

Nesco Hospitality Private Limited

Audited Financial Statements

Financial Year Ended 31 March 2017

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Third Annual Report of the Company together with the audited financial statements of the Company for the year ended 31 March, 2017.

1. Financial Results:

Particulars	2016-2017 (Rs.)	2015-2016 (Rs.)
Income	56,829,691	22,724,524
Profit before depreciation and Tax	71,51,797	1,15,810
Depreciation	0.00	0.00
Profit before taxes	71,51,797	1,15,810
Provision for taxes	18,74,000	0.00
Net Profit after tax for the year	52,77,797	1,15,810
Balance brought forward	(1,185,996)	(1,301,806)
Earnings Per Share	21.11	0.46

2. Dividend:

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

3. Share Capital:

The paid up equity capital as on 31 March, 2017 was Rs. 25,00,000/- . The company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

4. Directors:

There is change in the constitution of the Board of Directors during the year under review. Mr.Krishna S. Patel was appointed as Director wef 25th July, 2016 and Mr Sushil D. Shah resigned as Director wef 9th November, 2016.

5. Board Meetings

Pursuant to Section 134(3)(b), details of board meetings held during the year are given in "Annexure A" of this Board's Report.

During the year 4 Board Meetings were conveyed and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



6. Directors' Responsibility Statement As Required Under Section 134(3)(c) Of The Companies Act, 2013

The Directors state that: -

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation by way of notes to accounts relating to material departures; The Company adopted Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act 2013 (The Act) [the Companies (Indian Accounting Standards) Rules, 2015].
- 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 the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors have taken 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 Directors have prepared the annual accounts on a going concern basis; and
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. Auditors and Audit Report:

Pursuant to the provisions of Section 139 (1) and 141, of the Companies Act, 2013, the Board of Directors ratified the appointment of M/s. Arvind & Co., Chartered Accountants, FRN 100569W Mumbai, for the financial year 2016-17. The Company has received a certificate from the Auditors to the effect that the proposed appointment if made will be in accordance with the limits specified under Section 139(9) of the Companies Act, 2013.

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

8. Public Deposits:

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

9. Safety, Health and Environment:

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



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

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

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

11. Particulars of Loan , Guarantee or Investments :

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

12. Particulars of Employees:

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

13. Extract Of Annual Return

Pursuant to Section 134(3)(a), extract of Annual Return in Form MGT-9 has been annexed to this Report as an "Annexure B".

14. Related Party Transactions/ Subsidiary

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.

15. Foreign exchange earnings and out-go :

During the period under review there was no foreign exchange earnings or out flow.

16. Acknowledgment:

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

For and on behalf of the Board of Directors



Dipesh R. Singhania
Chairman
Mumbai, 15 May 2017

ANNEXURE 'A' TO BOARD'S REPORT

Details of the Board Meeting held during the period under review.

Sr. No	Date of Board Meeting
01	20.05.2016
02	10.08.2016
03	07.11.2016
04	06.02.2017

Name of the Director	No. of Meeting Attended
Mr. Dipesh R. Singhania	04
Mr. Sushil D. Shah	03
Mr. Krishna S. Patel	03



ANNEXURE "B" TO THE BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2016 (till date of the meeting)
[Pursuant to Section 92 (3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : **U55204MH2014PTC260414**
ii) Registration Date : **26/12/2014**
iii) Name of the Company : **Nesco Hospitality Private Limited**
iv) Category / Sub-Category of the Company : **Company Limited by Shares/
Indian Non- Government
Company**
v) Address of the registered office
and contact details : **Hall No 01, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai-
400063.**
vi) Whether listed company Yes / No : **No**
vii) Name, Address and Contact details
of Registrar and Transfer Agent, if any : **N.A.**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

SL. NO.	Name and Description of Main Products/ Services	NIC Code of the Products/ Services	% of total turnover of the Company
1	To carry on business of Kitchens, Food Courts, Food Kiosks, Mass Catering etc,	9961129	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

SL. NO.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associates	% of shares held	Applicable Section
1	Nesco Limited	L17100MH1946PLC004886	Holding	99.96%	186



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category code	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change of the year	
		Demat	Physical	Total	% of total Shares	Dem at	Physical	Total	% of total shares		
(A)	Shareholding of Promoter and Promoter Group ²										
1	Indian	--	---	---	---	-	-	--	--	--	--
a	Individual/Huf	--	100	100	0.04%	-	100	100	0.04%	--	--
b	Central/State Gov	--	--	--	---	-	-	--	--	--	--
c	Bodies Corporates	--	249900	249900	99.96%	-	249900	249900	99.96%	--	--
d	Fins / Banks	--	---	---	---	-	-	--	--	--	--
e	Any Other specify	--	--	--	--	-	-	--	--	--	--
e-1										--	--
e-2										--	--
										--	--
	Sub Total(A)(1)	-	250000	250000	100%	-	250000	250000	100%	--	---
										--	--
2	Foreign	--	--	--	--	-	-	--	--	--	--
a	Indv NRI/For Ind	--	--	--	--	-	-	--	--	--	--
b	Bodies Corporate	--	--	--	--	-	-	--	--	--	--
c	Institutions	--	--	--	--	-	-	--	--	--	--
d	Qualified For.Inv.	--	--	--	--	-	-	--	--	--	--
e	Any Other Specify	--	--	--	--	-	-	--	--	--	--
e-1		--	--	--	--	-	-	--	--	--	--
e-2										--	--
										--	--

	Sub Total(A)(2)	--	--	--	--	-	-	--	--	--	--
										--	--
	Total Shareholding of Promoter and Promoter Group Total (A)= (A)(1)+(A)(2)									--	--
										--	--
(B)	Public shareholding	--	--	--	--	-	-	--	--	--	--
1	Institutions	--	--	--	--	-	-	--	--	--	--
a	Mutual Funds	--	--	--	--	-	-	--	--	--	--
b	Fins / Banks	--	--	--	--	-	-	--	--	--	--
c	Central/State Govt	--	--	--	--	-	-	--	--	--	--
d	Venture Cap Fund	--	--	--	--	-	-	--	--	--	--
e	Insurance Comp(s)	--	--	--	--	-	-	--	--	--	--
f	Foreign Ins Invest	--	--	--	--	-	-	--	--	--	--
g	Foreign Ven Cap In	--	--	--	--	-	-	--	--	--	--
h	Qualified For.Inv.	--	--	--	--	-	-	--	--	--	--
i	Any Other - Specify	--	--	--	--	-	-	--	--	--	--
i-1										--	--
i-2										--	--
										--	--
	Sub-Total (B)(1)									--	--
										--	--
B 2	Non- institutions	--	--	--	--	--	-	--	--	--	--
a	Bodies Corporates	--	--	--	--	-	-	--	--	--	--
b	Individuals	--	--	--	--	-	-	--	--	--	--
	i) upto Rs 1- Lac	--	--	--	--	-	-	--	--	--	--
	ii) above Rs1-Lac	--	--	--	--	--	-	--	--	--	--
c	Qualified For.Inv.	--	--	--	--	-	-	--	--	--	--
d	Any Other - Clr-Mem	--	--	--	--	-	-	--	--	--	--
d-1										--	--
d-2										--	--
	-OCB	--	--	--	--	-	-	--	--	--	--
	-NRI	--	--	--	--	-	-	--	--	--	--
										--	--
	Sub-Total (B)(2)	--	--	--	--	-	-	--	--	--	--



										--	--
(B)	Total (B)= (B)(1)+(B)(2)									--	--
										--	--
	TOTAL (A)+(B)	-	250000	25000	100%	-	250000	250000	100%	--	--
										--	--
(C)	Held by Custodians against Depository Receipts	--	-	--	-	--	-	--	-	--	--
	PROMOTER & PRO GRP	--	-	--	-	-	-	--	-	--	--
	PUBLIC	--	-	--	-	-	-	--	-	--	--
										--	--
	GRAND TOTAL (A)+(B)+(C)	-	250000	250000	100%	-	250000	250000	100%	--	--

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the holding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1	Nesco Limited	249900	99.96 %	--	249900	99.96%	--	--
2	Dipesh R. Singhania	100	0.04 %	--	100	0.04%	--	--
	Total	250000	100 %	--	250000	100%	--	--

(iii) Change in Promoters' Shareholding (please specify, if there is no change : **N.A.**)



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): **N.A.**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: **N.A.**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **N.A.**

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Dipesh R. Singhania	Mr. Krishna S. Patel	Mr. Sushil D. Shah	
1.	Fees for attending Committee/ Board Meeting Commission Others	NIL	NIL	NIL	NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: N.A.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.





INDEPENDENT AUDITOR'S REPORT

To
The Members of
Nesco Hospitality Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Nesco Hospitality Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued thereunder. 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



[2]

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the Company as at March 31, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 paragraph 3 and 4 of the order.
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.



[3]

- (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, the cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the company does not have any pending litigations.
 - (ii) there are no long-term contracts including derivative contracts and;
 - (iii) there is no amount required to be transferred, to the Investor Education and Protection Fund by the Company
 - (iv) the Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note 15 to the standalone Ind AS financial statements.



Place: Mumbai
Date: 15 May 2017

For ARVIND & COMPANY
Chartered Accountants
Firm Reg. No. 100569W


[Gaurang A. Patel]
Partner
M. No. 036700



ARVIND I. PATEL B.Com., F.C.A.
GAURANG A. PATEL B.Com., (Hons) F.C.A.

ARVIND & COMPANY
CHARTERED ACCOUNTANTS

2, Union Co-op. Insurance Bldg., First Floor,
23, Sir P. M. Road, Fort, Mumbai - 400 001
Tel. : 022-2287 4841 / 2282 6827
Fax : 022-6633 2472

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the period ended 31 March 2017, we report that:

- i. The company does not have any fixed assets and accordingly sub clause (a) and (b) are not applicable;
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships (LLP) or other parties* covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the order are not applicable to the Company.
- iv. The Company has not given loan to directors & the company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions stated in paragraph 3 (iv) of the order are not applicable to the Company.
- v. The Company has not accepted any deposits from public during the year and there are no amounts outstanding which are in the nature of deposits with the provisions of section 73 to 76 of the Companies Act, 2013 as on 31st March, 2017.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the order are not applicable to the Company.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

According to the information and explanation given to us, no undisputed amounts are payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which were applicable to it were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.



[2]

(b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. 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. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees during the course of our audit.
- xi. The Company has not paid managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii. The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. The Company does not have transactions with the related parties with respect to sections 177 and 188 of the Act. Accordingly, paragraph 3(xiii) of the Order is not applicable.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.



Place: Mumbai
Date: 15 May 2017

For ARVIND & COMPANY
Chartered Accountants
Firm Reg No. 100569W


[Gaurang A. Patel]
Partner
M. No. 036700

Nesco Hospitality Private Limited
Balance Sheet

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Non-current assets				
Fixed Assets-Tangible Assets		-	-	-
Total Non-Current Assets		-	-	-
Current assets				
(a) Inventories		808,436	504,735	228,604
(b) Financial Assets				
(i) Trade and other receivables	1	9,985,597	2,456,583	609,940
(ii) Cash and cash equivalents	2	9,044,141	2,574,258	1,910,231
(c) Other Current Assets		362,545	91,651	-
Total Current Assets		20,200,719	5,627,227	2,748,775
Total - Assets		20,200,719	5,627,227	2,748,775
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	3	2,500,000	2,500,000	2,500,000
(b) Other Equity				
(i) Retained Earnings		4,091,798	-1,185,996	-1,301,806
Total Equity		6,591,798	1,314,004	1,198,194
Non-current liabilities		-	-	-
Total Non-current Liabilities		-	-	-
Current liabilities				
(a) Financial Liabilities				
(i) Trade and other payables		8,401,548	2,800,993	1,084,314
(ii) Other financial liabilities	4	3,169,141	847,737	-
(b) Other current liabilities	5	1,056,380	664,493	466,267
(c) Liabilities for Current Tax (Net)		981,852	-	-
Total Current Liabilities		13,608,921	4,313,223	1,550,581
Total - Liabilities		20,200,719	5,627,227	2,748,775

As per our report of even date

For and on behalf of the Board

For Arvind & Co.
Chartered Accountants

Gaurang A. Patel
Partner
Membership No. 036700
Firm Registration No. 100569W
Mumbai, 15 May 2017



Dipesh R. Singhania
Director

Krishna S. Patel
Director

Mumbai, 15 May 2017

Nesco Hospitality Private Limited
Statement of Profit and loss

Particulars	Notes	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Continuing Operations			
Revenue from operations			
Sale of goods (including excise duty)		56,829,693	22,274,524
Total Revenue		56,829,693	22,274,524
Expenses			
Cost of raw materials consumed	6	25,276,371	9,598,089
Employee benefits expense	7	15,143,338	8,447,439
Other expenses	8	9,113,524	4,107,334
Finance costs		144,663	5,852
Total expenses		49,677,896	22,158,714
Profit before exceptional items and tax		7,151,797	115,810
Exceptional items		-	-
Profit before tax from continuing operations		7,151,797	115,810
Income Tax expense			
(1) Current tax		1,874,000	-
(2) Deferred tax		-	-
Total tax expense		1,874,000	-
Profit from continuing operations		5,277,797	115,810

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

Gaurang A. Patel
Partner
Membership No. 036700
Firm Registration No. 100569W
Mumbai, 15 May 2017



For and on behalf of the Board

Dipesh R. Singhania
Director

Krishna S. Patel
Director

Mumbai, 15 May 2017



Nesco Hospitality Private Limited
Notes Forming part of the Financial Statements

Particulars		As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
1	Financial Assets			
	Trade Receivables (unsecured, considered good, others)	9,985,597	2,456,583	609,940
		9,985,597	2,456,583	609,940
2	Cash and Bank Balances			
	Balances with Scheduled banks - Current Account	9,044,141	2,574,258	1,910,231
3	Share Capital			
	Authorised			
	250,000 Equity Shares of Rs. 10 each	2,500,000	2,500,000	2,500,000
	Issued and Paid-up			
	250,000 Equity Shares of Rs. 10 each	2,500,000	2,500,000	2,500,000
		2,500,000	2,500,000	2,500,000
	<u>Details of Shareholders holding more than 5% Equity Shares</u>			
	Nesco Limited	No. of Shares	249,900	249,900
		% of Holding	100%	100%
	<u>Reconciliation of number of shares outstanding</u>			
	Issued on incorporation for the Company	250,000	250,000	250,000
	Outstanding at the end of the year	250,000	250,000	250,000
	<u>Terms / Rights Attached to Equity Shares</u>			
	The company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing annual general meeting.			
4	Other Financial Liabilities			
	Salary / wages payable	-	307,853	-
	Security deposits	1,350,000	-	-
	Other payable	1,819,141	539,884	466,267
		3,169,141	847,737	466,267
5	Other Current Liabilities			
	Statutory dues	1,056,380	664,493	-



Nesco Hospitality Private Limited
Notes Forming part of the Financial Statements

	Year Ended on 31 March 2017	Year ended on 31 March 2016
6 Food and Beverages Consumed		
Opening Stock	504,735	228,604
Add : Purchases	25,580,072	9,874,220
Less: Closing Stock	808,436	504,735
	25,276,371	9,598,089
7 Employee Benefits expenses		
Salary, wages and allowances	14,895,931	8,231,879
Contribution to provident and other funds	249,807	215,560
	15,145,738	8,447,439
8 Other expenses		
Audit Fees	110,000	50,000
Legal & professional Charges	2,502,022	587,809
Electricity expenses	1,880,436	1,651,264
Repairs & maintenance	2,106,589	671,744
Printing & stationary	274,090	259,872
Rent, rates & taxes	779,411	85,630
Sundry balances written off	253,552	-
Other miscellaneous expenses	1,207,424	801,015
	9,113,524	4,107,334



Nesco Hospitality Private Limited
Cash Flow Statement

Particulars	As at 31 March 2017	As at 31 March 2016
Net Profit before tax and extraordinary items	7,151,797	115,810
Add / Less:		
Finance cost	144,663	5,852
Operating loss before working capital changes	7,296,460	121,662
Add / Less:		
(Increase) / Decrease in Inventory	(303,701)	(276,131)
(Increase) / Decrease in Trade & receivables	(6,818,059)	(1,846,643)
Increase / (Decrease) in Trade and other payables	6,439,846	2,670,991
A Cash Flow from operating activities	6,614,546	669,879
Finance cost	(144,663)	(5,852)
B Net Cash Flow from financing activities	(144,663)	(5,852)
Net Increase / (Decrease) in Cash / Cash Equivalents	6,469,883	664,027
Cash / Cash equivalents at beginning of the year	2,574,258	1,910,231
Cash / Cash equivalents at the end of the year	9,044,141	2,574,258

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

Gaurang A. Patel
Partner

Membership No. 036700
Firm Registration No. 100569W
Mumbai, 15 May 2017



Dipesh R. Singhania
Director

For and on behalf of the Board

Krishna S. Patel
Director

Mumbai, 15 May 2017

9) Earnings per share:

Particulars	2016-2017	2015-2016
a) Profit / (Loss) after tax (Rs.)	52,77,797	1,15,810
b) Number of equity shares outstanding	2,50,000	2,50,000
c) Face value of each equity share (Rs.)	10	10
d) Basic and diluted earnings per share (Rs.)	21.11	0.46

10) Related party disclosures:

(a) List of related parties and relationships

Parent / Holding Company	(i)	Nesco Limited
Key management personnel	(i)	Mr. Krishna S. Patel (wef 27 July, 2016)
	(ii)	Mr. Dipesh R. Singhania - Director

(b) Related party transactions:

Particulars	2016-2017	2015-2016
Incorporation Expenses		
- Paid by Nesco Limited and payable to them	-	245,066

11) Previous year figures are regrouped wherever necessary.

12) Details of SBNs held and transacted during the period 08/11/2016 to 30/11/2016 is as under

Particulars	SBNs	Other Denomination notes	Total
Closing Cash in Hand as on 08.11.2016	2,782,000	18,500	2,800,500
(+) Permitted Receipts	-	2,884,575	2,884,575
(-) Permitted Payments	-	209,223	209,223
(-) Amount deposited in Banks	2,782,000	1,803,275	4,585,275
Closing Cash in Hand as on 30.12.2016	-	890,577	890,577

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

14) Segment information

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

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

Gaurang A. Patel
Partner
Membership No. 036700
Firm Registration No. 100569W
Mumbai, 15 May 2017

For and on behalf of the Board

Dipesh R Singhania
Director

Krishna S Patel
Director

Mumbai, 15 May 2017

Statement of significant accounting policies and practices

A. Corporate Information

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

B. Basis of preparation :- Compliance with Ind AS

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

These Financial Statements are the Company's first Ind AS Financial Statements and are covered by Ind AS 101, 'First-time adoption of Indian Accounting Standards' under Ind AS.

For all periods up to and including the year ended March 31, 2016, the Company has prepared its Financial Statements in accordance with Indian GAAP, including Accounting Standards (AS) notified under the Companies (Accounting Standards) Rules, 2006 (as amended), and other relevant provisions of the Act, which is considered as "Previous GAAP".

C. Revenue recognition

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

D. Inventories

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

E. Employee benefits

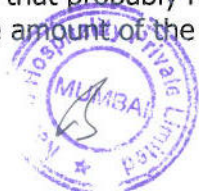
- i. Short term employee benefits payable within twelve months of rendering the service are classified as short term employee benefits and they are recognised as an expense in the statement of profit and loss.
- ii. Post employment and other long term employee benefits are recognised as an expense in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

F. Trade receivables

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

G. Provisions and contingencies

The company creates a provision when there exists a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there



is a possible obligation or a present obligation that may, but probably will not require an outflow of resources, when there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

H. Cash and cash equivalents

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

