foods                                       | 1,299.28           | 3,568.41           |
| Income from Investments/ Other Income             | 6,456.33           | 4,239.06           |
| <b>Total</b>                                      | <b>35,565.77</b>   | <b>47,411.83</b>   |
| <b>Segment profit before tax and finance cost</b> |                    |                    |
| IT Park                                           | 20,146.49          | 17,696.74          |
| Bombay Exhibition Center                          | (669.11)           | 12,166.78          |
| Industrial Capital Goods Division                 | 62.27              | (236.47)           |
| Nesco Foods                                       | (342.10)           | 759.04             |
| Unallocable expenses net off Unallocable income   | 2,437.42           | (1,163.94)         |
| <b>Total Operating profit before tax</b>          | <b>21,634.97</b>   | <b>29,222.15</b>   |
| <b>Capital Employed:-</b>                         |                    |                    |
| <b>Segment Assets:-</b>                           |                    |                    |
| IT Park                                           | 83,856.96          | 78,511.70          |
| Bombay Exhibition Center                          | 5,485.06           | 4,973.13           |
| Industrial Capital Goods Division                 | 3,403.11           | 3,178.73           |
| Nesco Foods                                       | 3,301.87           | 3,157.38           |
| Unallocable Assets                                | 85,857.34          | 70,871.37          |
| <b>Total</b>                                      | <b>1,81,904.34</b> | <b>1,60,692.31</b> |
| <b>Segment Liabilities: -</b>                     |                    |                    |
| IT Park                                           | 16,464.62          | 15,200.42          |
| Bombay Exhibition Center                          | 4,522.90           | 3,771.12           |
| Industrial Capital Goods Division                 | 676.38             | 554.55             |
| Nesco Foods                                       | 280.33             | 478.29             |
| Unallocable Liabilities                           | 7,310.94           | 5,218.23           |
| <b>Total</b>                                      | <b>29,255.17</b>   | <b>25,222.61</b>   |
| <b>Capital Employed: -</b>                        |                    |                    |
| IT Park                                           | 67,392.34          | 63,311.28          |
| Bombay Exhibition Center                          | 962.17             | 1,202.01           |
| Industrial Capital Goods Division                 | 2,726.73           | 2,624.18           |
| Nesco Foods                                       | 3,021.54           | 2,679.09           |
| Unallocable Assets net of Unallocable Liabilities | 78,546.40          | 65,653.14          |
| <b>Total</b>                                      | <b>1,52,649.18</b> | <b>1,35,469.70</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

|                                   |                 |                  |
|-----------------------------------|-----------------|------------------|
| <b>Capital Expenditure</b>        |                 |                  |
| IT Park                           | 2340.28         | 57,706.00        |
| Bombay Exhibition Center          | 453.29          | 126.66           |
| Industrial Capital Goods Division | 215.72          | 317.83           |
| Nesco Foods                       | 39.43           | 258.73           |
| Unallocable Assets                | 2,714.97        | 302.43           |
| <b>Total</b>                      | <b>5,763.68</b> | <b>58,711.65</b> |

|                               |                  |                  |
|-------------------------------|------------------|------------------|
| <b>Revenue from Operation</b> | <b>2020-2021</b> | <b>2019-2020</b> |
| India                         | 35,515.52        | 47,368.95        |
| Outside India                 | 50.25            | 42.88            |
| <b>Total Revenue</b>          | <b>35,565.77</b> | <b>47,411.83</b> |

**Note 47** - Pursuant to the IND AS 37 – ‘Provisions, Contingent Liabilities and Contingent Assets’, the disclosure relating to provisions made in the accounts for the year ended 31 March 2021 is as follows.

(₹ in lakhs)

| Particulars              | Compensation Payable * |               | Provision for warranty # |               |
|--------------------------|------------------------|---------------|--------------------------|---------------|
|                          | 31 March 2021          | 31 March 2020 | 31 March 2021            | 31 March 2020 |
| <b>Opening Balance</b>   | <b>171.36</b>          | <b>171.36</b> | <b>16.80</b>             | <b>16.24</b>  |
| Additions                | -                      | -             | -                        | 0.56          |
| Utilizations / Reversals | -                      | -             | (3.81)                   | -             |
| <b>Closing Balance</b>   | <b>171.36</b>          | <b>171.36</b> | <b>12.99</b>             | <b>16.80</b>  |

\* These provisions represent estimates made mainly for probable claims arising out of litigations / disputes pending with authorities under various statutes. The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/ disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow.

# Provision for warranty represents cost associated with providing post-sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of two years.

**Note 48** - Previous year's figures have been regrouped / reclassified wherever necessary.

**Note 49** - The financial statements are approved for issue by the Audit Committee at its meeting held on 27 May 2021 and thereafter by the Board of Directors at its meeting held on 28 May 2021.

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
The Members of Nesco Limited

### Report on the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Nesco Limited** ("the Holding Company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports on separate financial statement and on the other financial information of subsidiaries, the aforesaid consolidated 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 Group as at 31 March 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below to be the Key Audit Matters to be communicated in the Report:

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How was the matter addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | <p><b><u>Recognition of lease rental income of IT Park &amp; related disclosures.</u></b></p> <p>Lease rental income of Holding Company amounting to ₹24,606.29 lakh reported in the Company's financial statement is recognised based on the agreements / contract with the tenants on straight line basis over the lease term. Due to modifications in terms of agreement, risk of material misstatement on such modifications significantly increases for its accuracy, completeness, presentation, and disclosure. This can lead to revenue either being recognised in incorrect accounting periods or at incorrect value thereby impacting the results. Considering these factors, in the context of our audit this matter was of significant and hence considered as a Key Audit Matter.</p> | <ul style="list-style-type: none"> <li>Understanding the internal control environment for revenue recognition and to test check with a view to verify its operative effectiveness.</li> <li>Read terms of the contract/ modified agreements / communications with the lessee's and verified accuracy of lease rental income recognition on test basis.</li> <li>On sample basis, examining supporting documents / emails/ approval for deferments / waiver given to tenants.</li> <li>Performed analytical procedures.</li> <li>Ensured that revenue is recognized in accordance with accounting standards and policy.</li> </ul> <p>Based on above procedures performed, we did not identify any material exceptions in the lease rental income recognized and related disclosures in the Consolidated financial statements.</p> |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | <p><b>Provision and disclosure of Contingent Liability in respect of property tax</b></p> <p>The Holding Company had paid property tax amounting to ₹ 338.80 lakh in respect of plot of land on which IT 4 is currently constructed as per the invoices received for the period from November 2014 to March 2021. However, in March 2021, the Holding Company had received request letter with additional property tax liability for the plot and period mentioned above at ₹ 2,044.18 lakh and asking for 50% payment. Of the said demand, the Holding Company has paid ₹ 424.70 lakh in March 2021 under dispute, made a provision of ₹ 994.73 lakh and disclosed ₹ 619.60 lakh as contingent liability.</p> <p>It has also filed a complaint on 8 April, 2021 for not accepting the said liability completely on various grounds.</p> | <ul style="list-style-type: none"> <li>• Gone through the request letter received and complaint filed by the Holding Company.</li> <li>• Obtained details of the working along with supporting documents to evaluate management's assessment of probability of outcome of the disputed liability and provision required for the same.</li> <li>• Also, had discussion with the management's legal expert on the writ petition in the court of law with respect to retrospective application of changed method of calculating the property tax liability.</li> </ul> <p>Based on above procedures performed, we did not identify any material exceptions in the provision recognized and contingent liability disclosed in the Consolidated financial statements.</p> |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated 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 Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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 the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit the financial statements of a subsidiary entity "Nesco Hospitality Private Limited", whose financial statements reflect total assets of ₹ 356.82 lakh as at 31<sup>st</sup> March 2021, total revenues of ₹ 3.95 lakh, total comprehensive income of ₹ (4.77) lakh and net cash flows amounting to ₹ 16.59 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary are based solely on the report of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

### Report on Other Legal and Regulatory Requirements

- 1) 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditors of the subsidiary companies incorporated in India, none of the director is disqualified as on 31st March, 2021 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 group and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”;
  - (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 report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. There is no remuneration to directors in subsidiary companies of the group.
  - (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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 36 (1) and (2) to the consolidated financial statements.
    - (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
    - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary companies.

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

**Darshan Shah**  
**Partner**  
 Membership No. 131508  
 Place: Mumbai  
 Date: 28 May 2021  
 UDIN: 21131508AAAABV7643

## **ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT**

The Annexure referred to in paragraph 1(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date,

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the Consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of the Nesco Limited (“the Holding Company”) and its subsidiary companies which are incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI (the “Guidance Note”) and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditor of the subsidiary Companies incorporated in India in terms of their report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies incorporated in India.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the internal control over financial reporting criteria established by these Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies incorporated in India, is based on the corresponding report of the auditor of such company.

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

**Darshan Shah**  
**Partner**  
Membership No. 131508  
Place: Mumbai  
Date: 28 May 2021  
UDIN: 21131508AAAABV7643

| Particulars                         | Note No | As at 31 March     |                    |
|-------------------------------------|---------|--------------------|--------------------|
|                                     |         | 2021               | 2020               |
| <b>Assets</b>                       |         |                    |                    |
| <b>Non-Current Assets</b>           |         |                    |                    |
| Property, Plant and Equipment       | 4       | 8,465.20           | 9,086.62           |
| Capital work-in-progress            | 4a      | 5,073.05           | 130.44             |
| Investment property                 | 5       | 67,177.48          | 68,273.51          |
| Other Intangible Assets             | 6       | 229.41             | 267.06             |
| Intangible assets under development |         | 27.39              | 24.99              |
| <b>Financial Assets</b>             |         |                    |                    |
| Investments                         | 7       | 68,546.31          | 63,215.33          |
| Loans / Sundry Deposits             | 8       | 443.75             | 442.35             |
| Other Non Current Financial Assets  | 9       | 7,216.49           | 5,244.49           |
| Non Current Tax Assets (Net)        | 10      | 1,510.02           | 1,419.42           |
| Other non current assets            | 11      | 2,303.36           | 1,775.48           |
| <b>Total Non-Current Assets</b>     |         | <b>1,60,992.44</b> | <b>1,49,879.69</b> |
| <b>Current Assets</b>               |         |                    |                    |
| Inventories                         | 12      | 740.21             | 861.79             |
| <b>Financial assets</b>             |         |                    |                    |
| Investments                         | 7       | 12,455.69          | 4,008.98           |
| Trade Receivables                   | 13      | 2,959.69           | 1,657.23           |
| Cash and Cash Equivalents           | 14a     | 661.73             | 955.70             |
| Other Balances with Banks           | 14b     | 259.38             | 386.59             |
| Other Current Financial Assets      | 15      | 2,250.88           | 1,714.64           |
| Other current assets                | 16      | 1,861.31           | 1,508.27           |
| <b>Total Current Assets</b>         |         | <b>21,188.88</b>   | <b>11,093.20</b>   |
| <b>Total Assets</b>                 |         | <b>1,82,181.32</b> | <b>1,60,972.89</b> |
| <b>Equity and Liabilities</b>       |         |                    |                    |
| <b>Equity</b>                       |         |                    |                    |
| Equity share capital                | 17      | 1,409.20           | 1,409.20           |
| Other equity                        | 18      | 1,51,513.71        | 1,34,338.59        |
| <b>Total Equity</b>                 |         | <b>1,52,922.91</b> | <b>1,35,747.79</b> |

**CIN : L17100MH1946PLC004886**  
**BALANCE SHEET (Contd.)**

(₹ in lakhs)

| Particulars                                                                            | Note No | As at 31 March     |                    |
|----------------------------------------------------------------------------------------|---------|--------------------|--------------------|
|                                                                                        |         | 2021               | 2020               |
| <b>Liabilities</b>                                                                     |         |                    |                    |
| <b>Non-current Liabilities</b>                                                         |         |                    |                    |
| Financial Liabilities                                                                  |         |                    |                    |
| Other Non Current Financial Liabilities                                                | 19      | 10,559.83          | 9,793.11           |
| Provisions                                                                             | 20      | 537.50             | 381.15             |
| Deferred Tax Liabilities (Net)                                                         | 21      | 3,586.99           | 2,596.22           |
| Other non-current Liabilities                                                          | 22      | 2,311.37           | 2,362.97           |
| <b>Total Non-current Liabilities</b>                                                   |         | <b>16,995.69</b>   | <b>15,133.45</b>   |
| <b>Current Liabilities</b>                                                             |         |                    |                    |
| Financial Liabilities                                                                  |         |                    |                    |
| Trade Payables                                                                         |         |                    |                    |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises                      |         | 196.49             | 37.83              |
| Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises |         | 862.59             | 1,422.54           |
| Other Current Financial Liabilities                                                    | 23      | 5,681.17           | 3,814.14           |
| Other current Liabilities                                                              | 24      | 5,486.08           | 4,765.13           |
| Provisions                                                                             | 25      | 36.39              | 51.56              |
| Current Tax Liabilities (Net)                                                          | 26      | -                  | 0.45               |
| <b>Total Current Liabilities</b>                                                       |         | <b>12,262.72</b>   | <b>10,091.65</b>   |
| <b>Total Equity and Liabilities</b>                                                    |         | <b>1,82,181.32</b> | <b>1,60,972.89</b> |

Notes forming part of the financial statements  
As per our report of even date

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

Darshan Shah  
Partner  
Membership No : 131508  
Mumbai, 28 May 2021

1 to 49  
For and on behalf of the Board

Sumant J. Patel  
Executive Chairman  
DIN- 00186976  
Panaji, 28 May 2021

Dipesh R. Singhania  
Chief Financial Officer  
Mumbai, 28 May 2021

Krishna S. Patel  
Vice Chairman and Managing Director  
DIN- 01519572  
Panaji, 28 May 2021

Jinal J. Shah  
Company Secretary and  
Compliance Officer  
Mumbai, 28 May 2021

(₹ in lakhs)

| Particulars                                                                  | Note No | For the Year     |                  |
|------------------------------------------------------------------------------|---------|------------------|------------------|
|                                                                              |         | 2020-2021        | 2019-2020        |
| <b>Revenue</b>                                                               |         |                  |                  |
| Revenue from operations                                                      | 27      | 29,109.77        | 43,173.18        |
| Other income                                                                 | 28      | 6,459.95         | 4,254.69         |
| <b>Total Income</b>                                                          |         | <b>35,569.72</b> | <b>47,427.87</b> |
| <b>Expenses</b>                                                              |         |                  |                  |
| Cost of materials consumed                                                   | 29      | 1,554.83         | 1,762.39         |
| Change in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade | 30      | 148.04           | 93.58            |
| Employee Benefits Expenses                                                   | 31      | 1,599.77         | 1,991.26         |
| Finance Cost                                                                 | 32      | 821.96           | 602.41           |
| Depreciation and Amortisation Expenses                                       | 4,5 & 6 | 2,573.06         | 2,243.77         |
| Other Expenses                                                               | 33      | 7,241.45         | 11,505.93        |
| <b>Total Expenses</b>                                                        |         | <b>13,939.11</b> | <b>18,199.34</b> |
| <b>Profit before tax</b>                                                     |         | <b>21,630.61</b> | <b>29,228.53</b> |
| <b>Tax expense</b>                                                           |         |                  |                  |
| Current Tax                                                                  |         | 3,368.00         | 5,037.86         |
| Deferred Tax                                                                 |         | 1,017.05         | 807.26           |
| Income Tax for Earlier Year                                                  |         | -                | (5.60)           |
| <b>Total tax expense</b>                                                     |         | <b>4,385.05</b>  | <b>5,839.52</b>  |
| <b>Profit after tax</b>                                                      |         | <b>17,245.56</b> | <b>23,389.01</b> |

CIN : L17100MH1946PLC004886

## STATEMENT OF PROFIT AND LOSS (Contd.)

(₹ in lakhs)

| Particulars                                                                                       | Note No | For the Year     |                  |
|---------------------------------------------------------------------------------------------------|---------|------------------|------------------|
|                                                                                                   |         | 2020-2021        | 2019-2020        |
| Other Comprehensive Income (OCI)                                                                  |         |                  |                  |
| Items that will not be reclassified to profit or loss                                             |         |                  |                  |
| Remeasurement of Defined Benefit Plans                                                            |         | (104.41)         | (15.05)          |
| - Income tax expense on remeasurement of defined employee benefit plans                           |         | 26.28            | 3.79             |
| Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income |         | 7.69             | (5.59)           |
| <b>Total Other Comprehensive Income</b>                                                           |         | <b>(70.44)</b>   | <b>(16.85)</b>   |
| <b>Total Comprehensive Income for the year</b>                                                    |         | <b>17,175.12</b> | <b>23,372.16</b> |
| Profit for the year attributable to                                                               |         |                  |                  |
| - Owners of the company                                                                           |         | 17,245.56        | 23,389.01        |
| - Non Controlling interest                                                                        |         | -                | -                |
|                                                                                                   |         | 17,245.56        | 23,389.01        |
| Other Comprehensive Income for the year attributable to                                           |         |                  |                  |
| - Owners of the company                                                                           |         | (70.44)          | (16.85)          |
| - Non Controlling interest                                                                        |         | -                | -                |
|                                                                                                   |         | (70.44)          | (16.85)          |
| Total Comprehensive Income for the year attributable to                                           |         |                  |                  |
| - Owners of the company                                                                           |         | 17,175.12        | 23,372.16        |
| - Non Controlling interest                                                                        |         | -                | -                |
|                                                                                                   |         | 17,175.12        | 23,372.16        |
| Earning Per Equity Share (face value of ₹ 2 each)                                                 |         |                  |                  |
| Basic & Diluted (In ₹)                                                                            | 40      | 24.48            | 33.19            |

Notes forming part of the financial statements  
As per our report of even date

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

Darshan Shah  
Partner  
Membership No : 131508  
Mumbai, 28 May 2021

1 to 49  
For and on behalf of the Board

Sumant J. Patel  
Executive Chairman  
DIN- 00186976  
Panaji, 28 May 2021

Dipesh R. Singhania  
Chief Financial Officer  
Mumbai, 28 May 2021

Krishna S. Patel  
Vice Chairman and Managing Director  
DIN- 01519572  
Panaji, 28 May 2021

Jinal J. Shah  
Company Secretary and  
Compliance Officer  
Mumbai, 28 May 2021

| Particulars                                     | As at 31 March |          |
|-------------------------------------------------|----------------|----------|
|                                                 | 2021           | 2020     |
| Balance at the beginning of the reporting year  | 1,409.20       | 1,409.20 |
| Changes in Equity Share capital during the year | -              | -        |
| Balance at the end of the reporting year        | 1,409.20       | 1,409.20 |

## B) OTHER EQUITY

| Particulars                                                                | Reserves and Surplus |                                      |                 | Equity instruments through OCI | Other items of Other Comprehensive Income | Total attributable to owners of the Company | Non Controlling Interest | Total Other Equity |
|----------------------------------------------------------------------------|----------------------|--------------------------------------|-----------------|--------------------------------|-------------------------------------------|---------------------------------------------|--------------------------|--------------------|
|                                                                            | Retained Earnings    | Preference Shares Redemption Reserve | General Reserve |                                |                                           |                                             |                          |                    |
| Balance as at 01 April 2019 (A)                                            | 50.00                | 9.56                                 | 1,15,564.31     | 14.47                          | -                                         | 1,15,638.34                                 | -                        | 1,15,638.34        |
| Additions during the year                                                  |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Profit for the year                                                        | 23,389.01            | -                                    | -               | -                              | -                                         | 23,389.01                                   | -                        | 23,389.01          |
| Items of OCI for the year, net of tax                                      |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Remeasurement of the defined benefit plans                                 | (11.26)              | -                                    | -               | -                              | -                                         | (11.26)                                     | -                        | (11.26)            |
| Net fair value gain/(loss) on investment in equity instruments through OCI | -                    | -                                    | -               | (5.59)                         | -                                         | (5.59)                                      | -                        | (5.59)             |
| Total Comprehensive Income for the year 2019-20 (B)                        | 23,377.75            | -                                    | -               | (5.59)                         | -                                         | 23,372.16                                   | -                        | 23,372.16          |
| Reductions during the year                                                 |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Dividend                                                                   | (3,875.33)           | -                                    | -               | -                              | -                                         | (3,875.33)                                  | -                        | (3,875.33)         |
| Income tax on dividend                                                     | (796.58)             | -                                    | -               | -                              | -                                         | (796.58)                                    | -                        | (796.58)           |
| Total (C)                                                                  | (4,671.91)           | -                                    | -               | -                              | -                                         | (4,671.91)                                  | -                        | (4,671.91)         |
| Transfers during the year                                                  |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Retained earnings transferred to General reserve                           | (18,705.84)          | -                                    | 18,705.84       | -                              | -                                         | -                                           | -                        | -                  |
| Total (D)                                                                  | (18,705.84)          | -                                    | 18,705.84       | -                              | -                                         | -                                           | -                        | -                  |
| Balance as at 31 March 2020 E = (A + B + C + D)                            | 50.00                | 9.56                                 | 1,34,270.15     | 8.88                           | -                                         | 1,34,338.59                                 | -                        | 1,34,338.59        |
| Additions during the year                                                  |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Profit for the year                                                        | 17,245.56            | -                                    | -               | -                              | -                                         | 17,245.56                                   | -                        | 17,245.56          |
| Items of OCI for the year, net of tax:                                     |                      |                                      |                 |                                |                                           |                                             |                          |                    |

(₹ in lakhs)

| Particulars                                                                                       | Reserves and Surplus |                                      |                    | Equity instruments through OCI | Other items of Other Comprehensive Income | Total attributable to owners of the Company | Non Controlling Interest | Total Other Equity |
|---------------------------------------------------------------------------------------------------|----------------------|--------------------------------------|--------------------|--------------------------------|-------------------------------------------|---------------------------------------------|--------------------------|--------------------|
|                                                                                                   | Retained Earnings    | Preference Shares Redemption Reserve | General Reserve    |                                |                                           |                                             |                          |                    |
| Remeasurement of Defined Benefit Plans - Net of Tax                                               | (78.13)              | -                                    | -                  | -                              | -                                         | (78.13)                                     | -                        | (78.13)            |
| Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income | -                    | -                                    | -                  | 7.69                           | -                                         | 7.69                                        | -                        | 7.69               |
| <b>Total Comprehensive Income for the year 2020-21 (F)</b>                                        | 17,167.43            | -                                    | -                  | 7.69                           | -                                         | 17,175.12                                   | -                        | 17,175.12          |
| <b>Transfers during the year</b>                                                                  |                      |                                      |                    |                                |                                           |                                             |                          |                    |
| Retained earnings transferred to General reserve                                                  | (17,167.43)          | -                                    | 17,167.43          | -                              | -                                         | -                                           | -                        | -                  |
| <b>Total (G)</b>                                                                                  | <b>(17,167.43)</b>   | <b>-</b>                             | <b>17,167.43</b>   | <b>-</b>                       | <b>-</b>                                  | <b>-</b>                                    | <b>-</b>                 | <b>-</b>           |
| <b>Balance as at 31 March 2021 H = (E + F + G)</b>                                                | <b>50.00</b>         | <b>9.56</b>                          | <b>1,51,437.58</b> | <b>16.57</b>                   | <b>-</b>                                  | <b>1,51,513.71</b>                          | <b>-</b>                 | <b>1,51,513.71</b> |

As per our report of even date

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

Darshan Shah  
Partner  
Membership No : 131508  
Mumbai, 28 May 2021

For and on behalf of the Board

Sumant J. Patel  
Executive Chairman  
DIN- 00186976  
Panaji, 28 May 2021

Dipesh R. Singhanian  
Chief Financial Officer  
Mumbai, 28 May 2021

Krishna S. Patel  
Vice Chairman and Managing Director  
DIN- 01519572  
Panaji, 28 May 2021

Jinal J. Shah  
Company Secretary and  
Compliance Officer  
Mumbai, 28 May 2021

| Particulars                                                               | For the Year       |                    |
|---------------------------------------------------------------------------|--------------------|--------------------|
|                                                                           | 2020-2021          | 2019-2020          |
| <b>A) Cash Flow From Operating Activities</b>                             |                    |                    |
| <b>Net Profit Before Income Tax</b>                                       | <b>21,630.61</b>   | <b>29,228.53</b>   |
| <b>Add/(Less):</b>                                                        |                    |                    |
| Depreciation                                                              | 2,573.06           | 2,243.77           |
| Interest Income                                                           | (2,282.56)         | (578.19)           |
| Dividend Income                                                           | (55.02)            | (43.57)            |
| Brokerage Income                                                          | (27.44)            | (86.40)            |
| Profit/Loss on Sale of Asset                                              | (0.28)             | -                  |
| Finance Cost                                                              | 821.96             | 602.39             |
| Net Gain/(Loss) Arising On Financial Assets Measured at FVTPL             | (3,887.19)         | (3,490.19)         |
| Net Gain/(Loss) Arising On Redemption of Bonds                            | (29.43)            | -                  |
| Prepaid License Fee amortised                                             | (851.41)           | (619.40)           |
| Lease Rental Income                                                       | (2,088.77)         | (6,071.40)         |
| Bad Debts/Sundry Balance Written Off                                      | 289.26             | 208.43             |
| Allowance For Doubtful Bad Debts                                          | (50.33)            | 65.89              |
| Provision for Warranty Expenses                                           | (3.82)             | (0.57)             |
| Provision For Diminuation In Value Of Investments And Deposits            | -                  | 2.51               |
| Sundry Creditors/Liabilities Written Back (Net)                           | (86.47)            | (16.85)            |
| <b>Operating Profit Before Change In Operating Assets And Liabilities</b> | <b>15,952.17</b>   | <b>21,444.95</b>   |
| <b>Add/(Less):</b>                                                        |                    |                    |
| (Increase)/Decrease in Inventory                                          | 121.58             | 41.23              |
| (Increase)/Decrease in Trade & Other Receivable                           | (1,541.39)         | (73.22)            |
| (Increase)/Decrease in Other Operating Assets                             | (1,173.16)         | (1,548.89)         |
| Increase/(Decrease) in Trade Payables                                     | (401.29)           | 401.03             |
| Increase/(Decrease) in Provisions                                         | 36.77              | 34.81              |
| Increase/(Decrease) in Other Operating Liabilities                        | 3,439.47           | 6,224.58           |
| <b>Cash Generated From Operations</b>                                     | <b>16,434.15</b>   | <b>26,524.48</b>   |
| <b>Add/(Less):</b>                                                        |                    |                    |
| Income Tax Paid (Net of Refund)                                           | (3,459.05)         | (5,691.53)         |
| <b>Net Cash Generated from Operating Activities - [A]</b>                 | <b>12,975.10</b>   | <b>20,832.95</b>   |
| <b>B) Cash Flow From Investing Activities</b>                             |                    |                    |
| Purchase of Fixed Assets / Capital Work In Progress / Capital Advances    | (5,762.68)         | (5,697.47)         |
| Purchase of Investments                                                   | (17,534.02)        | (41,759.51)        |
| Investments in Deposits                                                   | (1.40)             | (79.62)            |
| Proceeds From Sale of Investments                                         | 7,680.63           | 31,132.36          |
| Interest Received                                                         | 2,282.56           | 578.19             |
| Brokerage Income                                                          | 27.44              | 86.40              |
| Dividend Received                                                         | 55.02              | 43.57              |
| <b>Net Cash Used in Investing Activities - [B]</b>                        | <b>(13,252.43)</b> | <b>(15,696.08)</b> |
| <b>C) Cash Flow Used in Financing Activities</b>                          |                    |                    |
| Finance Costs Paid                                                        | (16.63)            | (19.55)            |
| Dividend Paid to Shareholders                                             | -                  | (3,875.33)         |
| Tax Paid on Dividend                                                      | -                  | (796.58)           |
| <b>Net Cash Used in Financing Activities - [C]</b>                        | <b>(16.63)</b>     | <b>(4,691.46)</b>  |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>     | <b>(293.97)</b>    | <b>444.43</b>      |
| Cash and Cash Equivalents as at 01 April                                  | 955.70             | 511.27             |
| Cash and Cash Equivalents as at 31 March                                  | <b>661.73</b>      | <b>955.70</b>      |

(₹ in lakhs)

| Particulars                                                                                                                                                     | 2020-2021     | 2019-2020     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 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 Equivalent comprises of                                                                                                                        |               |               |
| Cash on hand                                                                                                                                                    | 0.02          | 11.79         |
| Balances with Banks in Current Acocunt                                                                                                                          | 661.71        | 943.91        |
| Cash and Cash Equivalents in Cash Flow Statements                                                                                                               | <u>661.73</u> | <u>955.70</u> |

As per our report of even date

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

Darshan Shah  
Partner  
Membership No : 131508  
Mumbai, 28 May 2021

For and on behalf of the Board

Sumant J. Patel  
Executive Chairman  
DIN- 00186976  
Panaji, 28 May 2021

Dipesh R. Singhanian  
Chief Financial Officer  
Mumbai, 28 May 2021

Krishna S. Patel  
Vice Chairman and Managing Director  
DIN- 01519572  
Panaji, 28 May 2021

Jinal J. Shah  
Company Secretary and  
Compliance Officer  
Mumbai, 28 May 2021

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### ACCOUNTING POLICIES

#### Company Background

Nesco Limited ("Nesco" or "Parent Company") was incorporated on 15 April 1946, under the Indian Companies Act VII of 1913. The Parent Company is domiciled in India having registered office at Nesco Centre, Western Express Highway, Goregaon (East), Mumbai 400063 and listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). These consolidated financial statements comprise the Parent Company and its subsidiaries (referred to collectively as "the Group")

The Group is mainly engaged in the following:

- i) Licencing premises in IT park buildings and providing related services.
- ii) Licencing premises for exhibitions and providing services to the organisers.
- iii) Manufacturing of machines and capital equipment.
- iv) Hospitality and catering services.

#### Note 1 - Basis of Preparation of Financial Statements

##### a) Compliance with Ind AS:

These consolidated financial statements have been prepared in compliance with Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act 2013 (The Act), read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of the accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

##### b) Current / Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions: -

- i) The asset / liability is expected to be realised / settled in the Group's normal operating cycle.
- ii) The asset is intended for sale or consumption.
- iii) The asset/liability is held primarily for the purpose of trading.
- iv) The asset/liability is expected to be realised / settled within twelve months after the reporting period.
- v) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting cycle.
- vi) In the case of a liability, the Group does not have an unconditional right to defer settlement of a liability for at least twelve months after the reporting cycle.

##### All other assets and liabilities are classified as non-current.

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

##### c) Functional and Presentation Currency:

The Consolidated Financial Statements are presented in Indian rupees which is the functional currency for the Group. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the

transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss. Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

**d) Rounding of Amounts:**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.

**Note 2- Significant Accounting Policies**

**a) Property, Plant and Equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are carried at the historical cost, less accumulated depreciation, and accumulated impairment losses if any. The cost of Property, Plant and Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent recognition is done in assets carrying amount or as a separate asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Profit or Loss on disposal of Property, Plant and Equipment is recognised in the Statement of Profit and Loss. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred.

Expenses incurred on property, plant and equipment, net of income earned during the under-development stage prior to its intended use, are disclosed under Capital Work-in-progress.

**b) Investment Property:**

Investment properties are properties that are held to earn rentals and /or for capital appreciation and not occupied by the Group for its own use. Investment properties are measured initially at cost, including transaction costs and net of recoverable taxes. The cost includes the cost of replacing parts and borrowing costs if recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognized either when they have been disposed of or when they are being occupied by the Group for its own use or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

**c) Depreciation methods, estimated useful lives and residual value:**

Depreciation on Property, Plant and Equipment and Investment Property is provided using the Straight-Line Method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful life of Property, Plant and Equipment is mentioned below:

| Asset Class                                    | Years |
|------------------------------------------------|-------|
| Factory Buildings                              | 30    |
| Buildings (other than Factory Buildings)       | 60    |
| Plant and Equipment                            | 15    |
| Electrical Installations                       | 10    |
| Patterns and Mouldings                         | 8     |
| Kitchen Equipment                              | 5     |
| Furniture and Fixtures and Office equipment: - |       |
| -Office furniture                              | 10    |
| -Computers                                     | 3     |
| -Office equipment                              | 5     |
| Vehicles                                       | 10    |

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortised over the period of the lease. Depreciation Methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**d) Non-Current Assets held for sale:**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

**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) Impairment of Assets:**

At each balance sheet date, the Group's carrying amount of assets are reviewed to determine whether there is any indication of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

**g) Inventories:**

Raw materials, work in progress, stores and spares and finished goods are valued at the lower of cost or net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing material and stores and spares, weighted average method is used.

Cost of work in progress and finished goods comprises direct materials, direct labour, and an appropriate share of manufacturing overheads.

Cost of Inventories comprises of costs of purchase, cost of conversion, duties, and taxes (other than those refundable), inward freight and all other costs incurred in bringing them to their respective present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## **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 Group 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 Group 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 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 is recognised in profit and loss as other income when the Group'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.

**(vii) 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.

**(viii) Impairment of Financial Assets:**

The Group 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.

**(ix) 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 Group has transferred its rights to receive cash flows from the asset.

A financial asset is derecognised only when the Group –

- 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 Group has transferred an asset, the Group 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.

**(x) 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 Group 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 Group, and the amount of dividend can be measured reliably.

## **2. Financial Liabilities:**

### **i) Classification:**

The Group 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) Provisions and Contingencies:**

A provision is recognised, if as a result of a past event the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

### **j) Segment Reporting:**

Operating segments have been identified on the basis of the nature of business activities from which the Group 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.

1. Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with/ or allocable to segments are considered for determining the segment result. Expenses which relate the Group as a whole and not allocable to segments are included in un-allocable expenditure.
3. Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income.
4. 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 Group 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.

**k) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

**Recognition of revenue from major business activities:**

1. Revenue from Industrial Capital Goods Division operations includes sale of manufactured machines and capital equipment, engineering fees, services, and other charges. Revenue from sale of goods is recognized when all the control on the goods have been transferred to the buyer as per the terms of the contracts and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods.
2. Revenue from Bombay Exhibition Centre operations includes income from renting of halls for exhibitions, events and providing other related services to the organisers. Revenue from such renting activity and the related services is recognised in the accounting period in which the event occurs.
3. Revenue from IT Park operations includes income of renting of office space in IT park and providing related services to IT /ITES companies.
4. Interest income is recognised using effective interest method and dividend income is recognised when the right to receive the payment is established.

**l) Income tax:**

Income tax expense comprises current tax and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**1. Current tax:**

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 2. Deferred tax:

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

### m) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, Balances with Banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### n) Trade Receivables:

Trade receivables are non-interest bearing and receivable in normal operating cycle. Trade receivables are recognised initially at fair value (that is transaction price on initial recognition) and subsequently measured at amortised cost using effective interest method, less provision for impairment.

### o) Leases

The Group's lease asset classes primarily consist of license for land for office premises. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 01 April 2020.

The Group recognises 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 Group'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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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 Group 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 Rs. 1,00,000 in value). The Group recognises the lease payments associated with these leases as an expense over the lease term.

## **Leases as lessor**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue from operation'.

## **p) Earnings Per Share:**

Basic Earnings per share is calculated by dividing:

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

## **q) Employee Benefits:**

### **1. Short term obligations:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

### **2. Other long term employee obligations:**

Entitlements to annual leave are recognized when they accrue to employees. Annual leave can either be availed or encashed at the time of separation or retirement subject to a restriction on the maximum number of 42 days of accumulation of leave. The Group determines the liability for such accumulated leaves using the Projected Unit Credit method with actuarial valuations being carried out at each Balance Sheet date.

### **3. Post-employment obligations**

The Group operates the following post-employment schemes.

## **l) Defined benefit plans (gratuity):**

The Group has unfunded defined benefit gratuity plan for employees.

### Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Group presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

**ii) Defined contribution plans such as provident fund:**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**r) Proposed Dividend:**

The final dividend recommended by the Board of Directors is accounted in the financial year in which it is approved by the shareholders in the Annual General Meeting.

**s) Basis of Consolidation:**

The consolidated financial statements relate to the Nesco Limited and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements of the Group and its subsidiaries are combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income, and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Ind - AS 110 "Consolidated Financial Statements".

- Subsidiaries are the entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.
- Non-controlling interests (NCI): Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively. NCI are measured at their proportionate share of the acquirer's identifiable net assets.
- Transactions eliminated on consolidation: Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated. Unrealised gains and losses are eliminated unless the transaction provides evidence of impairment of the transferred asset.
- The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
- Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% to 50% of the voting rights. Investments in associates are accounted for under the equity method as per Ind - AS 28 - "Investments in Associates and Joint Ventures".

**t) Recent Accounting pronouncements:**

There are no new accounting pronouncements that are applicable from 01st April.2021.

**Note 3- Key Accounting Estimates and Judgements:**

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying

disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### Critical accounting estimates and assumptions

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

**a) Income Taxes:**

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**b) Property, Plant and Equipment and Investment Property:**

Property, Plant and Equipment and Investment Property represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**c) Defined Benefit Obligation:**

The costs of providing other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed since assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

**d) Fair value measurement of Financial Instruments:**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**e) Estimates of uncertainties relating to the global health pandemic from COVID-19:**

The Group has considered the possible effects that may result from the pandemic relating to COVID -19 on the carrying amounts of receivables, investments etc. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note 4 - Property, Plant and Equipment

## Changes in carrying value of Property, Plant and Equipment for the year ended 31 March 2021

(₹ in lakhs)

| Particulars                                                | Freehold land | Freehold building* | Plant and machinery | Electrical Installations | Furniture, fixture & office equipment | Vehicles      | Total            |
|------------------------------------------------------------|---------------|--------------------|---------------------|--------------------------|---------------------------------------|---------------|------------------|
| Opening gross carrying amount                              | 638.23        | 4,611.57           | 4,096.04            | 1,344.49                 | 778.86                                | 438.73        | 11,907.93        |
| Additions                                                  | -             | 0.88               | 15.64               | -                        | 47.13                                 | 8.53          | 72.19            |
| Deductions / Adjustments                                   | -             | -                  | -                   | -                        | (0.37)                                | (1.28)        | (1.67)           |
| <b>Closing gross carrying amount (A)</b>                   | <b>638.23</b> | <b>4,612.45</b>    | <b>4,111.68</b>     | <b>1,344.49</b>          | <b>825.62</b>                         | <b>445.99</b> | <b>11,978.44</b> |
| Opening accumulated depreciation                           | -             | 446.01             | 1,347.27            | 407.39                   | 421.88                                | 198.75        | 2,821.31         |
| Depreciation during the year                               | -             | 127.03             | 288.23              | 128.37                   | 104.00                                | 45.23         | 692.87           |
| Deductions / Adjustments                                   | -             | -                  | -                   | -                        | (0.29)                                | (0.65)        | (0.94)           |
| <b>Closing accumulated depreciation and impairment (B)</b> | <b>-</b>      | <b>573.04</b>      | <b>1,635.50</b>     | <b>535.76</b>            | <b>525.60</b>                         | <b>243.34</b> | <b>3,513.24</b>  |
| <b>Net carrying amount (A-B)</b>                           | <b>638.23</b> | <b>4,039.41</b>    | <b>2,476.18</b>     | <b>808.73</b>            | <b>300.02</b>                         | <b>202.64</b> | <b>8,465.20</b>  |

## Changes in carrying value of Property, Plant and Equipment for the year ended 31 March 2020

(₹ in lakhs)

| Particulars                                                | Freehold land | Freehold building* | Plant and machinery | Electrical Installations | Furniture, fixture & office equipment | Vehicles      | Total            |
|------------------------------------------------------------|---------------|--------------------|---------------------|--------------------------|---------------------------------------|---------------|------------------|
| Opening gross carrying amount                              | 638.23        | 4,400.41           | 3,717.50            | 1,361.88                 | 694.93                                | 437.93        | 11,250.88        |
| Additions                                                  | -             | 211.16             | 178.89              | 185.00                   | 89.21                                 | 0.80          | 665.06           |
| Deductions / Adjustments                                   | -             | -                  | 199.65              | (202.39)                 | (5.28)                                | -             | (8.02)           |
| <b>Closing gross carrying amount (A)</b>                   | <b>638.23</b> | <b>4,611.57</b>    | <b>4,096.04</b>     | <b>1,344.49</b>          | <b>778.86</b>                         | <b>438.73</b> | <b>11,907.93</b> |
| Opening accumulated depreciation                           | -             | 323.30             | 944.43              | 330.79                   | 305.55                                | 150.31        | 2,054.39         |
| Depreciation during the year                               | -             | 122.71             | 357.08              | 122.42                   | 120.11                                | 48.44         | 770.76           |
| Deductions / Adjustments                                   | -             | -                  | 45.76               | (45.82)                  | (3.78)                                | -             | (3.84)           |
| <b>Closing accumulated depreciation and impairment (B)</b> | <b>-</b>      | <b>446.01</b>      | <b>1,347.27</b>     | <b>407.39</b>            | <b>421.88</b>                         | <b>198.75</b> | <b>2,821.31</b>  |
| <b>Net carrying amount(A-B)</b>                            | <b>638.23</b> | <b>4,165.57</b>    | <b>2,748.77</b>     | <b>937.10</b>            | <b>356.98</b>                         | <b>239.98</b> | <b>9,086.62</b>  |

\* Freehold Buildings include Karamsad factory which is situated on land taken on rent from Mr. Sumant J. Patel, Executive Chairman

## Note 4a - Capital work-in-progress

(₹ in lakhs)

| Particulars                           | Property Plant & Equipment |              | Investment Property |              | Total           |               |
|---------------------------------------|----------------------------|--------------|---------------------|--------------|-----------------|---------------|
|                                       | As at 31 March             |              | As at 31 March      |              | As at 31 March  |               |
|                                       | 2021                       | 2020         | 2021                | 2020         | 2021            | 2020          |
| Plant & Machinery                     | 211.26                     | -            | 237.65              | -            | 448.92          | -             |
| Freehold Building                     | 3,193.00                   | 67.97        | 922.84              | 62.47        | 4,115.84        | 130.44        |
| Electrical Installations              | 5.59                       | -            | 337.24              | -            | 342.83          | -             |
| Furniture, fixture & office equipment | -                          | -            | 165.46              | -            | 165.46          | -             |
| <b>Total</b>                          | <b>3,409.86</b>            | <b>67.97</b> | <b>1,663.19</b>     | <b>62.47</b> | <b>5,073.05</b> | <b>130.44</b> |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Note 5 - Investment Property

#### Changes in carrying value of Investment property for the year ended 31 March 2021

(₹ in lakhs)

| Particulars                                                | Freehold building | Plant and machinery | Electrical Installations | Furniture, fixture & office equipment | Total            |
|------------------------------------------------------------|-------------------|---------------------|--------------------------|---------------------------------------|------------------|
| Opening gross carrying amount                              | 62,635.48         | 3,271.58            | 4,829.31                 | 602.96                                | 71,339.33        |
| Additions                                                  | 472.22            | 72.72               | 161.05                   | 33.57                                 | 739.56           |
| Deductions / Adjustments                                   | -                 | -                   | 0.01                     | 0.02                                  | 0.03             |
| <b>Closing gross carrying amount (A)</b>                   | <b>63,107.70</b>  | <b>3,344.30</b>     | <b>4,990.37</b>          | <b>636.55</b>                         | <b>72,078.92</b> |
| Opening accumulated depreciation                           | 1,565.82          | 546.60              | 777.83                   | 175.58                                | 3,065.82         |
| Depreciation during the year                               | 1,019.42          | 226.52              | 514.02                   | 75.66                                 | 1,835.62         |
| Deductions / Adjustments                                   | -                 | -                   | -                        | -                                     | -                |
| <b>Closing accumulated depreciation and impairment (B)</b> | <b>2,585.24</b>   | <b>773.12</b>       | <b>1,291.85</b>          | <b>251.24</b>                         | <b>4,901.44</b>  |
| <b>Net carrying amount (A-B)</b>                           | <b>60,522.46</b>  | <b>2,571.18</b>     | <b>3,698.52</b>          | <b>385.32</b>                         | <b>67,177.48</b> |

#### Changes in carrying value of Investment property for the year ended 31 March 2020

(₹ in lakhs)

| Particulars                                                | Freehold building | Plant and machinery | Electrical Installations | Furniture, fixture & office equipment | Total            |
|------------------------------------------------------------|-------------------|---------------------|--------------------------|---------------------------------------|------------------|
| Opening gross carrying amount                              | 10,834.48         | 1,284.01            | 704.81                   | 872.54                                | 13,695.83        |
| Additions                                                  | 51,527.19         | 1,987.57            | 4,123.63                 | 5.11                                  | 57,643.50        |
| Deductions / Adjustments                                   | 273.81            | -                   | 0.87                     | (274.69)                              | -                |
| <b>Closing gross carrying amount (A)</b>                   | <b>62,635.48</b>  | <b>3,271.58</b>     | <b>4,829.31</b>          | <b>602.96</b>                         | <b>71,339.33</b> |
| Opening accumulated depreciation                           | 708.82            | 363.71              | 365.42                   | 165.20                                | 1,603.15         |
| Depreciation during the year                               | 805.59            | 182.89              | 412.41                   | 61.79                                 | 1,462.68         |
| Deductions / Adjustments                                   | 51.41             | -                   | -                        | (51.41)                               | -                |
| <b>Closing accumulated depreciation and impairment (B)</b> | <b>1,565.82</b>   | <b>546.60</b>       | <b>777.83</b>            | <b>175.58</b>                         | <b>3,065.82</b>  |
| <b>Net carrying amount</b>                                 | <b>61,069.66</b>  | <b>2,724.98</b>     | <b>4,051.49</b>          | <b>427.38</b>                         | <b>68,273.51</b> |

#### Note:-

The fair value of freehold building as at 31 March 2021 is ₹ 3,53,326.16 lakhs ( PY ₹ 3,51,157.58 Lakhs) which is based on Stamp Duty Ready Reckoner published by Government of India every year.

The Company has no restrictions on the realiasability of its investment properties.

#### The amount recognised in the Statement of Profit and Loss :-

(₹ in lakhs)

| Particulars                                                                                                                                              | Amount    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 1) Rental income from Investment Property                                                                                                                | 24,606.29 |
| 2) Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period         | 2,284.03  |
| 3) Direct operating expenses (including repairs and maintenance) arising from investment property that did not generated rental income during the period | -         |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 6 - Other Intangible Assets

## Changes in carrying value of Other Intangible Assets for the year ended 31 March 2021

(₹ in lakhs)

| Particulars                                                | As at 31 March |               |
|------------------------------------------------------------|----------------|---------------|
|                                                            | 31.03.2021     | 31.03.2020    |
| Opening gross carrying amount                              | 281.17         | -             |
| Additions                                                  | 6.94           | 273.15        |
| Deductions / Adjustments                                   | -              | 8.02          |
| <b>Closing gross carrying amount(A)</b>                    | <b>288.11</b>  | <b>281.17</b> |
| Opening accumulated depreciation                           | 14.11          | -             |
| Depreciation during the year                               | 44.59          | 10.33         |
| Deductions / Adjustments                                   | -              | 3.78          |
| <b>Closing accumulated depreciation and impairment (B)</b> | <b>58.70</b>   | <b>14.11</b>  |
| <b>Net carrying amount (A-B)</b>                           | <b>229.41</b>  | <b>267.06</b> |

## Note 7 - Investments

(₹ in lakhs)

| Particulars                                                                     | 31.03.2021     |                  | 31.03.2020     |                  |
|---------------------------------------------------------------------------------|----------------|------------------|----------------|------------------|
|                                                                                 | Carrying Value |                  | Carrying Value |                  |
| <b>A) Investments - Non-Current</b>                                             |                |                  |                |                  |
| <b>Unquoted</b>                                                                 |                |                  |                |                  |
| Investment in Government Securities measured at cost                            | 1.00           |                  | 1.00           |                  |
| Other Investment measured at cost                                               | 0.13           |                  | 0.13           |                  |
| Less:- Provision for Diminuation in value of investments                        | (1.03)         | 0.10             | (1.03)         | 0.10             |
| <b>Total</b>                                                                    |                | <b>0.10</b>      |                | <b>0.10</b>      |
| <b>Quoted</b>                                                                   |                |                  |                |                  |
| <b>Investment carried at fair value through OCI</b>                             |                |                  |                |                  |
| Fully paid equity shares                                                        |                | 16.62            |                | 8.93             |
| <b>Total</b>                                                                    |                | <b>16.62</b>     |                | <b>8.93</b>      |
| <b>Investment in Mutual Funds carried at fair value through profit and loss</b> |                |                  |                |                  |
| Fixed Maturity Plans                                                            |                | 4,366.90         |                | 10,825.40        |
| Debt Funds                                                                      |                | 14,460.09        |                | 14,643.60        |
| Short Term Debt Funds                                                           |                | 15,036.63        |                | 14,808.03        |
| Balanced Funds                                                                  |                | 724.26           |                | 813.40           |
| Equity Funds                                                                    |                | 122.50           |                | 269.25           |
| MIP Funds                                                                       |                | -                |                | -                |
| <b>Total</b>                                                                    |                | <b>34,710.38</b> |                | <b>41,359.68</b> |
| <b>Investment carried at amortised cost</b>                                     |                |                  |                |                  |
| Corporate Deposits                                                              |                | 400.00           |                | 1,415.00         |
| Non Convertible Debentures and Bonds                                            |                | 32,719.22        |                | 18,506.00        |
| Preference Shares                                                               |                | 700.00           |                | 1,925.62         |
| <b>Total</b>                                                                    |                | <b>33,819.22</b> |                | <b>21,846.62</b> |
| <b>Total Non Current Investments</b>                                            |                | <b>68,546.31</b> |                | <b>63,215.33</b> |
| <b>Total aggregate amount of quoted and unquoted investment at cost</b>         |                | <b>62,811.74</b> |                | <b>59,056.99</b> |
| <b>Aggregate amount of impairment in value of investments</b>                   |                | <b>1.03</b>      |                | <b>1.03</b>      |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

| Particulars                                                                     | 31.03.2021<br>Carrying Value | 31.03.2020<br>Carrying Value |
|---------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>B) Investments - Current</b>                                                 |                              |                              |
| <b>Investment in Mutual Funds carried at fair value through profit and loss</b> |                              |                              |
| Fixed Maturity Plans                                                            | 7,367.22                     | -                            |
| Debt funds - ultra short term bond funds                                        | 3,868.69                     | 3,908.98                     |
| <b>Investment carried at amortised cost</b>                                     |                              |                              |
| Non Convertible Debentures and Bonds                                            | 819.77                       | 100.00                       |
| Corporate Deposits                                                              | 400.00                       | -                            |
| <b>Total</b>                                                                    | <b>12,455.69</b>             | <b>4,008.98</b>              |
| <b>Total Current Investments</b>                                                | <b>12,455.69</b>             | <b>4,008.98</b>              |
| <b>Total aggregate amount of Quoted and Unquoted Investment at Cost</b>         | <b>10,619.77</b>             | <b>3,800.00</b>              |

(₹ in lakhs)

| Particulars                                                            | As at 31 March  |                 |
|------------------------------------------------------------------------|-----------------|-----------------|
|                                                                        | 2021            | 2020            |
| <b>Note 8 Loans (Unsecured, Considered Good)</b>                       |                 |                 |
| Security Deposits with Public Bodies                                   | 443.75          | 442.35          |
|                                                                        | <b>443.75</b>   | <b>442.35</b>   |
| <b>Note 9 Other Non Current Financial Assets</b>                       |                 |                 |
| Lease Rental Receivables                                               | 7,216.49        | 5,244.49        |
|                                                                        | <b>7,216.49</b> | <b>5,244.49</b> |
| <b>Note 10 Non Current Tax Assets (Net)</b>                            |                 |                 |
| Advance Payment of Income Tax (Net)                                    | 1,510.02        | 1,419.42        |
|                                                                        | <b>1,510.02</b> | <b>1,419.42</b> |
| <b>Note 11 Other non current assets</b>                                |                 |                 |
| Capital Advances                                                       | 903.66          | 502.80          |
| Other Long Term Advances                                               | 1,399.70        | 1,272.68        |
|                                                                        | <b>2,303.36</b> | <b>1,775.48</b> |
| <b>Note 12 Inventories (At lower of cost and net realisable value)</b> |                 |                 |
| Raw Materials                                                          | 516.01          | 492.85          |
| Work in Progress                                                       | 199.53          | 347.57          |
| Stores and Spares                                                      | 24.67           | 21.37           |
|                                                                        | <b>740.21</b>   | <b>861.79</b>   |
| <b>Note 13 Trade Receivables</b>                                       |                 |                 |
| a) Unsecured - Considered Good                                         | 2,959.69        | 1,657.23        |
| b) Credit Impaired                                                     | 134.18          | 129.76          |
|                                                                        | <b>3,093.87</b> | <b>1,786.99</b> |
| Less:-Allowances for Doubtful Trade Receivables                        | (134.18)        | (129.76)        |
|                                                                        | <b>2,959.69</b> | <b>1,657.23</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

| Particulars                                                 | As at 31 March |               |
|-------------------------------------------------------------|----------------|---------------|
|                                                             | 2021           | 2020          |
| <b>Note 14 Cash and Bank Balances</b>                       |                |               |
| a) Cash and cash equivalents                                |                |               |
| Balances With Banks in Current Accounts                     | 661.71         | 943.91        |
| Cash On Hand                                                | 0.02           | 11.79         |
|                                                             | <b>661.73</b>  | <b>955.70</b> |
| b) Other balances with banks                                |                |               |
| Bank Deposits With Less Than 12 Months of Original Maturity | 59.14          | 75.77         |
| Unclaimed Dividend **                                       | 200.24         | 310.82        |
|                                                             | <b>259.38</b>  | <b>386.59</b> |

\*\*The Company can utilise these balances only towards settlement of unclaimed dividend.

**Note 15 Other financial assets (Current)**

|                   |                 |                 |
|-------------------|-----------------|-----------------|
| Deposits (Others) | 51.50           | 62.72           |
| Other Receivables | 2,199.38        | 1,651.92        |
|                   | <b>2,250.88</b> | <b>1,714.64</b> |

**Note 16 Other current assets**

|                                      |                 |                 |
|--------------------------------------|-----------------|-----------------|
| Advance Recoverable in Cash Or Kind  | 129.15          | 141.71          |
| Balances with Government Authorities |                 |                 |
| Sales Tax and GST                    | 673.99          | 704.42          |
| Advances to Suppliers                | 526.19          | 270.26          |
| Advance to Staff                     | 16.45           | 22.41           |
| Other Receivables                    | 515.51          | 369.47          |
|                                      | <b>1,861.31</b> | <b>1,508.27</b> |

**Note 17- Equity Share Capital**

(₹ in lakhs)

| Particulars                                             | As at           |                 |
|---------------------------------------------------------|-----------------|-----------------|
|                                                         | 31 March 2021   | 31 March 2020   |
| <b>Share Capital</b>                                    |                 |                 |
| <b>Authorised</b>                                       |                 |                 |
| 7,37,50,000 Equity Shares of ₹ 2 each                   |                 |                 |
| (Previous year 7,37,50,000 Equity Shares of ₹ 2 each)   | 1,475.00        | 1,475.00        |
| 2,50,000 Preference Shares of ₹ 10 each                 |                 |                 |
| (Previous year 2,50,000 Preference Shares of ₹ 10 each) | 25.00           | 25.00           |
| <b>Total</b>                                            | <b>1,500.00</b> | <b>1,500.00</b> |
| <b>Issued, Subscribed and Paid up Capital</b>           |                 |                 |
| 7,04,59,960 Equity Shares of ₹ 2 each, fully paid up    |                 |                 |
| (Previous year 7,04,59,960 Equity Shares of ₹2 each)    | 1,409.20        | 1,409.20        |
| <b>Total</b>                                            | <b>1,409.20</b> | <b>1,409.20</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### a) Reconciliation of shares outstanding at the beginning and at the end of the year

| Particulars                  | As at 31 March 2021<br>Equity Shares |              | As at 31 March 2020<br>Equity Shares |              |
|------------------------------|--------------------------------------|--------------|--------------------------------------|--------------|
|                              | Number                               | ₹            | Number                               | ₹            |
| At the beginning of the year | 7,04,59,960                          | 14,09,19,920 | 7,04,59,960                          | 14,09,19,920 |
| Add: Issued during the year  | -                                    | -            | -                                    | -            |
| At the end of the year       | 7,04,59,960                          | 14,09,19,920 | 7,04,59,960                          | 14,09,19,920 |

### b) Terms / Rights Attached to Equity Shares

The Parent Company has only one class referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Proposed Dividend

The Board of Directors of the Parent Company at its meeting held on 28 May 2021 have recommended a payment of dividend of ₹3.00 (Rupees Three) per equity share of face value ₹2 each for the financial year ended 31 March 2021 amounting to ₹ 2,113.80 lakhs and subject to approval at the ensuing AGM of the Company and hence is not recognized as a liability.

### d) Details of Shareholders holding more than 5% Equity Shares in the company - @

| Particulars                          | As at 31 March 2021   |                 | As at 31 March 2020   |                 |
|--------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
|                                      | No. of<br>Shares Held | % of<br>Holding | No. of<br>Shares Held | % of<br>Holding |
| Chandler & Price India Pvt. Ltd.     | 1,95,84,718           | 27.80           | 1,94,61,542           | 27.62           |
| Mr. Sumant J. Patel                  | 88,67,335             | 12.58           | 88,67,335             | 12.58           |
| Patel Consultancy Services Pvt. Ltd. | 53,62,500             | 7.61            | 53,35,000             | 7.57            |
| Mrs. Sudha S. Patel                  | 45,74,720             | 6.49            | 45,74,720             | 6.49            |
| Engineering Global Pte Limited       | 44,72,000             | 6.35            | 44,72,000             | 6.35            |

@ As per the records of the Parent Company, including its register of members

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 18 - Other Equity

(₹ in lakhs)

| Particulars                                                                                       | Reserves and Surplus |                                      |                 | Equity instruments through OCI | Other items of Other Comprehensive Income | Total attributable to owners of the Company | Non Controlling Interest | Total Other Equity |
|---------------------------------------------------------------------------------------------------|----------------------|--------------------------------------|-----------------|--------------------------------|-------------------------------------------|---------------------------------------------|--------------------------|--------------------|
|                                                                                                   | Retained Earnings    | Preference Shares Redemption Reserve | General Reserve |                                |                                           |                                             |                          |                    |
| Balance as at 01 April 2019 (A)                                                                   | 50.00                | 9.56                                 | 1,15,564.31     | 14.47                          | -                                         | 1,15,638.34                                 | -                        | 1,15,638.34        |
| Additions during the year                                                                         |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Profit for the year                                                                               | 23,389.01            | -                                    | -               | -                              | -                                         | 23,389.01                                   | -                        | 23,389.01          |
| Items of OCI for the year, net of tax                                                             |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Remeasurement of Defined Benefit Plans - Net of Tax                                               | (11.26)              | -                                    | -               | -                              | -                                         | (11.26)                                     | -                        | (11.26)            |
| Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income | -                    | -                                    | -               | (5.59)                         | -                                         | (5.59)                                      | -                        | (5.59)             |
| Total Comprehensive Income for the year 2019-20 (B)                                               | 23,377.75            | -                                    | -               | (5.59)                         | -                                         | 23,372.16                                   | -                        | 23,372.16          |
| Reductions during the year                                                                        |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Dividend                                                                                          | (3,875.33)           | -                                    | -               | -                              | -                                         | (3,875.33)                                  | -                        | (3,875.33)         |
| Income tax on dividend                                                                            | (796.58)             | -                                    | -               | -                              | -                                         | (796.58)                                    | -                        | (796.58)           |
| Total (C)                                                                                         | (4,671.91)           | -                                    | -               | -                              | -                                         | (4,671.91)                                  | -                        | (4,671.91)         |
| Transfers during the year                                                                         |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Retained earnings transferred to General reserve                                                  | (18,705.84)          | -                                    | 18,705.84       | -                              | -                                         | -                                           | -                        | -                  |
| Total (D)                                                                                         | (18,705.84)          | -                                    | 18,705.84       | -                              | -                                         | -                                           | -                        | -                  |
| Balance as at 31 March 2020 E = (A + B + C + D)                                                   | 50.00                | 9.56                                 | 1,34,270.15     | 8.88                           | -                                         | 1,34,338.59                                 | -                        | 1,34,338.59        |
| Additions during the year                                                                         |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Profit for the year                                                                               | 17,245.56            | -                                    | -               | -                              | -                                         | 17,245.56                                   | -                        | 17,245.56          |
| Items of OCI for the year, net of tax:                                                            |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Remeasurement of Defined Benefit Plans - Net of Tax                                               | (78.13)              | -                                    | -               | -                              | -                                         | (78.13)                                     | -                        | (78.13)            |
| Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income | -                    | -                                    | -               | 7.69                           | -                                         | 7.69                                        | -                        | 7.69               |
| Total Comprehensive Income for the year 2020-21 (F)                                               | 17,167.43            | -                                    | -               | 7.69                           | -                                         | 17,175.12                                   | -                        | 17,175.12          |
| Transfers during the year                                                                         |                      |                                      |                 |                                |                                           |                                             |                          |                    |
| Retained earnings transferred to General reserve                                                  | (17,167.43)          | -                                    | 17,167.43       | -                              | -                                         | -                                           | -                        | -                  |
| Total (G)                                                                                         | (17,167.43)          | -                                    | 17,167.43       | -                              | -                                         | -                                           | -                        | -                  |
| Balance as at 31 March 2021 H = (E + F + G)                                                       | 50.00                | 9.56                                 | 1,51,437.58     | 16.57                          | -                                         | 1,51,513.71                                 | -                        | 1,51,513.71        |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Description of nature and purpose of each reserve

|                                                 |                                                                                                                                                                                                                                                                             |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General Reserve                                 | This reserve was created from time to time by way of transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income                  |
| Equity Instruments through Comprehensive Income | This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off |
| Preference Shares Redemption Reserve            | This reserve was created for redemption of preference shares                                                                                                                                                                                                                |
| Other Comprehensive Income                      | This represents cumulative gain and losses on revaluation of long term employee benefits                                                                                                                                                                                    |
| Retained Earnings                               | Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders                                                                                                       |

( ₹ in lakhs)

| Particulars                                                                                                   | As at 31 March   |                 |
|---------------------------------------------------------------------------------------------------------------|------------------|-----------------|
|                                                                                                               | 2021             | 2020            |
| <b>Note 19 Other financial liabilities (Non Current)</b>                                                      |                  |                 |
| Security Deposits from IT Park Licencees and Others                                                           | 10,559.83        | 9,793.11        |
|                                                                                                               | <b>10,559.83</b> | <b>9,793.11</b> |
| <b>Note 20 Provisions ( Non Current)</b>                                                                      |                  |                 |
| a) Provision for Employee benefits (Refer Note 42)                                                            |                  |                 |
| Gratuity                                                                                                      | 291.75           | 172.22          |
| Leave Encashment                                                                                              | 74.40            | 37.57           |
| b) Compensation Payable (Refer Note 46)                                                                       | 171.36           | 171.36          |
|                                                                                                               | <b>537.50</b>    | <b>381.15</b>   |
| <b>Note 21 Deferred tax liabilities (Net)</b>                                                                 |                  |                 |
| Opening Balance                                                                                               | 2,596.22         | 1,792.75        |
| Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961 | 165.48           | (206.02)        |
| Provision for expenses allowed for tax purpose on payment basis                                               | (257.49)         | 7.07            |
| Difference in carrying value and tax base of investments measured at FVTPL                                    | 736.51           | (79.67)         |
| Allowance of doubtful debts and advances                                                                      | 10.76            | 6.26            |
| Lease Equalisation Reserve assets                                                                             | 368.03           | 1,069.59        |
| Remeasurement of the defined benefit plan through OCI                                                         | (32.52)          | 6.24            |
|                                                                                                               | <b>3,586.99</b>  | <b>2,596.22</b> |
| (Refer Note 43 "Income Taxes" for further details)                                                            |                  |                 |
| <b>Note 22 Other non-current liabilities</b>                                                                  |                  |                 |
| Advance Lease Rentals                                                                                         | 2,311.37         | 2,362.97        |
|                                                                                                               | <b>2,311.37</b>  | <b>2,362.97</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

| Particulars                                          | As at 31 March  |                 |
|------------------------------------------------------|-----------------|-----------------|
|                                                      | 2021            | 2020            |
| <b>Note 23 Other financial liabilities (Current)</b> |                 |                 |
| Unclaimed dividend                                   | 200.24          | 310.82          |
| Payable to Employees                                 | 46.40           | 32.70           |
| Payable towards Capital Expenditure                  | 2,377.49        | 1,091.15        |
| Security Deposits                                    | 911.07          | 1,232.60        |
| Other Payables                                       | 2,145.97        | 1,146.87        |
|                                                      | <b>5,681.17</b> | <b>3,814.14</b> |
| <b>Note 24 Other current liabilities</b>             |                 |                 |
| a) Revenue received in advance                       |                 |                 |
| Advance from Customers                               | 4,686.21        | 3,762.91        |
| b) Others                                            |                 |                 |
| Statutory Payables                                   |                 |                 |
| Payable Towards VAT                                  | -               | 0.34            |
| Payable Towards GST                                  | 215.51          | 282.12          |
| Payable Towards TDS / TCS                            | 574.28          | 705.40          |
| Payable Towards PF / ESIC /PT                        | 10.08           | 12.80           |
| Other                                                | -               | 1.56            |
|                                                      | <b>5,486.08</b> | <b>4,765.13</b> |
| <b>Note 25 Provisions (Current)</b>                  |                 |                 |
| Provision for Employee benefits ( Refer Note 42)     |                 |                 |
| Gratuity                                             | 15.63           | 27.83           |
| Leave Encashment                                     | 7.77            | 6.93            |
| Provision for Warranty (Refer Note 46)               | 12.99           | 16.80           |
|                                                      | <b>36.39</b>    | <b>51.56</b>    |
| <b>Note 26 Current Tax Liabilities (Net)</b>         |                 |                 |
| Provision for income tax (net)                       | -               | 0.45            |
|                                                      | <b>-</b>        | <b>0.45</b>     |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in lakhs)

| Particulars                                                                  | For the year     |                  |
|------------------------------------------------------------------------------|------------------|------------------|
|                                                                              | 2020-2021        | 2019-2020        |
| <b>Note 27 Revenue from Operations.</b>                                      |                  |                  |
| <b>a) Sale of Products</b>                                                   |                  |                  |
| Sales of Machines and Spares                                                 | 2,508.54         | 2,220.44         |
| <b>b) Sale of Services</b>                                                   |                  |                  |
| Bombay Exhibition Centre (Rental and Services)                               | 595.11           | 15,860.11        |
| Nesco IT Park (Rental and Services)                                          | 24,605.87        | 21,416.82        |
| Hospitality Services                                                         | 1,314.39         | 3,568.82         |
| Engineering fees, services and other charges                                 | 85.86            | 106.99           |
|                                                                              | <b>29,109.77</b> | <b>43,173.18</b> |
| <b>Note 28 Other income</b>                                                  |                  |                  |
| Interest Income                                                              | 2,282.56         | 578.19           |
| Dividend from mutual fund investments                                        | 55.02            | 43.57            |
| Net gain arising on financial assets measured at FVTPL                       | 3,887.19         | 3,490.19         |
| Net Gain Arising on Redemption of Bonds                                      | 29.43            | -                |
| Sundry Creditors/liabilities written back (net)                              | 86.47            | 16.85            |
| Other Miscellaneous Income                                                   | 119.29           | 125.89           |
|                                                                              | <b>6,459.95</b>  | <b>4,254.69</b>  |
| <b>Note 29 Cost of Materials Consumed</b>                                    |                  |                  |
| Opening Stock                                                                | 492.85           | 444.53           |
| Add: Purchases                                                               | 1,577.99         | 1,810.71         |
|                                                                              | 2,070.84         | 2,255.24         |
| Less: Closing Stock                                                          | 516.01           | 492.85           |
| Cost of Materials Consumed                                                   | <b>1,554.83</b>  | <b>1,762.39</b>  |
| <b>Note 30 Changes in Inventories of finished goods and work in progress</b> |                  |                  |
| Opening Stock of work-in-progress                                            | 347.57           | 441.15           |
| Less: Closing Stock of work in progress                                      | (199.53)         | (347.57)         |
|                                                                              | <b>148.04</b>    | <b>93.58</b>     |
| <b>Note 31 Employee Benefits expense</b>                                     |                  |                  |
| Salaries and Wages                                                           | 1,498.66         | 1,847.23         |
| Contribution to Provident and other funds                                    | 60.50            | 79.06            |
| Gratuity (Refer note 42)                                                     | 36.56            | 38.50            |
| Staff welfare expenses                                                       | 4.05             | 26.47            |
|                                                                              | <b>1,599.77</b>  | <b>1,991.26</b>  |
| <b>Note 32 Finance Costs</b>                                                 |                  |                  |
| Interest on Financial Liabilities Carried at Amortised Cost                  | 805.33           | 582.85           |
| Bank Charges & Guarantee Commission                                          | 8.29             | 11.80            |
| Others                                                                       | 8.34             | 7.76             |
|                                                                              | <b>821.96</b>    | <b>602.41</b>    |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

| Particulars                                              | For the year    |                  |
|----------------------------------------------------------|-----------------|------------------|
|                                                          | 2020 - 2021     | 2019 - 2020      |
| <b>Note 33 Other Expenses</b>                            |                 |                  |
| Consumption of Stores and Spares                         | 105.43          | 120.84           |
| Power, Fuel & Electricity                                | 365.28          | 1,597.32         |
| Contract Manpower                                        | 846.95          | 1,155.55         |
| Repairs and maintenance of :                             |                 |                  |
| - Buildings & Property                                   | 230.83          | 889.55           |
| - Plant & Machinery                                      | 129.49          | 177.23           |
| - Other Assets                                           | 398.71          | 238.10           |
| Printing, Stationery, Postage and Communication expenses | 32.18           | 75.74            |
| Rent                                                     | 33.93           | 39.70            |
| Hire Charges                                             | 48.14           | 269.07           |
| Catering and Other operating supplies                    | 107.92          | 133.62           |
| Rates and Taxes                                          | 1,658.77        | 791.33           |
| Water Charges                                            | 24.70           | 152.06           |
| Advertisement and Sales Promotion                        | 93.44           | 98.21            |
| Membership and Subscription                              | 6.04            | 6.32             |
| Insurance                                                | 107.62          | 88.59            |
| Housekeeping and Other Office Expenses                   | 86.08           | 225.56           |
| Exchange loss on foreign currency transactions           | 1.28            | 0.54             |
| Travelling, Conveyance and vehicle expenses              | 56.26           | 120.91           |
| Payment to Auditors:-                                    |                 |                  |
| - Audit Fees                                             | 21.45           | 21.18            |
| - Certification work                                     | 0.31            | 0.50             |
| Legal & professional fees                                | 340.89          | 1,410.32         |
| Event Expenses                                           | 31.69           | 759.42           |
| CSR Expenses                                             | 534.05          | 500.48           |
| Donation                                                 | 0.25            | 16.91            |
| Freight and handling charges                             | 73.22           | 45.52            |
| Commission to Directors                                  | 1,110.00        | 1,800.00         |
| Directors' sitting fees                                  | 27.25           | 20.95            |
| Security charges                                         | 56.84           | 164.80           |
| Bad Debts / Sundry Balance Written Off                   | 289.26          | 208.43           |
| Allowance for Doubtful Bad Debts and Deposits            | (50.33)         | 64.41            |
| Provision for Diminution in value of investments         | -               | 2.51             |
| Commission & Brokerage                                   | 423.91          | 196.28           |
| Software and IT Expenses                                 | 34.92           | 65.57            |
| Miscellaneous Expenses                                   | 14.70           | 48.41            |
|                                                          | <b>7,241.45</b> | <b>11,505.93</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 34 Category wise classification of financial instruments

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 other comprehensive income | Total carrying value |
|-----------------------------------------------------------------------------|------------------|-----------------------------------|-----------------------------------------------|----------------------|
| <b>Financial Assets</b>                                                     |                  |                                   |                                               |                      |
| Investments                                                                 |                  |                                   |                                               |                      |
| Equity Instruments                                                          | -                | -                                 | 16.62                                         | 16.62                |
| Mutual Funds                                                                | -                | 45,946.29                         | -                                             | 45,946.29            |
| Corporate Deposits, Non-convertible Debentures, Bonds and Preference Shares | 35,038.99        | -                                 | -                                             | 35,038.99            |
| Other Investments                                                           | 0.10             | -                                 | -                                             | 0.10                 |
| Trade Receivables                                                           | 2,959.69         | -                                 | -                                             | 2,959.69             |
| Cash and Cash Equivalents                                                   | 661.73           | -                                 | -                                             | 661.73               |
| Other Balances with Banks                                                   | 259.38           | -                                 | -                                             | 259.38               |
| Loans / Sundry Deposits                                                     | 443.75           | -                                 | -                                             | 443.75               |
| Other financial assets                                                      | 9,467.36         | -                                 | -                                             | 9,467.36             |
| <b>Total Financial Assets</b>                                               | <b>48,831.00</b> | <b>45,946.29</b>                  | <b>16.62</b>                                  | <b>94,793.91</b>     |
| <b>Financial Liabilities</b>                                                |                  |                                   |                                               |                      |
| Trade Payables                                                              | 1,059.08         | -                                 | -                                             | 1,059.08             |
| Other financial liabilities                                                 | 16,295.68        | -                                 | -                                             | 16,295.68            |
| <b>Total Financial Liabilities</b>                                          | <b>17,354.76</b> | <b>-</b>                          | <b>-</b>                                      | <b>17,354.76</b>     |

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 other comprehensive income | Total carrying value |
|-----------------------------------------------------------------------------|------------------|-----------------------------------|-----------------------------------------------|----------------------|
| <b>Financial Assets</b>                                                     |                  |                                   |                                               |                      |
| Investments                                                                 |                  |                                   |                                               |                      |
| Equity Instruments                                                          | -                | -                                 | 8.93                                          | 8.93                 |
| Corporate Deposits, Non-convertible Debentures, Bonds and Preference Shares | 21,946.62        | -                                 | -                                             | 21,946.62            |
| Mutual Funds                                                                | -                | 45,268.66                         | -                                             | 45,268.66            |
| Other investments                                                           | 0.10             | -                                 | -                                             | 0.10                 |
| Trade Receivables                                                           | 1,657.23         | -                                 | -                                             | 1,657.23             |
| Cash and cash equivalents                                                   | 955.70           | -                                 | -                                             | 955.70               |
| Other balances with Banks                                                   | 386.59           | -                                 | -                                             | 386.59               |
| Loans / Sundry Deposits                                                     | 442.35           | -                                 | -                                             | 442.35               |
| Other financial assets                                                      | 6,959.13         | -                                 | -                                             | 6,959.13             |
| <b>Total Financial Assets</b>                                               | <b>32,347.72</b> | <b>45,268.66</b>                  | <b>8.93</b>                                   | <b>77,625.31</b>     |
| <b>Financial Liabilities</b>                                                |                  |                                   |                                               |                      |
| Trade Payables                                                              | 1,460.37         | -                                 | -                                             | 1,460.37             |
| Other financial liabilities                                                 | 13,607.26        | -                                 | -                                             | 13,607.26            |
| <b>Total Financial Liabilities</b>                                          | <b>15,067.63</b> | <b>-</b>                          | <b>-</b>                                      | <b>15,067.63</b>     |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Fair value hierarchy

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(₹ in lakhs)

| Particulars                       | As of 31 March 2021 | Fair value hierarchy at the end of the reporting period/year using |         |         |
|-----------------------------------|---------------------|--------------------------------------------------------------------|---------|---------|
|                                   |                     | Level 1                                                            | Level 2 | Level 3 |
| Investments in Equity Instruments | 16.62               | 16.62                                                              | -       | -       |
| Investments in Mutual Funds       | 45,946.29           | 45,946.29                                                          | -       | -       |

| Particulars                       | As of 31 March 2020 | Fair value hierarchy at the end of the reporting period/year using |         |         |
|-----------------------------------|---------------------|--------------------------------------------------------------------|---------|---------|
|                                   |                     | Level 1                                                            | Level 2 | Level 3 |
| Investments in Equity Instruments | 8.93                | 8.93                                                               | -       | -       |
| Investments in Mutual Funds       | 45,268.66           | 45,268.66                                                          | -       | -       |

### Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the company did not anticipate that the carrying amounts would be significantly different from the values that would be received or settled.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 35 - Financial Risk Management:

#### Financial Risk Factors:

The Group's financial liabilities comprises mainly of trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group's activities are exposed to Market risk, credit risk and liquidity risk. The Group has set up Risk Management Committee to minimize any adverse effects of the risk exposure on the financial performance of the Group.

The Board has been monitoring the risks that the Group is exposed to due to outbreak of COVID 19 closely. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

#### 1. Market Risk:

Market risk comprises of three types of risk: Currency Risk, Interest rate Risk and Other Price Risk.

##### a. Foreign Currency Risk:

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign currency exchange rates. The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

(₹ in lakhs)

| Particulars | Liabilities         |                     | Assets              |                     |
|-------------|---------------------|---------------------|---------------------|---------------------|
|             | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| Currency    |                     |                     |                     |                     |
| USD         | NIL                 | NIL                 | 1.04                | 0.81                |
| EURO        | NIL                 | NIL                 | NIL                 | 2.72                |
| OMR         | NIL                 | NIL                 | NIL                 | 0.08                |

The Group has not entered into any forward contract during the year ended 31 March 2021 and 31 March 2020. The Group has not entered into any forward instrument for trades or speculation purpose.

##### b. Interest Rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group has NIL interest bearing borrowings, the exposure to risk of changes in market interest rate is NIL. The Group has not used any interest rate derivatives.

##### c. Other Price Risk:

Other Price risk is the risk that fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from both financial assets such as investments in equity instruments and bonds.

The Group invests in units of mutual funds including Fixed Maturity Plans, various debt Funds and Equity funds, and hence exposed to Other Price risk. Company's Treasury dept. manages investments portfolio diversification in order to minimize risk and ongoing monitoring of market prices of investments.

The Group has not entered into any forward contract during the year ended 31 March 2021 and 31 March 2020. The Group has not entered into any forward instrument for trades or speculation purpose.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2. Credit Risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss. Trade receivables are typically unsecured and are derived from customers from four operations Nesco IT Park lease, Bombay Exhibition Centre (BEC) revenue, sale of Industrial Capital Goods and Nesco Foods.

The maximum exposure to credit risk on account of trade receivables, at the reporting date is ₹2,959.69 lakhs and ₹1,657.23 lakhs as on 31 March 2021 and 31 March 2020 respectively

The Group minimizes credit risk relating to IT Park lease and BEC business as follows:

- The Group obtains security deposits from IT Park lessees and entitled to terminate lease agreement in case lessee makes defaults in payment of lease for a period of two consecutive months.
- BEC customers are required to pay advance and place refundable security deposit with the Group.
- Hospitality customers are required to pay advances to the Group.

Whereas, in case of trade receivables from Industrial Capital Goods division for sale of machineries, credit risk is managed through credit approvals, establishing credit limits, and continuously monitored by creditworthiness of customers to whom, credit terms are granted in normal course of business.

The Group takes into account available credit risk factors as Company's historical experience for customers, customers' standing for credit defaults in market.

The allowance for lifetime expected credit loss on customer balances as on 31 March 2021 and 31 March 2020 was ₹134.18 lakhs and ₹129.76 lakhs, respectively.

(₹ in lakhs)

| Particulars                                                | As at 31 March 2021 | As at 31 March 2020 |
|------------------------------------------------------------|---------------------|---------------------|
| Balance at the beginning                                   | 129.76              | 119.46              |
| Loss allowance measured at lifetime expected credit losses | 4.41                | 10.30               |
| Balance at the end                                         | 134.18              | 129.76              |

#### Credit risk of financial assets other than Trade receivables:

- Investments in mutual fund schemes are marked to market on ongoing basis, which is major part of total Non-current and current investments.
- Long term loans and advances include deposits with local authorities, electricity Board, electricity companies etc.
- Cash and Cash equivalents are balances with Public and Private Banks.
- Other current assets include lease rentals receivables and deposits with more than 12 months maturities with Public and Private Banks and Earnest Money Deposits with Govt. customer.

Credit risk arising from investment in mutual funds, financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by the international credit rating agencies.

The allowance for lifetime expected credit loss on current license and other fees receivables as on 31 March 2021 and 31 March 2020 was ₹61.74 lakhs and ₹54.10 lakhs, respectively.

(₹ in lakhs)

| Particulars                                                | As at 31 March 2021 | As at 31 March 2020 |
|------------------------------------------------------------|---------------------|---------------------|
| Balance at the beginning                                   | 54.10               | NIL                 |
| Loss allowance measured at lifetime expected credit losses | 7.64                | 54.10               |
| Balance at the end                                         | 61.74               | 54.10               |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 3. Liquidity Risk:

The Group's principal sources of liquidity are cash and cash equivalents, Balances and cash flows that are generated from business. The Group does not have any borrowings. The Group believes that their working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The Group manages the liquidity risk by maintaining adequate cash and cash equivalent ₹661.73 lakhs and ₹955.70 lakhs as on 31 March 2021 and 31 March 2020 respectively

The table below provides details regarding the contractual maturities of significant financial liabilities as on 31 March 2021:

(₹ in lakhs)

| Particulars                                        | Less than 1 year | 1-5 years | More than 5 years | Total     |
|----------------------------------------------------|------------------|-----------|-------------------|-----------|
| <b>Other financial liabilities (non-current)</b>   |                  |           |                   |           |
| Security deposit from IT Park licensees and others | -                | 10,559.83 | -                 | 10,559.83 |
| <b>Other financial liabilities (current)</b>       |                  |           |                   |           |
| Security deposit from licensees and customers      | 911.07           | -         | -                 | 911.07    |
| Trade Payables                                     | 1,059.08         | -         | -                 | 1,059.08  |
| Other financial liabilities                        | 4,770.10         | -         | -                 | 4,770.10  |

Details regarding contractual maturities of significant financial liabilities as on 31 March 2020:

(₹ in lakhs)

| Particulars                                        | Less than 1 year | 1-5 years | More than 5 years | Total    |
|----------------------------------------------------|------------------|-----------|-------------------|----------|
| <b>Other financial liabilities (non-current)</b>   |                  |           |                   |          |
| Security deposit from IT Park licensees and others | -                | 9,793.11  | -                 | 9,793.11 |
| <b>Other financial liabilities (current)</b>       |                  |           |                   |          |
| Security deposit from licensees and customers      | 1,232.60         | -         | -                 | 1,232.60 |
| Trade Payables                                     | 1,460.38         | -         | -                 | 1,460.38 |
| Other financial liabilities                        | 2,581.54         | -         | -                 | 2,581.54 |

### 4. Risk due to Outbreak of COVID 19 Pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. The disruption to regular business operations continues due to the measures taken to curb the impact of the pandemic from time to time, since start of it. The Group has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

#### Capital Management

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As of 31 March 2021, the Group has only one class of shares referred to as Equity Shares and has nil debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long-term financial plans.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 36 - Contingent Liabilities and Commitments:

- 1 Income tax demand disputed by the Group ₹139 lakhs (previous year ₹130.35 lakhs)
- 2 Claims against the Group not acknowledged as debts ₹2,053.65 lakhs (previous year ₹1,393.64 lakhs)
- 3 Estimated value of contracts remaining to be executed on capital account and not provided for is ₹2,623.35 lakhs (previous year ₹1,919.16 lakhs) against which an advance of ₹903.66 lakhs (previous year ₹502.80 lakhs) has been paid
- 4 Indian Bank Guarantees given by bank on Company's behalf ₹721.95 lakhs (Previous year ₹701.43 lakhs).

### Note 37 - 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 Group has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in lakhs)

| Particulars                                                                                                                                                                                                            | As At         |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                                                                                                                        | 31 March 2021 | 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)<br>Principal amount due to Micro and Small Enterprise | 196.49        | 37.83         |
| Interest due on above                                                                                                                                                                                                  | -             | 0.72          |
| 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        | 0.43          | -             |
| 4. The amount of interest accrued and remaining unpaid at the end of each accounting year                                                                                                                              | 1.15          | 0.72          |
| 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 38 - Details of Hedged and Unhedged exposure in foreign currency denominated monetary items.

- a) Exposure in Foreign Currency- Hedged: - The Group has not entered into any foreign exchange contract. The Group does not enter into any derivative instruments for trading or speculative purpose.
- b) Exposure in Foreign Currency – Un Hedged: - The foreign currency exposure not hedged as on 31 March 2021 are as under

(₹ in lakhs)

| Currency | Payables            |                     | Receivables         |                     |
|----------|---------------------|---------------------|---------------------|---------------------|
|          | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| USD      | NIL                 | NIL                 | 1.04                | 0.81                |

### Note 39 - Leases:

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

#### Company as Lessor:

Ind AS 116 “Leases” requires the lessor to recognize income from operating leases on a straight-line basis over the lease term which includes rent free period. Thus, contracted lease rental income including future escalation is straight lined over the lease term. This has resulted in recognizing unearned lease income amounting to ₹2,088.77 lakhs for the year ended 31 March 2021.

The Group has entered into operating leases on its Investment Property located at Byculia and Goregaon IT Park premises:

#### Future minimum rentals receivable under these non-cancellable operating leases are, as follows:

| Particulars                                 | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---------------------------------------------|------------------------|------------------------|
| Within one year                             | 23,026.17              | 18,098.54              |
| After one year but not more than five years | 51,345.07              | 56,572.59              |
| More than 5 years                           | 110.12                 | 68.76                  |

There is no contingent rent receivable from lessees under the lease agreements.

Lease income recognized during the year in Statement of profit and loss is ₹24,606.29 lakhs (previous year ₹21,416.82 lakhs)

#### Company as Lessee:

The Group has taken factory land at Karamsad, Gujarat under non-cancellable Operating Lease. These lease rentals are payable by the Group on a monthly basis. The Group 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 Group 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 ₹19.50 lakhs (PY ₹19.50 lakhs)

Lease payment recognized in statement of profit and loss is ₹33.93 lakhs (Previous year ₹39.70 lakhs)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 40 - Earnings per share:

| Particulars                                                               | 2020-21     | 2019-20     |
|---------------------------------------------------------------------------|-------------|-------------|
| Profit after Tax as per statement of Profit and Loss (₹ in lakhs)         | 17,245.56   | 23,389.01   |
| Weighted average Number of equity shares outstanding during the years     | 7,04,59,960 | 7,04,59,960 |
| Basic and diluted earnings per share in Rupees (Face value ₹ 2 per share) | 24.48       | 33.19       |

### Note 41 - Related party disclosures:

#### 1. List of related parties and relationships:

|                                                   |                                                                                                                                                                                                                             |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Entities in which KMPs have significant influence | Patel Consultancy Private Ltd<br>J V Patel Investment and Trading Co. Private Ltd.<br>Engineering Global Pte Limited<br>Chandler and Price India Private Limited<br>K S Patel Finance & Investment Company Private Ltd      |
| Key Management Personnel                          | Mr. Sumant J. Patel – Executive Chairman<br>Mr. Krishna S. Patel – Vice Chairman and Managing Director<br>Mr. Dipesh R. Singhania – Chief Financial Officer<br>Ms. Jinal J. Shah - Company Secretary and Compliance Officer |
| Relative of Key Management Personnel              | Mrs. Sudha S. Patel - Non-executive Director                                                                                                                                                                                |
| Non-executive Directors                           | Mr. Mahendra K. Chauhan<br>Mr. Manu M. Parpia<br>Mr. Jai S. Diwanji<br>Mr. K. S. Srinivasa Murty<br>Mrs. Amrita Verma Chowdhury                                                                                             |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2. Related Party Transactions:

(₹ in lakhs)

| Particulars                                  | 2020-2021 | 2019-2020 |
|----------------------------------------------|-----------|-----------|
| <b>Brokerage Income</b>                      |           |           |
| Chandler and Price India Private Limited     | 27.44     | 86.40     |
| <b>Rent Expense</b>                          |           |           |
| Mr. Sumant J. Patel                          | 19.50     | 19.50     |
| <b>Remuneration, perquisites, commission</b> |           |           |
| Mr. Sumant J. Patel                          | 651.00    | 996.00    |
| Mr. Krishna S. Patel                         | 675.96    | 1,020.96  |
| Mr. Dipesh R. Singhania                      | 118.00    | 103.50    |
| Ms. Jinal J. Shah                            | 9.92      | 7.67      |
| <b>Director sitting fees</b>                 |           |           |
| Mrs. Sudha S. Patel                          | 2.75      | 2.95      |
| Mr. Mahendra K. Chauhan                      | 5.55      | 4.30      |
| Mr. Manu M. Parpia                           | 4.30      | 3.25      |
| Mr. Jai S. Diwanji                           | 5.80      | 3.50      |
| Mr. K. S. Srinivasa Murty                    | 4.55      | 3.35      |
| Mrs. Amrita Verma Chowdhury                  | 4.30      | 3.60      |
| <b>Amount Payable / (Receivable)</b>         |           |           |
| Mr. Sumant J. Patel                          | 313.40    | 368.22    |
| Mr. Krishna S. Patel                         | 306.88    | 441.84    |
| Mr. Dipesh R. Singhania                      | -         | (2.59)    |
| Chandler and Price India Private Limited     | -         | (14.75)   |

### Employee benefits for Key Management Personnel is as follows:

(₹ in lakhs)

| Particulars                  | 2020-2021 | 2019-2020 |
|------------------------------|-----------|-----------|
| Short-term employee benefits | 1,454.88  | 2,128.13  |
| Post-employment benefits     | 158.04    | 93.75     |
| Other long-term benefits     | 25.99     | 17.77     |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 42 - Employee Benefits:

#### 1. Post-employment benefits:

##### a. Defined Contribution plan

###### **Provident Fund and Employee State Insurance Scheme**

Defined contribution plans are Provident Fund Scheme and Employee State Insurance Scheme. The Group contributes to the Government administered provident funds on behalf of its employees.

##### b. Defined Benefit plan

###### **Gratuity scheme**

The Group operates a defined benefit gratuity plan for employees. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary. The Group creates adequate provision in its books every year based on actuarial valuation. These benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and investment risk.

The amounts recognised in the Group's financial statements as at year end are as under

(₹ in lakhs)

| Particulars                                                                      | Gratuity (Unfunded) |                     |
|----------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                  | As at 31 March 2021 | As at 31 March 2020 |
| Present Value of Benefit Obligation at the Beginning of the Period               | 200.05              | 168.14              |
| Interest Cost                                                                    | 13.39               | 13.13               |
| Current Service Cost                                                             | 23.16               | 25.37               |
| Benefit Paid Directly by the Employer                                            | (33.64)             | (21.63)             |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | 100.50              | 23.07               |
| Demographic Assumptions                                                          | -                   | 2.12                |
| Actuarial (Gains)/Losses on Obligations - Due to Experience                      | 3.92                | (10.15)             |
| Present Value of Benefit Obligation at the End of the Period                     | 307.38              | 200.05              |

| Amount Recognized in the Balance Sheet                         |          |          |
|----------------------------------------------------------------|----------|----------|
| (Present Value of Benefit Obligation at the end of the Period) | 307.38   | 200.05   |
| Funded Status (Surplus/ (Deficit))                             | (307.38) | (200.05) |
| Net (Liability)/Asset Recognized in the Balance Sheet          | (307.38) | (200.05) |

| Expenses Recognized in the Statement of Profit or Loss for Current Period |       |       |
|---------------------------------------------------------------------------|-------|-------|
| Current Service Cost                                                      | 23.16 | 25.37 |
| Net Interest Cost                                                         | 13.39 | 13.13 |
| Expenses Recognized                                                       | 36.56 | 38.5  |

| Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period |        |       |
|--------------------------------------------------------------------------------|--------|-------|
| Actuarial (Gains)/Losses on Obligation for the Period                          | 104.41 | 15.05 |
| Net (Income)/Expense for the Period Recognized in OCI                          | 104.41 | 15.05 |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Balance Sheet Reconciliation                          |         |         |
|-------------------------------------------------------|---------|---------|
| Opening Net Liability                                 | 200.05  | 168.14  |
| Expenses Recognized in Statement of Profit or Loss    | 36.56   | 38.5    |
| Expenses Recognized in OCI                            | 104.41  | 15.05   |
| Benefit Paid Directly by the Employer                 | (33.64) | (21.63) |
| Net Liability/(Asset) Recognized in the Balance Sheet | 307.38  | 200.05  |

| Other Details                       |        |        |
|-------------------------------------|--------|--------|
| No of Active Members                | 133    | 158    |
| Per Month Salary for Active Members | 46.75  | 52.80  |
| Average Past Services (Years)       | 6.33   | 6.34   |
| Average Age (years)                 | 39.26  | 39.13  |
| Average Expected Future Service     | 18.74  | 18.87  |
| Projected Benefit Obligation        | 307.38 | 200.05 |

| Assumptions                      |                                          |                                          |
|----------------------------------|------------------------------------------|------------------------------------------|
| Expected Return on Plan Assets   | N.A.                                     | N.A.                                     |
| Rate of Discounting              | 6.55%                                    | 6.70%                                    |
| Rate of Salary Increase          | 10.00%                                   | 6.00%                                    |
| Rate of Employee Turnover        | 5.00%                                    | 5.00%                                    |
| Mortality Rate During Employment | Indian Assured Lives Mortality (2012-14) | Indian Assured Lives Mortality (2012-14) |
| Mortality Rate After Employment  | N.A.                                     | N.A.                                     |

| Maturity Analysis of the Benefit Payments: From the Employer          |        |        |
|-----------------------------------------------------------------------|--------|--------|
| Projected Benefits Payable in Future Years from the Date of Reporting |        |        |
| 1st Following Year                                                    | 15.63  | 27.84  |
| 2 to 5 Years                                                          | 70.63  | 56.41  |
| 6 to 10 Years                                                         | 122.50 | 79.27  |
| More than 10 Years                                                    | 459.64 | 236.55 |

| Sensitivity Analysis                                    |        |        |
|---------------------------------------------------------|--------|--------|
| Projected Benefit Obligation on Current Assumptions     | 307.38 | 200.05 |
| Delta Effect of +1% Change in Rate of Discounting       | (9.6%) | (8.2%) |
| Delta Effect of -1% Change in Rate of Discounting       | 11.1%  | 9.4%   |
| Delta Effect of +1% Change in Rate of Salary Increase   | 10.7%  | 9.3%   |
| Delta Effect of -1% Change in Rate of Salary Increase   | (9.4%) | (8.3%) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (2.2%) | 0.2%   |
| Delta Effect of -1% Change in Rate of Employee Turnover | 2.4%   | (0.2%) |

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2. Long Term Employee Benefits:

The liability towards compensated absences (annual leave) as on 31 March 2021, based on actual valuation carried out by using the project accrued benefit method amount to ₹47.73 lakhs (previous year ₹5.63 lakhs) has been recognized on the Statement of Profit and Loss.

### Note 43 - Income Taxes:

#### A. The major components of Income Tax expense for the year are as under

(₹ in lakhs)

| Particulars                                                            | Year 2020-2021        | Year 2019-2020        |
|------------------------------------------------------------------------|-----------------------|-----------------------|
| Current Taxes                                                          | 3,368.00              | 5,032.26              |
| Deferred Taxes                                                         | 1,017.05              | 807.26                |
| <b>Income Tax Expenses as per statement of Profit and Loss</b>         | <b>4,385.05</b>       | <b>5,839.52</b>       |
| <b>Income Tax Expenses recognised in OCI</b>                           | <b>Year 2020-2021</b> | <b>Year 2019-2020</b> |
| Deferred tax benefit on remeasurement benefit of defined benefit plans | (26.28)               | (3.79)                |

#### B. Reconciliation of tax expense and the accounting profit for the year is as under:

(₹ in lakhs)

| Particulars                                                           | Year 2020-2021  | Year 2019-2020  |
|-----------------------------------------------------------------------|-----------------|-----------------|
| Profit before tax                                                     | 21,630.61       | 29,228.53       |
| Enacted Tax rate in India                                             | 25.17%          | 25.17%          |
| <b>Computed enacted tax expenses</b>                                  | <b>5,445.49</b> | <b>7,356.24</b> |
| Add / (Less): Expenses not allowable for tax purposes                 | 254.83          | 322.16          |
| Add / (Less): Income not considered for tax purpose                   | (413.33)        | (1,347.86)      |
| Add / (Less): Effect of expenses, computed differently in tax         | 330.26          | (112.04)        |
| Short/(Excess) provision of earlier years                             | -               | (5.60)          |
| Add / (Less): Effect of expenses, which are allowed on payment basis  | 14.87           | 29.38           |
| Add / (Less): Effect of income, considered under other head of income | (1,247.07)      | (402.76)        |
| <b>Income Tax Expenses</b>                                            | <b>4,385.05</b> | <b>5,839.52</b> |

The tax rate used for reconciliation above is the corporate tax rate of 25.168 % (PY 25.168%) payable by corporate entities in India on taxable profits under Indian law. During the Previous Year, the Parent Company has opted for lower tax rate under Section 115BAA of the Income Tax Act, 1961 inserted vide Taxation Laws (Amendment) Act, 2019.

- Income considered under other head of income, mainly comprises of IT Park rental income considered under 'Income from House property' as per the provisions of Income Tax Act, 1961.
- Income not considered for tax purpose mainly consists of other income on account of fair valuation of Investments in Mutual funds and dividend income from Investments in mutual funds.

Details of income tax assets and liabilities as of 31 March 2021 and 31 March 2020 are as follows:

| Particulars                                   | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------------------------------|---------------------|---------------------|
| Income tax Assets                             | 1,510.02            | 1,419.42            |
| Current Income Tax Liabilities                | -                   | (0.45)              |
| Net current income tax Assets / (Liabilities) | 1,510.02            | 1,418.97            |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The gross movement in the Current Tax assets / (liabilities) for the year ended 31 March 2021 and 31 March 2020 is as follows:

| Particulars                                                          | As at 31 March 2021 | As at 31 March 2020 |
|----------------------------------------------------------------------|---------------------|---------------------|
| Net current tax assets / (liabilities) at the beginning of the year  | 1,418.97            | 759.70              |
| Income tax paid:                                                     |                     |                     |
| Advance tax and TDS                                                  | 3,459.05            | 5,798.32            |
| Self-Assessment Tax paid/Previous year adjustments                   | -                   | (101.19)            |
| Current income tax expenses                                          | (3,368.00)          | (5,037.86)          |
| <b>Net current tax assets / (liabilities) at the end of the year</b> | <b>1,510.02</b>     | <b>1,418.97</b>     |

Details of deferred tax assets and liabilities as of 31 March 2021 and 31 March 2020 are as follows:

| Particulars                                    | As at 31 March 2021 | As at 31 March 2020 |
|------------------------------------------------|---------------------|---------------------|
| Deferred tax Liabilities                       | (2,596.22)          | (1,792.75)          |
| Deferred Tax Assets (Liabilities)              | (990.77)            | (803.47)            |
| <b>Net deferred tax Assets / (Liabilities)</b> | <b>(3,586.99)</b>   | <b>(2,596.22)</b>   |

Detailed bifurcation of deferred tax assets and liabilities as of 31 March 2021 and 31 March 2020 are as follows:

| Particulars                                                                                                   | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Net deferred tax assets / (liabilities) at the beginning                                                      | (2,596.22)          | (1,792.75)          |
| Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961 | (165.48)            | 206.02              |
| Provision for expenses allowed for tax purpose on payment basis                                               | 257.49              | (7.07)              |
| Difference in carrying value and tax base of investments measured at FVTPL                                    | (736.51)            | 79.67               |
| Allowance of doubtful debts and advances                                                                      | (10.76)             | (6.26)              |
| Lease Equalisation Reserve assets                                                                             | (368.03)            | (1,069.59)          |
| Remeasurement of the defined benefit plan through OCI                                                         | 32.52               | (6.24)              |
| <b>Net deferred tax assets / (liabilities) at the end</b>                                                     | <b>(3,586.99)</b>   | <b>(2,596.22)</b>   |

The credits relating to temporary differences during the year ended 31 March 2021 and 31 March 2020 are primarily on account of Other income due to fair valuation of investments on mutual funds and Ind AS 116 adjustment.

### Note 44 – Proposed Dividend:

The Board of Directors of the Parent Company at its meeting held on 28 May 2021 have recommended a payment of dividend of ₹3.00 (Rupees Three) per equity share of face value ₹2 each for the financial year ended 31 March 2021 amounting to ₹ 2,113.80 lakhs and subject to approval at the ensuing AGM of the Company and hence is not recognized as a liability.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 45 - Segment Reporting:

The Group has following business segments, which are its reportable segments. Operating segment disclosures are consistent with the information provided to and reviewed by the management.

| Reportable Segment                | Products / Services                                                         |
|-----------------------------------|-----------------------------------------------------------------------------|
| IT Park                           | Licencing premises in IT park buildings and providing related services      |
| Bombay Exhibition Center          | Licencing premises for exhibitions and providing services to the organisers |
| Industrial Capital Goods Division | Manufacturing of machines and capital equipment                             |
| Nesco Foods                       | Hospitality and catering services                                           |
| Unallocable                       | Investments and Other Income                                                |

(₹ in lakhs)

| Particulars                                       | 2020-2021        | 2019-2020        |
|---------------------------------------------------|------------------|------------------|
| Revenue by Segment                                |                  |                  |
| IT Park                                           | 24,606.29        | 21,416.82        |
| Bombay Exhibition Center                          | 595.11           | 15,860.11        |
| Industrial Capital Goods Division                 | 2,608.76         | 2,327.43         |
| Nesco Foods                                       | 1,299.61         | 3,568.82         |
| Income from Investments/ Other Income             | 6,459.95         | 4,254.69         |
| <b>Total</b>                                      | <b>35,569.72</b> | <b>47,427.87</b> |
| <b>Segment profit before tax and finance cost</b> |                  |                  |
| IT Park                                           | 20,146.49        | 17,696.74        |
| Bombay Exhibition Center                          | (669.11)         | 12,166.78        |
| Industrial Capital Goods Division                 | 62.27            | (236.47)         |
| Nesco Foods                                       | (346.87)         | 766.85           |
| Unallocable expenses net off Unallocable income   | 2,437.83         | 1,165.37         |
| <b>Total Operating profit before tax</b>          | <b>21,630.61</b> | <b>29,228.53</b> |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in lakhs)

| Particulars                                       | 2020-2021          | 2019-2020          |
|---------------------------------------------------|--------------------|--------------------|
| <b>Capital Employed:-</b>                         |                    |                    |
| <b>Segment Assets:-</b>                           |                    |                    |
| IT Park                                           | 83,856.96          | 78,511.70          |
| Bombay Exhibition Center                          | 5,485.06           | 4,973.13           |
| Industrial Capital Goods Division                 | 3,403.11           | 3,178.73           |
| Nesco Foods                                       | 3,579.01           | 3,462.71           |
| Unallocable Assets                                | 85,857.18          | 70,846.62          |
| <b>Total</b>                                      | <b>1,82,181.32</b> | <b>1,60,972.89</b> |
| <b>Segment Liabilities:-</b>                      |                    |                    |
| IT Park                                           | 16,464.62          | 15,200.42          |
| Bombay Exhibition Center                          | 4,522.90           | 3,771.12           |
| Industrial Capital Goods Division                 | 676.38             | 554.55             |
| Nesco Foods                                       | 282.75             | 479.14             |
| Unallocable Liabilities                           | 7,311.78           | 5,219.87           |
| <b>Total</b>                                      | <b>29,258.42</b>   | <b>25,225.11</b>   |
| <b>Capital Employed: -</b>                        |                    |                    |
| IT Park                                           | 67,392.34          | 63,311.28          |
| Bombay Exhibition Center                          | 962.17             | 1,202.01           |
| Industrial Capital Goods Division                 | 2,726.73           | 2,624.18           |
| Nesco Foods                                       | 3,296.27           | 2,983.57           |
| Unallocable Assets net of Unallocable Liabilities | 78,545.40          | 65,626.75          |
| <b>Total</b>                                      | <b>1,52,922.91</b> | <b>1,35,747.79</b> |
| <b>Capital Expenditure</b>                        |                    |                    |
| IT Park                                           | 2,340.28           | 57,706.00          |
| Bombay Exhibition Center                          | 453.29             | 126.66             |
| Industrial Capital Goods Division                 | 215.72             | 317.83             |
| Nesco Foods                                       | 39.43              | 258.73             |
| Unallocable Assets                                | 2,714.97           | 302.94             |
| <b>Total</b>                                      | <b>5,763.68</b>    | <b>58,712.16</b>   |
| <b>Revenue from Operation</b>                     | <b>2020-2021</b>   | <b>2019-2020</b>   |
| India                                             | 35,519.47          | 47,384.99          |
| Outside India                                     | 50.25              | 42.88              |
| <b>Total Revenue</b>                              | <b>35,569.72</b>   | <b>47,427.87</b>   |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 46** - Pursuant to the IND AS 37 – ‘Provisions, Contingent Liabilities and Contingent Assets’, the disclosure relating to provisions made in the accounts for the year ended 31 March 2021 is as follows.

(₹ in lakhs)

| Particulars              | Compensation Payable * |               | Provision for warranty # |                |
|--------------------------|------------------------|---------------|--------------------------|----------------|
|                          | 31 March 2021          | 31 March 2020 | 31 March 2021            | 31 March 20120 |
| <b>Opening Balance</b>   | <b>171.36</b>          | <b>171.36</b> | <b>16.80</b>             | <b>16.24</b>   |
| Additions                | -                      | -             | -                        | 0.56           |
| Utilizations / Reversals | -                      | -             | (3.81)                   | -              |
| <b>Closing Balance</b>   | <b>171.36</b>          | <b>171.36</b> | <b>12.99</b>             | <b>16.80</b>   |

\*\* These provisions represent estimates made mainly for probable claims arising out of litigations / disputes pending with authorities under various statues. The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/ disputes. Hence, the Group is not able to reasonably ascertain the timing of the outflow.

# Provision for warranty represents cost associated with providing post-sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of two years.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 47 – Disclosure of additional information pertaining to the Parent Company, Subsidiary and Associates as per Schedule III of Companies Act, 2013

| Name of the entity in the Group                 | 2020-21                                               |                                 | 2020-21                 |                                     | 2020-21                             |                                                 | 2020-21                             |                                                 |
|-------------------------------------------------|-------------------------------------------------------|---------------------------------|-------------------------|-------------------------------------|-------------------------------------|-------------------------------------------------|-------------------------------------|-------------------------------------------------|
|                                                 | Net Assets i.e., total assets minus total liabilities |                                 | Share in profit or loss |                                     | Share in other comprehensive income |                                                 | Share in total comprehensive income |                                                 |
|                                                 | Amount<br>(₹ in lakhs)                                | As % of consolidated net assets | Amount<br>(₹ in lakhs)  | As % of consolidated profit or loss | Amount<br>(₹ in lakhs)              | As % of consolidated other comprehensive income | Amount<br>(₹ in lakhs)              | As % of consolidated total comprehensive income |
| <b>Parent</b>                                   |                                                       |                                 |                         |                                     |                                     |                                                 |                                     |                                                 |
| Nesco Limited                                   | 1,52,649.18                                           | 99.82                           | 17,249.92               | 100.03                              | (70.44)                             | 100.00                                          | 17,179.48                           | 100.03                                          |
| <b>Subsidiaries</b>                             |                                                       |                                 |                         |                                     |                                     |                                                 |                                     |                                                 |
| Nesco Hospitality Private Limited               | 274.72                                                | 0.18                            | (4.77)                  | (0.03)                              | -                                   | -                                               | (4.77)                              | (0.03)                                          |
| Nesco Foundation for Innovation and Development | (1.00)                                                | (0.00)                          | 0.40                    | 0.00                                | -                                   | -                                               | 0.40                                | 0.00                                            |
| Non-controlling interest                        | -                                                     | -                               | -                       | -                                   | -                                   | -                                               | -                                   | -                                               |
| <b>Total</b>                                    | <b>1,52,922.91</b>                                    | <b>100.00</b>                   | <b>17,245.56</b>        | <b>100.00</b>                       | <b>(70.44)</b>                      | <b>100.00</b>                                   | <b>17,175.12</b>                    | <b>100.00</b>                                   |

| Name of the entity in the Group                 | 2019-20                                               |                                 | 2019-20                 |                                     | 2019-20                             |                                                 | 2019-20                             |                                                 |
|-------------------------------------------------|-------------------------------------------------------|---------------------------------|-------------------------|-------------------------------------|-------------------------------------|-------------------------------------------------|-------------------------------------|-------------------------------------------------|
|                                                 | Net Assets i.e., total assets minus total liabilities |                                 | Share in profit or loss |                                     | Share in other comprehensive income |                                                 | Share in total comprehensive income |                                                 |
|                                                 | Amount<br>(₹ in lakhs)                                | As % of consolidated net assets | Amount<br>(₹ in lakhs)  | As % of consolidated profit or loss | Amount<br>(₹ in lakhs)              | As % of consolidated other comprehensive income | Amount<br>(₹ in lakhs)              | As % of consolidated total comprehensive income |
| <b>Parent</b>                                   |                                                       |                                 |                         |                                     |                                     |                                                 |                                     |                                                 |
| Nesco Limited                                   | 1,35,469.70                                           | 99.80                           | 23,379.00               | 99.96                               | -16.85                              | 100.00                                          | 23,362.15                           | 99.96                                           |
| <b>Subsidiaries</b>                             |                                                       |                                 |                         |                                     |                                     |                                                 |                                     |                                                 |
| Nesco Hospitality Private Limited               | 279.48                                                | 0.20                            | 11.43                   | 0.05                                | -                                   | -                                               | 11.43                               | 0.05                                            |
| Nesco Foundation for Innovation and Development | (1.40)                                                | -                               | (1.40)                  | (0.01)                              | -                                   | -                                               | (1.40)                              | (0.01)                                          |
| Non-controlling interest                        | -                                                     | -                               | -                       | -                                   | -                                   | -                                               | -                                   | -                                               |
| <b>Total</b>                                    | <b>1,35,747.79</b>                                    | <b>100.00</b>                   | <b>23,389.01</b>        | <b>100.00</b>                       | <b>-16.85</b>                       | <b>100.00</b>                                   | <b>23,372.16</b>                    | <b>100.00</b>                                   |

**Note 48** - Previous year's figures have been regrouped / reclassified wherever necessary.

**Note 49** - The financial statements are approved for issue by the Audit Committee at its meeting held on 27 May 2021 and thereafter by the Board of Directors at its meeting held on 28 May 2021.

**Form AOC-1**  
**(Pursuant to first proviso to Sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of **Subsidiary Companies**

( ₹ in lakhs)

| Sr. No. | Particulars                                                                                                                  | Details                           | Details                                         |
|---------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------|
| 1       | Name of the subsidiary                                                                                                       | Nesco Hospitality Private Limited | Nesco Foundation for Innovation and Development |
| 2       | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | Wednesday, 31 March 2021          | Wednesday, 31 March 2021                        |
| 3       | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | INR (₹)                           | INR (₹)                                         |
| 4       | Share capital - Authorised Capital                                                                                           | 100.00                            | 1.00                                            |
|         | Share capital - Paid up Capital                                                                                              | 25.00                             | 1.00                                            |
| 5       | Reserves & surplus                                                                                                           | 274.72                            | (1.00)                                          |
| 6       | Total assets                                                                                                                 | 356.82                            | 0.84                                            |
| 7       | Total Liabilities                                                                                                            | 57.09                             | 0.84                                            |
| 8       | Investments                                                                                                                  | -                                 | -                                               |
| 9       | Turnover                                                                                                                     | 3.95                              | 9.84                                            |
| 10      | Profit /(Loss) before taxation                                                                                               | (4.77)                            | 0.40                                            |
| 11      | Provision for taxation                                                                                                       | -                                 | -                                               |
| 12      | Profit /(Loss) after taxation                                                                                                | (4.77)                            | 0.40                                            |
| 13      | Proposed Dividend                                                                                                            | -                                 | -                                               |
| 14      | % of shareholding                                                                                                            | 100%                              | 100%                                            |

**Notes:**

- 1 Names of subsidiaries which are yet to commence operations - NIL
- 2 Names of subsidiaries which have been liquidated during the year - NIL

For and on behalf of the Board

Sumant J. Patel  
 Executive Chairman  
 DIN- 00186976  
 Panaji, 28 May 2021

Krishna S. Patel  
 Vice Chairman and  
 Managing Director  
 DIN- 01519572  
 Panaji, 28 May 2021

Dipesh R. Singhania  
 Chief Financial Officer  
 Mumbai, 28 May 2021

Jinal J. Shah  
 Company Secretary and  
 Compliance Officer  
 Mumbai, 28 May 2021

## NOTICE

Notice is hereby given that 62nd Annual General Meeting of Nesco Limited will be held on Wednesday, 11 August 2021 at 03.30 p.m. through video conference (VC) or other audio visual means (OAVM) organized by the Company to transact the following businesses.

### Ordinary Business:

1. To consider and adopt audited standalone and consolidated financial statements of the Company for the financial year ended 31 March 2021, together with the report of the Board of Directors and Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended 31 March 2021.
3. To appoint a Director in place of Mrs. Sudha S. Patel (DIN: 00187055), who retires by rotation and being eligible, offers herself for reappointment.

### Special Business:

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:  
**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule V of the Companies Act, 2013, and on the recommendation of Nomination and Remuneration Committee, approval of the members be and is hereby accorded for appointing Mr. Krishna S. Patel as Chairman & Managing Director of the Company with effect from 15 June 2021 till 30 June 2023 i.e., till the completion of his tenure on the existing remuneration and terms and conditions of his previous appointment.”

### By Order of the Board of Directors

**Jinal J. Shah**  
**Company Secretary and**  
**Compliance Officer**

**Mumbai**  
**15 June 2021**

**Registered Office:**  
Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai – 400 063.  
CIN No. – L17100MH1946PLC004886

### NOTES:

1. Pursuant to the General Circular nos. 14/2020, 17/2020, 20/2020, 02/2021 issued by the Ministry of Corporate Affairs (MCA) and Circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India (SEBI), (hereinafter collectively referred to as “the Circulars”), Companies are allowed to hold Annual General Meeting (AGM) through Video Conference (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

3. Institutional / Corporate Members are requested to send a scanned copy (PDF format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at [companysecretary@nesco.in](mailto:companysecretary@nesco.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The Register of Members and share transfer books of the Company will remain closed from Wednesday, 04 August 2021 to Wednesday, 11 August 2021 (both days inclusive), for the purpose of annual general meeting.
5. The dividend, if approved by the members at the annual general meeting will be paid on or before the 30th day from the date of declaration to those members whose names appear in the Register of Members of the Company as on Tuesday, 03 August 2021.
6. Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be available electronically for inspection by the members during the AGM at <https://www.nesco.in/announcements>.
7. As per the provisions of Section 124(5) of the Companies Act, 2013, money transferred to unpaid dividend accounts of the Company and remaining unpaid / unclaimed over a period of 7 years from the date of such transfer shall be transferred to 'Investor Education and Protection Fund' and no claim will be entertained thereafter by the Company. The Company has already transferred the dividend for the year 2012-13 and is in process to transfer the unpaid/unclaimed dividend for the year 2013-14. The due date for transfer of the unpaid/unclaimed dividend for the year 2013-14 is 26 September 2021. Members are therefore requested to expeditiously put their claims for unclaimed dividends.
8. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 all shares in respect of which dividend has not been claimed or has remained unpaid for seven consecutive years, shall be transferred by the Company to Investor Education and Protection Fund (IEPF) set up by the Central Government.
9. All Members are requested to
  - i. Intimate immediately any change in their address to Company's Registrar and Share Transfer Agent:  
 Link Intime India Private Limited  
 C-101, 247 Park,  
 LBS Marg, Vikhroli (West),  
 Mumbai – 400083.  
 Tel: 022 49186270  
 Fax: +91 22 28512885  
 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
 Website: [www.linkintime.co.in](http://www.linkintime.co.in)
  - ii. Inform change in address directly to their respective depository participants in case members are holding shares in demat form.
  - iii. Quote their folio no. / client ID no. in their correspondence with the Registrar and Share Transfer Agent.
  - iv. Intimate Registrar and Share Transfer Agents, Link Intime India Private Limited for consolidation of folios, in case having more than one folio.

#### **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**

10. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depository Participant (DP).
11. The Notice of AGM along with Annual Report for the financial year 2020-21, will also be available on the website of the Company at [www.nesco.in](http://www.nesco.in), on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

12. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Tuesday, 03 August 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., Tuesday, 03 August 2021 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.
13. The Shareholders holding shares in physical form and who have not registered their email addresses with the Company are requested to update their email addresses on the Company’s website at <https://www.nesco.in/shareholder-services> or with the Registrar and Share Transfer Agent of the Company and may get registered their email addresses at [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) by providing details such as Select company name from drop box, Folio Number, Certificate Number, Shareholder name, PAN, Mobile number, Email id and also upload the image of share certificate and PAN card in PDF or JPEG format (up to 1MB). The facility for registration of bank details for the Shareholders holding shares in physical form is also available at [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) by providing details such as Bank account no, Bank name, IFSC code and also upload self-attested cancelled cheque leaf along with request letter duly signed in PDF or JPEG format (Up to 1MB) at the earliest so that it is received by the Company before making the payment of dividend. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants.

#### **PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

14. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned at note no.27 "Step 1: Access to NSDL e-Voting system". After successful login, you can see link of “VC/OAVM link” placed under “Join General Meeting” menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.  
  
Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
15. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.
16. Members who need assistance before or during the AGM with use of technology, can:
  - Send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or use Toll free no.: 1800 1020 990 /1800 224 430; or
  - Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in); or
  - Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at 1800 1020 990 /1800 224 430
17. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. In case any Institutional Members, facing issues for participating in AGM can write to (Ms. Soni Singh) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
18. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
19. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

## PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

20. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at [companysecretary@nesco.in](mailto:companysecretary@nesco.in). Questions / queries received by the Company till 5.00 p.m. on Monday, 09 August 2021 shall only be considered and responded during the AGM.
21. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker, by following the steps mentioned at note no. 27, Step 1: Access to NSDL e-Voting system between 9.00 a.m. on Saturday, 07 August 2021 to 5.00 p.m. on Tuesday, 09 August 2021. After successful login, Members will be able to register themselves as a speaker shareholder by clicking on the link available against the EVEN of the Company. Speakers can also send their questions in advance to the Company at [companysecretary@nesco.in](mailto:companysecretary@nesco.in).
22. Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

## PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

23. In compliance with the provision of Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote at 62nd annual general meeting by electronic means and the business may be transacted through e-voting services provided by National Securities Depositories Limited (NSDL).
24. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.
25. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, 03 August 2021, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
26. Members may cast their votes on electronic voting system from any place (remote e-voting). The voting period begins on Saturday, 07 August 2021 at 09.00 a.m. and ends on Tuesday, 10 August 2021 at 05.00 p.m. (preceding the date of AGM). In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. The e-voting module shall be disabled by NSDL for voting thereafter.
27. The details of the process and manner for remote e-voting are explained herein below:

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 09 December 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders                                                | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL. | <p><b>A. NSDL IDeAS facility</b></p> <p><b>If you are already registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section</li> <li>A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>Click on “<b>Access to e-Voting</b>” appearing on the left hand side under e-Voting services and you will be able to see e-Voting page.</li> <li>Click on the options available against company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-voting during the meeting.</li> </ol> <p><b>If you are not registered in IDeAS, follow below steps:</b></p> <ol style="list-style-type: none"> <li>Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>Select “<b>Register Online for IDeAS</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https:// eservices.nsdl.com / SecureWeb / IdeasDirectReg.jsp</a></li> <li>Please follow steps given in points 1 to 5 above.</li> </ol> <p><b>B. E-voting through NSDL website</b></p> <ol style="list-style-type: none"> <li>Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>Once the home page of e-Voting system is launched, click on the icon ‘<b>Login</b>’ which is available under ‘<b>Shareholder/Member</b>’ section.</li> <li>A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |

| Type of shareholders                                                                                   | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication.</li> <li>The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https:// web.cdslindia.com/ myeasi/ home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once logged in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type                                                         | Helpdesk details                                                                                                                                                                                                               |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30             |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details are given below :

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>                                                                                                                                         |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example, if your DP ID is In300*** and Client ID is 12***** then your user ID is IN300***12*****.    |
| b) For Members who hold shares in demat account with CDSL.            | 16 Digit Beneficiary ID<br><br>For example, if your Beneficiary ID is 12***** then your user ID is 12*****.                                                     |
| c) For Members holding shares in Physical Form.                       | EVEN Number followed by Folio Number registered with the Company<br><br>For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***. |

6. Password details for shareholders other than Individual shareholders are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
7. How to retrieve your ‘initial password’?
  - a. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- b. In case if your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- c. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
- i. Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- ii. Click on “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- iii. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
9. Now, you will have to click on “Login” button.
10. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **The instructions for Members for e-voting on the day of the AGM are as under:**

- a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- c. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Ms. Soni Singh) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

28. Ms. Neeta H. Desai, ND & Associates, Practising Company Secretaries (membership no. 3262, COP No. 4741) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
29. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
30. The results declared along with Scrutinizers' Report shall be placed on the Company's website [www.nesco.in](http://www.nesco.in) within two days of the passing of the resolutions at the 62nd AGM of the Company and shall be immediately communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

#### **DIVIDEND RELATED INFORMATION:**

31. Final dividend for the financial year ended 31 March 2021, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or after Thursday, 12 August 2021, to those members whose names appear on the Register of Members as on Tuesday, 03 August 2021.
32. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
33. Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.
34. Shareholders holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participant(s) and shareholders holding shares in physical mode shall send a duly signed request letter to Link Intime mentioning the name, folio no., bank details, self-attested PAN card and original cancelled cheque leaf. In case of absence of name of the first shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided.
35. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants to such shareholder by post.
36. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 01 April 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.
  - a. All Shareholders are requested to ensure that the below information & details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with Link Intime India Private Limited, on or before the Record Date i.e. **Tuesday, 03 August 2021**. Please note that the following information & details, if already registered with the Link Intime or Depositories, as the case may be, will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:
    - I. Valid Permanent Account Number (PAN)\*.
    - II. Residential status as per the Income Tax Act i.e. Resident or Non-Resident for FY 2020- 21.
    - III. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FI): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, Overseas Corporate Bodies, etc.

IV. Email Address.

V. Residential Address.

\*If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN. Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN.

- b. For Resident Shareholders, TDS is required to be deducted at the rate of 10% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Company in the financial year 2021-22 provided valid PAN is registered by the Shareholder. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% Section 206AA of the Income Tax Act, 1961.

However, in case the dividend is not exceeding ₹ 5,000 in a fiscal year to resident individual shareholder then no tax will be deducted from the dividend. If any resident individual shareholder is in receipt of Dividend exceeding ₹ 5,000 in a fiscal year, entire dividend will be subject to TDS @ 10%. Even in the cases where the shareholder provides valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.

- c. For Non-resident shareholders [Including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)], the TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D of the Income Tax Act, 1961, as the case may be.
- d. Further, as per Section 90 of the Income Tax Act, 1961 the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them.

For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

- I. Self-attested copy of the PAN allotted by the Indian Income Tax authorities
- II. Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident;
- III. Self-declaration in Form 10F; and
- IV. Self-declaration in the attached format certifying:
  - Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-22;
  - Shareholder is eligible to claim the beneficial Double Taxation Avoidance Agreement (DTAA) rate for the purposes of tax withholding on dividend declared by the Company;
  - Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
  - Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
  - Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2021-22.
- e. The draft of the aforementioned documents may also be accessed from the Company's website at <https://www.nesco.in/shareholder-services>.

**f. Submission of tax related documents:**

**Resident Shareholders**

The aforesaid documents such as Form 15G/15H, documents under Sections 196, 197A, etc. can be sent to the Company or to the RTA on or before **Tuesday, 03 August 2021** to enable the Company to determine the appropriate TDS withholding tax rate applicable. Any communication on the tax determination/deduction received post **Tuesday, 03 August 2021** shall not be considered. Shareholders can also send the scanned copies of the documents mentioned above at the email id mentioned below:

**Email ID** nescodivtax@linkintime.co.in

**Non-Resident Shareholders**

Shareholders are requested to send the scanned copies of the documents mentioned above at the email id mentioned below:

**Email ID** nescodivtax@linkintime.co.in

These documents should reach us on or before **Tuesday, 03 August 2021** in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained post **Tuesday, 03 August 2021**.

- g. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.
- h. We shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend.

**By Order of the Board of Directors**

**Jinal J. Shah**  
**Company Secretary and**  
**Compliance Officer**

**Mumbai, 15 June 2021**

**Registered Office:**  
Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai – 400063.  
CIN No. – L17100MH1946PLC004886

**ANNEXURE TO THE NOTICE:****Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.****Item No. 3****Re-Appointment of Mrs. Sudha S. Patel, Non-Executive Director, retiring by rotation.**

Details of Director seeking re-appointment at the forthcoming annual general meeting pursuant to Regulation 36 of the Listing Regulations

| Particulars                                                       | Director                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director                                              | Mrs. Sudha S. Patel                                                                                                                                                                                                                              |
| Age                                                               | 83 years                                                                                                                                                                                                                                         |
| Qualification                                                     | M.S. in Education Psychology from University of Southern California, USA                                                                                                                                                                         |
| Brief Resume / Profile                                            | Mrs. Sudha S. Patel founded Sudha Garments 34 years ago to elevate the status of Indian textiles and garment design, both globally and locally. She is also a devoted philanthropist, actively serving as a trustee of Shrujan Creations, Kutch. |
| Date of first appointment                                         | 16 July 2001                                                                                                                                                                                                                                     |
| Details of proposed remuneration                                  | Sitting Fees                                                                                                                                                                                                                                     |
| Shareholding in the Company                                       | 45,74,720 Equity shares of Rs. 2/- each                                                                                                                                                                                                          |
| Relationship with other Directors / Key Managerial Personnel      | Wife of Mr. Sumant J. Patel<br>Mother of Mr. Krishna S. Patel                                                                                                                                                                                    |
| Number of board meetings attended during financial year 2020-21   | 4                                                                                                                                                                                                                                                |
| Chairperson / Membership of the Board of directors of the Company | <ul style="list-style-type: none"> <li>Chairperson of Stakeholders Relationship Committee</li> <li>Member of Nomination and Remuneration Committee</li> </ul>                                                                                    |
| Other Listed Companies in which she is a director                 | NIL                                                                                                                                                                                                                                              |

**Item No. 4****To consider appointment Mr. Krishna S. Patel as Chairman & Managing Director**

At the fifty ninth Annual General Meeting of the Company held on 08 August 2018 the shareholders, pursuant to the provisions of Sections 196, 197, 198, 203 and such other applicable provisions, if any, of the Companies Act, 2013, accorded their approval through an Ordinary Resolution to the re-appointment of Mr. Krishna S. Patel as the Managing Director of the Company for a period of five (5) years commencing from 01 July 2018 to 30 June 2023, not liable to retire by rotation.

The Board of Directors at their meeting held on 07 February 2020 based on the recommendations of the Nomination and Remuneration Committee, had approved designation of Mr. Krishna S. Patel as Vice Chairman & Managing Director of the Company from 07 February 2020 to 30 June 2023.

Board of Directors unanimously supported the proposal recommended by Nomination and Remuneration Committee and as placed by Executive Chairman Mr. Sumant J. Patel to elevate Mr. Krishna S. Patel to the position of Chairman & Managing Director.

Mr. Krishna S. Patel is a professional in his own right and has a consistent successful track record of high performance in his role as Vice Chairman & Managing Director. He is eminently qualified to run Nesco Limited as Executive Chairman.

On recommendation of Nomination and Remuneration Committee Board also felt that the continued advice and guidance by Mr. Sumant J. Patel to the incoming Chairman Mr. Krishna S. Patel, will be of great value and therefore, Mr. Sumant J. Patel should continue as Executive Director and Chief Mentor of the Company with effect from 15 June 2021 till completion of his tenure.

The Board of Directors at their meeting held on 15 June 2021 based on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Krishna S. Patel as the Chairman & Managing Director of the Company from 15 June 2021 to 30 June 2023 i.e., till completion of his tenure.

The Board of Directors are of the opinion that the appointment of Mr. Krishna S. Patel as the Chairman & Managing Director is in the best interest of the Company and accordingly, recommend the resolution set out in Item No. 4 for approval of the members.

Other than Mr. Krishna S. Patel and his relatives, none of the other Directors, key managerial personnel or their relatives are interested or concerned in the proposed resolution.

**By Order of the Board of Directors**

**Jinal J. Shah**  
**Company Secretary and**  
**Compliance Officer**

**Mumbai, 15 June 2021**

**Registered Office:**  
Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai – 400063.  
CIN No. – L17100MH1946PLC004886

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## “8 Wheel Roller Conveyor Shot Blasting Machine”



Catering by Nesco Foods at an Event in  
Bombay Exhibition Center



India Auto Show 2021 organized by Nesco Exhibitions



Tower 04 of Nesco IT Park



# believe

Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai 400063.  
Maharashtra, India.