



NESCO LIMITED
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Goregaon (East)
Mumbai 400 063

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20 July 2020

BSE Limited
Department of Corporate Services
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

National Stock Exchange of India Limited
5th Floor, Exchange Plaza,
Bandra Kurla Complex,
Bandra (East).
Mumbai - 400 051.

Ref : 505355

Ref : NESCO

Sub : Annual Report of the Company for the financial year 2019-20

Dear Sir,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice convening the 61st Annual General Meeting (AGM) along with the Annual Report of the Company for the financial year 2019-20.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2019-20 has been sent to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s).

The Notice of AGM along with the Annual Report for the financial year 2019-20 is also available on the website of the Company.

This is for your information and record.

Thanking you

Yours faithfully,

For Nesco Limited

Jinal J. Shah
Company Secretary and
Compliance Officer

Encl : As above

61st Annual Report

nesco

2019 - 20

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Notice

Board of Directors

Mr. Sumant J. Patel	Executive Chairman
Mr. Krishna S. Patel	Vice Chairman and Managing Director
Mr. Mahendra K. Chouhan	Independent Director
Mrs. Sudha S. Patel	Non-Executive Director
Mr. Jai S. Diwanji	Independent Director
Mr. K. S. Srinivasa Murty	Independent Director
Mr. Manu M. Parpia	Independent Director
Mrs. Amrita Verma Chowdhury	Independent Director

Auditors

Manubhai & Shah LLP
Chartered Accountants

Banker

HDFC Bank Limited

Registered Office

Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai 400 063.
CIN: L17100MH1946PLC004886
Email: companysecretary@nesco.in Web: www.nesco.in
Tel: 022 66450123 Fax: 022 66450101

Branch Offices

New Delhi LB-18, Ansal Bhawan, 16, K G Marg, New Delhi 110 001	Kolkata Benoy Bhavan, Camac Street, Kolkata 700 016	Chennai Fagun Mansion, 2nd Floor, No. 26, Ethiraj Salai, Chennai - 600 105
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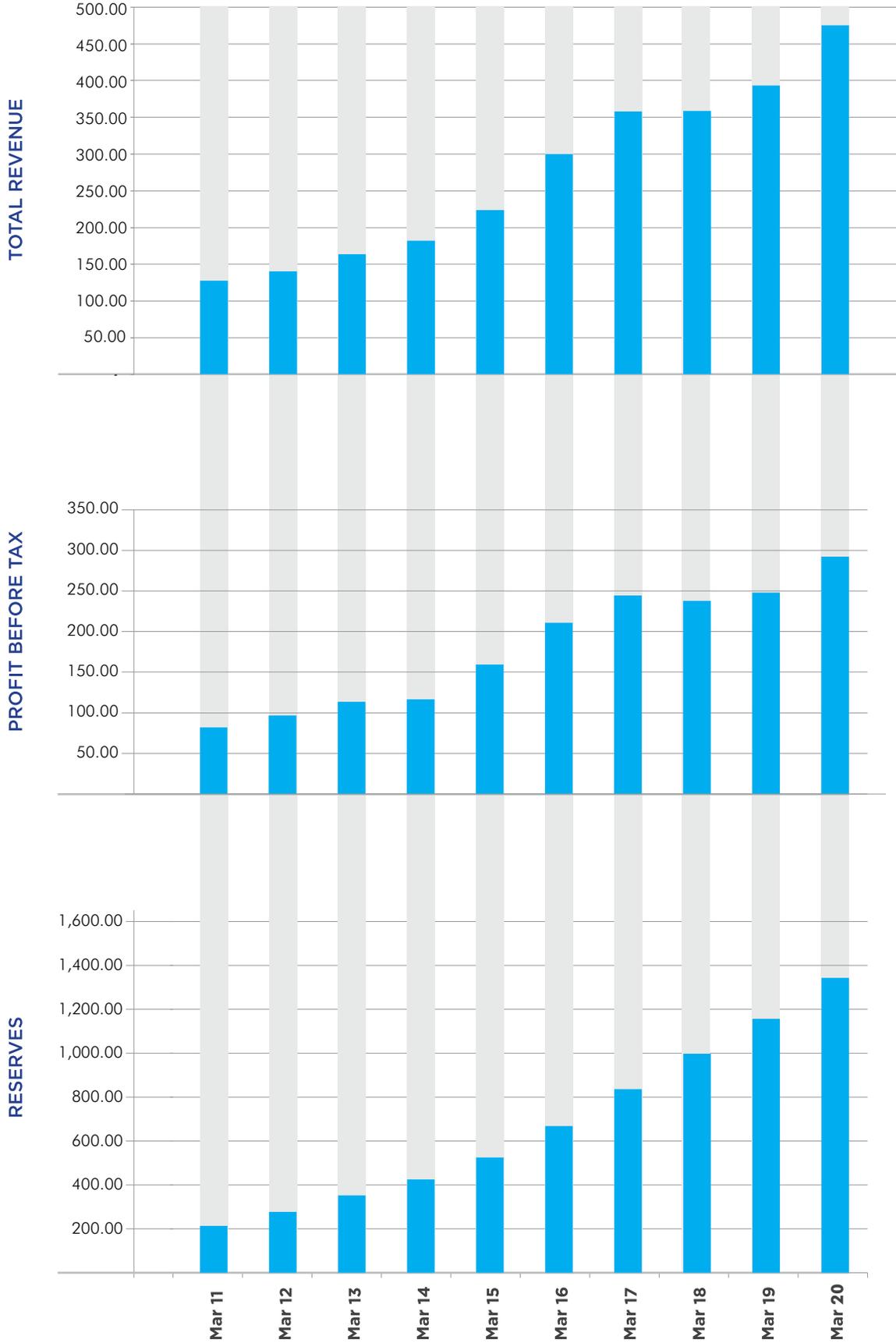
Plants

Karamsad Anand Sojitra Road, Karamsad, Gujarat 388 325	Vishnoli Nadiad Petlad Road, Vishnoli, Gujarat 388 130
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Registrar and Share Transfer Agents

Sharex Dynamic (India) Private Limited

Figures - Rs. Crores



REPORT OF BOARD OF DIRECTORS

Dear Members,

Your Directors have pleasure in presenting 61st annual report of your Company for the financial year ended 31 March 2020.

1. Financial Results:

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Income	47,427.87	39,266.43	47,411.83	39,206.18
Profit before depreciation and tax	31,472.30	25,976.83	31,465.91	25,956.19
Depreciation	2,243.77	1,187.38	2,243.76	1,187.38
Profit Before Taxes	29,228.53	24,789.45	29,222.15	24,768.81
Tax Expenses	5,839.52	6,746.64	5,843.15	6,750.56
Net Profit after Taxes	23,389.01	18,042.81	23,379.00	18,018.25
Opening Balance of Retained Earnings	50.00	50.00	50.00	50.00
Amount available for appropriations:	23,427.75	18,076.85	23,417.74	18,052.18
Appropriations:				
1. Dividend	3,875.33	1,620.60	3,875.33	1,620.60
2. Tax on Dividend	796.58	333.12	796.58	333.12
3. Transfer to General Reserve	18,705.84	16,073.13	18,695.83	16,048.48
Closing Balance of Retained Earnings	50.00	50.00	50.00	50.00
Earning Per Share (Basic) (in ₹)	33.19	25.61	33.18	25.57
Earning Per Share (Diluted) (in ₹)	33.19	25.61	33.18	25.57

2. Review of Operations:

Your Company achieved a consolidated turnover of ₹ 47,427.87 lakhs as compared to previous year consolidated turnover of ₹ 39,266.43 lakhs.

Consolidated profit before tax was higher at ₹ 29,228.53 lakhs as compared to ₹ 24,789.45 lakhs in the year 2018-19.

Consolidated earnings per share amounted to ₹ 33.19 (previous year ₹ 25.61). Company's reserves were ₹ 1,34,338.59 lakhs (previous year ₹ 1,15,638.34 lakhs).

3. Dividend:

Board of Directors has decided that interim dividend of 150% amounting to ₹ 3 per equity share of ₹ 2 each for the financial year ended 31 March 2020 be confirmed as final dividend 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.

4. Management Discussion and Analysis:

Company has four business verticals:

i) Nesco IT Park:

During the year, revenue from IT Park was ₹ 21,416.82 lakhs (previous year ₹ 13,696.98 lakhs).

Construction of Tower 04 is now completed. The building is Platinum rated for Core & Shell under the LEED India rating system by the Indian Green Building Council. Tower 03 is fully occupied. Hall 3 provides Incubation Centre facility; and a Child Care Centre for children of employees working in Nesco Center.

Opportunities and Threats

Goregoan East is a preferred location and demand for IT space is expected to rise in the years to come from MNCs, Banks, etc. At the same time several new buildings and more Business Parks are coming up to meet the growing demand.

Capital Expenditure and Expansion Plan

Having completed two IT Towers, the Company is going forward to construct third Tower. Designs are being made by Singapore Based Architects – Aedas Pte Limited and size will be about 4.6 million sq. ft. which includes office space, hotel, car parking, other amenities and support areas. Civil work is expected to start in FY 2021-22.

Company also undertook major refurbishment towards lift lobby areas, other facilities & common areas in existing Tower 03.

ii) Bombay Exhibition Centre:

- a. Guest Exhibitions and Events:** During the year 128 guest exhibitions and events were held in our Centre, out of which 18 were new organizers. Some of our new shows include exhibitions held by UBM India, Divergent Media India, Powerloom Development & EPC, Taipie WTC Liaison, Messe Dusseldorf India.

Income from the Exhibition Centre for the year was ₹ 15,860.11 lakhs compared to ₹ 15,730.24 lakhs in the previous year.

Bombay Exhibition Centre continues to bring more visitors to Mumbai than any other venue and is spread over six air-conditioned halls.

Since 23 March 2020, in view of the lockdown to control the COVID-19 pandemic, several exhibitions have been either postponed or cancelled. This has not significantly impacted performance of financial year 2019-20. However, impact on our business would depend on future developments and the Company will closely monitor the situation.

Opportunities and Threats

Mumbai being the commercial capital of India, is a preferred venue. Number of exhibitions organized by foreign and local organizers are increasing. Bombay Exhibition Centre is confident of growth in years to come.

Capital Expenditure and Expansion Plan

Bombay Exhibition Centre is considering plans for building new Halls.

b. Nesco Events: During the year two events were organized by the Company.

Rangilo Re:

Rangilo Re, started in 2017 has become one of the top 5 Navratri destinations of Mumbai. Rangilo Re showcases varied dances from the various parts of Gujarat and the best of Gujarati cuisine in one stupendous setting. This event is organized in an indoor air-conditioned hall to celebrate Navratri festival on a scale and size unparalleled in the city of Mumbai.

Paddy Fields:

Paddy Fields is a unique initiative, the only folk and fusion revival festival in India. It is an exclusive event that recognizes and celebrates the beauty of folk music and proposes to recreate that magic through talented artists from across rural and urban India. Started in 2016, the festival distinguishes itself by making popular artists come out of their comfort zone and make music with the strands of folk tradition for lovers of this genre.

Opportunities and Threats

There is an opportunity of potential strategic tie-ups with third party as partners, wherein the benefits could range from revenues to brand building and increased footfalls to the venue.

Competition from new venues coming up in the city is a possibility.

c. Nesco Exhibitions: A new division – Nesco Exhibitions - organizes its own exhibitions.

During the financial year 2019-20, Company had successfully organized five exhibitions including India Auto Show; Machine Tools, Manufacturing and Technology Expo; Hobby & Lifestyle; Edutech India and Arogya Fest. Nesco's own exhibitions and events will increase the Halls occupancy.

Opportunities and Threats

In Nesco Exhibitions, we work on new topics. Getting exhibitors, visitors and the Government on one single platform is the biggest opportunity.

Exhibitions is a competitive industry, with foreign and Indian organisers, who are active in India for many years.

iii) Nesco Foods:

Income for the year from the foods division was ₹ 3,568.82 lakhs as compared to ₹ 3,413.19 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.

Opportunities and Threats

This Division has multiple channels of revenues through various segments: Corporate, Social and MICE. As number of exhibitions grow, Nesco Foods revenue also grow.

Capital Expenditure and Expansion Plan

Nesco Foods continued its expansion by adding a new cafeteria in Hall 06 and Dining Bay in Hall 03 during the year 2019-20. The division further diversified by adding a premium lounge/bar "Dress Circle" towards the end of the year in Nesco Centre. The total expenditure was about ₹ 350 lakhs.

Plans for 2020-21 include adding new restaurants such as Hard Rock Café, Shiro, California Pizza Kitchen amongst others and new food courts within the premises of Tower 04. The Company is also exploring options for adding a new "Pan-Asian" restaurant in Tower 03.

iv) Indabrator:

During the year under review, income from Indabrator was ₹ 2,327.43 lakhs as compared to ₹ 3,253.65 lakhs during the previous year.

Opportunities and Threats

Indabrator is pioneer in India in this product range, with capability of handling large projects, integrated manufacturing set-up under one roof, with large number of installations. Spares and abrasives are recurring business.

Capital Expenditure and Expansion Plan

Indabrator has completed capacity expansion of its Abrasive plant at Karamsad in November 2019. Capacity of the new Abrasive plant is 2400 MT per annum. Further expansion is under consideration.

v) Investment Income:

Income from investments was ₹ 4,254.69 lakhs (previous year ₹ 3,172.36 lakhs).

5. Internal Audit Systems:

- a. 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 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.
- b. During the year, the Company has completed implementation process of integrated SAP S4 HANA software System covering all the segments of the Company. The modules implemented includes Manufacturing Module (MM), Finance & Costing (FICO), Business Solution Module and Office Solution module. This will help in further strengthening of Internal Financial Control System.

6. Finance:

Your Company had no debt as on 31 March 2020. Company's liquid resources (fixed maturity plans, mutual funds, cash and bank balances) increased by 27.33% to ₹ 68,566.60 lakhs from ₹ 53,851.11 lakhs.

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

7. Corporate Social Responsibility:

Your Company has undertaken various projects during the year in the field of promotion of Education, Health Care, Safe Drinking water and Women Empowerment.

The Company is evaluating and will take up more CSR activities in different areas. Annual report on CSR activities is set out in "Annexure A" attached to this report.

8. 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. Krishna S. Patel, Managing Director was also appointed as Vice Chairman of the Company with effect from 07 February 2020.

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

9. 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 evaluation of all 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.

10. 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 Company has shown all the Independent Directors Company's business and manufacturing activities and were also introduced to Company's staff.

11. 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.

12. 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 six 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 07 February 2020.

13. Policy on Directors appointment and Remuneration and other details:

Company's policy on Directors appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in Corporate Governance report, which forms part of this annual report.

14. 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 2020, 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. 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 2020 and of the profit and loss of the Company for the financial year ended 31 March 2020;
- 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. 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.

15. Auditors:

a. Statutory Audit and Auditors Report:

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 has 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.

Auditors Report for the financial year 2019-20, 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 24 May 2019, 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 2019-20.

Secretarial Audit Report for the financial year 2019-20 is annexed herewith as “Annexure B.” The Secretarial Auditors Report does not contain any qualification, reservation or adverse remark.

16. Particulars of Loans, Guarantees and Investments:

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.

17. Vigil Mechanism/Whistle Blower Policy:

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.

18. 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.

19. 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.

20. 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.

21. Extract of Annual Return:

Pursuant to Section 134(3)(a), extract of annual return in form MGT- 9 has been annexed herewith as “Annexure C”.

22. Particulars of Employees:

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 D.”

23. 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 equipment, which are reducing power consumption by over 20%.

Tower 04 of Nesco IT Park whose construction was completed during the year as a Green Building with LED lightings, energy efficient designs, use of latest power saving techniques and equipments, sustainable site selection, etc. will further lead to energy conservation.

The Company’s foreign exchange earnings during the year was ₹ 348.91 lakhs and outgo during the year was ₹ 327.66 lakhs.

24. Subsidiaries:

a. Nesco Foundation for Innovation and Development:

Nesco Foundation for Innovation and Development was incorporated on 09 October 2019 as a wholly owned subsidiary of the Company under Section 8.

Nesco Foundation has commissioned Nesco Incubation Centre which is located at Indabrator’s Karamsad premises. Goal of the Nesco Incubation Centre is to develop new entrepreneurs.

Nesco Foundation is also in process of obtaining registration under Section 80G and Section 12AA of the Income Tax Act, 1961.

b. Nesco Hospitality Private Limited:

A wholly owned subsidiary of your Company earlier 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 forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013.

25. Related Party Transactions:

During the financial year 2019-20, 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 arms 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 E" to this Report.

26. 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.

27. Business Responsibility Report:

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

28. 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).

29. Consolidated Financial Statements:

The consolidated financial statements of the Company are prepared in accordance with applicable Ind AS notified by Ministry of Corporate Affairs and form part of this annual report.

30. Impact of COVID-19 Pandemic:

Coronavirus / COVID-19 pandemic being of global concern, we, at Nesco are committed to doing all we can to protect the health and wellbeing of our colleagues, support staff, clients and the communities in which we live and work. Accordingly, our Registered and Corporate Office along with our Exhibition Centre were completely closed with effect from 25 March 2020.

Due to closure of Exhibition Centre, few exhibitions which were scheduled to be held between 25 March 2020 to 31 March 2020 were postponed to a future date. This has also impacted our Foods division where majority of the clients are the exhibition organisers, exhibitors and visitors. COVID-19 has also impacted Indabrator division which could not dispatch large value of ready equipments.

Five Exhibition Halls have been provided to the Municipal Corporation of Greater Mumbai (MCGM) as we continue to fight the COVID – 19.

Nesco Foods Division is providing food to organizations catering to the needy people at different places.

31. 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

Mumbai
19 May 2020

Report on Corporate Social Responsibility Activities

Nesco's Corporate Social Responsibility (CSR) policy is aimed at demonstrating care for the community through its focus on education & skill development and health & wellness. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

Composition of CSR Committee:	Mr. Sumant J. Patel	Chairman
	Mr. Mahendra K. Chouhan	Member
	Mr. Jai S. Diwanji	Member
	Mr. Krishna S. Patel	Member

Average Net Profit of the Company for Last Three Financial Years:

Average Net Profit: ₹ 24,216.91 lakhs

Prescribed CSR Expenditure (two percent of the amount as in item above)

The Company is required to spend ₹ 484.34 lakhs towards CSR

Details of CSR spend for financial year 2019-20

- i) Total amount spent for the financial year: ₹ 501.09 lakhs
 ii) Amount unspent, if any: NIL

Manner in which the amount spent during the financial year is detailed below:

(₹ in lakhs)

CSR projects / activities	Sector in which the Project is covered	Location where Project is undertaken (Local Area / District)	Amount outlay Project or program wise	Amount spent on the projects or programs		Cumulative Expenditure up to the Reporting period	Amount spent: Direct or through Implementing agency
				Direct Expenditure	Over Heads		
Safe drinking water: Construction of water tanks for drinking water	Access to safe drinking water	Karamsad and Vishnoli, Gujarat	255.20	253.18	3.00	256.18	Through Implementing Agency – Karamsad Kelavani Mandal and Shree Santram Samaj Seva Trust
Access to higher education: Construction of a school ground and development of smart classes	Promoting Education	Karamsad, Gujarat	213.32	175.92	9.57	185.49	Through Implementing Agency – Karamsad Kelavani Mandal and Shree Santram Samaj Seva Trust
Promoting special education: Development of smart classes	Promoting Education	Tarapur, Gujarat	5.60	5.60	--	5.60	Through Implementing Agency – Tarapur Kelavani Mandal
Supporting formation of Incubation Centre	Promoting Employment	Karamsad, Gujarat	13.27	13.27	--	13.27	Through Implementing Agency – Karamsad Kelavani Mandal and Nesco Foundation for Innovation and Development
Contribution to Gaushala	Animal Welfare	Malwada, Rajasthan	15.00	15.00	--	15.00	Through Implementing Agency – Sanghvi Kankubai Vardichandji Gauri Gaushala
Contribution towards Women Empowerment	Enhancing Vocational skills and women empowerment	Kutch, Rajasthan	25.00	25.00	--	25.00	Through Implementing Agency – Shrujan Trust
Contribution towards Cancer Cure Unit	Promoting Health Care including preventive Health	Mumbai, Maharashtra	0.55	0.55	--	0.55	Through Implementing Agency – HDFC Mutual Funds
		Total	527.94	488.52	12.57	501.09	

Sumant J. Patel
 Chairman, CSR Committee
 DIN: 00186976

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

Mumbai
 19 May 2020

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

[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 Center,
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 2020 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 2020 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) 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)**
- (vi) 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. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act and the revised regulation of LODR.

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 Company has passed special resolution through postal ballot for merger of its wholly owned subsidiary M/s. Nesco Hospitality Private Limited with the holding Company (Nesco Limited). The further process in compliance with the Act is in process.

We further report that during the audit period, the Company has also incorporated a new 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. My responsibility is to express an opinion on these secretarial records based on my 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.

Mumbai
19 May 2020
UDIN: F003262B000257560

For ND & Associates

Neeta H. Desai
Practicing Company Secretary
COP No. 4741

Extract of Annual Return

As on the financial year ended 31 March 2020 (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:

- | | | | |
|----|---|---|---|
| 1. | CIN | : | L17100MH1946PLC004886 |
| 2. | Registration Date | : | 15 April 1946 |
| 3. | Name of the Company | : | NESCO LIMITED |
| 4. | Category / Sub-Category of the Company | : | Company Limited by Shares / Indian Non-Government Company |
| 5. | Address of the registered office and contact details | : | Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400 063.
Tel: 022 66450123, Fax : 022 66450101
Email: companysecretary@nesco.in,
Website: www.nesco.in |
| 6. | Whether listed company Yes / No | : | Yes |
| 7. | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | Sharex Dynamic (India) Private Limited
C - 101, 247 Park, LBS Marg, Vikhroli (West),
Mumbai – 400083.
Tel: 022 28515606 / 28515644
Fax: +91 22 28512885
Email: support@sharexindia.com
Website: www.sharexindia.com |

II. Principal Business Activities of The Company:

Sr. No.	Name and Description of Main Products/ Services	NIC/NPCS Code of the Products/ Services	% of total turnover of the Company
1	IT Park (to build private IT park and to provide space on license basis)	99531223 Office Buildings	45.16%
2	Exhibition and Convention Centre (provide space to trade fairs, exhibitions, conventions and conferences)	99531222 for Exhibition Centre	33.44%
3	Manufacture of machinery, equipment and capital goods (in the surface preparation and allied segments)	99611881 for machinery for metallurgy and parts of thereof 99611889 for other special purpose machinery n.e.c.	4.91%
4	Foods (To carry on business of Kitchens, Food Courts, Food Kiosks, Mass Catering, etc.	9961129 for food products n.e.c.	7.52%
5	Investments (Invest funds in Mutual Funds and securities)	---	8.97%

III. Particulars of Holding, Subsidiary and Associate Companies –

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associates	% of shares held	Applicable Section
1	Nesco Hospitality Private Limited	U55204MH2014PTC260414	Wholly Owned Subsidiary	100	2(87)
2	Nesco Foundation for Innovation and Development	U85320MH2019NPL331463	Wholly Owned Subsidiary	100	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding: As per “Annexure F”****ii) Shareholding of Promoters**

Sr. No.	Shareholder's 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	Chandler & Price India Pvt. Ltd.	1,94,49,842	27.60	---	1,94,61,542	27.62	---	0.02
2	S. J. Patel	90,07,335	12.78	---	88,67,335	12.58	---	-0.20
3	Patel Consultancy Services Private Limited	52,58,000	7.46	---	53,35,500	7.57	---	0.11
4	Sudhaben Sumant Patel	45,74,720	6.49	---	45,74,720	6.49	---	0.00
5	Engineering Global Pte Limited	44,72,000	6.35	---	44,72,000	6.35	---	0.00
6	S J Patel (HUF)	31,63,640	4.49	---	31,63,640	4.49	---	0.00
7	Krishna Sumant Patel	21,25,400	3.02	---	21,25,400	3.02	---	0.00
8	Master Aarav Krishna Patel	---	---	---	1,40,000	0.20	---	0.20
	Total	4,80,50,937	68.19	---	4,81,40,137	68.32	---	0.13

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% of total Shares of the Company
		No. of Shares at the beginning of the Year	% of the Shares of the Company	Date	Increase/Decrease in shareholding	Reason	No. of shares	
1	Chandler & Price India Pvt. Ltd.							
	At the beginning of the year	1,94,49,842	27.60	01-04-2019				
				07-06-2019	(3,400)	Sell	1,94,46,442	27.60
				27-03-2020	15,100	Buy	1,94,61,542	27.62
	At the end of the year			31-03-2020			1,94,61,542	27.62
2	S J Patel							
	At the beginning of the year	90,07,335	12.78	01-04-2019				
				21-02-2020	(1,40,000)	Given as Gift	88,67,335	12.58
	At the end of the year			31-03-2020			88,67,335	12.58
3	Patel Consultancy Services Private Limited							
	At the beginning of the year	52,58,000	7.46	01-04-2019				
				27-03-2020	38,314	Buy	52,96,314	7.52
				31-03-2020	39,186	Buy	53,35,500	7.57
	At the end of the year			31-03-2020			53,35,500	7.57
4	Sudhaben Sumant Patel							
	At the beginning of the year	45,74,720	6.49	01-04-2019		No Change		
	At the end of the year			31-03-2020			45,74,720	6.49
5	Engineering Global Pte. Limited							
	At the beginning of the year	44,72,000	6.35	01-04-2019		No Change		
	At the end of the year			31-03-2020			44,72,000	6.35
6	S J Patel HUF							
	At the beginning of the year	31,63,640	4.49	01-04-2019		No Change		
	At the end of the year			31-03-2020			31,63,640	4.49
7	Krishna Sumant Patel							
	At the beginning of the year	21,25,400	3.02	01-04-2019		No Change		
	At the end of the year			31-03-2020			21,25,400	3.02
8	Aarav Krishna Patel							
	At the beginning of the year	---	---	01-04-2019				
				21-02-2020	1,40,000	Received as Gift	1,40,000	0.20
	At the end of the year			31-03-2020			1,40,000	0.20

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

Sr. No.	Name	Shareholding			Cumulative Shareholding during the year			
		No. of Shares at the beginning of the Year	% of the Shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	No. of shares	% of total Shares of the Company
1	Franklin India Smaller Companies Fund							
	At the beginning of the year	28,24,663	4.01	01-04-2019				
				14-02-2020	(12,778)	Sell	28,11,885	3.99
				21-02-2020	(98)	Sell	28,11,787	3.99
				28-02-2020	(1,533)	Sell	28,10,254	3.99
				13-03-2020	2,075	Buy	28,12,329	3.99
				20-03-2020	20,000	Buy	28,32,329	4.02
	At the end of the year			31-03-2020			28,32,329	4.02
2	Investor Education and Protection Fund							
	At the beginning of the year	7,88,875	1.12	01-04-2019				
				10-05-2019	(2,000)	Transfer	7,86,875	1.12
				17-05-2019	(1,000)	Transfer	7,86,875	1.12
				21-06-2019	(2,400)	Transfer	7,83,475	1.11
				29-06-2019	(1,400)	Transfer	7,82,075	1.11
				26-07-2019	(6,000)	Transfer	7,76,075	1.10
				20-09-2019	(7,000)	Transfer	7,69,075	1.09
				30-09-2019	(800)	Transfer	7,68,275	1.09
				18-10-2019	43,740	Transfer	8,12,015	1.15
				31-01-2020	(3,000)	Transfer	8,09,015	1.15
				21-02-2020	(600)	Transfer	8,08,415	1.15
				06-03-2020	(1,200)	Transfer	8,07,215	1.15
	At the end of the year			31-03-2020			8,07,215	1.15
3	Suresh Kumar Agarwal							
	At the beginning of the year	---	---	01-04-2019				
				19-07-2019	4,99,593	Buy	4,99,593	0.71
	At the end of the year			31-03-2020			4,99,593	0.71
4	Sextant Autour Du Monde							
	At the beginning of the year	3,92,038	0.56	01-04-2019				
				05-04-2019	(22,176)	Sell	3,69,862	0.53
				12-04-2019	(14,501)	Sell	3,55,361	0.50
				19-04-2019	(11,936)	Sell	3,43,425	0.49
				17-05-2019	(4,569)	Sell	3,38,856	0.48
				24-05-2019	(15,431)	Sell	3,23,425	0.46
				14-06-2019	(10,000)	Sell	3,13,425	0.45
				13-09-2019	(10,000)	Sell	3,03,425	0.43
				27-09-2019	(1,425)	Sell	3,02,000	0.43
				17-01-2020	(22,000)	Sell	2,80,000	0.40

				07-02-2020	(9,093)	Sell	2,70,907	0.38
				14-02-2020	(16,382)	Sell	2,54,525	0.36
				06-03-2020	(4,525)	Sell	2,50,000	0.36
				27-03-2020	1,00,000	Buy	3,50,000	0.50
	At the end of the year			31-03-2020			3,50,000	0.50
5	Pari Washington India Master Fund Limited							
	At the beginning of the year	1,66,641	0.24	01-04-2019				
				16-08-2019	3,822	Buy	1,70,463	0.24
				23-08-2019	28,178	Buy	1,98,641	0.28
				30-08-2019	31,865	Buy	2,30,506	0.33
				06-09-2019	2,245	Buy	2,32,751	0.33
				13-09-2019	25,485	Buy	2,58,236	0.37
				20-09-2019	1,463	Buy	2,59,699	0.37
				27-09-2019	647	Buy	2,60,346	0.37
				01-11-2019	34,034	Buy	2,94,380	0.42
				08-11-2019	28,039	Buy	3,22,419	0.46
				15-11-2019	27,289	Buy	3,49,708	0.50
	At the end of the year			31-03-2020			3,49,708	0.50
6	The New India Assurance Company Limited							
	At the beginning of the year	5,07,597	0.72	01-04-2019				
				08-11-2019	(29,295)	Sell	4,78,302	0.68
				15-11-2019	(70,705)	Sell	4,07,597	0.58
				22-11-2019	(8,711)	Sell	3,98,886	0.57
				29-11-2019	(5,861)	Sell	3,93,025	0.56
				06-12-2019	(4,090)	Sell	3,88,935	0.55
				13-12-2019	(1,071)	Sell	3,87,864	0.55
				20-12-2019	(12,165)	Sell	3,75,699	0.53
				27-12-2019	(30,375)	Sell	3,45,324	0.49
				31-12-2019	(6,389)	Sell	3,38,935	0.48
	At the end of the year			31-03-2020			3,38,935	0.48
7	Sharad Kanayalal Shah							
	At the beginning of the year	3,23,510	0.46	01-04-2019				
				30-08-2019	200	Buy	3,23,710	0.46
	At the end of the year			31-03-2020			3,23,710	0.46
8	Ashish Kacholia							
	At the beginning of the year	---	---	01-04-2019				
				07-06-2019	7,347	Buy	7,347	0.01
				14-06-2019	68,354	Buy	75,701	0.11
				21-06-2019	28,212	Buy	1,03,913	0.15
				29-06-2019	8,313	Buy	1,12,226	0.16
				05-07-2019	1,195	Buy	1,13,421	0.16
				12-07-2019	15,788	Buy	1,29,209	0.18
				19-07-2019	1,00,486	Buy	2,29,695	0.33
				26-07-2019	19,515	Buy	2,49,210	0.35

				02-08-2019	10,000	Buy	2,59,210	0.37
				07-02-2020	(32)	Sell	2,59,178	0.37
				06-03-2020	10,000	Buy	2,69,178	0.38
				13-03-2020	25,965	Buy	2,95,143	0.42
				20-03-2020	20,151	Buy	3,15,294	0.45
	At the end of the year			31-03-2020			3,15,294	0.45
9	Hafeez Contractor							
	At the beginning of the year	2,60,000	0.37	01-04-2019				
				14-06-2019	17,500	Buy	2,77,500	0.39
				29-06-2019	17,500	Buy	2,95,000	0.42
	At the end of the year			31-03-2020			2,95,000	0.42
10	Vanaja Sundar Iyer							
	At the beginning of the year	3,00,000	0.43	01-04-2019				
				11-10-2019	(100)	Sell	2,99,900	0.43
				18-10-2019	(6,719)	Sell	2,93,181	0.42
				15-11-2019	(27,667)	Sell	2,65,514	0.38
				22-11-2019	(5,750)	Sell	2,59,764	0.37
	At the end of the year			31-03-2020			2,59,764	0.37
11	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG)							
	At the beginning of the year	2,44,504	0.35	01-04-2019				
				15-11-2019	(2,002)	Sell	2,42,502	0.34
				22-11-2019	(1,522)	Sell	2,40,980	0.34
				29-11-2019	(4,715)	Sell	2,36,265	0.34
				13-12-2019	(2,841)	Sell	2,33,424	0.33
				20-12-2019	(1,369)	Sell	2,32,055	0.33
				27-12-2019	(4,022)	Sell	2,28,033	0.32
				31-12-2019	(1,101)	Sell	2,26,932	0.32
				03-01-2020	(1,192)	Sell	2,25,740	0.32
				10-01-2020	(2,262)	Sell	2,23,478	0.32
				31-01-2020	(2,347)	Sell	2,21,131	0.31
				07-02-2020	(4,050)	Sell	2,17,081	0.31
				14-02-2020	(6,924)	Sell	2,10,157	0.30
				21-02-2020	(6,030)	Sell	2,04,127	0.29
				28-02-2020	(1,952)	Sell	2,02,175	0.29
				06-03-2020	(1,703)	Sell	2,00,472	0.29
				27-03-2020	(5,679)	Sell	1,94,793	0.28
				31-03-2020	(3,290)	Sell	1,91,503	0.27
	At the end of the year			31-03-2020			1,91,503	0.27

12	Union Small Cap Fund							
	At the beginning of the year	2,34,610	0.33	01-04-2019				
				31-05-2019	(28,126)	Sell	2,06,484	0.29
				14-06-2019	(15,418)	Sell	1,91,066	0.27
				13-09-2019	(24,449)	Sell	1,66,617	0.24
				22-11-2019	3,946	Sell	1,70,563	0.24
				13-12-2019	(1,657)	Sell	1,68,906	0.24
				10-01-2020	11,317	Sell	1,80,223	0.26
				14-02-2020	(33,225)	Sell	1,46,998	0.21
				31-03-2020	25,300	Buy	1,72,298	0.25
	At the end of the year			31-03-2020			1,72,298	0.25
13	Catamaran Advisors LLP							
	At the beginning of the year	7,58,446	1.08	01-04-2019				
				12-04-2019	811	Buy	7,59,257	1.08
				19-04-2019	1,322	Buy	7,59,768	1.08
				12-07-2019	(6,50,000)	Sell	1,09,768	0.16
				19-07-2019	(1,01,665)	Sell	8,103	0.01
				20-09-2019	(500)	Sell	7,603	0.01
				27-09-2019	(7,603)	Sell	-	-
	At the end of the year			31-03-2020			-	-

Note-

Increase/Decrease in shareholding during the year is based on the weekly beneficial position received from Depositories, changes in respect of top ten shareholders were below 2% of the total Paid up Capital of the Company.

V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholder's Name	Shareholding			Cumulative Shareholding during the year			% of total Shares of the Company
		No. of Shares at the beginning of the Year	% of the Shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	No. of shares	
	Directors							
1	S J Patel							
	At the beginning of the year	90,07,335	12.78	01-04-2019				
				21-02-2020	(1,40,000)	Given as Gift	88,67,335	12.58
	At the end of the year			31-03-2020			88,67,335	12.58
2	Sudhaben Sumant Patel							
	At the beginning of the year	45,74,720	6.49	01-04-2019				
					No Change			
	At the end of the year			31-03-2020			45,74,720	6.49
3	Krishna Sumant Patel							
	At the beginning of the year	21,25,400	3.02	01-04-2019				
					No Change			
	At the end of the year			31-03-2020			21,25,400	3.02

4	Mahendra K. Chouhan							
	At the beginning of the year	2,100	0.00	01-04-2019				
					No Change			
	At the end of the year			31-03-2020			2,100	0.00
5	Manu M. Parpia							
	At the beginning of the year	20,000	0.03	01-04-2019				
					No Change			
	At the end of the year			31-03-2020			20,000	0.03
6	Jai S. Diwanji							
	At the beginning of the year	2,500	0.00	01-04-2019				
					No Change			
	At the end of the year			31-03-2020			2,500	0.00
7	K. S. Srinivasa Murty							
	At the beginning of the year	-	-	01-04-2019				
	At the end of the year			31-03-2020			-	-
8	Mrs. Amrita Verma Chowdhury							
	At the beginning of the year	-	-	01-04-2019				
	At the end of the year			31-03-2020			-	-
	Key Managerial Personnel							
1	Dipesh R. Singhania							
	At the beginning of the year	-	-	01-04-2019				
	At the end of the year			31-03-2020			-	-
2	Jinal J. Shah							
	At the beginning of the year	-	-	01-04-2019				
	At the end of the year			31-03-2020			-	-

VI. Indebtedness of the Company including interest outstanding/accrued but not due for payment: Company has no debt.

VII. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Executive Chairman (EC) and Vice Chairman & Managing Director (VC & MD):

(Amount in ₹)

Sr. No.	Particulars of remuneration	Mr. Sumant J. Patel (EC)	Mr. Krishna S. Patel (VC & MD)	Total Amount
1	Gross Salary			
	a) Salary as per provision contained in Section 17 (1) of the Income Tax Act 1961	96,00,000	1,08,00,000	2,04,00,000
	b) Value of Perquisite u/s 17 (2) Income Tax Act, 1961	---	---	---
	c) Profits in lieu of Salary Under Section 17 (3) Income Tax Act, 1961	---	---	---
2	Stock Option	---	---	---
3	Sweat Equity	---	---	---
4	Commission	9,00,00,000	9,00,00,000	18,00,00,000
	- As % of Profits	2.87	2.87	---
	- Others Specify	---	---	---
5	Other allowances	---	---	---
6	Provident Fund	---	12,96,000	12,96,000
	Total	9,96,00,000	10,20,96,000	20,16,96,000

Note - Remuneration paid to Executive Chairman and Vice Chairman & Managing Director is within the ceiling provided under Section 196 of the Companies Act, 2013.

B. Remuneration to other directors:

(Amount in ₹)

Particulars of Remuneration	Name of the Directors					Non-executive Director	Total Amount
	Independent Directors						
	Mr. Mahendra Chouhan	Mr. K.S. Srinivasa Murty	Mr. Jai S. Diwanji	Mr. Manu M. Parpia	Mrs. Amrita Verma Chowdhury	Mrs. Sudha S. Patel	
Fees for Attending Board and Committee Meetings	4,30,000	3,35,000	3,50,000	3,25,000	3,60,000	2,95,000	20,95,000
· Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
· Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	4,30,000	3,35,000	3,50,000	3,25,000	3,60,000	2,95,000	20,95,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount in ₹)

Sr. No.	Particulars of remuneration	Chief Financial Officer	Company Secretary	Total Amount
1	Gross Salary			
	a) Salary as per provision contained in Section 17 (1) of the Income Tax Act 1961	99,75,600	7,35,648	1,07,11,248
	b) Value of Perquisite u/s 17 (2) Income Tax Act, 1961	---	---	---
	c) Profits in lieu of Salary Under Section 17 (3) Income Tax Act, 1961	---	---	---
2	Stock Option	---	---	---
3	Sweat Equity	---	---	---
4	Commission - As % of Profits	---	---	---
	- Others Specify	---	---	---
5	Provident Fund	3,74,400	31,680	4,06,080
	Total	1,03,50,000	7,67,328	1,11,17,328

VIII. Penalties / Punishment/ Compounding Of Offences : NIL

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:**

Executive Director	Ratio to median remuneration
Mr. Sumant J. Patel	206.84
Mr. Krishna S. Patel	212.02

Non- executive Directors	Ratio to median remuneration
NIL	NIL

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

Name	% increase
Mr. Sumant J. Patel, Executive Chairman	123.32
Mr. Krishna S. Patel, Vice Chairman and Managing Director	291.35
Mr. Dipesh R. Singhania, Chief Financial Officer and Head Legal	32.20
Ms. Jinal J. Shah, Company Secretary and Compliance Officer	--

- c. **The percentage increase in the median remuneration of employees in the financial year:** 15%
- d. **The number of permanent employees on the rolls of the Company:** 155 (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 6%, after accounting for promotions and other event based compensation revisions.

Increase in the managerial remuneration for the year was 168.15%.

- 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 your 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 provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure 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 financial year 2019-20.

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.

SHARE HOLDING PATTERN

Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2019				No. of Shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) INDIAN									
(a). Individual	1,88,71,095	-	1,88,71,095	26.78	1,88,71,095	-	1,88,71,095	26.78	0.00
(b). Central Govt.	-	-	-	-	-	-	-	-	-
(c). State Govt(s).	-	-	-	-	-	-	-	-	-
(d). Bodies Corpp.	2,47,07,842	-	2,47,07,842	35.06	2,47,97,042	-	2,47,97,042	35.19	0.13
(e). FIINS / BANKS.	-	-	-	-	-	-	-	-	-
(f). Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	4,35,78,937	-	4,35,78,937	61.84	4,36,68,137	-	4,36,68,137	61.97	0.13
(2). FOREIGN									
(a). Individual NRI / For Ind	-	-	-	-	-	-	-	-	-
(b). Other Individual	-	-	-	-	-	-	-	-	-
(c). Bodies Corporates	44,72,000	-	44,72,000	6.35	44,72,000	-	44,72,000	6.35	0.00
(d). Banks / FI	-	-	-	-	-	-	-	-	-
(e). Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(f). Any Other Specify	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	44,72,000	-	44,72,000	6.35	44,72,000	-	44,72,000	6.35	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4,80,50,937	-	4,80,50,937	68.19	4,81,40,137	-	4,81,40,137	68.32	0.13
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	34,17,988	-	34,17,988	4.85	34,37,555	-	34,37,555	4.88	0.03
(b). Banks / FI	43,931	200	44,131	0.06	1,015	200	1,215	0.00	(0.06)
(c). Central Govt.	7,88,875	-	7,88,875	1.12	8,24,372	-	8,24,372	1.17	0.05
(d). State Govt.	-	-	-	-	-	-	-	-	-
(e). Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f). Insurance Companies	5,07,597	-	5,07,597	0.72	3,93,827	-	3,93,827	0.56	(0.16)
(g). FIs	17,35,396	-	17,35,396	2.46	20,00,877	-	20,00,877	2.84	0.38
(h). Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i). Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	64,93,787	200	64,93,987	9.22	66,57,646	200	66,57,846	9.45	0.23

(B)(2) NON-INSTITUTIONS									
(a). Bodies Corporate									
(i). Indian	17,10,413	3,900	17,14,313	2.43	9,75,096	1,500	9,76,596	1.39	(1.05)
(ii). Overseas	-	-	-	-	-	-	-	-	-
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	76,08,602	1,194,620	88,03,222	12.49	1,00,22,655	13,64,560	1,13,87,215	16.16	3.67
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	41,29,213	6,01,200	47,30,413	6.71	22,28,168	1,79,800	24,07,968	3.42	(3.30)
(c). Other (specify)									
Non Resident Indians	5,91,719	-	5,91,719	0.84	6,27,050	-	6,27,050	0.89	0.05
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	69,019	-	69,019	0.10	2,56,448	-	2,56,448	0.36	0.27
Trusts	6,350	-	6,350	0.01	6,700	-	6,700	0.01	0.00
Foreign Boodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1,41,15,316	17,99,720	1,59,15,036	22.59	1,41,16,117	15,45,860	1,56,61,977	22.23	(0.36)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2,06,09,103	17,99,920	2,24,09,023	31.81	2,07,73,763	15,46,060	2,23,19,823	31.68	(0.13)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	6,86,60,040	17,99,920	7,04,59,960	100.00	6,89,13,900	15,46,060	7,04,59,960	100.00	0.00

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. Singhanian, 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.

Mumbai
18 May 2020

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

Dipesh R. Singhanian
Chief Financial Officer

ANNEXURE H**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 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 2020 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 Sessa 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
19 May 2020
UDIN : F003262B000257637

For ND & Associates

Neeta H. Desai
Practising Company Secretary
COP No. 4741

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

We see ourselves as a Company that believes in its employees and shareholders. In our clients as well as our products. In the services we provide, and the joy that comes with it for everyone involved. We believe in enriching and uplifting people's lives and that is what makes people believe in us!

Our Company's endeavour is to maximize shareholder value. Nesco is committed to adopt best governance practice, sustainability, teamwork and its adherence in true spirit at all times. It has strong legacy of fair, transparent and ethical governance practices. This culture inspires trust among all stakeholders and strengthens the Board and management accountability.

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.

2. Board of Directors:

The Board has an optimum mix of Executive and Non-Executive 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. 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 Executive Chairman and the Vice Chairman & Managing Director of the Company subject to superintendence, control and direction of the Board of Directors.

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 2020 are as follows

Name of the Directors	Nature of Directorship	Directorship in other Companies	Membership held in Committees	Chairmanship held in Committee of Directors
		*	#	##
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	02	03	---
Ms. Alka Adatia ^{\$\$}	Non-Executive and Independent	---	---	---

* This excludes directorship held in Nesco Limited, private companies, foreign companies, companies formed under section 8 of the Companies Act, 2013 and directorship held as an alternate director.

Committees includes membership in Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies including Nesco Limited.

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

\$ Mrs. Amrita Verma Chowdhury was appointed as a Non-Executive Independent director w.e.f. 14 May 2019.

\$\$ Ms. Alka Adatia resigned w.e.f. 10 May 2019 as a member of the Board, in order to devote more time for her other professional commitments. Further, it is confirmed that there were no other material reasons for her resignation.

The Details of Directors, their inter-se relationship, directorships held in other listed companies and shareholding in the Company

Name of the Directors	Relationship with each other	Directorships held in other listed entities	No. of shares 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	*	--	2,100
Mr. Jai S. Diwanji	*	Independent Director of Elecon Engineering Company Limited	2,500
Mr. K. S. Srinivasa Murty	*	--	NIL
Mr. Manu M. Parpia	*	--	20,000
Mrs. Sudha S. Patel	Wife of Mr. Sumant J. Patel, Mother of Mr. Krishna S. Patel	--	45,74,720
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.

§ Mrs. Amrita Verma Chowdhury was appointed as a Non-Executive Independent director w.e.f. 14 May 2019.

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

Key Board qualifications, expertise and attributes

Nesco is diversified in four business segments. Nesco IT Park provides office space to some of the world's leading companies. Bombay Exhibition Centre provides infrastructure to leading Indian and Foreign exhibitions and events organizers; and also holds its own exhibitions and events. Nesco's Foods division on the days of exhibitions prepares and serves over 20,000 meals per day. 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.

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.
Finance and Legal	Understanding the financial statements, financial controls, risk management, mergers and acquisition, legal and regulatory aspects 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.
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.

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

Name of Director	Skills / Expertise / Competencies					
	Wide management and leadership experience	Diversity	Personal values	Finance and Legal	Information Technology	Corporate Governance
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	✓	✓	✓	✓	✓	✓

3. 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.

All 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 the proposed activities is also provided to the Independent Directors.

Brief details of the Familiarization Programmes for Independent Directors are put up on the Company's website at www.nesco.in.

4. 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.

5. 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, six meetings of the Board of Directors of the Company were held on 24 May 2019, 05 August 2019, 10 September 2019, 11 November 2019, 07 February 2020 and 11 March 2020.

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		Attendance at the last AGM held on 05 August 2019
	Held	Attended	
Mr. Sumant J. Patel	6	6	Yes
Mr. Mahendra K. Chouhan	6	6	Yes
Mr. Jai S. Diwanji	6	4*	Yes
Mr. K. S. Srinivasa Murty	6	5*	No
Mr. Manu M. Parpia	6	5	Yes
Mrs. Sudha S. Patel	6	6	Yes
Mr. Krishna S. Patel	6	6*	Yes
Mrs. Amrita Verma Chowdhury [§]	6	6	Yes

* Includes meetings attended over video conference.

§ Mrs. Amrita Verma Chowdhury was appointed as a Non-Executive Independent director w.e.f. 14 May 2019.

6. 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 2019-20 is detailed below:

During the year, Committee met four times on 24 May 2019, 05 August 2019, 11 November 2019 and 07 February 2020. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	Nature of membership	No. of meetings held during the year 2019-20	No. of Meetings Attended during the year 2019-20
a.	Mr. Mahendra K. Chouhan	Chairman	4	4
b.	Mr. K. S. Srinivasa Murty	Member	4	3*
c.	Mr. Jai S. Diwanji	Member	4	4*
d.	Mr. Manu M. Parpia	Member	4	3
e.	Mr. Krishna S. Patel	Member	4	4*
f.	Mrs. Amrita Verma Chowdhury [§]	Member	4	4

* Includes meetings attended over video conference.

§ Mrs. Amrita Verma Chowdhury was appointed as a Non-Executive Independent director w.e.f. 14 May 2019.

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;

- c. 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;
- d. Reviewing with the management quarterly, half yearly unaudited financial results before submission to the Board for approval.
- e. 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 2019-20 is detailed below:

During the year, Committee met two times on 24 May 2019 and 07 February 2020. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	Nature of Membership	No. of meetings held during the year 2019-20	No. of Meetings Attended during the year 2019-20
a.	Mr. Jai S. Diwanji	Chairperson	2	2
b.	Mr. Mahendra K. Chouhan	Member	2	2
c.	Mrs. Sudha S. Patel	Member	2	2

Scope of Nomination and Remuneration Committee:

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

- a. 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;
- b. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c. Devising a policy on diversity of board of directors;
- d. 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;
- e. 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;
- f. Recommend to the board, all remuneration, in whatever form, payable to senior management;
- g. Any other matter as the Board may decide from time to time.

The Nomination & 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.

Details of Remuneration of the Directors of the Company for the financial year 2019-20 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	---	900.00	---	996.00
Mr. Mahendra K. Chouhan	Director	4.30	---	---	---	---	4.30
Mr. Jai S. Diwanji	Director	3.50	---	---	---	---	3.50
Mr. K. S. Srinivasa Murty	Director	3.35	---	---	---	---	3.35
Mr. Manu M. Parpia	Director	3.25	---	---	---	---	3.25
Mrs. Sudha S. Patel	Director	2.95	---	---	---	---	2.95
Mrs. Amrita Verma Chowdhury	Director	3.60	---	---	---	---	3.60
Mr. Krishna S. Patel	Vice Chairman and Managing Director	---	108.00	---	900.00	12.96	1,020.96
Total		20.95	204.00	---	1,800.00	12.96	2,037.91

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 2019-20 is detailed below:

During the year, Committee met two times on 24 May 2019 and 05 August 2019. The attendance of each director at the meeting was as follows

Sr. No.	Name of the Member	Nature of Membership	No. of meetings held during the year 2019-20	No. of Meetings Attended during the year 2019-20
a.	Mrs. Sudha S. Patel	Chairperson	2	2
b.	Mr. K. S. Srinivasa Murty	Member	2	1*
c.	Mr. Jai S. Diwanji	Member	2	2
d.	Mr. Krishna S. Patel	Member	2	2

* Meeting attended over video conference.

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 2019-2020:

Sr. no.	Nature of Complaints	Pending as on 01.04.2019	Received	Redressed	Pending as on 31.03.2020
1	Non-Receipt of Bonus share certificates	NIL	0	0	NIL
2	Non-Receipt of Annual Report	NIL	0	0	NIL
3	Non-Receipt of Dividend	NIL	0	0	NIL
4	Non-Receipt of share certificate after transfer	NIL	4	4	NIL
5	Non-Receipt of share certificate after sub-division	1	12	13	NIL
6	Others	NIL	1	1	NIL

The Company is in constant touch with Sharex Dynamic (India) Pvt. Ltd., 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 2019-20 is detailed below:

During the year Committee met two times on 05 August 2019 and 07 February 2020. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	Nature of Membership	No. of meetings held during the year 2019-20	No. of Meetings Attended during the year 2019-20
a.	Mr. Sumant J. Patel	Chairman	2	2
b.	Mr. Krishna S. Patel	Member	2	2
c.	Mr. Mahendra K. Chouhan	Member	2	2
d.	Mr. Jai S. Diwanji	Member	2	2

Scope of Corporate Social Responsibility Committee:

The Committee administers the following activities:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities;
- Monitor implementation and adherence to the Corporate Social Responsibility Policy of the Company from time to time.
- 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.

Risk Management Committee

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

During the year Committee met once on 07 February 2020. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	Nature of Membership	No. of meetings held during the year 2019-20	No. of Meetings Attended during the year 2019-20
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

Composition:

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

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.

7. Independent Directors Meeting:

During the year under review, a meeting of the Independent Directors of the Company was held on 07 February 2020 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.

8. 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
2016-17	58th	Nesco Complex, Western Express Highway, Goregaon East, Mumbai – 400063.	14 August 2017	3.30 P.M.	2
2017-18	59th	Nesco Center, 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

Postal Ballot:

During the year, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendments(s) or re-enactment(s) thereof made thereunder), the

Company passed the following resolutions through postal ballot in December 2019. A brief detail of the voting results of the above-mentioned postal ballot is as follows:

Resolution	Type of Resolution	No. of votes polled	Votes cast in favour		Votes cast against	
			No. of votes	%	No. of votes	%
To consider and approve the scheme of Amalgamation of Nesco Hospitality Private Limited ("Transferor Company") with Nesco Limited ("Transferee Company") and their respective shareholders and creditors under Section 233 of the Companies Act, 2013.	Special	5,18,48,489	5,18,46,169	99.99	100	0.01

Ms. Neeta H. Desai of M/s. ND & Associates, Practicing Company Secretary, was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot:

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting (e-voting) facility to all its members.

The Company had engaged the services of Link Intime India Private Limited (LIPL) for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting. The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the Register of Members /list of beneficiaries as on cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with the depository participants/ Company's Registrar and Share Transfer Agents. The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Companies Act, 2013 and the rules issued thereunder.

Voting rights reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. Members desiring to vote through physical ballot are requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of the business hours on the last date of e-voting.

The Scrutinizer submits her report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman/ Authorized officials of the Company. The results are displayed on the website of the Company at www.nesco.in, besides being communicated to the Stock Exchanges.

9. 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 - www.nesco.in.

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

10. Compliance Officer:

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

11. 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".

12. 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.

13. 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.

14. 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 G."

15. Other Disclosures:

a. Related Party Transactions

All the transactions entered into by the Company with the Related Parties, during the financial year 2019-20, 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.

The Company has a process for monitoring the related party transactions. The Audit Committee, during the financial year 2019-20, 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.

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 Policy for determining material subsidiary has been uploaded and can be accessed on the Company's website at 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 the mandatory requirements of the Listing Regulations relating to Corporate Governance.

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 19 May 2020. The Certificate is enclosed as "Annexure H" to the Directors Report.

g. Recommendations of Committees of the Board

There were no instances during the financial year 2019-20, 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 Rs. 21.68 lakhs (Rupees Twenty one lakhs sixty eight thousand) for financial year 2019-20, 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 2019-20 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.

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

Mumbai, 19 May 2020

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 2020.

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

Mumbai
19 May 2020

AUDITOR'S 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 2020 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 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 2020.

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

Ashish Shah

Partner

Membership No. 103750

Mumbai

19 May 2020

UDIN: 20103750AAAABP7249

SHAREHOLDERS INFORMATION

1. General Shareholders information

1	Annual General Meeting	The 61st annual general meeting will be held on Friday, 14 August 2020 at 02.30 p.m. through Video Conference and Other Audio Visual Means (OAVM).
2.	Schedule for declaration of Financial Results during the F Y 2020-21	<p>Financial Year: 01 April 2020 to 31 March 2021</p> <p>First quarterly results: On or before 2nd week of August 2020</p> <p>Second quarterly results: On or before 2nd week of November 2020</p> <p>Third quarterly results: On or before 2nd week of February 2021</p> <p>Annual accounts 2020-21: Last week of May 2021</p>
3.	Date of Book Closure	07 August 2020 to 14 August 2020 (both days inclusive)
4.	Listing on Stock Exchange	<p>The Company's equity shares are listed on: BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.</p> <p>The National Stock Exchange of India Ltd. 5th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051.</p>
5.	Stock Code	BSE 505355 NSE NESCO
6.	Demat ISIN in NSDL and CDSL for Equity Shares	INE 317F01035
7.	Payment of Dividend	Interim Dividend of ₹ 3.00 per equity share of ₹ 2/- each approved by the Board of Directors at its meeting held on 11 March 2020 shall be considered as the Final Dividend for the financial year 2019-20.

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.

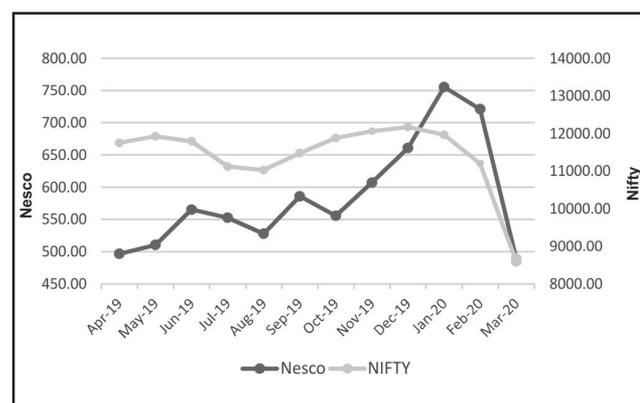
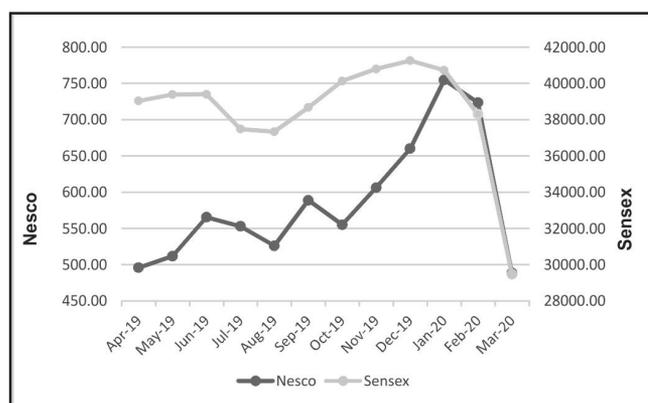
2. Stock Market data

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 2019-20.

BSE			NSE		
Month	High	Low	Month	High	Low
April 2019	521.90	460.00	April 2019	507.90	490.00
May 2019	532.90	463.40	May 2019	518.80	507.50
June 2019	587.85	512.20	June 2019	575.95	562.00
July 2019	575.00	527.00	July 2019	566.00	531.50
August 2019	548.00	500.00	August 2019	529.95	525.00
September 2019	600.00	525.00	September 2019	590.00	559.50
October 2019	594.90	553.15	October 2019	565.95	553.15
November 2019	640.00	558.65	November 2019	619.90	606.00
December 2019	712.00	606.30	December 2019	686.85	654.20
January 2020	778.00	646.80	January 2020	770.00	723.00
February 2020	816.90	685.00	February 2020	739.75	680.00
March 2020	741.55	400.00	March 2020	742.00	400.00

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 2020 (based on month end closing):



3. Share Transfer System

M/s. Sharex Dynamic (India) Private Limited is the Company Registrar and Share Transfer Agent (RTA). The requests for transfer of shares held in physical form are processed and the share certificates are returned within the period stipulated under Companies Act, 2013 and the Listing Regulations, provided that the documents received are in order and complete in all respects.

4. Share Transfer Details

The number of shares transferred during the year under review is given below:

Sr. no.	Particulars	Equity
a.	Number of transfers	37
b.	Average no. of transfer per month	3
c.	Number of shares transferred	1,05,950

5. Demat / Remat of Shares

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

Sr. No.	Particulars	Nos.
a.	Number of demat requests	120
b.	Number of shares demated	2,04,472
c.	Number of remat requests	NIL
d.	Number of share remated	NIL

6. Categories of Shareholding as on 31 March 2020

Sr. No.	Category	Number of shares held	% of share holding
A	Promoters holding		
1.	Indian	4,36,68,137	61.97
2.	Foreign	44,72,000	6.35
	Sub-total (A)	4,81,40,137	68.32
B	Non-promoters holding		
1.	Institutional investors		
a.	Mutual funds	34,37,555	4.88
b.	Banks, financial institution, insurance companies (central / state govt. institution / non-government institution)	12,19,414	1.73
c.	FII (s)	20,00,877	2.84
	Sub-total (B1)	66,57,846	9.45
2.	Others		
a.	Private Bodies Corporate	9,76,596	1.39
b.	Indian public	1,37,95,183	19.58
c.	NRIS / OCBS	6,27,050	0.89
d.	Trusts	6,700	0.01
e.	Any other - Foreign companies	0	0.00
	- Clearing members	2,56,448	0.36
	Sub-total (B2)	1,56,61,977	22.23
	Sub-total (B=B1+B2)	2,23,19,823	31.68
	Grand total (A+B)	7,04,59,960	100.00

Distribution of shareholding as on 31 March 2020 is as follows

SHARE	NO OF HOLDERS	(%) OF HOLDERS	TOTAL SHARES	% OF SHARES
UPTO TO 100	16,311	62.95	5,66,758	0.80
101 TO 200	2,513	9.70	4,05,242	0.58
201 TO 500	3,167	12.22	11,09,644	1.58
501 TO 1000	1,615	6.23	12,51,609	1.78
1001 TO 5000	1,754	6.77	39,83,420	5.65
5001 TO 10000	305	1.18	21,68,270	3.08
10001 TO 100000	220	0.85	51,32,367	7.28
100001 TO ABOVE	26	0.10	5,58,42,650	79.25
TOTAL	25,911	100.00	7,04,59,960	100.00

7. Unclaimed / unpaid dividends

Final dividend for the financial year ended 31 March 2013 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. Sharex Dynamic India Private Limited.

Sr. No.	For the financial year ended	Date of declaration	Due for transfer to IEPF
1	31.03.2013	08.08.2013	14.09.2020
2	31.03.2014	20.08.2014	26.09.2021
3	31.03.2015	03.08.2015	09.09.2022
4	31.03.2016	17.03.2016	21.04.2023
5	31.03.2017	14.08.2017	20.09.2024
6	31.03.2018	08.08.2018	14.09.2025
7	31.03.2019	05.08.2019	11.09.2026
8	31.03.2020	26.03.2020	30.04.2027

8. Outstanding Instruments and their impact on equity:

The 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 2020.

9. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any exposure hedged through commodity derivatives.

10. 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:

The 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 2020. Obtaining credit rating is not applicable to our Company during the year under review.

11. Plant Locations

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

12. Investors Correspondence

Secretarial Department

Nesco Limited

Nesco Center, Western Express Highway,

Goregaon (East), Mumbai 400063.

Tel: 022 66450123, Email: companysecretary@nesco.in,

Website: www.nesco.in

Nodal Officer

Ms. Jinal J. Shah

Nesco Limited

Nesco Center, Western Express Highway,

Goregaon (East), Mumbai 400063.

Tel: 022 66450123,

Email: companysecretary@nesco.in,

Website: www.nesco.in

Registrar & Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.

C-101, 247 Park,

LBS Marg, Vikhroli (West),

Mumbai – 400083.

Tel: 022 28515606 / 28515644

Fax : +91 22 28512885

Email: support@sharexindia.com

Website: www.sharexindia.com

For and on behalf of the Board of Directors

Sumant J. Patel
Executive Chairman
DIN : 00186976

Mumbai, 19 May 2020

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 2019 to 31 March 2020
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
Manufacturing	
Indabrator	<ul style="list-style-type: none"> • Shot blasting, Shot peering and other surface preparation equipment and systems. • Spares and Abrasives for shot blasting, peening, etc
Facility Development and Management	
IT Park	<ul style="list-style-type: none"> • Space and related infrastructure at Nesco IT Park
Nesco Foods	<ul style="list-style-type: none"> • Provide food catering services
Bombay Exhibition Centre	<ul style="list-style-type: none"> • Space and related infrastructure for exhibitions, conventions and conferences
Nesco Exhibitions and Events	<ul style="list-style-type: none"> • Convening own Exhibitions and Events

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:

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

10. Markets Served by the Company

Business	Markets Served	Sectors
Indabrator Division	Domestic and International	Automotive Industry, Railway Workshops, Heavy Engineering, Forging Industry, Foundries and several other industries

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR):** 1,409.20 lakhs
- Total Turnover (INR):** 47,427.87 lakhs
- Total profit after taxes (INR):** 23,389.01 lakhs
- Total Spending on CSR (as % of PAT)(INR):** 501.09 lakhs (2.14% of PAT)
- List of activities in which expenditure in 4 above has been incurred:**

The core focus areas of our CSR Initiatives are Education, Health and Safe drinking water. The CSR activities in F Y 2019-20 were focused on these three areas. This included support to set up smart classes in three English medium schools; expansion of existing English medium school; providing safe drinking water to the villagers by construction of drinking water tanks, contribution towards improvement of Health and towards Cancer Cure and providing vocational education to women and women empowerment

SECTION C: OTHER DETAILS

1. 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.

2. 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

3. 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

1. 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. Dipesh R. Singhania
 Designation : Chief Financial Officer and Head Legal
 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.

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 so as 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 2020)
Investors	18	18	NIL
Suppliers	NIL	NIL	NIL
Local Communities	NIL	NIL	NIL
Customers	124	108	16

The complaints remaining pending as on 31 March 2020 are under review.

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

- a) Nesco IT Building 3 in Nesco IT Park (Tower 03) is a Platinum LEED Certified Green Building. Nesco IT Building 4 (Tower 04), whose construction was completed during the year, is also designed to be a Platinum LEED Certified Green Building. The building has 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. Nesco IT Building 3 has led to a 20-30% reduction in the electricity and water requirement. Now, Nesco IT Building 4 is also contributing towards reduction of electricity and water requirement.
- b) We have rain water harvesting at Nesco IT Building 3 and at Nesco IT Building 4. The rain water collected is going to recharge the ground water and help in maintaining the Green Belt
- c) About 100 Kilo Litres of Water is recycled through MBBR process for reusing it

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 Building 3 and Building 4

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 Division

- 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.

Principle 3 Promote the wellbeing of all employees

- Total number of employees by category as on 31 March 2020
- 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	
Facilities Development & Management	61	12	73	4	4	8	200
Karamsad Plant	7	0	7	0	0	0	72
Vishnoli Plant	78	0	78	22	0	22	146
Total	146	12	158	26	4	30	418

- Total number of permanent employees with disabilities

Nil

- 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.

- Percentage of permanent employees members of this recognized employee association.

3 permanent employees are part of the Union which is 1.90% of the employees.

- 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 2019-20.

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

Training by Topics			
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	Every six months
Karamsad and Vishnoli	Security Personnel	First Aid, Fire Safety	Every quarter
Karamsad and Vishnoli	Employees	Tool Box Talks	Daily

Quality, Management Systems and Skill Upgradation Training			
Business	Location	Contractual	Permanent
Facilities Development and Management	Nesco IT Park	100%	100%
	Nesco Foods	100%	100%
	Bombay Exhibition Hall	100%	100%
	Nesco Exhibitions	100%	100%
Manufacturing Division	Karamsad Plant	100%	100%
	Vishnoli Plant	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, NGOs, Local Communities, Police Department, Law and Order, Municipal Authorities, Suppliers, Bankers.

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

Our CSR Activities like helping 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 (2019-20)	No of Complaints pending as on 31 March 2020
Mumbai	NIL	NIL
Vishnoli	NIL	NIL
Karamsad	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 a Environmental Health and Safety Policy for Indabrator in Karamsad and Vishnoli and the Facilities Management Services at Nesco Centre 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 FY 2019-20, the following initiatives were taken:

- At the Bombay Exhibition Centre, we installed power factor capacitor panels. This has 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 three shifts. 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 2019-20, 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).
- Confederation of Real Estate Developers Associations of India and Maharashtra Chamber of Housing Industry (CREDAI – MCHI)
- 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:

Safe Drinking Water

- 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

- During the year Company supported the construction of 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.

Women Empowerment

- During the year, Company contributed to Shrujan Trust, Kutch for enhancing embroidery skills of village women working with the Trust.

Animal Welfare

- During the year, Company also contributed to Sanghvi Kankubai Vardichandji Gauri Gaushala for the welfare of animals.

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
Furniture, Construction work at Smt. C J Patel English Medium School (Karamsad) and development of smart classes	Karamsad Kelavani Mandal – Karamsad
Construction of New Water Tank at Karamsad and Vishnoli having water holding capacity of 9 lakh litres and 3 lakh litres respectively.	Karamsad Kelavani Mandal – Karamsad

Supporting Formation of Incubation Centre	Karamsad Kelavani Mandal and Nesco Foundation for Innovation and Development - Karamsad
Construction of Compound wall and Landscaping at S J Patel English Medium School, Karamsad	Shree Santram Samaj Seva Trust - Karamsad
Principal support and Smart class instalments at S J Patel English Medium School, Tarapur	Tarapur Kelavani Mandal – Tarapur
Enhancing Vocational skills and women empowerment	Shrujan Trust - Kutch
Contribution to a Gaushala towards animal welfare	Sanghvi Kankubai Vardichandji Gauri Gaushala – Malwada, Rajasthan

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 2019-20 (₹ in lakhs)
Furniture, Construction of Compound wall and Landscaping at Smt. C J Patel English Medium School (Karamsad) and development of smart classes	185.49
Construction of New Water Tank at Karamsad and Vishnoli having water holding capacity of 9 lakh litres and 3 lakh litres respectively.	256.18
Principal support and Smart class instalments at S J Patel English Medium School, Tarapur	5.60
Enhancing Vocational skills and women empowerment	25.00
Contribution to a Gaushala towards animal welfare	15.00
Supporting formation of Incubation Centre	13.27
Contribution to HDFC Charity Fund for Cancer Cure	0.55

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, repair, 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.

Business	Percentage of Complaints Pending as on 31 March 2020	Comments
Bombay Exhibition Centre	NIL	Complaints received from exhibitors & organizers of exhibitions were related to AC temperature, bird droppings, Wi Fi, power tripping etc. All complaints were resolved during the event.

Nesco Foods	NIL	We provide food to all our exhibition halls during exhibitions, we also cater weddings held at Nesco Center. Complaints received from the customers were related to Lightings in Halls, more options for Jain food, more staff be to allotted for starter services and more economical rates are required.
Nesco IT Park	NIL	We maintain excellent quality of infrastructure, security and housekeeping. All feedback received from the occupants is taken seriously and considered.
Indabrator	13	60-70% of the products manufactured 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.

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

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 the IT Park.

Management Division

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.

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 (2019-20)	Complaints Pending as on 31 March 2020
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?

We have CCTV coverage in the Nesco Premises with a robust system for security management to ensure security of the exhibition halls before, during and after the exhibition.

We are in constant contact with our customers and keep receiving feedback on an ongoing basis. In FY 2019-20, we did not carry out any external Customer Satisfaction Survey. However, we had done an Internal Survey of 334 customers out of which we had received a positive response from 323 customers. Our key customers are satisfied with our services and security of our premises. We have a high number of repeat customers in our facilities development & management business and manufacturing business.

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 2020, 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 2020, 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>Capital work-in-progress / Investment Property</p> <p>The Company has constructed Tower 04 in Nesco IT Park for providing office space on lease and licence basis to Companies engaged in IT/ITeS and related business activities. In the current year, said tower is ready for use and capitalised under Investment Property at ₹ 57,000.62 lakhs. Timing of capitalization of the project and /or classification of categories of items of Investment Property, deciding useful life for depreciation if done incorrectly, could result in material misstatement of Investment Property with a consequent impact on depreciation charge and results for the year.</p> <p>Refer Note 4(a) & 5 to the Standalone Financial Statements.</p>	<p>Our audit procedures included testing the design, implementation and operating effectiveness of controls in respect of timing of capitalization and recording of additions to items of various categories of Investment property with source documentation, substantive testing of appropriateness of the cut-off date considered for capitalization.</p> <p>We tested the source documentation to determine whether the expenditure is of Capital nature and has been properly approved and segregated into appropriate categories.</p> <p>We reviewed operating expenses to determine appropriateness of accounting.</p> <p>Further, through site visit, we physically verified existence of property and allied assets.</p>

2	<p>Enhancement of Company's ERP System:</p> <p>During the year, the Company has enhanced its ERP system by migrating from Tally ERP to SAP S/4 HANA resulting into a significant change to the financial accounting configuration which is the core for financial reporting.</p> <p>During any period of significant system change, there is an increased risk to the internal financial control environment following system integration, migration of activities and other changes.</p>	<p>We have ensured accurate migration of all the accounting records from Tally to SAP especially closing balances as on the date of migration.</p> <p>Our audit procedures focused on key processes and controls over the system critical to our audit. These included management of the systems, access to the systems, automated processes logic check, operations, back-up and restore.</p> <p>We updated our understanding of the Company's applications and transitions that have impacted our financial statement audit by carrying out walk through tests.</p>
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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)(i) 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 March 2020 taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2020 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 36(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

Ashish Shah
Partner
Membership No. 103750

Mumbai
19 May 2020
UDIN: 20103750AAAABN8087

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 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 except as disclosed below 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 2020 for a period of more than six months from the date they became payable

Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates
Income Tax	14.66	AY 2007-08

- (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 2020 which have not been deposited on accounts of any disputes are as follows:

Name of the Statute	Nature of dues	Amount (₹ 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
		38.62	AY 2010-11	ITO
		49.65	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

Ashish Shah
Partner
Membership No. 103750

Mumbai, 19 May 2020
UDIN: 20103750AAAABN8087

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 2020 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 2020, 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

Ashish Shah
Partner
Membership No. 103750

Mumbai, 19 May 2020
UDIN: 20103750AAAABN8087

Particulars	Note No	As at 31 March	
		2020	2019
Assets			
Non-Current Assets			
Property, Plant and Equipment	4	9,086.62	9,196.49
Capital work-in-progress	4a	130.44	50,713.89
Investment property	5	68,273.51	12,092.68
Other Intangible Assets	6	266.55	-
Intangible assets under development		24.99	195.24
Financial Assets			
Investments	7	63,241.33	50,620.72
Loans / Sundry Deposits	8	431.56	353.42
Other Non Current Financial Assets	9	5,244.49	-
Non - Current Tax Assets (Net)	10	1,419.42	781.82
Other non current assets	11	1,775.48	3,906.10
Total Non-Current Assets		1,49,894.39	1,27,860.36
Current Assets			
Inventories	12	856.10	903.02
Financial assets			
Investments	7	4,008.98	2,520.84
Trade receivables	13	1,603.13	1,804.03
Cash and cash equivalents	14a	633.44	200.10
Other balances with Banks	14b	386.59	223.28
Other financial assets	15	1,768.73	136.47
Other current assets	16	1,540.95	948.46
Total Current Assets		10,797.92	6,736.20
Total Assets		1,60,692.31	1,34,596.56
Equity and Liabilities			
Equity			
Equity share capital	17	1,409.20	1,409.20
Other equity	18	1,34,060.50	1,15,370.26
Total Equity		1,35,469.70	1,16,779.46
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Other financial liabilities	19	9,793.11	5,342.08
Provisions	20	381.15	352.63
Deferred tax Liabilities(Net)	21	2,596.22	1,792.75
Other non-current Liabilities	22	2,362.97	1,277.39
Total Non-current Liabilities		15,133.45	8,764.85
Current Liabilities			
Financial Liabilities			
Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises		37.83	69.71
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,422.55	1,005.74
Other Financial liabilities	23	3,813.86	3,855.66
Other current Liabilities	24	4,763.36	4,061.67
Provisions	25	51.56	45.27
Current Tax Liabilities (Net)	26	-	14.20
Total Current Liabilities		10,089.16	9,052.25
Total Equity and Liabilities		1,60,692.31	1,34,596.56

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

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

Ashish Shah
Partner
Membership No. 103750

Mumbai, 19 May 2020

1 to 50
For and on behalf of the Board

Mr. Sumant J. Patel
Executive Chairman
DIN: 00186976

Mr. Dipesh R. Singhania
Chief Financial Officer
and Head Legal

Mumbai, 19 May 2020

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

Ms. Jinal J. Shah
Company Secretary
and Compliance Officer

CIN : L17100MH1946PLC004886

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

Particulars	Note No	Year	
		2019-2020	2018-2019
Revenue			
Revenue from operations	27	43,172.77	36,038.44
Other income	28	4,239.06	3,167.74
Total Income		47,411.83	39,206.18
Expenses			
Cost of materials consumed	29	1,762.17	2,250.75
Changes in inventories of finished goods and work in progress	30	93.58	113.76
Employee benefits expense	31	1,991.25	1,828.52
Finance costs	32	602.39	471.09
Depreciation	4,5 & 6	2,243.76	1,187.38
Other Expenses	33	11,496.53	8,585.87
Total Expenses		18,189.68	14,437.37
Profit before tax		29,222.15	24,768.81
Tax expense			
(1) Current tax		5,035.89	7,158.16
(2) Deferred tax		807.26	(530.44)
(3) Short provision of earlier year		-	122.84
Total tax expense		5,843.15	6,750.56
Profit after tax		23,379.00	18,018.25
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
i) Remeasurement of defined employee benefit plans		(15.05)	7.02
- Income tax expense on remeasurement of defined employee benefit plans		3.79	(2.45)
ii) Net fair value gain /(Loss) on investments in equity instruments through OCI.		(5.59)	1.05
Total Other Comprehensive Income		(16.85)	5.62
Total Comprehensive Income for the year		23,362.15	18,023.87
Earning Per Equity Share (face value of ₹ 2 each)			
Basic & Diluted (In ₹)	42	33.18	25.57

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

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

Ashish Shah
Partner
Membership No. 103750

Mumbai, 19 May 2020

1 to 50
For and on behalf of the Board

Mr. Sumant J. Patel
Executive Chairman
DIN: 00186976

Mr. Dipesh R. Singhania
Chief Financial Officer
and Head Legal

Mumbai, 19 May 2020

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

Ms. Jinal J. Shah
Company Secretary
and Compliance Officer

CIN : L17100MH1946PLC004886

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at 31 March	
	2020	2019
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 2018(A)	50.00	9.56	99,408.76	13.42	(20.63)	99,461.11
Additions during the year						
Profit for the year	18,018.25	-	-	-	-	18,018.25
Items of OCI for the year, net of tax						
Remeasurement of the defined benefit plans	4.57	-	-	-	-	4.57
Net fair value gain on investment in equity instruments through OCI	-	-	-	1.05	-	1.05
Total Comprehensive Income for the year 2018-19 (B)	18,022.82	-	-	1.05	-	18,023.87
Adjustments during the year						
Inventory Valuation adjusted against reserves	-	-	(161.00)	-	-	(161.00)
Total (C)	-	-	(161.00)	-	-	(161.00)
Reductions during the year						
Dividend	(1,620.60)	-	-	-	-	(1,620.60)
Income tax on dividend	(333.12)	-	-	-	-	(333.12)
Total (D)	(1,953.72)	-	-	-	-	(1,953.72)
Transfers during the year						
Opening remeasurement of the defined benefit plans transferred to retained earnings	(20.63)	-	-	-	20.63	-
Retained earnings transferred to General reserve	(16,048.48)	-	16,048.48	-	-	-
Total (E)	(16,069.10)	-	16,048.48	-	20.63	-
Balance as at 31 March 2019 F = (A + B + C +D+E)	50.00	9.56	1,15,296.23	14.47	-	1,15,370.26
Additions during the year						
Profit for the year	23,379.00	-	-	-	-	23,379.00
Items of OCI for the year, net of tax						
Remeasurement of the defined benefit plans	(11.26)	-	-	-	-	(11.26)

Net fair value (loss) on investment in equity instruments through OCI	-	-	-	(5.59)	-	(5.59)
Total Comprehensive Income for the year 2019-20 (G)	23,367.74	-	-	(5.59)	-	23,362.15
Reductions during the year						
Dividend	(3,875.33)	-	-	-	-	(3,875.33)
Income tax on dividend	(796.58)	-	-	-	-	(796.58)
Total (H)	(4,671.91)	-	-	-	-	(4,671.91)
Transfers during the year						
Retained earnings transferred to General reserve	(18,695.83)	-	18,695.83	-	-	-
Total (I)	(18,695.83)	-	18,695.83	-	-	-
Balance as at 31 March 2020 J = (F + G + H +I)	50.00	9.56	133,992.06	8.88	-	134,060.50

As per our report of even date

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

Ashish Shah
Partner
Membership No. 103750

Mumbai, 19 May 2020

For and on behalf of the Board

Mr. Sumant J. Patel
Executive Chairman
DIN: 00186976

Mr. Dipesh R. Singhanian
Chief Financial Officer
and Head Legal

Mumbai, 19 May 2020

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

Ms. Jinal J. Shah
Company Secretary
and Compliance Officer

CIN : L17100MH1946PLC004886
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2020

(₹ in lakhs)

Particulars	Year	
	2019-2020	2018-2019
A) Cash Flow from operating activities		
Net Profit before income tax	29,222.15	24,768.81
Add / (Less):		
Depreciation	2,243.76	1,187.38
Interest income	(563.03)	(8.25)
Dividend income	(43.57)	(116.92)
Finance costs	602.39	471.09
Assets written off	-	321.79
Net gain / (loss) arising on financial assets measured at FVTPL	(3,490.19)	(2,628.99)
Inventory valuation adjusted against reserves	-	(161.00)
Prepaid rent amortised	(619.40)	(485.93)
Bad debts/sundry balance written off	208.43	122.54
Allowance for Doubtful Bad Debts	65.89	155.39
Provision for diminuation in value of investments and deposits	2.51	-
Sundry creditors/liabilities written back (net)	(16.85)	(81.59)
	(1,610.07)	(81.59)
	(1,224.49)	
Operating profit before change in operating assets and liabilities	27,612.09	23,544.32
Add / (Less):		
(Increase)/Decrease in Inventory	46.92	338.21
(Increase)/Decrease in Trade & other receivable	(73.42)	(737.13)
(Increase)/Decrease in Other operating assets	(7,632.55)	(291.31)
Increase/(Decrease) in Trade payables	401.78	258.00
Increase / (Decrease) in Provisions	34.81	18.33
Increase/(Decrease) in Other operating liabilities	6,219.96	1,621.12
	(1,002.50)	1,621.12
	1,207.22	
Cash generated from operations	26,609.58	24,751.54
Add / (Less):		
Income Tax paid (Net of refund)	(5,687.69)	(7,627.88)
	(5,687.69)	(7,627.88)
Net Cash generated from operating activities - [A]	20,921.89	17,123.66
B) Cash Flow from investing activities		
Purchase of fixed assets / Capital work in Progress / Capital Advances	(5,696.93)	(14,991.03)
Purchase of investments	(41,759.51)	(30,323.15)
Investments in deposits	(79.62)	27.87
Proceeds from sale of investments	31,132.36	29,687.17
Interest received	563.03	8.25
Dividend received	43.57	116.92
	(15,797.10)	116.92
	(15,473.97)	
Net Cash used in investing activities - [B]	(15,797.10)	(15,473.97)
C) Cash Flow used in financing activities		
Finance costs paid	(19.54)	(26.59)
Dividend paid to shareholders	(3,875.33)	(1,620.60)
Tax paid on dividend	(796.58)	(333.12)
	(4,691.45)	(333.12)
	(1,980.31)	
Net Cash used in financing activities - [C]	(4,691.45)	(1,980.31)
Net Increase / (Decrease) in Cash / Cash Equivalents (A+B+C)	433.34	(330.62)
Cash/Cash Equivalents at the beginning of the year	200.10	530.72
Cash/Cash Equivalents at the end of the year	633.44	200.10

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

(₹ in lakhs)

Particulars	As at 31 Mach 2020	As at 31 Mach 2019
b) Cash and Cash Equivalent comprises of		
Cash on hand	11.79	0.64
Balances with Banks in Current Acocunt	621.65	199.46
Cash and Cash Equivalents in Cash Flow Statements	633.44	200.10

As per our report of even date

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

Ashish Shah
Partner
Membership No. 103750

Mumbai, 19 May 2020

For and on behalf of the Board

Mr. Sumant J. Patel
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Mr. Krishna S. Patel
Vice Chairman and Managing Director
DIN: 01519572

Ms. Jinal J. Shah
Company Secretary
and Compliance Officer

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 & Equipment and Investment Property 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 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 are recognised in profit and loss as other income when the Company's right to receive payments is established. Impairment loss (and reversal of impairment loss) on equity instruments measured at FVTOCI are not accounted separately from other changes in fair value.

(viii) Investment in Debt Instruments:

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

(ix) Impairment of Financial Assets:

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

(x) De-recognition of Financial Assets:

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

A financial asset is derecognised only when the Company –

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

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

(xi) Income recognition:

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

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

2. Financial Liabilities:

i) Classification:

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

ii) Initial recognition and measurement:

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

iii) Subsequent measurement:

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

iv) De-recognition of Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3. Offsetting Financial Instruments:

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

i) 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 leases for land and 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 2019.

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 the 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 01 April 2020.

Note 3 - Key Accounting Estimates and Judgements:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised and, if material, their effects are disclosed in the notes to the Financial Statements.

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 on the basis of 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 2020

(₹ in lakhs)

Tangible Assets	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	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	2,054.39
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)
Closing accumulated depreciation and impairment	-	446.01	1,347.27	407.39	421.88	198.75	2,821.31
Net carrying amount	638.23	4,165.57	2,748.77	937.10	356.98	239.98	9,086.62

Changes in carrying value of Property, Plant and Equipment for the year ended 31 March 2019

(₹ in lakhs)

Tangible Assets	Freehold land	Freehold building*	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Vehicles	Total
Opening gross carrying amount	638.23	4,358.09	3,705.68	1,321.22	655.84	437.93	11,116.99
Additions	-	42.32	94.88	40.66	39.09	-	216.95
Deductions / Adjustments	-	-	(83.06)	-	-	-	(83.06)
Closing gross carrying amount	638.23	4,400.41	3,717.50	1,361.88	694.93	437.93	11,250.88
Opening accumulated depreciation	-	211.44	634.58	203.55	188.55	105.24	1,343.36
Depreciation during the year	-	111.86	309.85	127.24	117.00	45.07	711.03
Deductions / Adjustments	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment	-	323.30	944.43	330.79	305.55	150.31	2,054.39
Net carrying amount	638.23	4,077.11	2,773.07	1,031.09	389.38	287.62	9,196.49

* 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	
	2020	2019	2020	2019	2020	2019
Office Equipment	-	0.86	-	-	-	0.86
Freehold Building	67.97	773.05	62.47	49,939.98	130.44	50,713.03
Total	67.97	773.91	62.47	49,939.98	130.44	50,713.89

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 5 - Investment Property**

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)	-
Closing gross carrying amount	62,635.48	3,271.58	4,829.31	602.96	71,339.33
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)	-
Closing accumulated depreciation and impairment	1,565.82	546.60	777.83	175.58	3,065.82
Net carrying amount	61,069.66	2,724.98	4,051.49	427.38	68,273.51

Changes in carrying value of Investment property for the year ended 31 March 2019

(₹ in lakhs)

Particulars	Freehold building	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Total
Opening gross carrying amount	11,110.40	1,361.92	854.86	980.89	14,308.07
Additions	0.87	28.00	-	3.03	31.90
Deductions / Adjustments	(276.79)	(105.92)	(150.05)	(111.38)	(644.14)
Closing gross carrying amount	10,834.48	1,284.01	704.81	872.54	13,695.83
Opening accumulated depreciation	541.16	285.16	302.63	97.82	1,226.77
Depreciation during the year	180.12	97.54	102.21	96.48	476.35
Deductions / Adjustments	(12.46)	(18.99)	(39.42)	(29.10)	(99.97)
Closing accumulated depreciation and impairment	708.82	363.71	365.42	165.20	1,603.15
Net carrying amount	10,125.66	920.29	339.39	707.34	12,092.68

Note : The extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on Stamp Duty Ready Reckoner published by Government of India every year. As at 31 March 2020, the fair value of the properties are ₹ 3,51,157.58 lakhs (P Y - ₹1,26,891.35 lakhs).

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
Rental income from Investment Property	21,416.82
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	410.21
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 2020

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening gross carrying amount	-	-
Additions	272.63	-
Deductions / Adjustments	8.02	-
Closing gross carrying amount	280.65	-
Opening accumulated depreciation	-	-
Depreciation during the year	10.32	-
Deductions / Adjustments	3.78	-
Closing accumulated depreciation and impairment	14.10	-
Net carrying amount	266.55	-

Note 7 - Investments

(₹ in lakhs)

Particulars	As at 31 March 2020 Carrying Value	As at 31 March 2019 Carrying Value
A) Investments - Non-Current		
Unquoted		
Investment in Equity Instruments - Subsidiaries measured at cost	26.10	25.10
Investment in Government Securities measured at cost	1.00	1.00
Other Investment measured at cost	0.03	0.03
Less:- Provision for Diminution in value of investments	(1.03)	-
Total	26.10	26.13
Quoted		
Investment carried at fair value through OCI		
Fully paid equity shares	8.93	14.52
Total	8.93	14.52
Investment carried at fair value through profit and loss		
Fixed Maturity Plans	10,825.40	10,265.99
Debt Funds	14,643.60	23,353.30
Short Term Debt Funds	14,808.03	12,179.44
Floating rate Debt Funds	-	258.04
Balanced Funds	813.40	1,449.92
Equity Funds	269.25	2,747.34
MIP Funds	-	326.03
Total	41,359.68	50,580.08
Investment carried at amortised cost		
Corporate Deposits	1,415.00	-
Non Convertible Debentures and Bonds	18,506.00	-
Preference Shares	1,925.62	-
Total	21,846.62	-
Total Non Current Investments	63,241.33	50,620.72
B) Investments - Current		
Investment carried at fair value through profit and loss		
Debt funds - ultra short term bond funds	3,908.98	2,520.84
Investment carried at amortised cost		
Bonds	100.00	-
Total Current Investments	4,008.98	2,520.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Note 8 Loans (Unsecured, Considered Good)		
Security Deposits with Public Bodies	431.56	353.42
	431.56	353.42
Note 9 Other Non Current Financial Assets		
Lease Rental Receivable	5,244.49	-
	5,244.49	-
Note 10 Non Current Tax Assets (Net)		
Advance payment of income tax (net)	1,419.42	781.82
	1,419.42	781.82
Note 11 Other non current assets		
Capital Advances	502.80	3,906.10
Other Long Term Advances	1,272.68	-
	1,775.48	3,906.10
Note 12 Inventories (At lower of cost and net realisable value)		
Raw Materials	487.16	444.53
Work in progress	347.57	441.15
Stores and spares	21.37	17.34
	856.10	903.02
Note 13 Trade Receivables		
a) Unsecured, considered good	1,603.13	1,804.03
b) Credit Impaired	183.86	173.55
	1,786.99	1,977.58
Less Allowances for doubtful Trade Receivable	(183.86)	(173.55)
	1,603.13	1,804.03
Note 14 Cash and Bank Balances		
a) Cash and cash equivalents		
Balances with banks in Current Accounts	621.65	199.46
Cash on hand	11.79	0.64
	633.44	200.10
b) Other balances with banks		
Bank Deposits with less than 12 months of original maturity	75.77	62.14
Unclaimed dividend **	310.82	161.14
	386.59	223.28
**The Company can utilise these balances only towards settlement of unclaimed dividend.		
Note 15 Other financial assets (Current)		
Bank Deposits with more than 12 months of original maturity	-	56.27
Deposits (Others)	62.72	78.67
Other receivables	1,706.01	1.53
	1,768.73	136.47
Note 16 Other current assets		
Advance Recoverable in Cash or Kind	141.71	97.31
Balances with Government Authorities		
Sales tax and GST	704.42	424.41
Advances to Suppliers	270.26	127.72
Advance to staff	22.41	4.65
Other receivables	402.15	294.37
	1,540.95	948.46

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
Note 17 - Equity Share Capital

(₹ in lakhs)

Particulars	As at	
	31 March 2020	31 March 2019
Share Capital		
Authorised		
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
Total	1,500.00	1,500.00
Issued, Subscribed and Paid up Capital		
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
Total	1,409.20	1,409.20

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

Fully Paid Equity Shares	As at 31 March 2020		As at 31 March 2019	
	Equity Shares		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
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 of shares 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) The Board of Directors at its meeting held on 11 March 2020, recommended approval of the interim dividend paid during the year as the final dividend for the financial year 2019-20 in the ensuing Annual General Meeting.

d) Details of shareholding more than 5% equity shares in the Company@

Name of Shareholders	As at 31 March 2020		As at 31 March 2019	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Chandler & Price India Pvt.Ltd.	1,94,61,542	27.62	1,94,49,842	27.60
Mr. Sumant J. Patel	88,67,335	12.58	90,07,335	12.78
Patel Consultancy Services Pvt. Ltd.	53,35,500	7.57	52,58,000	7.46
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

(₹ 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 2018(A)	50.00	9.56	99,408.76	13.42	(20.63)	99,461.11
Additions during the year						
Profit for the year	18,018.25	-	-	-	-	18,018.25
Items of OCI for the year, net of tax						
Remeasurement of the defined benefit plans	4.57	-	-	-	-	4.57
Net fair value gain on investment in equity instruments through OCI	-	-	-	1.05	-	1.05
Total Comprehensive Income for the year 2018-19 (B)	18,022.82	-	-	1.05	-	18,023.87
Adjustments during the year						
Inventory Valuation adjusted against reserves	-	-	(161.00)	-	-	(161.00)
Total (C)	-	-	(161.00)	-	-	(161.00)
Reductions during the year						
Dividend	(1,620.60)	-	-	-	-	(1,620.60)
Income tax on dividend	(333.12)	-	-	-	-	(333.12)
Total (D)	(1,953.72)	-	-	-	-	(1,953.72)
Transfers during the year						
Opening remeasurement of the defined benefit plans transferred to retained earnings	(20.63)	-	-	-	20.63	-
Retained earnings transferred to General reserve	(16,048.48)	-	16,048.48	-	-	-
Total (E)	(16,069.10)	-	16,048.48	-	20.63	-
Balance as at 31 March 2019 F = (A + B + C +D+E)	50.00	9.56	115,296.23	14.47	-	115,370.26
Additions during the year						
Profit for the year	23,379.00	-	-	-	-	23,379.00
Items of OCI for the year, net of tax						
Remeasurement of the defined benefit plans	(11.26)	-	-	-	-	(11.26)
Net fair value (loss) on investment in equity instruments through OCI	-	-	-	(5.59)	-	(5.59)
Total Comprehensive Income for the year 2019-20 (G)	23,367.74	-	-	(5.59)	-	23,362.15
Reductions during the year						
Dividend	(3,875.33)	-	-	-	-	(3,875.33)
Income tax on dividend	(796.58)	-	-	-	-	(796.58)
Total (H)	(4,671.91)	-	-	-	-	(4,671.91)
Transfers during the year						
Retained earnings transferred to General reserve	(18,695.83)	-	18,695.83	-	-	-
Total (I)	(18,695.83)	-	18,695.83	-	-	-
Balance as at 31 March 2020 J = (F + G + H +I)	50.00	9.56	1,33,992.06	8.88	-	1,34,060.50

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 purpose. 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 gains 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
Note 19 Other financial liabilities (Non Current)		
Security deposit from IT Park licencees	9,793.11	5,342.08
	9,793.11	5,342.08
Note 20 Provisions (Non Current)		
a) Provision for Employee benefits (Refer Note No 44)		
Gratuity	172.22	143.41
Leave Encashment	37.57	37.86
b) Compensation Payable (Refer Note No 49)	171.36	171.36
	381.15	352.63
Note 21 Deferred tax liabilities (Net)		
Opening Balance	1,792.75	2,320.70
Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act,1961	(206.02)	89.80
Provision for expenses allowed for tax purpose on payment basis	7.07	(19.57)
Difference in carrying value and tax base of investments measured at FVTPL	(79.67)	(548.40)
Allowance of doubtful debts and advances	6.26	(47.33)
Lease equalisation reserve assets	1,069.59	-
Remeasurement of the defined benefit plan through OCI	6.24	(2.45)
	2,596.22	1,792.75
(Refer Note No 45 "Income Taxes" for further details)		
Note 22 Other non-current liabilities		
Advance Lease Rentals	2,362.97	1,277.39
	2,362.97	1,277.39
Note 23 Other financial liabilities (Current)		
Unclaimed dividend	310.82	161.14
Payable to Employees	32.70	162.12
Payable towards Capital Expenditures	1,091.15	1,425.90
Security Deposits	1,232.60	1,840.06
Other Payables	1,146.59	266.44
	3,813.86	3,855.66
Note 24 Other current liabilities		
a) Revenue received in advance		
Advance from customers	3,762.90	3,569.62
b) Others		
Statutory Payables		
Payable towards VAT	0.34	6.46
Payable towards GST	282.00	339.29
Payable towards TDS / TCS	705.32	133.25
Payable towards PF / ESIC /PT	12.80	13.05
	4,763.36	4,061.67

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31	As at 31
	March 2020	March 2019
Note 25 Provisions (Current)		
Provision for Employee benefits (Refer Note No 44)		
Gratuity	27.83	24.73
Leave Encashment	6.93	4.30
Provision for Warranty (Refer Note No 49)	16.80	16.24
	51.56	45.27
Note 26 Current Tax Liabilities (Net)		
Provision for income tax (net)	-	14.20
	-	14.20

(₹ in lakhs)

Particulars	Year	
	2019 - 2020	2018- 2019
Note 27 Revenue from Operations.		
a) Sale of Products		
Sales of Machines and Spares	2,220.44	3,127.67
b) Sale of Services		
Bombay Exhibition Centre (Rental and Services)	15,860.11	15,730.24
Nesco IT Park (Rental and Services)	21,416.82	13,696.98
Hospitality Services	3,568.41	3,357.57
Engineering fees, services and other charges	106.99	125.98
	43,172.77	36,038.44
Note 28 Other income		
Interest Income	563.03	8.25
Dividend from mutual fund investments	43.57	116.92
Net gain arising on financial assets measured at FVTPL	3,490.19	2,628.99
Sundry Creditors/liabilities written back (net)	16.85	81.59
Others	125.42	331.99
	4,239.06	3,167.74
Note 29 Cost of materials consumed		
Opening Stock	444.53	520.65
Add : Purchases	1,804.80	2,174.63
	2,249.33	2,695.28
Less: Closing Stock	487.16	444.53
	1,762.17	2,250.75
Note 30 Changes in Inventories of finished goods and work in progress		
Opening Stock of work-in-progress	441.15	715.91
Less: Change in opening stock valuation	-	(161.00)
Less: Closing Stock of work in progress	(347.57)	(441.15)
	93.58	113.76
Note 31 Employee Benefits expense		
Salaries and Wages	1,847.23	1,687.19
Contribution to Provident and other funds	79.05	71.83
Gratuity (Refer Note No 44)	38.50	31.21
Staff welfare expenses	26.47	38.29
	1,991.25	1,828.52
Note 32 Finance Costs		
Interest on financial liabilities carried at amortised cost	582.85	444.50
Bank charges & guarantee commission	11.78	15.03
Others	7.76	11.56
	602.39	471.09

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	Year	
	2019 - 2020	2018- 2019
Note 33 Other Expenses		
Consumption of stores and spares	120.84	106.26
Power, Fuel & Electricity	1,597.32	1,519.48
Contract Manpower	1,155.55	859.47
Repairs and maintenance of :		
- Buildings & Property	889.55	428.55
- Plant & Machinery	177.23	104.50
- Other Assets	<u>238.10</u>	<u>194.97</u>
Printing, Stationery, Postage and Communication expenses	75.74	90.60
Rent	39.70	49.26
Hire Charges	269.07	209.50
Catering and Other operating supplies	133.62	141.73
Warranty Expenses (Refer Note No 49)	0.57	16.24
Rates and Taxes	784.35	1,008.40
Water Charges	152.06	101.35
Advertisement and Sales Promotion	98.21	99.82
Membership and Subscription	6.32	13.61
Insurance	88.59	36.48
Housekeeping and Other Office Expenses	225.56	205.29
Loss on Sale / Asset Written off	-	321.79
Exchange loss on foreign currency transactions	0.54	2.63
Travelling, Conveyance and vehicle expenses	120.91	147.35
Payment to Auditors:-		
- Audit Fees	20.63	20.63
- Certification work	<u>0.50</u>	<u>0.14</u>
Legal & professional fees	1,407.84	444.08
Event Expenses	759.42	774.92
CSR Expenses	501.09	462.18
Donation	16.91	50.08
Freight and handling charges	45.52	98.81
Commission to Directors	1,800.00	500.00
Directors' sitting fees	20.95	7.90
Security charges	164.80	137.89
Bad debts/sundry balance written off	208.43	122.54
Allowance for Doubtful Bad Debts and Deposits	64.41	155.39
Provision for Diminuation in value of investments	2.51	-
Commission and Brokerage	196.28	64.83
Software and IT Expenses	65.57	18.84
Miscellaneous expenses	<u>47.84</u>	<u>70.37</u>
	<u>11,496.53</u>	<u>8,585.87</u>

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 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
Financial Assets				
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
Investment in Subsidiaries	26.10	-	-	26.10
Trade Receivables	1,603.13	-	-	1,603.13
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	7,013.22	-	-	7,013.22
Total Financial Assets	32,040.66	45,268.66	8.93	77,318.25
Financial Liabilities				
Trade Payables	1,460.38	-	-	1,460.38
Other financial liabilities	13,606.97	-	-	13,606.97
Total Financial Liabilities	15,067.35	-	-	15,067.35

The carrying value of financial instruments by categories as of 31 March 2019 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
Financial Assets				
Investments				
Equity Instruments	-	-	14.55	14.55
Mutual Funds	-	53,100.91	-	53,100.91
Government Securities	1.00	-	-	1.00
Investment in Subsidiary	25.10	-	-	25.10
Trade Receivables	1,804.03	-	-	1,804.03
Cash and cash equivalents	200.10	-	-	200.10
Other balances with Banks	223.28	-	-	223.28
Loans / Sundry Deposits	353.42	-	-	353.42
Other financial assets	136.47	-	-	136.47
Total Financial Assets	2,743.40	53,100.91	14.55	55,858.86
Financial Liabilities				
Trade Payables	1,075.45	-	-	1,075.45
Other financial liabilities	9,197.74	-	-	9,197.74
Total Financial Liabilities	10,273.19	-	-	10,273.19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Fair value hierarchy

Statement of Changes in Equity for the year ended 31 March 2020

- 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 as of 31 March 2020:

(₹ in lakhs)

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	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

(₹ in lakhs)

Particulars	As of 31 March 2019	Fair value hierarchy at the end of the reporting period/year using		
		Level 1	Level 2	Level 3
Investments in Equity Instruments	14.55	14.52	-	0.03
Investments in Mutual Funds	53,100.91	53,100.91	-	-

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 eventually be received or settled.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 35 - 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 in order 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 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Currency				
USD	NIL	NIL	0.81	5.03
EURO	NIL	NIL	2.72	NIL
OMR	NIL	NIL	0.08	NIL

The Company has not entered into any forward contract during the year ended 31 March 2020 and 31 March 2019. 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.

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 ₹1,603.13 lakhs and ₹ 1,804.03 lakhs as on 31 March 2020 and 31 March 2019 respectively.

The Company minimizes credit risk relating to IT Park lease, BEC and Hospitality 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 2020 and 31 March 2019 was ₹ 183.86 lakhs and ₹ 173.55 lakhs respectively.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning	173.55	18.16
Loss allowance measured at lifetime expected credit losses	10.31	155.39
Balance at the end	183.86	173.55

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 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.

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 ₹ 633.44 lakhs and ₹ 200.10 lakhs as on 31 March 2020 and 31 March 2019 respectively.

The table below provides details regarding the 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
Other financial liabilities (non-current)				
Security deposit from IT Park licensees and others	-	9,793.11	-	9,793.11
Other financial liabilities (current)				
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

Details regarding contractual maturities of significant financial liabilities as on 31 March 2019:

(₹ in lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Other financial liabilities (Non-current):				
Security deposit from licensees and customers	-	5,342.08	-	5,342.08
Other financial liabilities (current):				
Trade Payables	1,075.45	-	-	1,075.45
Security deposit from IT Park licensees and others	1,840.06	-	-	1,840.06
Other financial liabilities	2,015.59	-	-	2,015.59

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. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. 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 at 31 March 2020, 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.

Note 36 - Contingent Liabilities and Commitments:

- Income tax demand disputed by the Company ₹130.35 lakhs (previous year ₹168.60 lakhs)
- Claims against the Company not acknowledged as debts ₹ 1,393.64 lakhs (previous year ₹ 1,462.97 lakhs)
- Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹1,919.16 lakhs (previous year - ₹14,950.05 lakhs) against which an advance of ₹ 502.80 lakhs (previous year - ₹ 3,906.10 lakhs) has been paid.
- Indian Bank Guarantees given by bank on Company's behalf ₹ 701.43 lakhs (previous year - ₹ 610.23 lakhs).

Note 37 - Disclosure under the MSMED Act 2006:

Disclosure under the MSMED Act 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act

(₹ in lakhs)

Particulars	As At	
	31 March 2020	31 March 2019
1. Principal amount and the interest due thereon remaining unpaid in each supplier at the end of each accounting year (but within due date as per the MSMED Act) Principal amount due to Micro and Small Enterprise	37.83	69.71
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	-	-
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	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 on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 38 - 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 2020 are as under

(In lakhs)

Currency	Payables		Receivables	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
USD	NIL	NIL	0.81	5.03

Note 39 - 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 40 - Corporate Social Responsibility expense:

1. Gross amount required to be spent by the Company during the year 2019-20 – ₹ 484.34 lakhs (previous year ₹ 459.70 lakhs) towards CSR activities prescribed under Schedule VII of the Companies Act, 2013.

2. Amounts spent during the year on:

(₹ in lakhs)

Nature of activities	Year 2019-20			Year 2018-19		
	In Cash**	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
Promoting Education: -						
i) Construction of school	185.49	-	185.49	39.98	-	38.98
ii) Purpose other than i) above	315.60	-	315.60	423.20	-	423.20
Total	501.09	-	501.09	462.18	-	462.18

3. Related party transactions in relation to Corporate Social Responsibility

(₹ in lakhs)

Nature of activities	Year 2019-20			Year 2018-19		
	In Cash**	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
Related party transactions	0.61	-	0.61	-	-	-

** Represents actual outflow during the year

Note 41 - Leases:

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

Company as Lessor:

Ind AS 116 “Leases” requires the lessor to recognize lease 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 ₹ 6,071.40 lakhs for the year ended 31 March 2020.

The Company has entered into operating leases on its Investment Property located at Byculla and Goregaon IT Park premises:

Future minimum rentals accrued under these non-cancellable operating leases are, as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Within one year	18,098.54	9,800.70
After one year but not more than five years	56,572.59	18,303.59
More than 5 years	68.76	61.50

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 ₹ 21,416.82 lakhs (previous year - ₹ 13,696.98 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

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Within one year	19.50	40.50
After one year but not more than five years	40.63	114.75
More than 5 years	--	--

Lease payment recognized in statement of profit and loss is ₹ 39.70 lakhs (previous year ₹ 49.26 lakhs)

Note 42 - Earnings per share:

Particulars	2019-20	2018-19
Profit after Tax as per statement of Profit and Loss (₹ in lakhs)	23,379.00	18,018.25
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)	33.18	25.57

Note 43 - Related party

(a) List of related parties and relationships

Subsidiaries	Nesco Hospitality Private Limited Nesco Foundation for Innovation and Development (Incorporated on 09 October 2019)
Entities in which KMPs have significant influence	Patel Consultancy Pvt. Ltd. J V Patel Investment and Trading Co. Pvt. Ltd. Engineering Global Pte Limited Chandler and Price India Private Limited K S Patel Finance & Investment Company Pvt. Ltd.
Key Management Personnel	Mr. Sumant J. Patel – Executive Chairman Mr. Krishna S. Patel – Vice Chairman and Managing Director Mr. Dipesh R. Singhania – Chief Financial Officer and Head Legal Ms. Jinal J. Shah - Company Secretary and Compliance Officer
Relative of Key Management Personnel	Mrs. Sudha S. Patel - Non-executive Director
Non-executive Independent Directors	Mr. Mahendra K. Chauhan Mr. Manu M. Parpia Mr. Jai S. Diwanji Mr. K. S. Srinivasa Murty Mrs. Amrita Verma Chowdhury (w.e.f 14 May 2019)

2. Related party transactions:-

(₹ in lakhs)

Particulars	2019-2020	2018-2019
Brokerage Income		
Chandler and Price India Private Limited	86.40	185.91
Revenue received on behalf of Subsidiary		
Nesco Hospitality Private Limited	0.45	--

Rent Expense		
Mr. Sumant J. Patel	19.50	19.50
Expenses paid on behalf of Subsidiary		
Nesco Hospitality Private Limited	12.77	--
Donation to Subsidiary		
Nesco Foundation for Innovation and Development	0.61	--
Remuneration, perquisites, commission		
Mr. Sumant J. Patel	996.00	446.00
Mr. Krishna S. Patel	1,020.96	260.88
Mr. Dipesh R. Singhania	103.50	78.28
Ms. Jinal J. Shah	7.67	8.46
Director sitting fees		
Mrs. Sudha S. Patel	2.95	1.40
Mr. Mahendra K. Chauhan	4.30	1.75
Mr. Manu M. Parpia	3.25	1.60
Mr. Jai S. Diwanji	3.50	2.50
Mr. K. S. Srinivasa Murty	3.35	0.65
Mrs. Amrita Verma Chowdhury	3.60	--
Amount Payable / (Receivable)		
Mr. Sumant J. Patel	368.22	51.16
Mr. Krishna S. Patel	441.84	29.43
Mr. Dipesh R. Singhania	(2.59)	5.67
Ms. Jinal J. Shah	--	0.57
Chandler and Price India Private Limited	(14.75)	(20.21)
Nesco Hospitality Private Limited	(32.78)	(20.46)
Investment in Subsidiaries		
Nesco Hospitality Private Limited	--	0.11
Nesco Foundation for Innovation and Development	1.00	--
Loan Received from subsidiary and repaid		
Nesco Hospitality Private Limited	--	250.00

Employee benefits for Key Management Personnel is as follows:

(₹ in lakhs)

Particulars	2019-20	2018-19
Short-term employee benefits	2,128.13	793.62
Post-employment benefits	93.75	60.57
Other long-term benefits	17.77	13.59

Note 44 - 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.

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 2020	As at 31 March 2019
Present Value of Benefit Obligation at the Beginning of the Period	168.14	164.81
Interest Cost	13.13	12.90
Current Service Cost	25.37	18.30
(Benefit Paid Directly by the Employer)	(21.63)	(20.85)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	23.07	0.62
Demographic Assumptions	2.12	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	(10.15)	(7.64)
Present Value of Benefit Obligation at the End of the Period	200.05	168.14
Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	(200.05)	(168.14)
Funded Status (Surplus/ (Deficit))	(200.05)	(168.14)
Net (Liability)/Asset Recognized in the Balance Sheet	(200.05)	(168.14)
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	25.37	18.30
Net Interest Cost	13.13	12.90
Expenses Recognized	38.50	31.21
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	15.05	(7.02)
Net (Income)/Expense For the Period Recognized in OCI	15.05	(7.02)
Balance Sheet Reconciliation		
Opening Net Liability	168.14	164.81
Expenses Recognized in Statement of Profit or Loss	38.50	31.21
Expenses Recognized in OCI	15.05	(7.02)
(Benefit Paid Directly by the Employer)	(21.63)	(20.85)
Net Liability/(Asset) Recognized in the Balance Sheet	200.05	168.14
Other Details		
No of Active Members	158.00	161.00
Per Month Salary For Active Members	52.80	46.51
Average Past Services (Years)	6.34	6.98

Average Age (Years)	39.13	39.50
Average Expected Future Service	18.87	17.00
Projected Benefit Obligation	200.05	168.14
Assumptions		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.70%	7.79%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	5.00%	1.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
Current Service Cost	25.37	19.89
Net Interest Cost	13.13	13.10
Expenses Recognized	38.50	32.98
Maturity Analysis of the Benefit Payments: From the Employer		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	27.84	24.73
2 to 5 Years	56.41	11.24
6 to 10 Years	79.27	55.83
More than 10 Years	236.55	306.71
Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	200.05	168.14
Delta Effect of +1% Change in Rate of Discounting	(16.33)	(7.52)
Delta Effect of -1% Change in Rate of Discounting	18.76	8.12
Delta Effect of +1% Change in Rate of Salary Increase	18.70	8.22
Delta Effect of -1% Change in Rate of Salary Increase	(16.57)	(7.67)
Delta Effect of +1% Change in Rate of Employee Turnover	0.32	0.99
Delta Effect of -1% Change in Rate of Employee Turnover	(0.40)	(1.06)

The sensitivity analysis have 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 2020, based on actual valuation carried out by using the projected unit credit method amount to ₹ 5.63 lakhs (previous year ₹ 5.90 lakhs) has been recognized in the Statement of Profit and Loss.

Note 45 - Income Taxes:

A. The major components of Income Tax expense for the year are as under

(₹ in lakhs)

Particulars	Year 2019-2020	Year 2018-2019
Current Taxes	5,035.89	7,281.00
Deferred Taxes	807.26	(530.44)
Income Tax Expenses as per statement of Profit and Loss	5,843.15	6,750.56

Current Taxes includes ₹122.84 lakhs provided in previous year against earlier year liability. (₹ in lakhs)

Income Tax Expenses recognised in OCI	Year 2019-2020	Year 2018-2019
Deferred tax benefit on remeasurement benefit of defined benefit plans	3.79	(2.45)

B. Reconciliation of tax expense and the accounting profit for the year is as under : (₹ in lakhs)

Particulars	Year 2019-2020	Year 2018-2019
Profit before tax	29,222.15	24,768.81
Enacted Tax rate in India	25.168%	34.944%
Computed enacted tax expenses	7,354.63	8,655.21
Add / (Less): Expenses not allowable for tax purposes	322.16	404.85
Add / (Less): Income not considered for tax purpose	(1,347.86)	(1,474.35)
Add / (Less): Effect of expenses, computed differently in tax	(112.04)	(110.47)
Add / (Less): Effect of expenses, which are allowed on payment basis	29.38	(15.41)
Add / (Less): Effect of income, considered under other head of income	(403.12)	(832.11)
Total	5,843.15	6,627.72
(Excess) / short provision of earlier years	-	122.84
Income Tax Expense as per statement of Profit and Loss	5,843.15	6,750.56

The tax rate used for reconciliation above is the corporate tax rate of 25.168 % (P Y 34.944%) payable by corporate entities in India on taxable profits under Indian law. During the 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 2020 and 31 March 2019 are as follows: (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax Assets	1,419.42	781.82
Current Income Tax Liabilities	-	(14.20)
Net current income tax Assets / (Liabilities)	1,419.42	767.62

The gross movement in the Current Tax assets / (liabilities) for the year ended 31 March 2020 and 31 March 2019 are as follows: (₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net current tax assets / (liabilities) at the beginning of the year	767.62	420.74
Income tax paid :		
Advance tax and TDS	5,798.32	7,143.96
Self-Assessment Tax paid/Previous year adjustments	(110.63)	361.08
Current income tax expenses	(5,035.89)	(7,158.16)
Net current tax assets / (liabilities) at the end of the year	1,419.42	767.62

Details of deferred tax assets and liabilities as of 31 March 2020 and 31 March 2019 are as follows: (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Net deferred tax assets / (liabilities) at the beginning	(1,792.75)	(2,320.70)
Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961	206.02	(89.80)
Provision for expenses allowed for tax purpose on payment basis	(7.07)	19.57
Difference in carrying value and tax base of investments measured at FVTPL	79.67	548.40
Allowance of doubtful debts and advances	(6.26)	47.33
Lease Equalisation Reserve assets	(1,069.59)	-
Remeasurement of the defined benefit plan through OCI	(6.24)	2.45
Net deferred tax assets / (liabilities) at the end	(2,596.22)	(1,792.75)

The credits relating to temporary differences during the year ended 31 March 2020 and 31 March 2019 are primarily on account of Other income due to fair valuation of investments on mutual funds and Ind AS 116 Adjustment

Note 46 - Interim Dividend:

The Board of Directors as its meeting held on 11 March 2020, recommended and approved payment of Interim Dividend of ₹ 3.00 (Rupees three) Per Equity Share of face value of ₹ 2 each for the financial year ended 31 March 2020. This amounts to ₹ 2,548.30 lakhs inclusive of Dividend Distribution Tax of ₹ 434.50 lakhs.

Note 47 - 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

(₹ in lakhs)

Particulars	2019-20	2018-19
Revenue by Segment		
IT Park	21,416.82	13,696.98
Bombay Exhibition Centre	15,860.11	15,730.24
Industrial Capital Goods Division	2,327.43	3,253.65
Nesco Foods	3,568.41	3,357.57
Income from Investments/ Other Income	4,239.06	3,167.74
Total	47,411.83	39,206.18
Segment profit before tax and after finance cost		
IT Park	17,108.72	11,017.85
Bombay Exhibition Centre	12,163.07	12,558.65
Industrial Capital Goods Division	(243.31)	(35.92)
Nesco Foods	756.51	673.42
Unallocable expenses net off unallocable income	(562.84)	554.81
Total Operating profit before tax	29,222.15	24,768.81

Capital Employed		
Segment Assets:-		
IT Park	78,511.70	66,010.22
Bombay Exhibition Centre	4,973.13	5,591.24
Industrial Capital Goods Division	3,178.73	3,280.62
Nesco Foods	3,157.38	3,003.94
Unallocable Assets	70,871.37	56,710.54
Total	160,692.31	134,596.56
Segment Liabilities:-		
IT Park	15,200.42	9,990.61
Bombay Exhibition Centre	3,771.12	3,552.70
Industrial Capital Goods Division	554.55	698.05
Nesco Foods	478.29	429.22
Unallocable Liabilities	5,218.23	3,146.52
Total	25,222.61	17,817.11
Capital Employed		
IT Park	63,311.28	56,019.61
Bombay Exhibition Centre	1,202.01	2,038.54
Industrial Capital Goods Division	2,624.18	2,582.57
Nesco Foods	2,679.09	2,574.72
Unallocable Assets net of Unallocable Liabilities	65,653.13	53,564.02
Total	135,469.70	116,779.46
Capital Expenditure		
IT Park	57,706.00	15,077.31
Bombay Exhibition Centre	126.66	153.56
Industrial Capital Goods Division	317.83	51.38
Unallocable Assets	302.43	106.16
Nesco Foods	258.73	69.86
Total	58,711.65	15,458.27
Revenue from Operations		
India	47,368.95	39,187.55
Outside India	42.88	18.63
Total Revenue	47,411.83	39,206.18

There is no transactions with single external customer which amounts to 10% or more of the Company's revenue

Note 48 - The financial statements are approved for issue by the Board of Directors at its meeting held on 19 May 2020.

Note 49 - 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 2020 is as follows

(₹ in lakhs)

Particulars	Compensation Payable *		Provision for warranty #	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening Balance	171.36	171.36	16.24	-
Additions	-	-	0.56	16.24
Utilizations / Reversals	-	-	-	-
Closing Balance	171.36	171.36	16.80	16.24

* 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 50 - Previous year’s figures have been regrouped / reclassified wherever necessary

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 2020, 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 2020, 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>Capital work-in-progress / Investment Property</p> <p>The Holding Company has constructed Tower 04 in Nesco IT Park for providing office space on lease and licence basis to Companies engaged in IT/ITeS and related business activities. In the current year, said tower is ready for use and capitalised under Investment Property at ₹ 57,000.62 lakhs. Timing of capitalization of the project and /or classification of categories of items of Investment Property, deciding useful life for depreciation if done incorrectly, could result in material misstatement of Investment Property with a consequent impact on depreciation charge and results for the year.</p> <p>Refer Note 4(a) & 5 to the Consolidated Financial Statements.</p>	<p>Our audit procedures included testing the design, implementation and operating effectiveness of controls in respect of timing of capitalization and recording of additions to items of various categories of Investment property with source documentation, substantive testing of appropriateness of the cut-off date considered for capitalization.</p> <p>We tested the source documentation to determine whether the expenditure is of Capital nature and has been properly approved and segregated into appropriate categories.</p> <p>We reviewed operating expenses to determine appropriateness of accounting.</p> <p>Further, through site visit, we physically verified existence of property and allied assets.</p>
2	<p>Enhancement of Company's ERP System</p> <p>During the year, the Holding Company has enhanced its ERP system by migrating from Tally ERP to SAP S/4 HANA resulting into a significant change to the financial accounting configuration which is the core for financial reporting.</p> <p>During any period of significant system change, there is an increased risk to the internal financial control environment following system integration, migration of activities and other changes.</p>	<p>We have ensured accurate migration of all the accounting records from Tally to SAP especially closing balances as on the date of migration.</p> <p>Our audit procedures focused on key processes and controls over the system critical to our audit. These included management of the systems, access to the systems, automated processes logic check, operations, back-up and restore.</p> <p>We updated our understanding of the Company's applications and transitions that have impacted our financial statement audit by carrying out walk through tests.</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)(i) 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 ₹ 338.11 lakhs as at 31 March 2020, total revenues of ₹ 16.04 lakhs, total comprehensive income of ₹ 11.43 lakhs and net cash flows amounting to ₹ 10.35 lakhs 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 31 March 2020 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 31 March 2020 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.
- (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.

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

Ashish Shah
Partner
Membership No. 103750
Mumbai
19 May 2020
UDIN: 20103750AAAABO1468

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 2020, 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 2020, 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)(i) 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

Ashish Shah
Partner
Membership No. 103750
Mumbai
19 May 2020
UDIN: 20103750AAAABO1468

Particulars	Note No	As at 31 March	
		2020	2019
Assets			
Non-Current Assets			
Property, Plant and Equipment	4	9,086.62	9,196.49
Capital work-in-progress	4a	130.44	50,713.89
Investment property	5	68,273.51	12,092.68
Other Intangible Assets	6	267.06	-
Intangible assets under development		24.99	195.24
Financial Assets			
Investments	7	63,215.33	50,595.72
Loans / Sundry Deposits	8	442.35	364.29
Other Non Current Financial Assets	9	5,244.49	-
Non - Current Tax Assets (Net)	10	1,419.42	781.82
Other non current assets	11	1,775.48	3,906.10
Total Non-Current Assets		1,49,879.69	1,27,846.23
Current Assets			
Inventories	12	861.79	903.02
Financial assets			
Investments	7	4,008.98	2,520.84
Trade receivables	13	1,603.13	1,804.23
Cash and cash equivalents	14a	955.70	511.27
Other balances with Banks	14b	386.59	223.28
Other financial assets	15	1,768.74	136.47
Other current assets	16	1,508.27	928.05
Total Current Assets		11,093.20	7,027.16
Total Assets		1,60,972.89	1,34,873.39
Equity and Liabilities			
Equity			
Equity share capital	17	1,409.20	1,409.20
Other equity	18	1,34,338.59	1,15,638.34
Total Equity		1,35,747.79	1,17,047.54
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Other financial liabilities	19	9,793.11	5,342.08
Provisions	20	381.15	352.63
Deferred tax Liabilities(Net)	21	2,596.22	1,792.75
Other non-current Liabilities	22	2,362.97	1,277.39
Total Non-current Liabilities		15,133.45	8,764.85
Current Liabilities			
Financial Liabilities			
Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises		37.83	69.71
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,422.54	1,006.48
Other Financial liabilities	23	3,814.14	3,855.65
Other current Liabilities	24	4,765.13	4,061.77
Provisions	25	51.56	45.27
Current Tax Liabilities (Net)	26	0.45	22.12
Total Current Liabilities		10,091.65	9,061.00
Total Equity and Liabilities		1,60,972.89	1,34,873.39

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

1 to 51
For and on behalf of the Board

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

Mr. Sumant J. Patel
Executive Chairman
DIN: 00186976

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

Ashish Shah
Partner
Membership No. 103750

Mr. Dipesh R. Singhania
Chief Financial Officer
and Head Legal

Ms. Jinal J. Shah
Company Secretary
and Compliance Officer

Mumbai, 19 May 2020

Mumbai, 19 May 2020

CIN : L17100MH1946PLC004886

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

Particulars	Note No.	Year	
		2019-2020	2018-2019
Revenue			
Revenue from operations	27	43,173.18	36,094.07
Other income	28	4,254.69	3,172.36
Total Income		47,427.87	39,266.43
Expenses			
Cost of materials consumed	29	1,762.39	2,279.73
Changes in inventories of finished goods and work in progress	30	93.58	113.76
Employee benefits expense	31	1,991.26	1,833.17
Finance costs	32	602.41	471.40
Depreciation	4, 5 & 6	2,243.77	1,187.38
Other Expenses	33	11,505.93	8,591.54
Total Expenses		18,199.34	14,476.98
Profit before tax		29,228.53	24,789.45
Tax expense			
(1) Current tax		5,037.86	7,166.16
(2) Deferred tax		807.26	(530.44)
(3) Short provision of earlier year		(5.60)	110.92
Total tax expense		5,839.52	6,746.64
Profit after tax		23,389.01	18,042.81
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
i) Remeasurement of defined employee benefit plans		(15.05)	7.02
- Income tax expense on remeasurement of defined employee benefit plans		3.79	(2.45)
ii) Net fair value gain /(Loss) on investments in equity instruments through OCI.		(5.59)	1.05
Total Other Comprehensive Income		(16.85)	5.62
Total Comprehensive Income for the year		23,372.16	18,048.43
Profit for the year attributable to			
- Owners of the Company		23,389.01	18,042.81
- Non Controlling interest		-	-
		<u>23,389.01</u>	<u>18,042.81</u>
Other Comprehensive Income for the year attributable to			
- Owners of the Company		(16.85)	5.62
- Non Controlling interest		-	-
		<u>(16.85)</u>	<u>5.62</u>
Total Comprehensive Income for the year attributable to			
- Owners of the Company		23,372.16	18,048.43
- Non Controlling interest		-	-
		<u>23,372.16</u>	<u>18,048.43</u>
Earning Per Equity Share (face value of ₹ 2 each)			
Basic & Diluted (In ₹)	42	33.19	25.61

Notes forming part of the financial statements
As per our report of even date1 to 51
For and on behalf of the BoardFor Manubhai & Shah LLP
Chartered Accountants
FRN. 106041W/W100136Mr. Sumant J. Patel
Executive Chairman
DIN: 00186976Mr. Krishna S. Patel
Vice Chairman and Managing Director
DIN: 01519572Ashish Shah
Partner
Membership No. 103750Mr. Dipesh R. Singhania
Chief Financial Officer
and Head LegalMs. Jinal J. Shah
Company Secretary
and Compliance Officer

Mumbai, 19 May 2020

Mumbai, 19 May 2020

CIN : L17100MH1946PLC004886

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at 31 March	
	2020	2019
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 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 2018(A)	50.00	9.56	99,652.18	13.42	(20.63)	99,704.52	0.11	99,704.63
Additions during the year								
Profit for the year	18,042.81	-	-	-	-	18,042.81	-	18,042.81
Items of OCI for the year, net of tax								
Remeasurement of the defined benefit plans	4.57	-	-	-	-	4.57	-	4.57
Net fair value gain on investment in equity instruments through OCI	-	-	-	1.05	-	1.05	-	1.05
Total Comprehensive Income for the year 2018-19 (B)	18,047.38	-	-	1.05	-	18,048.43	-	18,048.43
Adjustments during the year								
Inventory Valuation adjusted against reserves	-	-	(161.00)	-	-	(161.00)	-	(161.00)
Total (C)	-	-	(161.00)	-	-	(161.00)	-	(161.00)
Reduction during the year								
Dividend	(1,620.60)	-	-	-	-	(1,620.60)	-	(1,620.60)
Income tax on dividend	(333.12)	-	-	-	-	(333.12)	-	(333.12)
Total (D)	(1,953.72)	-	-	-	-	(1,953.72)	-	(1,953.72)
Transfers during the year								
Opening remeasurement of the defined benefit plans transferred to retained earnings	(20.63)	-	-	-	20.63	-	-	-
Retained earnings transferred to General reserve	(16,073.13)	-	16,073.13	-	-	-	-	-
Non Controlling interest transferred to the Owners of the Company	0.11	-	-	-	-	0.11	(0.11)	-
Total (E)	(16,093.66)	-	16,073.13	-	20.63	0.11	(0.11)	-
Balance as at 31 March 2019 F = (A + B + C +D+E)	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 (loss) on investment in equity instruments through OCI	-	-	-	(5.59)	-	(5.59)	-	(5.59)
Total Comprehensive Income for the year 2019-20 (G)	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 (H)	(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 (I)	(18,705.84)	-	18,705.84	-	-	-	-	-
Balance as at 31 March 2020 J = (F + G + H +I)	50.00	9.56	1,34,270.15	8.88	-	1,34,338.59	-	1,34,338.59

As per our report of even date

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

Ashish Shah
Partner
Membership No. 103750

Mumbai, 19 May 2020

For and on behalf of the Board

Mr. Sumant J. Patel
Executive Chairman
DIN: 00186976

Mr. Dipesh R. Singhania
Chief Financial Officer
and Head Legal

Mumbai, 19 May 2020

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

Ms. Jinal J. Shah
Company Secretary
and Compliance Officer

CIN : L17100MH1946PLC004886

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2020

(₹ in lakhs)

Particulars	Year	
	2019-2020	2018-2019
A) Cash Flow from operating activities		
Net Profit before income tax	29,228.53	24,789.45
Add / (Less):		
Depreciation	2,243.77	1,187.38
Interest income	(578.19)	(8.87)
Dividend income	(43.57)	(116.92)
Finance costs	602.39	471.40
Assets written off	-	321.79
Net gain /(loss) arising on financial assets measured at FVTPL	(3,490.19)	(2,628.99)
Inventory valuation adjusted against reserves		(161.00)
Prepaid rent amortised	(619.40)	(485.93)
Bad debts/sundry balance written off	208.43	122.54
Allowance for Doubtful Bad Debts	65.89	155.39
Provision for diminuation in value of investments and deposits	2.51	-
Sundry creditors/liabilities written back (net)	(16.85)	(83.26)
	<u>(1,625.21)</u>	<u>(83.26)</u>
Operating profit before change in operating assets and liabilities	27,603.33	23,562.98
Add / (Less):		
(Increase)/Decrease in Inventory	41.23	338.21
(Increase)/Decrease in Trade & other receivable	(73.22)	(667.88)
(Increase)/Decrease in Other operating assets	(7,620.29)	(259.68)
Increase/(Decrease) in Trade payables	401.03	220.33
Increase / (Decrease) in Provisions	34.81	18.33
Increase/(Decrease) in Other operating liabilities	6,224.01	1,528.29
	<u>(992.42)</u>	<u>1,528.29</u>
Cash generated from operations	26,610.89	24,740.58
Add / (Less):		
Income Tax paid (Net of refund)	(5,691.53)	(7,657.56)
	<u>(5,691.53)</u>	<u>(7,657.56)</u>
Net Cash generated from operating activities - [A]	20,919.36	17,083.03
B) Cash Flow from investing activities		
Purchase of fixed assets / Capital work in Progress / Capital Advances	(5,697.47)	(14,991.04)
Purchase of investments	(41,759.51)	(30,323.15)
Investments in deposits	(79.62)	26.30
Proceeds from sale of investments	31,132.36	29,687.17
Interest received	578.19	8.87
Dividend received	43.57	116.92
	<u>(15,782.48)</u>	<u>116.92</u>
Net Cash used in investing activities - [B]	(15,782.48)	(15,475.93)
C) Cash Flow used in financing activities		
Finance costs paid	(19.55)	(26.90)
Dividend paid to shareholders	(3,875.33)	(1,620.60)
Tax paid on dividend	(796.58)	(333.12)
	<u>(4,691.46)</u>	<u>(333.12)</u>
Net Cash used in financing activities - [C]	(4,691.46)	(1,980.62)
Net Increase / (Decrease) in Cash / Cash Equivalents (A+B+C)	444.43	(372.53)
Cash/Cash Equivalents at the beginning of the year	511.27	883.80
Cash/Cash Equivalents at the end of the year	<u>955.70</u>	<u>511.27</u>

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

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
b) Cash and Cash Equivalent comprises of		
Cash on hand	11.79	1.14
Balances with Banks in Current Account	943.91	510.13
Cash and Cash Equivalents in Cash Flow Statements	955.70	511.27

As per our report of even date

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

Ashish Shah
Partner
Membership No. 103750

Mumbai, 19 May 2020

For and on behalf of the Board

Mr. Sumant J. Patel
Executive Chairman
DIN: 00186976

Mr. Dipesh R. Singhania
Chief Financial Officer
and Head Legal
Mumbai, 19 May 2020

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

Ms. Jinal J. Shah
Company Secretary
and Compliance Officer

ACCOUNTING POLICIES

Group 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). These financial statements comprise the 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 Consolidated 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 consolidated 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 & Equipment and Investment Property 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. Transaction 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 are 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 Company's lease asset classes primarily consist of leases for land and 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 2019.

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 the 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 Group
- 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 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.

r) 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.

s) 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.

t) 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".

u) Recent Accounting pronouncements:

There are no new accounting pronouncements that are applicable from 01 April 2020.

Note 3 - Key Accounting Estimates and Judgements:

The preparation of Consolidated Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised and, if material, their effects are disclosed in the notes to the Financial Statements.

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 Group'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 on the basis of 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 Consolidated financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Note 4 - Property, Plant and Equipment
Changes in carrying value of Property, Plant and Equipment for the year ended 31 March 2020

(₹ in lakhs)

Tangible Assets	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	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	2,054.39
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)
Closing accumulated depreciation and impairment	-	446.01	1,347.27	407.39	421.88	198.75	2,821.31
Net carrying amount	638.23	4,165.57	2,748.77	937.10	356.98	239.98	9,086.62

Changes in carrying value of Property, Plant and Equipment for the year ended 31 March 2019

(₹ in lakhs)

Tangible Assets	Freehold land	Freehold building*	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Vehicles	Total
Opening gross carrying amount	638.23	4,358.09	3,705.68	1,321.22	655.84	437.93	11,116.99
Additions	-	42.32	94.88	40.66	39.09	-	216.95
Deductions / Adjustments	-	-	(83.06)	-	-	-	(83.06)
Closing gross carrying amount	638.23	4,400.41	3,717.50	1,361.88	694.93	437.93	11,250.88
Opening accumulated depreciation	-	211.44	634.58	203.55	188.55	105.24	1,343.36
Depreciation during the year	-	111.86	309.85	127.24	117.00	45.07	711.03
Deductions / Adjustments	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment	-	323.30	944.43	330.79	305.55	150.31	2,054.39
Net carrying amount	638.23	4,077.11	2,773.07	1,031.09	389.38	287.62	9,196.49

* 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	
	2020	2019	2020	2019	2020	2019
Office Equipment	-	0.86	-	-	-	0.86
Freehold Building	67.97	773.05	62.47	49,939.98	130.44	50,713.03
Total	67.97	773.91	62.47	49,939.98	130.44	50,713.89

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note 5 - Investment Property**

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)	-
Closing gross carrying amount	62,635.48	3,271.58	4,829.31	602.96	71,339.33
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)	-
Closing accumulated depreciation and impairment	1,565.82	546.60	777.83	175.58	3,065.82
Net carrying amount	61,069.66	2,724.98	4,051.49	427.38	68,273.51

Changes in carrying value of Investment property for the year ended 31 March 2019

(₹ in lakhs)

Particulars	Freehold building	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Total
Opening gross carrying amount	11,110.40	1,361.92	854.86	980.89	14,308.07
Additions	0.87	28.00	-	3.03	31.90
Deductions / Adjustments	(276.79)	(105.92)	(150.05)	(111.38)	(644.14)
Closing gross carrying amount	10,834.48	1,284.01	704.81	872.54	13,695.83
Opening accumulated depreciation	541.16	285.16	302.63	97.82	1,226.77
Depreciation during the year	180.12	97.54	102.21	96.48	476.35
Deductions / Adjustments	(12.46)	(18.99)	(39.42)	(29.10)	(99.97)
Closing accumulated depreciation and impairment	708.82	363.71	365.42	165.20	1,603.15
Net carrying amount	10,125.66	920.29	339.39	707.34	12,092.68

Note : The extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on Stamp Duty Ready Reckoner published by Government of India every year. As at 31 March 2020, the fair value of the properties are ₹ 3,51,157.58 lakhs (P Y - ₹1,26,891.35 lakhs).

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
Rental income from Investment Property	21,416.82
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	410.21
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 CONSOLIDATED FINANCIAL STATEMENTS

Note 6 - Other Intangible Assets

Changes in carrying value of Other Intangible Assets for the year ended 31 March 2020

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening gross carrying amount	-	-
Additions	273.15	-
Deductions / Adjustments	8.02	-
Closing gross carrying amount	281.17	-
Opening accumulated depreciation	-	-
Depreciation during the year	10.33	-
Deductions / Adjustments	3.78	-
Closing accumulated depreciation and impairment	14.11	-
Net carrying amount	267.06	-

Note 7 - Investments

(₹ in lakhs)

Particulars	As at 31 March 2020 Carrying Value	As at 31 March 2019 Carrying Value
A) Investments - Non-Current		
Unquoted		
Investment in Government Securities measured at cost	1.00	1.00
Other Investment measured at cost	0.03	0.03
Less:- Provision for Diminuation in value of investments	(1.03)	-
Other Investments	0.10	0.10
Total	0.10	1.13
Quoted		
Investment carried at fair value through OCI		
Fully paid equity shares	8.93	14.52
Total	8.93	14.52
Investment carried at fair value through profit and loss		
Fixed Maturity Plans	10,825.40	10,265.99
Debt Funds	14,643.60	23,353.30
Short Term Debt Funds	14,808.03	12,179.44
Floating rate Debt Funds	-	258.04
Balanced Funds	813.40	1,449.92
Equity Funds	269.25	2,747.34
MIP Funds	-	326.03
Total	41,359.68	50,580.07
Investment carried at amortised cost		
Corporate Deposits	1,415.00	-
Non Convertible Debentures and Bonds	18,506.00	-
Preference Shares	1,925.62	-
Total	21,846.62	-
Total Non Current Investments	63,215.33	50,595.72
Particulars	As at 31 March 2020 Carrying Value	As at 31 March 2019 Carrying Value
B) Investments - Current		
Investment carried at fair value through profit and loss		
Debt funds - ultra short term bond funds	3,908.98	2,520.84
Investment carried at amortised cost		
Bonds	100.00	-
Total Current Investments	4,008.98	2,520.84

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Note 8 Loans (Unsecured, Considered Good)		
Security Deposits with Public Bodies	442.35	364.29
	442.35	364.29
Note 9 Other Non Current Financial Assets		
Lease Rental Receivable	5,244.49	-
	5,244.49	-
Note 10 Non Current Tax Assets (Net)		
Advance payment of income tax (net)	1,419.42	781.82
	1,419.42	781.82
Note 11 Other non current assets		
Capital Advances	502.80	3,906.10
Other Long Term Advances	1,272.68	-
	1,775.48	3,906.10
Note 12 Inventories (At lower of cost and net realisable value)		
Raw Materials	492.85	444.53
Work in progress	347.57	441.15
Stores and spares	21.37	17.34
	861.79	903.02
Note 13 Trade Receivables		
a) Unsecured, considered good	1,603.13	1,804.23
b) Credit Impaired	183.86	173.55
	1,786.99	1,977.78
Less Allowances for doubtful Trade Receivable	(183.86)	(173.55)
	1,603.13	1,804.23
Note 14 Cash and Bank Balances		
a) Cash and cash equivalents		
Balances with banks in Current Accounts	943.91	510.13
Cash on hand	11.79	1.14
	955.70	511.27
b) Other balances with banks		
Bank Deposits with less than 12 months of original maturity	75.77	62.14
Unclaimed dividend **	310.82	161.14
	386.59	223.28
**The Company can utilise these balances only towards settlement of unclaimed dividend.		
Note 15 Other financial assets (Current)		
Bank Deposits with more than 12 months of original maturity	-	56.27
Deposits (Others)	62.72	78.67
Other receivables	1,706.02	1.53
	1,768.74	136.47
Note 16 Other current assets		
Advance Recoverable in Cash or Kind	141.71	97.31
Balances with Government Authorities		
Sales tax and GST	704.42	424.41
Advances to Suppliers	270.26	127.72
Advance to staff	22.41	4.65
Other receivables	369.47	273.96
	1,508.27	928.05

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 17 - Equity Share Capital

(₹ in lakhs)

Particulars	As at	
	31 March 2020	31 March 2019
Share Capital		
Authorised		
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
Total	1,500.00	1,500.00
Issued, Subscribed and Paid up Capital		
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
Total	1,409.20	1,409.20

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

Fully Paid Equity Shares	As at 31 March 2020		As at 31 March 2019	
	Equity Shares		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
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) The Board of Directors at its meeting held on 11 March 2020, recommended approval of the interim dividend paid during the year as the final dividend for the financial year 2019-20 in the ensuing Annual General Meeting.

d) Details of shareholding more than 5% equity shares in the Company@

Name of Shareholders	As at 31 March 2020		As at 31 March 2019	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Chandler & Price India Pvt.Ltd.	1,94,61,542	27.62	1,94,49,842	27.60
Mr. Sumant J. Patel	88,67,335	12.58	90,07,335	12.78
Patel Consultancy Services Pvt. Ltd.	53,35,500	7.57	52,58,000	7.46
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 CONSOLIDATED 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 2018(A)	50.00	9.56	99,652.18	13.42	(20.63)	99,704.52	0.11	99,704.63
Additions during the year								
Profit for the year	18,042.81	-	-	-	-	18,042.81	-	18,042.81
Items of OCI for the year, net of tax								
Remeasurement of the defined benefit plans	4.57	-	-	-	-	4.57	-	4.57
Net fair value gain on investment in equity instruments through OCI	-	-	-	1.05	-	1.05	-	1.05
Total Comprehensive Income for the year 2018-19 (B)	18,047.38	-	-	1.05	-	18,048.43	-	18,048.43
Adjustments during the year								
Inventory Valuation adjusted against reserves	-	-	(161.00)	-	-	(161.00)	-	(161.00)
Total (C)	-	-	(161.00)	-	-	(161.00)	-	(161.00)
Reduction during the year								
Dividend	(1,620.60)	-	-	-	-	(1,620.60)	-	(1,620.60)
Income tax on dividend	(333.12)	-	-	-	-	(333.12)	-	(333.12)
Total (D)	(1,953.72)	-	-	-	-	(1,953.72)	-	(1,953.72)
Transfers during the year								
Opening remeasurement of the defined benefit plans transferred to retained earnings	(20.63)	-	-	-	20.63	-	-	-
Retained earnings transferred to General reserve	(16,073.13)	-	16,073.13	-	-	-	-	-
Non Controlling interest transferred to the Owners of the Company	0.11	-	-	-	-	0.11	(0.11)	-
Total (E)	(16,093.66)	-	16,073.13	-	20.63	0.11	(0.11)	-
Balance as at 31 March 2019 F = (A + B + C + D + E)	50.00	9.56	115,564.31	14.47	-	115,638.34	-	115,638.34
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 (loss) on investment in equity instruments through OCI	-	-	-	(5.59)	-	(5.59)	-	(5.59)
Total Comprehensive Income for the year 2019-20 (G)	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 (H)	(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 (I)	(18,705.84)	-	18,705.84	-	-	-	-	-
Balance as at 31 March 2020 J = (F + G + H +I)	50.00	9.56	134,270.15	8.88	-	134,338.59	-	134,338.59

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 purpose.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 gains 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in lakhs)	
Particulars	As at 31 March 2020	As at 31 March 2019	
Note 19 Other financial liabilities (Non Current)			
Security deposit from IT Park licencees	9,793.11	5,342.08	
	9,793.11	5,342.08	
Note 20 Provisions (Non Current)			
a) Provision for Employee benefits (Refer Note No 44)			
Gratuity	172.22	143.41	
Leave Encashment	37.57	37.86	
b) Compensation Payable (Refer Note No 49)	171.36	171.36	
	381.15	352.63	
Note 21 Deferred tax liabilities (Net)			
Opening Balance	1,792.75	2,320.70	
Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act,1961	(206.02)	89.80	
Provision for expenses allowed for tax purpose on payment basis	7.07	(19.57)	
Difference in carrying value and tax base of investments measured at FVTPL	(79.67)	(548.40)	
Allowance of doubtful debts and advances	6.26	(47.33)	
Lease equalisation reserve assets	1,069.59		
Remeasurement of the defined benefit plan through OCI	6.24	(2.45)	
	2,596.22	1,792.75	
(Refer Note No 45 "Income Taxes" for further details)			
Note 22 Other non-current liabilities			
Advance Lease Rentals	2,362.97	1,277.39	
	2,362.97	1,277.39	
Note 23 Other financial liabilities (Current)			
Unclaimed dividend	310.82	161.14	
Payable to Employees	32.70	162.12	
Payable towards Capital Expenditures	1,091.15	1,425.90	
Security Deposits	1,232.60	1,840.06	
Other Payables	1,146.87	266.44	
	3,814.14	3,855.65	
Note 24 Other current liabilities			
a) Revenue received in advance			
Advance from customers	3,762.91	3,569.62	
b) Others			
Statutory Payables			
Payable towards VAT	0.34	6.46	
Payable towards GST	282.12	339.29	
Payable towards TDS / TCS	705.40	133.34	
Payable towards PF / ESIC /PT	12.80	13.05	
Other	1.56	-	
	4,765.13	4,061.77	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Note 25 Provisions (Current)		
Provision for Employee benefits (Refer Note No 40)		
Gratuity	27.83	24.73
Leave Encashment	6.93	4.30
Provision for Warranty (Refer Note No 49)	16.80	16.24
	51.56	45.27
Note 26 Current Tax Liabilities (Net)		
Provision for income tax (net)	0.45	22.12
	0.45	22.12

(₹ in lakhs)

Particulars	Year	
	2019 - 2020	2018- 2019
Note 27 Revenue from Operations.		
a) Sale of Products		
Sales of Machines and Spares	2,220.44	3,127.67
b) Sale of Services		
Bombay Exhibition Centre (Rental and Services)	15,860.11	15,730.24
Nesco IT Park (Rental and Services)	21,416.82	13,696.98
Hospitality Services	3,568.82	3,413.19
Engineering fees, services and other charges	106.99	125.98
	43,173.18	36,094.07
Note 28 Other income		
Interest Income	578.19	8.87
Dividend from mutual fund investments	43.57	116.92
Net gain arising on financial assets measured at FVTPL	3,490.19	2,628.99
Sundry Creditors/liabilities written back (net)	16.85	83.26
Others	125.89	334.32
	4,254.69	3,172.36
Note 29 Cost of materials consumed		
Opening Stock	444.53	520.65
Add : Purchases	1,810.71	2,203.61
	2,255.24	2,724.26
Less: Closing Stock	492.85	444.53
	1,762.39	2,279.73
Note 30 Changes in Inventories of finished goods and work in progress		
Opening Stock of work-in-progress	441.15	715.91
Less: Change in opening stock valuation	-	(161.00)
Less: Closing Stock of work in progress	(347.57)	(441.15)
	93.58	113.76
Note 31 Employee Benefits expense		
Salaries and Wages	1,847.23	1,691.84
Contribution to Provident and other funds	79.06	71.83
Gratuity (Refer Note No 40)	38.50	31.21
Staff welfare expenses	26.47	38.29
	1,991.26	1,833.17
Note 32 Finance Costs		
Interest on financial liabilities carried at amortised cost	582.85	444.50
Bank charges & guarantee commission	11.80	15.34
Others	7.76	11.56
	602.41	471.40

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	Year	
	2019 - 2020	2018- 2019
Note 33 Other Expenses		
Consumption of stores and spares	120.84	106.26
Power, Fuel & Electricity	1,597.32	1,519.48
Contract Manpower	1,155.55	859.47
Repairs and maintenance of :		
- Buildings & Property	889.55	428.55
- Plant & Machinery	177.23	104.50
- Other Assets	<u>238.10</u>	<u>194.97</u>
Printing, Stationery, Postage and Communication expenses	75.74	90.60
Rent	39.70	49.26
Hire Charges	269.07	209.50
Catering and Other operating supplies	133.62	141.73
Warranty Expenses (Refer Note No 49)	0.57	16.24
Rates and Taxes	791.33	1,011.70
Water Charges	152.06	101.35
Advertisement and Sales Promotion	98.21	99.82
Membership and Subscription	6.32	13.61
Insurance	88.59	36.48
Housekeeping and Other Office Expenses	225.56	205.29
Loss on Sale / Asset Written off	-	321.79
Exchange loss on foreign currency transactions	0.54	2.63
Travelling, Conveyance and vehicle expenses	120.91	147.35
Payment to Auditors:-		
- Audit Fees	21.18	21.55
- Certification work	<u>0.50</u>	<u>0.14</u>
Legal & professional fees	1,410.32	445.08
Event Expenses	759.42	774.92
CSR Expenses	500.48	462.18
Donation	16.91	50.08
Freight and handling charges	45.52	98.81
Commission to Directors	1,800.00	500.00
Directors' sitting fees	20.95	7.90
Security charges	164.80	137.89
Bad debts/sundry balance written off	208.43	122.54
Allowance for Doubtful Bad Debts and Deposits	64.41	155.39
Provision for Diminuation in value of investments	2.51	-
Commission and Brokerage	196.28	64.83
Software and IT Expenses	65.57	19.16
Miscellaneous expenses	<u>47.84</u>	<u>70.51</u>
	<u>11,505.93</u>	<u>8,591.54</u>

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 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
Financial Assets				
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	0.10	-	-	0.10
Trade Receivables	1,603.13	-	-	1,603.13
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	7,013.23	-	-	7,013.23
Total Financial Assets	32,347.72	45,268.66	8.93	77,625.31
Financial Liabilities				
Trade Payables	1,460.37	-	-	1,460.37
Other financial liabilities	13,607.26	-	-	13,607.26
Total Financial Liabilities	15,067.63	-	-	15,067.63

The carrying value of financial instruments by categories as of 31 March 2019 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
Financial Assets				
Investments				
Equity Instruments	-	-	14.55	14.55
Mutual Funds	-	53,100.91	-	53,100.91
Government Securities	1.00	-	-	1.00
Other Investments	0.10	-	-	0.10
Trade Receivables	1,804.23	-	-	1,804.23
Cash and cash equivalents	511.27	-	-	511.27
Other balances with Banks	223.28	-	-	223.28
Loans / Sundry Deposits	364.29	-	-	364.29
Loans / Sundry Deposits	136.47	-	-	136.47
Total Financial Assets	3,040.64	53,100.91	14.55	56,156.10
Financial Liabilities				
Trade Payables	1,076.19	-	-	1,076.19
Other financial liabilities	9,197.74	-	-	9,197.74
Total Financial Liabilities	10,273.93	-	-	10,273.93

Fair value hierarchy**Statement of Changes in Equity for the year ended 31 March 2020**

- 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 as of 31 March 2020:

(₹ in lakhs)

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	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

(₹ in lakhs)

Particulars	As of 31 March 2019	Fair value hierarchy at the end of the reporting period/year using		
		Level 1	Level 2	Level 3
Investments in Equity Instruments	14.55	14.52	-	0.03
Investments in Mutual Funds	53,100.91	53,100.91	-	-

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 eventually be received or settled.

NOTES FORMING PART OF THE CONSOLIDATED 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 in order 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 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 Group's foreign currency denominated monetary items are as follows:

(₹ in lakhs)

Particulars	Liabilities		Assets	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Currency				
USD	NIL	NIL	0.81	5.03
EURO	NIL	NIL	2.72	NIL
OMR	NIL	NIL	0.08	NIL

The Group has not entered into any forward contract during the year ended 31 March 2020 and 31 March 2019. The Group has not entered into any forward instrument for trades or speculation purpose.

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. Group's Treasury dept. manages investments portfolio diversification in order to minimize risk and ongoing monitoring of market prices of investments.

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 ₹1,603.13 lakhs and ₹ 1,804.23 lakhs as on 31 March 2020 and 31 March 2019 respectively.

The Group minimizes credit risk relating to IT Park lease, BEC and Hospitality 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 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 Group takes into account available credit risk factors as Group'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 2020 and 31 March 2019 was ₹ 183.86 lakhs and ₹ 173.55 lakhs respectively.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning	173.55	18.16
Loss allowance measured at lifetime expected credit losses	10.31	155.39
Balance at the end	183.86	173.55

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 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.

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 ₹ 955.70 lakhs and ₹ 511.27 lakhs as on 31 March 2020 and 31 March 2019 respectively.

The table below provides details regarding the 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
Other financial liabilities (non-current)				
Security deposit from IT Park licensees and others	-	9,793.11	-	9,793.11
Other financial liabilities (current)				
Security deposit from licensees and customers	1,232.60	-	-	1,232.60
Trade Payables	1,460.37	-	-	1,460.37
Other financial liabilities	2,581.54	-	-	2,581.54

Details regarding contractual maturities of significant financial liabilities as on 31 March 2019:

(₹ in lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Other financial liabilities (Non-current):				
Security deposit from licensees and customers	-	5,342.08	-	5,342.08
Other financial liabilities (current):				
Trade Payables	1,076.19	-	-	1,076.19
Security deposit from IT Park licensees and others	1,840.06	-	-	1,840.06
Other financial liabilities	2,015.59	-	-	2,015.59

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. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. 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 at 31 March 2020, 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.

Note 36 - Contingent Liabilities and Commitments:

- Income tax demand disputed by the Group ₹130.35 lakhs (previous year ₹168.60 lakhs)
- Claims against the Group not acknowledged as debts ₹1,393.64 lakhs (previous year ₹ 1,462.97 lakhs)
- Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹1,919.16 lakhs (previous year - ₹14,950.05 lakhs) against which an advance of ₹ 502.80 lakhs (previous year - ₹ 3,906.10 lakhs) has been paid.
- Indian Bank Guarantees given by bank on Group's behalf ₹ 701.43 lakhs (previous year - ₹ 610.23 lakhs).

Note 37 - Disclosure under the MSMED Act 2006:

Disclosure under the MSMED Act 2006 are provided as under for the year 2019-20, to the extent the Group has received intimation from the "Suppliers" regarding their status under the Act

(₹ in lakhs)

Particulars	As At	
	31 March 2020	31 March 2019
1. Principal amount and the interest due thereon remaining unpaid in each supplier at the end of each accounting year (but within due date as per the MSMED Act) Principal amount due to Micro and Small Enterprise	37.83	69.71
Interest due on above	0.72	-
2. Interest paid by the Group in terms of Section 16 of the MSMED Act 2006, along- with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
3. Interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed day during the period), but without adding interest specified under the MSMED Act 2006	-	-
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	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 on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 38 - Details of Hedged and Unhedged exposure in foreign currency denominated monetary items

- 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 2020 are as under

(In lakhs)

Currency	Payables		Receivables	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
USD	NIL	NIL	0.81	5.03

Note 39 - 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:

- Details of Investments made are given in Note 7.
- There are no loans given to any related party during the year.
- There are no guarantees issued by The Company in accordance with section 186 of The Companies Act, 2013 read with rules issued thereunder

Note 40 - Corporate Social Responsibility expense:

- Gross amount required to be spent by the Group during the year 2019-20 – ₹ 484.34 lakhs (Previous year ₹ 459.70 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 2019-20			Year 2018-19		
	In Cash**	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
Promoting Education: -						
i) Construction of school	185.49	-	185.49	39.98	-	38.98
ii) Purpose other than i) above	314.99	-	314.99	423.20	-	423.20
Total	500.48	-	500.48	462.18	-	462.18

- Related party transactions in relation to Corporate Social Responsibility

(₹ in lakhs)

Nature of activities	Year 2019-20			Year 2018-19		
	In Cash**	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
Related party transactions	-	-	-	-	-	-

** Represents actual outflow during the year

Note 41 - Leases:

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

Company as Lessor:

Ind AS 116 “Leases” requires the lessor to recognize lease 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 ₹ 6071.40 lakhs for the Year ended 31 March 2020.

The Company has entered into operating leases on its Investment Property located at Byculla and Goregaon IT Park premises:
Future minimum rentals accrued under these non-cancellable operating leases are, as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Within one year	18,098.54	9,800.70
After one year but not more than five years	56,572.59	18,303.59
More than 5 years	68.76	61.50

There is no contingent rent receivable from lessees under the lease agreements.

Lease income recognized during the year in profit and loss is ₹ 21,416.82 lakhs (previous year - ₹ 13,696.98 lakhs)

Company as Lessee:

The company has taken factory land at Karamsad, Gujarat under non-cancellable Operating Lease The lease rentals are payables by The Company monthly. There is no contingent rent payable to lessors under the lease agreements.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Within one year	19.50	40.50
After one year but not more than five years	40.63	114.75
More than 5 years	--	--

Lease payment recognized in statement of profit and loss is ₹ 39.70 lakhs (Previous year ₹49.26 lakhs)

Note 42 - Earnings per share:

Particulars	2019-20	2018-19
Profit after Tax as per statement of Profit and Loss (₹ in lakhs)	23,389.01	18,042.81
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)	33.19	25.61

Note 43 - Related party

(a) List of related parties and relationships

Entities in which KMPs have significant influence

Patel Consultancy Pvt. Ltd.
J V Patel Investment and Trading Co. Pvt. Ltd.
Engineering Global Pte Limited
Chandler and Price India Private Limited
K S Patel Finance & Investment Company Pvt. Ltd.

Key Management Personnel

Mr. Sumant J. Patel – Executive Chairman
Mr. Krishna S. Patel – Vice Chairman and Managing Director
Mr. Dipesh R. Singhania – Chief Financial Officer and Head Legal
Ms. Jinal J. Shah - Company Secretary and Compliance Officer

Relative of Key Management Personnel

Mrs. Sudha S. Patel - Non-executive Director

Non-executive Independent Directors

Mr. Mahendra K. Chauhan
Mr. Manu M. Parpia
Mr. Jai S. Diwanji
Mr. K. S. Srinivasa Murty
Mrs. Amrita Verma Chowdhury (w.e.f 14 May 2019)

(b) Related party transactions:-

(₹ in lakhs)

Particulars	2019-2020	2018-2019
Brokerage Income		
Chandler and Price India Private Limited	86.40	185.91
Rent Expense		
Mr. Sumant J. Patel	19.50	19.50
Remuneration, perquisites, commission		
Mr. Sumant J. Patel	996.00	446.00
Mr. Krishna S. Patel	1,020.96	260.88
Mr. Dipesh R. Singhania	103.50	78.28
Ms. Jinal J. Shah	7.67	8.46
Director sitting fees		
Mrs. Sudha S. Patel	2.95	1.40
Mr. Mahendra K. Chauhan	4.30	1.75
Mr. Manu M. Parpia	3.25	1.6
Mr. Jai S. Diwanji	3.50	2.5
Mr. K. S. Srinivasa Murty	3.35	0.65
Mrs. Amrita Verma Chowdhury	3.60	--
Amount Payable / (Receivable)		
Mr. Sumant J. Patel	368.22	51.16
Mr. Krishna S. Patel	441.84	29.43
Mr. Dipesh R. Singhania	(2.59)	5.67
Ms. Jinal J. Shah	--	0.57
Chandler and Price India Private Limited	(14.75)	(20.21)

Employee benefits for Key Management Personnel is as follows: -

(₹ in lakhs)

Particulars	2019-20	2018-19
Short-term employee benefits	2,128.13	793.62
Post-employment benefits	93.75	60.57
Other long-term benefits	17.77	13.59

Note 44 - 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 2020	As at 31 March 2019
Present Value of Benefit Obligation at the Beginning of the Period	168.14	164.81
Interest Cost	13.13	12.90
Current Service Cost	25.37	18.30
(Benefit Paid Directly by the Employer)	(21.63)	(20.85)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	23.07	0.62
Demographic Assumptions	2.12	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	(10.15)	(7.64)
Present Value of Benefit Obligation at the End of the Period	200.05	168.14
Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	(200.05)	(168.14)
Funded Status (Surplus/ (Deficit))	(200.05)	(168.14)
Net (Liability)/Asset Recognized in the Balance Sheet	(200.05)	(168.14)
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	25.37	18.30
Net Interest Cost	13.13	12.90
Expenses Recognized	38.50	31.21
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	15.05	(7.02)
Net (Income)/Expense For the Period Recognized in OCI	15.05	(7.02)
Balance Sheet Reconciliation		
Opening Net Liability	168.14	164.81
Expenses Recognized in Statement of Profit or Loss	38.50	31.21
Expenses Recognized in OCI	15.05	(7.02)
(Benefit Paid Directly by the Employer)	(21.63)	(20.85)
Net Liability/(Asset) Recognized in the Balance Sheet	200.05	168.14
Other Details		
No of Active Members	158.00	161.00
Per Month Salary For Active Members	52.80	46.51
Average Past Services (Years)	6.34	6.98
Average age (Years)	39.13	39.50
Average Expected Future Service	18.87	17.00
Projected Benefit Obligation	200.05	168.14
Assumptions		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.70%	7.79%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	5.00%	1.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

Current Service Cost	25.37	19.89
Net Interest Cost	13.13	13.10
Expenses Recognized	38.50	32.98
Maturity Analysis of the Benefit Payments: From the Employer		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	27.84	24.73
2 to 5 Years	56.41	11.24
6 to 10 Years	79.27	55.83
More than 10 Years	236.55	306.71
Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	200.05	168.14
Delta Effect of +1% Change in Rate of Discounting	(16.33)	(7.52)
Delta Effect of -1% Change in Rate of Discounting	18.76	8.12
Delta Effect of +1% Change in Rate of Salary Increase	18.70	8.22
Delta Effect of -1% Change in Rate of Salary Increase	(16.57)	(7.67)
Delta Effect of +1% Change in Rate of Employee Turnover	0.32	0.99
Delta Effect of -1% Change in Rate of Employee Turnover	(0.40)	(1.06)

The sensitivity analysis have 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 2020, based on actual valuation carried out by using the projected unit credit method amount to ₹ 5.63 lakhs (previous year ₹ 5.90 lakhs) has been recognized in the Statement of Profit and Loss.

Note 45 - Income Taxes:

A. The major components of income tax expense for the year are as under (₹ in lakhs)

Particulars	Year 2019-2020	Year 2018-2019
Current Taxes	5,032.26	7,277.08
Deferred Taxes	807.26	(530.44)
Income Tax Expenses as per statement of Profit and Loss	5,839.52	6,746.46

Current Taxes includes ₹ 5.60 lakhs for the year and ₹ 110.90 lakhs provided in previous year against earlier year liability.

Income Tax Expenses recognised in OCI	Year 2019-2020	Year 2018-2019
Deferred tax benefit on remeasurement benefit of defined benefit plans	3.79	(2.45)

B. Reconciliation of tax expense and the accounting profit for the year is as under :

(₹ in lakhs)

Particulars	Year 2019-2020	Year 2018-2019
Profit before tax	29,228.53	24,789.45
Enacted Tax rate in India	25.168%	34.944%
Computed enacted tax expenses	7,356.24	8,662.43
Add / (Less): Expenses not allowable for tax purposes	322.16	404.85
Add / (Less): Income not considered for tax purpose	(1,347.86)	(1,474.35)
Add / (Less): Effect of expenses, computed differently in tax	(112.04)	(110.47)
Add / (Less): Effect of expenses, which are allowed on payment basis	29.38	(15.41)
Add / (Less): Effect of income, considered under other head of income	(402.76)	(832.11)
Total	5,845.12	6,635.72
(Excess) / short provision of earlier years	(5.60)	110.92
Income Tax Expense As per statement of Profit and Loss	5,839.52	6,750.64

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (P Y 34.944%) payable by corporate entities in India on taxable profits under Indian law. During the 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 2020 and 31 March 2019 are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax Assets	1419.42	781.82
Current Income Tax Liabilities	(0.45)	(22.12)
Net current income tax Assets / (Liabilities)	1418.97	759.70

The gross movement in the Current Tax assets / (liabilities) for the year ended 31 March 2020 and 31 March 2019 is as follows:

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net current tax assets / (liabilities) at the beginning of the year	759.70	379.20
Income tax paid:		
Advance tax and TDS	5,798.32	7,144.04
Self-Assessment Tax paid/Previous year adjustments	(101.19)	402.62
Current income tax expenses	(5,037.86)	(7,166.16)
Net current tax assets / (liabilities) at the end of the year	1,418.97	759.70

Details of deferred tax assets and liabilities as of 31 March 2020 and 31 March 2019 are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax Liabilities	(1,792.75)	(2,320.70)
Deferred Tax Assets	803.47	527.95
Net deferred tax Assets / (Liabilities)	(2,596.22)	(1,792.75)

The gross movement in deferred income Tax account for the year ended 31 March 2020 and 31 March 2019 is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Net deferred tax assets / (liabilities) at the beginning	(1,792.75)	(2,320.70)
Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961	206.02	(89.80)
Provision for expenses allowed for tax purpose on payment basis	(7.07)	19.57
Difference in carrying value and tax base of investments measured at FVTPL	79.67	548.40
Allowance of doubtful debts and advances	(6.26)	47.33
Lease Equalisation Reserve assets	(1,069.59)	-
Remeasurement of the defined benefit plan through OCI	(6.24)	2.45
Net deferred tax assets / (liabilities) at the end	(2,596.22)	(1,792.75)

The credits relating to temporary differences during the year ended 31 March 2020 and 31 March 2019 are primarily on account of Other income due to fair valuation of investments on mutual funds and Ind AS 116 Adjustment

Note 46 - Interim Dividend:

The Board of Directors as its meeting held on 11 March 2020, recommended and approved payment of Interim Dividend of ₹ 3.00 (Rupees three) Per Equity Share of face value of ₹ 2 each for the financial year ended 31 March 2020. This amounts to ₹ 2,548.30 lakhs inclusive of Dividend Distribution Tax of ₹ 434.50 lakhs.

Note 47 - 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

(₹ in lakhs)

Particulars	2019-20	2018-19
Revenue by Segment		
IT Park	21,416.82	13,696.98
Bombay Exhibition Centre	15,860.11	15,730.24
Industrial Capital Goods Division	2,327.43	3,253.65
Nesco Foods	3,568.82	3,413.19
Income from Investments/ Other Income	4,254.69	3,172.36
Total	47,427.87	39,266.43
Segment profit before tax and after finance cost		
IT Park	17,108.72	11,017.85
Bombay Exhibition Centre	12,163.07	12,558.65
Industrial Capital Goods Division	(243.31)	(35.92)
Nesco Foods	756.51	694.07
Unallocable expenses net off unallocable income	(556.46)	554.81
Total Operating profit before tax	29,228.53	24,789.45

Capital Employed:-		
Segment Assets:-		
IT Park	78,511.70	66,010.22
Bombay Exhibition Centre	4,973.13	5,591.24
Industrial Capital Goods Division	3,178.73	3,280.62
Nesco Foods	3,462.71	3,305.77
Unallocable Assets	70,846.62	56,685.54
Total	160,972.89	134,873.39
Segment Liabilities:-		
IT Park	15,200.42	9,990.61
Bombay Exhibition Centre	3,771.12	3,552.70
Industrial Capital Goods Division	554.55	698.05
Nesco Foods	479.14	437.97
Unallocable Liabilities	5,219.87	3,146.52
Total	25,225.11	17,825.86
Capital Employed:-		
IT Park	63,311.28	56,019.61
Bombay Exhibition Centre	1,202.01	2,038.54
Industrial Capital Goods Division	2,624.18	2,582.57
Nesco Foods	2,983.57	2,867.80
Unallocable Assets net of Unallocable Liabilities	65,626.75	53,539.02
Total	1,35,747.79	1,17,047.54
Capital Expenditure		
IT Park	57,706.00	15,077.31
Bombay Exhibition Centre	126.66	153.56
Industrial Capital Goods Division	317.83	51.38
Unallocable Assets	302.94	106.16
Nesco Foods	258.73	69.86
Total	58,712.16	15,458.27
Revenue from Operations		
India	47,384.99	39,247.80
Outside India	42.88	18.63
Total Revenue	47,427.87	39,266.43

There is no transactions with single external customer which amounts to 10% or more of the Company's revenue

Note 48 - The financial statements are approved for issue by the Board of Directors at its meeting held on 19 May 2020

Note 49 - 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 2020 is as follows (₹ in lakhs)

Particulars	Compensation Payable *		Provision for warranty #	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening Balance	171.36	171.36	16.24	-
Additions	-	-	0.56	16.24
Utilizations / Reversals	-	-	-	-
Closing Balance	171.36	171.36	16.80	16.24

* 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 50 - Previous year's figures have been regrouped / reclassified wherever necessary

Note 51 - 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	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	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income
Parent								
Nesco Limited	1,35,469.70	99.80	23,379.00	99.96	(16.85)	100.00	23,362.15	99.96
Subsidiaries								
Indian								
Nesco Hospitality Private Limited	279.48	0.20	11.43	0.05	-	0.00	11.43	0.05
Nesco Foundation for Innovation and Development	(1.40)	0.00	(1.40)	(0.01)	-	-	(1.40)	(0.01)
Non controlling interest	-	-	-	-	-	-	-	-
Total	1,35,747.79	100.00	23,389.01	100.00	(16.85)	100.00	23,372.16	100.00

Name of the entity in the Group	2018-19		2018-19		2018-19		2018-19	
	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	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income
Parent								
Nesco Limited	1,16,779.46	99.77	18,018.25	99.86	5.62	100.00	18,023.87	99.86
Subsidiary								
Indian								
Nesco Hospitality Private Limited	268.08	0.23	24.54	0.14	-	0.00	24.54	0.14
Non controlling interest	-	-	-	-	-	-	-	-
Total	1,17,047.54	100.00	18,042.79	100.00	5.62	100.00	18,048.41	100.00

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	31 March 2020	31 March 2020
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 Paid up Capital : 25.00	Authorised Capital : 1.00 Paid up Capital : 1.00
5	Reserves & surplus	279.48	(1.40)
6	Total Assets	338.11	1.25
7	Total Liabilities	33.63	1.65
8	Investments	NIL	NIL
9	Turnover	16.04	0.61
10	Profit before taxation	7.79	(1.40)
11	Provision for taxation	1.96	NIL
12	Short / Excess provision for earlier years	(5.60)	NIL
13	Profit after taxation	11.43	(1.40)
14	Proposed Dividend	NIL	NIL
15	% of shareholding	100%	100%

Names of subsidiaries which are yet to commence operations - NIL

Names of subsidiaries which have been liquidated or sold during the year – NIL

For and on behalf of the Board

Mr. Sumant J. Patel
Executive Chairman
DIN: 00186976

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

Mr. Dipesh R. Singhanian
Chief Financial Officer
and Head Legal

Ms. Jinal J. Shah
Company Secretary
and Compliance Officer

Mumbai, 19 May 2020

NOTICE

Notice is hereby given that 61st Annual General Meeting of Nesco Limited will be held on 14 August 2020 at 02.30 p.m. through Video Conference (VC) and Other Audio Visual Means (OAVM) to transact the following business:

Ordinary Business

1. To consider and adopt audited standalone and consolidated financial statements of the Company for the financial year ended 31 March 2020, together with the report of the Board of Directors and Auditors thereon.
2. To confirm Interim Dividend of ₹ 3.00 per equity share, already paid for the financial year ended 31 March 2020 as Final Dividend on equity shares.
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.

By Order of the Board of Directors

Jinal J. Shah
Company Secretary and
Compliance Officer

Mumbai
19 May 2020

Registered Office:
Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400 063.
CIN No. – L17100MH1946PLC004886

NOTES:

1. In view of the continuing restrictions on the movement of people at several places in the Country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 05 May 2020 read with General Circular No. 14/2020 dated 08 April 2020 and General Circular No. 17/2020 dated 13 April 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 61st AGM of the Company shall be conducted through VC / OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 13 below and is also available on the website of the Company at www.nesco.in.

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 / JPEG 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 with a copy marked to evoting@nsdl.co.in.
4. The Register of Members and share transfer books of the Company will remain closed from 08 August 2020 to 14 August 2020 (both days inclusive), for the purpose of annual general meeting.
5. The interim dividend declared and approved by the Board of Directors on 11 March 2020 shall be considered as the final dividend for the Financial Year ended 31 March 2020.
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 2011-12 and is in process to transfer the unpaid/unclaimed dividend for the year 2012-13. The due date for transfer of the unpaid/unclaimed dividend for the year 2011-12 is 14 September 2020. 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:
Sharex Dynamic (India) Private Limited
C-101, 247 Park,
BS Marg, Vikhroli (West),
Mumbai – 400083.
Tel: 022 28515606 / 28515644
Fax : +91 22 28512885
Email: support@sharexindia.com
Website: www.sharexindia.com
 - ii. Inform change in address directly to their respective depository participants in case members are holding shares in electronic 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, Sharex Dynamic (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 accordance with, the General Circular No. 20/2020 dated 05 May 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
11. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at www.nesco.in, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at www.evoting.nsdl.com.
12. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at companysecretary@nesco.in or to the Company's Registrar and Share Transfer Agent, Sharex Dynamic (India) Private Limited at support@sharexindia.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

13. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Members 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.
14. 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.
15. Members who need assistance before or during the AGM with use of technology, can:
- Send a request at evoting@nsdl.co.in or use Toll free no.: 1800-222-990 or send a request to (Ms. Soni Singh) at evoting@nsdl.co.in
 - Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone number 022-24994360; or
 - Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone number 022-24994545.
16. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.
17. 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.

18. 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:

19. 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**. Questions / queries received by the Company till 5.00 p.m. on Friday, 07 August 2020 shall only be considered and responded during the AGM.
20. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by visiting the link <https://www.evoting.nsdl.com> anytime between Tuesday, 11 August 2020, 09.00 a.m. to 5.00 p.m. on Wednesday, 12 August 2020. Speakers can also send their questions in advance to the Company at **companysecretary@nesco.in**.
21. 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:

22. 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 61st annual general meeting by electronic means and the business may be transacted through e-voting services provided by National Securities Depositories Limited (NSDL).
23. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 07 August 2020, 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.
24. Members may cast their votes on electronic voting system from any place (remote e-voting). The voting period begins on Tuesday, 11 August 2020 at 09.00 a.m. and ends on Thursday, 13 August 2020 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.
25. **The details of the process and manner for remote e-voting are explained herein below:**

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

- a. 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.
- b. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- c. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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.

d. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID 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 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 For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

e. Your password details are given below

- i. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- ii. 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.
- iii. How to retrieve your initial password?
 - 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'.
 - If your email ID is not registered, please follow steps mentioned in Note No. 12 above.
- iv. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
 - Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsd.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 mentioning your demat account number/folio number, your PAN, your name and your registered address.

Step 2: Cast your vote electronically on NSDL e-voting system.

- a. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

- b. After click on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- c. Select 'EVEN' of Company for which you wish to cast your vote.
- d. Now you are ready for e-voting as the voting page opens.
- e. 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.
- f. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- g. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h. 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 or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

ANNEXURE TO THE NOTICE:**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	82 years
Qualification	M.S. in Education Psychology from University of Southern California, USA
Brief Resume / Profile	Mrs. Sudha S. Patel founded Sudha Garments 32 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 ₹ 2/- each
Relationship with other Directors / Key Managerial Personnel	Wife of Mr. Sumant J. Patel Mother of Mr. Krishna S. Patel
Number of board meetings attended during financial year 2019-20	6
Chairperson / Membership of the Board of directors of the Company	<ul style="list-style-type: none"> • Chairperson of Stakeholders Relationship Committee • Member of Nomination and Remuneration Committee
Other Listed Companies in which she is a director	NIL

By Order of the Board of Directors

Jinal J. Shah
Company Secretary and
Compliance Officer

Mumbai, 19 May 2020

Registered Office:
Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400063.
CIN No. – L17100MH1946PLC004886

believe

**Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai 400063.
Maharashtra, India.**