

**64th
Annual
Report**



nesco

2022-23

CONTENTS

Report of Board of Directors	01
Management Discussion and Analysis	19
Report on Corporate Governance	26
Shareholders Information	45
Business Responsibility and Sustainability Report	51
Financial Statements (Standalone)	80
Financial Statements (Consolidated)	141
Notice of AGM	198

Board of Directors



Mr. Krishna S. Patel
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
(upto 09 May 2022)



Mrs. Amrita Verma Chowdhury
Independent Director

Chief Financial Officer

Mr. Dipesh R Singhania

**Company Secretary
and Compliance Officer**

Ms. Jinal J. Shah

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***J-7, Himalaya House,**23, K. G. Marg,**New Delhi 110 001***Kolkata***Binoy Bhavan,**5th Floor, Camac Street,**Kolkata 700 016***Chennai***Smartworks Coworking
Spaces Pvt. Ltd**Bharati Vilas - No. 26 B**Jawaharlal Nehru Salai,**Ekkaduthangal, Guindy**Industrial Estate, Chennai**600032.***Plants****Karamsad***Anand Sojitra Road,**Karamsad,**Gujarat 388 325***Vishnoli***Nadiad Petlad Road,**Vishnoli,**Gujarat 388 450***Registrar and Share
Transfer Agents****Link Intime India Private Limited**

Dear Shareholders,

For us, financial year 2022-23 has been characterised by a return to normal with increased activity across our businesses. In the last one year, Nesco achieved consolidated revenue of ₹ 609 Crores, an increase of 59% compared to the previous year. Our net profit demonstrated a significant growth, reaching ₹ 290 Crores, which reflects an increase of 53% year-on-year.

These results are reflective of the consistent growth we have achieved throughout the financial year. We continued to maintain our focus on creating greener and safer workplaces and delivering the best products and services to our customers. We remain committed to continue building sustainable processes, impacts and resilience across our businesses. We are embracing ESG as a logical extension to our business philosophy of 'Believe and all things will be possible'. Our vision statement embodies positive impact, which is enabled by our consistent focus on corporate values and is helping us effectively address our environmental footprint, improving societal good in a transparent, responsible and accountable fashion.

We have initiated focused efforts to align the Board and Executive leadership of Nesco towards leveraging an ESG-defined multi-stakeholder value creation strategy. This year we formally evaluated and prioritized all our internal and external stakeholders and identified action areas on appropriately prioritized engagement mechanisms commensurate to their criticality. We also undertook a materiality assessment based on inputs from experts, peers benchmarking and stakeholder-facing functions. We have incorporated the evaluation of environmental and social risks into our ERM as we expand our framework to encompass ESG parameters across all of our businesses.

We are committed to empowering and enabling our decision-makers and their teams to integrate ESG with business in a consistent fashion. We have identified our impacts and priorities, and are building an ESG framework supported by an enhanced policies framework, ESG governance mechanisms and monitoring accountabilities. We have also identified key stakeholders across our value chain to improve the focus on sustainability within our spheres of influence. We have expanded our disclosures in line with the BRSR requirements of SEBI and will be expanding the width and depth of our disclosures along this progressive journey.

In closing, I want to emphasize that the Company's financial results are not only a testament to our growth but also indicative of a resilient and thriving economy. The post-pandemic era has witnessed a robust recovery, with businesses across various sectors experiencing significant growth. This performance aligns with the broader economic landscape, characterized by a buoyant market upcycle and a conducive environment for businesses to flourish.

With our current balance sheet, healthy cash flow and a diversified pipeline of businesses, Nesco Limited is well-positioned to capitalize on the current economic momentum and achieve our ambitious goals. We remain committed to providing the best services, experiences, and opportunities for our employees, customers and stakeholders as we continue to contribute to the economic and environmental sustainability of our society.

Thank you all for your continued support and trust in Nesco Limited.



Mr. Krishna S. Patel
Chairman and Managing Director

Financial Highlights



Revenue for
FY 2022-23
59%
Y-o-Y Growth



EBITDA
margin for
FY 2022-23
56%



PAT for
FY 2022-23
54%



Liquid
Resources for
FY 2022-23
38%



Return on
Net Worth
15%

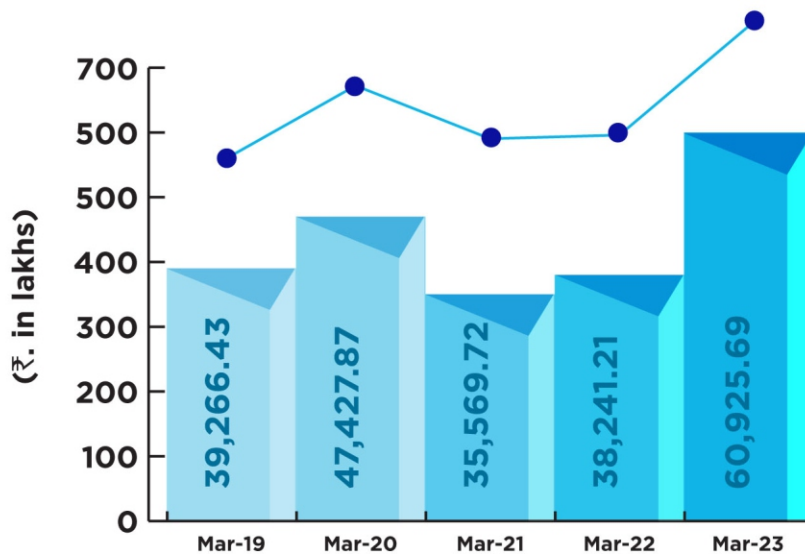


EPS
₹41.25

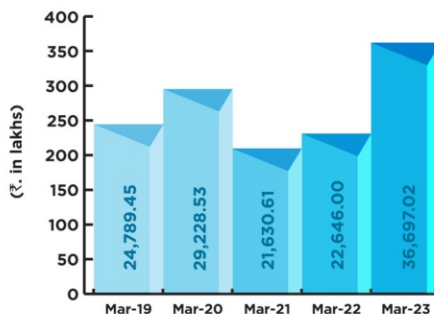


CSR
Expenditure for
FY 2022-23
₹441.08 lakhs

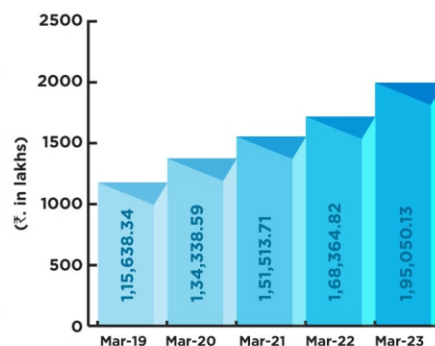
Total Revenue



Profit Before Tax



Reserves



REPORT OF BOARD OF DIRECTORS

Dear Members,

Board of Directors have pleasure in presenting 64th annual report of your Company for the financial year ended 31 March 2023.

1. Financial Results:

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Income	60,925.69	38,241.21	60,911.81	38,216.37
Profit before depreciation and tax	39,975.84	25,476.55	39,974.45	25,480.34
Depreciation	3,278.82	2,830.55	3,277.42	2,829.16
Profit Before Taxes	36,697.02	22,646.00	36,697.03	22,651.18
Tax Expenses	7,633.39	3,728.88	7,633.39	3,728.94
Net Profit after Taxes	29,063.63	18,917.12	29,063.64	18,922.24
Opening Balance of Retained Earnings	50.00	50.00	50.00	50.00
Amount available for appropriations:	29,109.02	19,011.52	29,109.03	19,016.64
Appropriations:				
1. Dividend	2,113.80	2,113.80	2,113.80	2,113.80
2. Transfer to General Reserve	26,945.22	16,847.72	26,945.23	16,852.84
Closing Balance of Retained Earnings	50.00	50.00	50.00	50.00
Earning Per Share (Basic) (in ₹)	41.25	26.85	41.25	26.86
Earning Per Share (Diluted) (in ₹)	41.25	26.85	41.25	26.86

2. Review of Operations:

Your Company achieved a consolidated turnover of ₹60,925.69 lakhs as compared to previous year consolidated turnover of ₹38,241.21 lakhs.

Consolidated profit before tax was at ₹36,697.02 lakhs as compared to ₹22,646.00 lakhs in the financial year 2021-22.

Consolidated earnings per share amounted to ₹41.25 (previous year ₹26.85). Company's reserves were ₹1,95,050.13 lakhs (previous year ₹1,68,364.82 lakhs).

3. Dividend:

In line with the Dividend Distribution Policy of the Company, your Directors are pleased to recommend a final dividend of 225% per equity share amounting to ₹4.50 per equity share of ₹ 2 each (₹3.00 per equity share in the previous year) for the financial year ended 31 March 2023. The dividend is subject to the approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source.

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 <https://www.nesco.in/DividendDistributionPolicy.pdf>

4. Management Discussion and Analysis:

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, has been presented in a separate section, forming part of this report.

5. Company's Performance:

i) Nesco IT Park:

During the year, revenue from IT Park increased by 11.69% to ₹29,502.70 lakhs (previous year ₹26,415.15 lakhs).

82% of Tower 03 and 97% of Tower 04 are occupied by our clients. Hall 3 provides Incubation Centre facility; and a Child Care Centre for children of employees working in Nesco Center.

Our IT Towers accommodate world's leading multinationals such as HSBC, KPMG, PWC, MSCI, BlackRock, Here Solutions, Framestore, Priceline, WeWork, Apollo Global and several others.

During the financial year, your Company inaugurated 3 restaurants viz a) Foo, b) Smoke House Deli, c) Socials and a Food Court in Tower 04 of Nesco IT Park.

ii) Bombay Exhibition Center:

a. Guest Exhibitions and Events:

During the year, the facility was available for the period from 01 July 2022 to 31 March 2023. During the period, 01 April 2022 to 30 June 2022, the facility continued to serve the citizen as a covid care centre by MCGM. In the nine months period, 83 guest exhibitions and 10 guest events were held at our premises, which were organized by the existing and new clients. Income from the Exhibition Center for the year was ₹14,976.00 lakhs compared to ₹1,618.33 lakhs in the previous year, there was an increase in revenue by 825.40 %.

b. Nesco Events:

During the period from 01 April 2022 to 31 March 2023, 10 events were held at our premises, out of which 5 events were organized by Nesco and 5 were in strategic alliance with our clients. Income from the events during the year was ₹606.63 lakhs.

iii) Nesco Foods:

During the year, your Company commenced operations of its Food Court and Restaurants which operates as 'Restaurants and Outlets' a subdivision. The existing business i.e., 'Exhibitions and Banquets' and its flagship offering 'The Grande' is now a preferred destination for events, socials, weddings, gatherings, meetings, etc. by corporates and others in the vicinity.

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.

a. Exhibitions and Banquets (E&B):

Income for the year from the Exhibitions and Banquets section of Nesco Foods division increased by 225.55% to ₹3,695.85 lakhs as compared to ₹1,135.27 lakhs during the previous year.

Nesco Foods has focused on outdoor catering for corporate and social events and is working on retail presence through its brands situated in Food Court i.e., Indic and Daily Deli.

During the year, Nesco Foods (E&B) have catered and serviced 55 social events and 90 corporate events organized at various Halls located at Nesco premises and 70 events organized at IT Towers.

b. Restaurants and Outlets (R&O):

Income during the year from the Restaurants and Outlets section of Nesco Foods division was ₹1,166.71 lakhs.

During the year, Company inaugurated 3 Restaurants and a Food Court in Tower 04 of Nesco IT Park. We also launched two new in-house brands Dress Circle and Zuo.

iv) Indabrator:

During the year under review, income from Indabrator increased by 1.78% to ₹4,652.27 lakhs as compared to ₹4,571.12 lakhs during the previous year.

During the year, Indabrator received 59 orders out of which 37 orders were completed and dispatched.

v) Investments and Other Income:

Income from investments and other income was ₹6,311.65 lakhs (previous year ₹4,476.50 lakhs), increase by 41.00%.

6. Finance:

Your Company had no debt as on 31 March 2023. Company's liquid resources (fixed maturity plans, mutual funds, cash and bank balances) increased by 37.74% to ₹1,17,879.38 lakhs from ₹85,578.99 lakhs.

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

7. Internal Financial Controls related to Financial Statements:

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

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

Your Company follows 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 current system of internal financial controls is aligned with the statutory requirements. The internal financial controls are adequate and operating effectively.

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

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

8. Corporate Social Responsibility (CSR):

Your Company has undertaken various projects during the year in the field of promotion of Education and Special Education and in promoting Health Care and Preventive Health Care. The Company is evaluating and will take up more

CSR activities in different areas. The CSR Policy of the Company is available on the website of the Company at <https://www.nesco.in/CorporateSocialResponsibilityPolicy.pdf>

Annual report on CSR activities undertaken during the financial year ended 31 March 2023 in accordance with Section 135 of the Companies Act, 2013 (Act) and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in “Annexure A” attached to this report.

9. Directors and Key Managerial Personnel:

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

Mr. Manu M. Parpia, Independent Director ceased to be an Independent Director on account of expiry of his term on 09 May 2022. The Company is evaluating and undertaking appropriate steps to re-appoint and regularize the re-appointment of Mr. Manu M. Parpia as an Independent Director.

Mr. Krishna S. Patel, Chairman and Managing Director will be completing his tenure of five years on 30 June 2023. He being eligible for re-appointment, was re-appointed on 24 May 2023 by the Board of Directors on the recommendation of Nomination and Remuneration Committee. His re-appointment is subject to approval of shareholders.

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

10. Board Evaluation:

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

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

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

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

11. Training of Independent Directors:

Your Company's Independent Directors are highly qualified and have been associated with corporate and business organizations. They understand Company's business and activities very well, however, pursuant to Regulation 4 of the Listing Regulations, the Independent Directors were given a brief about the Company's business processes, manufacturing activities and were also introduced to the employees of the Company.

12. Declaration by Independent Directors:

All Independent Directors have submitted requisite declarations confirming that they (i) continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent; and (ii) continue to comply with the Code of Conduct laid down.

The Directors have further confirmed that they are not debarred from holding the office of director under any SEBI order or any other such authority.

13. Number of Board and Committee Meetings:

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

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

A separate meeting of Independent Directors, pursuant to Section 149(7) read with Schedule VI of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was held on 09 February 2023.

The meetings of the Board are scheduled at regular intervals to decide and discuss on business performance, policies, strategies and other matters of significance.

The schedules of the meetings are circulated in advance, to ensure proper planning and effective participation in meetings. In certain exigencies, decisions of the Board are also accorded through Circular Resolution.

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

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

The said policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment and re-appointment of directors on the Board of the Company and persons holding senior management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Listing Regulations. The Nomination and Remuneration Policy is available on the website of the Company at <https://www.nesco.in/NominationandRemunerationPolicy.pdf>

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

15. Director's Responsibility Statement:

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

- a. in the preparation of the annual accounts for the financial year ended 31 March 2023, the applicable Indian accounting standards and schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31 March 2023 and of the profit and loss of the Company for the financial year ended 31 March 2023;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and,

- f. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

16. Auditors:

a. Statutory Audit and Auditors Report:

The Board of Directors in their meeting held on 24 May 2019, on the basis of recommendation of the Audit Committee and in accordance with the provisions of Section 139(1) of the Companies Act, 2013, had appointed M/s Manubhai & Shah LLP, to act as the Statutory Auditors of your Company for a second term of five years i.e., till the conclusion of the 65th Annual General Meeting. The Company had received certificate from the Auditors to the effect that the appointment is in accordance with the limits specified under Section 139(9) of the Companies Act, 2013.

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

The Auditors have issued an unmodified opinion on the Standalone and Consolidated Financial Statements for the financial year ended 31 March 2023. The Auditor's Report for the financial year ended 31 March 2023 on the Standalone and Consolidated Financial Statements of the Company forms a part of this Annual Report.

The Auditors Report for the financial year 2022-23, 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 on the recommendation of the Audit Committee at its meeting held on 25 May 2022 had 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 2022-23.

The Secretarial Audit Report for the financial year 2022-23 is annexed herewith as “**Annexure B**”. The Secretarial Auditors Report does not contain any qualification, reservation or adverse remark.

c. Cost Auditors and Cost Audit Report:

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors on the recommendation of the Audit Committee at its meeting held on 25 May 2022 appointed M/s. Y. S. Thakar & Co. (Firm Registration No. 000318) as the Cost Auditor to conduct the audit of Company's cost records for the financial year ended 31 March 2023 maintained by the Company in respect of Indabrator division.

The Cost Audit Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark.

The Board of Directors of the Company, on the recommendation made by the Audit Committee, have appointed M/s. Y. S. Thakar & Co. (Firm Registration No. 000318) as the Cost Auditors of the Company to conduct the audit of Company's cost records for the financial year ended 31 March 2024 maintained by the Company in respect of Indabrator division.

M/s. Y. S. Thakar & Co., being eligible, have given their consent to act as the Cost Auditors of the Company for the financial year 2023-24.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration to be paid to the Cost Auditor for financial year 2023-24 is required to be ratified by the members, the Board of Directors recommends the same for approval by members at the ensuing AGM.

17. Particulars of Loans, Guarantees and Investments:

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

18. Vigil Mechanism and Whistle Blower Policy:

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

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, a Whistle Blower and Vigil Mechanism Policy was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy, genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

19. Risk Management:

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

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

The Board of Directors has constituted a Risk Management Committee (RMC) which oversees the Enterprise Risk Management ("ERM") process periodically.

The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

20. Safety, Health and Environment:

Your Company recognizes its role in health and safety, as well as its responsibility towards environment and society. In fact, your Company's goals are: no accidents, no injuries to people and no damage to environment. Safety and security of personnel, assets and environmental protection are also on top of the agenda of the Company at its manufacturing facilities.

Clean environment and sustainable development integrated with the business objective is the focus of the Company. The projects and activities are planned and designed with environment protection as an integral part to ensure a safe and clean environment for sustainable development.

21. Corporate Governance:

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

22. Prevention of Sexual Harassment at Workplace:

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

At Nesco Limited, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

23. Annual Return:

The Annual Return of the Company for the financial year ended 31 March 2023 in Form MGT – 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <https://www.nesco.in/financials>.

24. Particulars of Employees:

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

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

Information on energy, technology absorption, foreign exchange earnings and outgo forming part of this Annual Report has been annexed herewith as “**Annexure D.**”

26. Subsidiaries:

a. Nesco Foundation for Innovation and Development:

Nesco Foundation for Innovation and Development being a Section 8 Company, is working towards enhancing the quality of life of the poor and needy sections of society by providing education; promoting women and rural empowerment; fulfilling the requirements of schools in the rural areas; setting up and managing incubation and research centers for promotion of innovations and technologies; promoting healthcare centres and allied services which forms part of the Corporate Social Responsibility (CSR) activities as per Schedule VII of the Act.

During the year, Company received ₹ 17.31 lakhs and contributed ₹ 8.39 lakhs towards the CSR activities.

b. Nesco Hospitality Private Limited:

Nesco Hospitality Private Limited, erstwhile wholly owned subsidiary of your Company had gone under voluntary liquidation pursuant to the provisions of Section 59 of Insolvency and Bankruptcy Code, 2016 and other applicable provisions of all other applicable statutes, read with applicable regulations of Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 with effect from 17 January 2022.

Mr. Ajay Kumar, Insolvency Professional registered with Insolvency and Bankruptcy Board of India was appointed as Liquidator of the Company for this process. The liquidator has completed the process of realization of assets and liabilities.

Final Report is being filed with Registrar of Companies (ROC) and Insolvency and Bankruptcy Board of India (IBBI).

The dissolution will be completed upon receipt of approval from ROC.

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

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and the financial statements of each of the subsidiary companies, are available on our website at <https://www.nesco.in/financials>.

The Company's Policy for determining material subsidiaries may be accessed on the website of the Company at <https://www.nesco.in/PolicyfordeterminingMaterialSubsidiaries.pdf>

Your Company does not have a material subsidiary.

27. Related Party Transactions:

During the financial year 2022-23, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013. All transactions with related parties were reviewed and approved by the Audit Committee. All related party transactions that were entered were on an arm's length basis and were in the ordinary course of business.

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

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

28. Deposits from Public:

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

29. Business Responsibility and Sustainability Report:

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

30. Indian Accounting Standards:

Your Company has adopted Indian Accounting Standard (Ind AS) notified by MCA and the relevant provision of the Companies Act, 2013 and the general circulars issued by the Ministry of Corporate Affairs from time to time. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

31. Appreciation:

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

For and on behalf of the Board of Directors

Krishna S. Patel
Chairman & Managing Director
DIN: 01519572

Mumbai
24 May 2023

Annual Report on CSR Activities for the Financial Year ended 31 March 2023
1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	No. of Committee meetings during the year 2022-23	
			Held	Attended
1.	Mrs. Sudha S. Patel	Chairperson / Non-executive Non-Independent Director	2	2
2.	Mr. Krishna S. Patel	Member / Chairman & Managing Director	2	2
3.	Mr. Mahendra K. Chouhan	Member / Non-executive Independent Director	2	2
4.	Mr. Jai S. Diwanji	Member / Non-executive Independent Director	2	2

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

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

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Impact Assessment is not applicable to the Company.

Sr. No.	Particulars	Amount (₹ in lakhs)
a.	Average net profit of the Company as per Section 135(5)	21,911.27
b.	Two percent of average net profit of the Company as per Section 135(5)	438.23
c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	–
d.	Amount required to be set off for the financial year, if any	–
e.	Total CSR obligation for the financial year (5b+5c-5d):	438.23

- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹426.78 lakhs**
(b) Amount spent in Administrative Overheads: ₹ 14.30 lakhs
(c) Amount spent on Impact Assessment, if applicable: Not Applicable
(d) Total amount spent for the Financial Year (6a+6b+6c): ₹441.08 lakhs

CSR | corporate social responsibility



(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
441.08	NIL	Not Applicable	-	NIL	Not Applicable

(f) Excess amount for set off, if any

Sr. No.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	438.23
(ii)	Total amount spent for the financial year	441.08
(iii)	Excess amount spent for the financial year [(ii)-(i)]	02.85
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.44
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	3.29

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in lakhs)	Balance Amount in Unspent CSR Account under Section 135 (6) (₹ in lakhs)	Amount spent in the Reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in lakhs)	Deficiency
					Name of the Fund	Amount (₹ in lakhs)	Date of transfer		
1.	2020-21	190.00	21.53	21.53	Not Applicable			00.00	00.00
2.	2021-22	42.00	42.00	8.39	Not Applicable			33.61	00.00
	Total	232.00	63.53	29.92	Not Applicable			33.61	00.00

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No, The Company has not created or acquired any capital asset through Corporate Social Responsibility amount spent in the Financial Year.

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

Not Applicable

For and on behalf of the CSR Committee

Sudha S. Patel
Chairperson, CSR Committee
DIN: 00187055
Mumbai, 24 May 2023

Krishna S. Patel
Chairman & Managing Director
DIN: 01519572

ANNEXURE B

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
[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 and physical verification 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 physically and 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 2023 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 physically and 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 2023 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, 2018;
(Not applicable to the Company during the Audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2013;
(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
 - The Contract Labour (Regulation & Abolition) Act, 1970
 - The Payment of Bonus Act, 1965
 - Electricity Act, 2003
 - Negotiable Instrument Act, 1881
 - Goods and Services Tax Act, 2017
 - Customs Act, 1962
 - Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
 - Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
 - 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.

The Company has paid dividend in the audit period and has complied with 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.

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

We further report that

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

During the year the Company omitted to re-appoint Mr. Manu M. Parpia as an Independent Director. The Company is evaluating and undertaking appropriate steps to re-appoint and regularize the re-appointment of Mr. Manu M. Parpia as an Independent Director.

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.

The Company has installed the software for the Structured Digital Database and required entries are made there under as per the provisions of SEBI (PIT) Regulations, 2015.

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 M/s. Nesco Hospitality Private Limited (NHPL) has made an application for Voluntary winding up pursuant to the provisions of Section 59 of Insolvency and Bankruptcy Code, 2016 and other applicable provisions of all other applicable statutes read with applicable provisions of Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. Mr. Ajay Kumar is appointed as a Liquidator and the process of Liquidation is on. The Liquidator has prepared and filed a Final Report with the Registrar of Companies in Form GNL-2 and with Insolvency and Bankruptcy Board of India (IBBI).

We further report that during the audit period, the Company has spent ₹ 4,41,07,837/- on CSR activities as against the required amount of ₹ 4,38,23,000/-. The Company has also spent ₹ 21,52,805/- for the Financial Year (FY) 2020-2021 on the ongoing project from the unspent CSR amount and hence now the amount required to be spent for the FY 2020-2021 is Zero. Further, the Company had spent ₹ 8,38,886/- for the Financial Year (FY) 2021-2022 on the ongoing project from the unspent CSR amount.

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

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

**For ND & Associates
(Peer Reviewed)**

**Mumbai
24 May 2023
UDIN : F003262E000359244**

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

PARTICULARS OF EMPLOYEES

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

Executive Director	Ratio to median remuneration
Mr. Krishna S. Patel	413.01

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 / (decrease)
Mr. Krishna S. Patel, Chairman & Managing Director	59.67
Mr. Dipesh R. Singhania, Chief Financial Officer	77.43
Ms. Jinal J. Shah, Company Secretary and Compliance Officer	25.56

- c. **The percentage decrease in the median remuneration of employees in the financial year:** 54%
- d. **The number of permanent employees on the rolls of the Company:** 261 (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 9.5%, after accounting for promotions and other event-based compensation revisions.

There was an increase of 61.02% in the managerial remuneration during the year .

- 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>.

ANNEXURE D**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company, being a responsible corporate citizen, makes conscious efforts to reduce its energy consumption. It aims to have negligible negative impact on the environment by identifying ways to optimize resource consumption in its operations. The Company has taken efficient efforts to conserve its energy, finding alternate sources of energy and improving its waste and water management.

Nesco Center at Goregaon consist of more than 1,400 grown up trees. It continues its efforts in increasing the trees annually. Thus, helping in reducing carbon footprints in and around the surrounding areas.

(A) Conservation of energy-**i. The steps taken or impact on conservation of energy:**

In our IT Park Tower 04 premises, we have installed 37 units of Solar Street lights of 60 Watts each to save energy and we have saved approximately 9,590 Kwh units per year.

At Bombay Exhibition Center, we had installed power-factor capacitor panels which had led to an almost 10% reduction in electricity consumption.

ii. The steps taken by the Company for utilizing alternate sources of energy:

100% of our electricity consumption for IT Park (Tower 03 and 04) during the financial year 2022-23 was green energy from renewable sources.

Nesco IT Park (Tower 03 and 04) are Platinum LEED Certified Green Buildings. The green initiative have resulted in responsible material selection, reduction of water use and energy efficient design.

iii. The capital investment on energy conservation equipments :

There was no capital investment on energy conservation equipment during the year under review.

(B) Technology absorption-**i. The efforts made towards technology absorption:**

1. The Company has installed Fire Suppression Gas Detection System for all critical electrical panels.
2. STP Plant Real time monitoring system is in use for operations and the water quality for treated water.
3. Efficient Building envelope-façade system.
4. Glass façade combination of fire rated aluminum panel based and double-glazed unitized system, super low capital E rated glass with Argon Fill.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

1. Fresh Air provision for all areas.
2. Optimal energy efficiency as CTI (Cooling Technology Institute) certified cooling tower installed have superior thermal performance.
3. Reduction in the water wastage as Irrigation system is used for gardening.
4. Daily Thermography process for critical panels overheating is implemented under maintenance process.
5. Variable Frequency Drives in use for all chilled water, exhaust, and hydropneumatic pumps.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

The Company has not imported any technology during the last three years.

(C) Foreign exchange earnings and Outgo -

The Company's foreign exchange earnings during the year was ₹ 123.67 lakhs and outgo during the year was ₹ 15.34 lakhs.

FORM NO. AOC -2

(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

Nesco Limited has not entered into any contract or arrangements or transactions with its related parties which are not at arm's length during the financial year 2022-23.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Segment Review

Nesco IT Park

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

Developments

During the past year, our Company demonstrated consistent success in licensing and managing our Towers, specifically Tower 03 and Tower 04, within Nesco IT Park. We are pleased to report that Tower 03 witnessed an occupancy rate of 82% for its chargeable space, while Tower 04 achieved an impressive occupancy rate of 97%. Presently, we are proud to share that 90% of office space within the park are occupied, reflecting the high demand and desirability of our facilities.

Throughout the year, we actively collaborated with major International Property Consultants to facilitate the leasing of space at our Towers. This strategic coordination played a vital role in attracting and securing reputed clients for our facilities.

To further enhance the amenities available at Nesco IT Park, we inaugurated a Food Court during the year. We are delighted to have leased space to renowned brands such as Dominos, Subway, Shivsagar, Tibbs Frankie, and others. Additionally, three new restaurants—Social, Smoke House Deli, and FOO—were established and have already commenced operations at Nesco Tower 04, offering a diverse culinary experience to our occupants.

In order to foster engagement among the employees of our IT park clients, we organized a two-day Carnival. This event featured a range of activities including games, a quiz show, drum beats, live performances, and stand-up comedy. By providing such entertaining and interactive experiences, we aimed to create a vibrant and enjoyable atmosphere within the IT Park.

Opportunities and Threats

The Mumbai Suburban area, with its concentration of MNCs and banks, offers a great opportunity for landlords in the IT Park sector. However, there is a lack of high-quality office spaces in the micro-market, making timely supply a key differentiator. Occupiers are increasingly focused on ESG considerations and green buildings, which can influence their choice of premises. Technology enhancement and flexible leasing options are also important for long-term success. Nesco IT Park faces competition from nearby office space providers and established business parks in the city. To stay competitive, Nesco should continue improving its offerings, amenities, and service to attract tenants.

Concerns

Post-Covid, companies have faced the challenge of improving profitability and reducing costs. As a result, they may consider downsizing their office spaces or relocating to areas with lower rental rates. This shift in demand could create pressure for renegotiating rent escalations that were due in the current year.

Additionally, many companies are re-evaluating their workforce footprints and considering spreading their office locations across both the western and eastern suburbs of Mumbai. This strategic move allows them to optimize their presence and cater to the diverse needs of their employees in different locations.

Capital Expenditure and Expansion Plan

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

The outflow of entire estimated cost for Tower 02 will be spread across 5 years and civil work expected to start shortly after approvals from various Governmental Authorities.

Company commenced part of its various F&B and Retail areas in Tower 04 which included 3 new Restaurants and a Food Court with an investment of ₹ 666.03 lakhs. The future expansion in Tower 04 includes a Gym, a Convenience Store, a Salon and a Coffee Shop.

Company has completed upgrading of the landscaping of its Tower 03 at a total cost of ₹ 387.03 lakhs in financial year 2022-23 as a part of overall upgradation of the facility.

Bombay Exhibition Center

Bombay Exhibition Center (BEC) embodies the essence of belief and opportunity. Serving as a catalyst for countless ideas to come to life, this center has played a pivotal role in bringing together individuals and businesses from around the World with a shared purpose in Mumbai.

The exhibition industry sector enables trade/business transaction of over ₹ 3,00,000 crore, annually boosting and supporting the growth of various spectrum of industries while also being a colossal employment provider with nearly 1,20,000 people employed in this industry. Normally, during the year 745 events are conducted, average event size is of 9.8 thousand gross sq. meters.

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

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

Bombay Exhibition Center has achieved a significant milestone in Mumbai, establishing itself as the premier destination for exhibitions, MICE (Meetings, Incentives, Conferences, and Exhibitions), trade shows, business displays, events, and entertainment. Its historical status as an ideal location underscores its appeal and suitability for a wide range of events and gatherings.

The introduction of Nesco Events into the event space has been met with tremendous excitement. This venture has successfully created unique event properties that have quickly gained widespread acclaim and popularity. This impressive start has further strengthened the Group's capabilities in delivering high-quality entertainment to an enthusiastic and growing audience of enthusiasts.

Nesco Events works closely with the government and industry stakeholders to organize meticulously planned fairs and events that showcase the latest trends, innovations, and industry-specific themes. The aim is to establish comprehensive B2B and B2C platforms across various industries, positioning Nesco Events as a leading global event organizer.

Committed to presenting unparalleled cultural experiences that enrich and elevate life, Nesco Events goes beyond traditional event management. With the creation and curation of a diverse portfolio of successful event properties, the Company has expanded its offerings to include tailored venues and innovative production capabilities. With each new event, Nesco Events strives to create unexpected and unforgettable experiences, constantly pushing the boundaries of what is possible.

Developments

Guest Exhibitions and Events

During the financial year 2022-23, a total of 83 exhibitions and 10 events were scheduled and successfully held at Nesco. It is noteworthy that all the halls were fully occupied, with the Municipal Corporation of Greater Mumbai (MCGM) releasing them for use throughout the year. Additionally, 6 exhibitions that had been absent for several years made a comeback and were held at our venue, adding to the overall event portfolio.

The year also witnessed the addition of several new clients, further diversifying our customer base. Notable additions included Oceantrade Media, S.S Textile Media, Travel India, Jet Skysports Gaming, All India Gem and Jewellery Domestic Council, and more. The inclusion of these new clients contributed to an increase in our revenues, showcasing the growing demand and trust in Nesco as a preferred venue for exhibitions and events.

Nesco Events

During the financial year 2022-23, Nesco successfully hosted 10 notable events, showcasing its versatility as a preferred venue for a diverse range of gatherings.

One of the highlights was the 3rd edition of the India Auto Show, which took place in May 2022. This automotive exhibition provided a platform for industry players to showcase their latest offerings and innovations.

Another significant event was the grand celebration of Navaratri, called 'Rangilo Re..... Utsav Gujarat No'. This nine-day festival attracted a large-scale participation, featuring performances by five renowned artists. The event garnered immense popularity, with over 1,50,000 people attending and immersing themselves in the festive spirit.

Kula Worldwide, a global gathering of arts, culture, street art, and music, was also organized by Nesco. The event witnessed the participation of more than 150 talented tattoo artists from various countries such as Australia, Germany, Indonesia, Japan, Malaysia, Nepal, New Zealand, UK, US, Vietnam and India. This unique event celebrated artistic expressions from around the World.

Nesco Events further collaborated with various organizers to present captivating live concerts, including performances by Guru Randhawa, MC Stan and King held during the festive season of Holi.

Through these diverse events, Nesco aims to establish itself as a preferred venue for both local and global events and exhibitions. The goal is to create an atmosphere where all types of gatherings, whether cultural, artistic, or entertainment-focused, can thrive and leave a lasting impression on attendees.

Opportunities and Threats

Guest Exhibitions and Events

After the pandemic, the Municipal Corporation of Greater Mumbai (MCGM) cleared and released the premises it occupied, allowing Nesco to resume operations. Since then, a total of 83 exhibitions have been organized and held at the Bombay Exhibition Center, attracting a significant number of exhibitors and stakeholders.

Organizers have been actively exploring new territories to host their exhibitions, indicating a positive outlook for the industry. However, the war-like situation between India and China has had an impact. Some exhibitions experienced a reduction in size or were postponed due to restrictions imposed by the government on Chinese exhibitors' visas. This situation has posed challenges for certain exhibitions that relied on participation from China.

Nesco Events

Nesco Events thrives on endless opportunities, as it can venture into various topics and niches that are not currently being organized elsewhere. The Company has the potential to tap into the international market and provide a platform for exhibitors, visitors, and the government to come together at India's leading privately owned venue.

There is also a promising opportunity for strategic tie-ups with third-party exhibitions and events, which can bring benefits ranging from increased revenues and brand building to higher footfall at the venue. Nesco Events can explore launching new intellectual properties (IPs) in the B2C space, such as music festivals, food festivals, and kids' festivals, further expanding its reach and appeal.

Post-pandemic, Nesco Events has witnessed remarkable growth and development in its sector. The Company successfully organized and scheduled numerous events at Nesco, including live concerts, Holi festivals, tattoo conventions, and music festivals. This diversification has allowed Nesco Exhibitions and Events to enter new sections of the industry, catering to a broader audience and showcasing its versatility and adaptability.

Concerns

The biggest risk for Bombay Exhibition Center is competition mainly on the quality of infrastructure vis-à-vis the other venue. Though Bombay Exhibition Center excels on location, the demand is primarily for pillar-free, dust free and leakage free halls.

To meet the expectations of the organisers and exhibitors alike we now need to have spruced infrastructure.

Capital Expenditure and Expansion Plan

Bombay Exhibition Center had completed the designing and finalization of plans for the new Hall 06 (in place of legacy IT Building 01 or Hall 08). The net hall area will be approx. 1,50,000 sq. ft. and will have separate pre-function areas, organiser office, parking for approx. 500 cars and other amenities.

The estimated cost for Hall 06 is around ₹ 12,500 lakhs, with outflow spread across a year and civil work expected to start shortly after approvals from various Governmental Authorities.

Company has plans to further develop a world class integrated Exhibition Centre comprising of Exhibition Centre, Convention Centre, Hotel and other amenities in the coming years.

Nesco Events division now has started expanding its operations. During the year, they organised 5 own exhibitions and events and 5 events were in strategic alliances with our clients.

The division during the year successfully launched 'Kula – Tattoo Festival' and also hosted annual editions of 'Rangilo Re..... Utsav Gujarat No', 'India Auto Show' and 'World of Education'. These would grow in the coming years and also more exhibitions and events would be launched by the division.

Nesco Foods

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

Developments

Exhibitions and Banquets

Nesco Foods has brought on board experienced personnel to drive revenue growth. They are focused on developing market awareness, particularly in the banquet segment for both corporate and social events. Nesco Foods participated in industry forums to increase recognition. During the pandemic, they provided packed meals to Dedicated Covid and Health Centers. The division has also opened retail outlets named "Indic" and "Daily Deli" and received awards for best customer experience in food courts. The Exhibition and Banquets sub-division is prioritizing banquet and retail businesses. The Grande Hall successfully serviced over 100 events and received recognition as the most promising food venue with banquets.

Restaurants and outlets

A new sub-division named 'Restaurant and Outlets' is started by the Company under which the Company has inaugurated 3 new restaurants and a food court in Tower 04. The Company has partnered with various reputed brands in their food courts in exhibitions which is highly appreciated by organisers and visitors.

Opportunities and Threats

The pandemic-induced backlog of events presents an opportunity for Nesco Foods to cater to the social and corporate segments in the banqueting business. Nesco Foods has also introduced a new sub-division called 'Restaurant & Outlets' to manage the restaurants, food court, and lounge bar. This sub-division has formed valuable alliances with renowned brands like Subway, Dominos, Shiv Sagar, Foo, and Socials, enhancing the offerings and reputation of Nesco Foods.

In the current financial year, the division has experienced productivity and success, particularly with the Grande venue. The availability of large space in a secure environment with ample parking has positioned Grande and Nesco as a preferred location for corporate events, leading to a strong reputation as a premium banquet venue for weddings and other special occasions.

Concerns

Despite the city returning to a state of normalcy, the fear of a potential next wave of the pandemic had created temporary uncertainty and concern in the industry. This unpredictable situation can impact the planning and execution of events and exhibitions.

Furthermore, the launch of new convention centers and premium banquet venues in Mumbai introduces notable competition in the market. To stay competitive, Nesco must employ aggressive marketing strategies and maintain high service standards to attract and retain clients. Adapting to evolving customer demands and delivering exceptional experiences will be crucial in facing this competition effectively.

Capital Expenditure and Expansion Plan

Nesco Foods expanded its presence during financial year 2022-23. The legacy business organised under the sub-division 'Exhibition and Banquets' refurbished its flagship venue 'The Grande' was able to reach pre-covid levels and was also able to establish itself as a preferred destination for hosting events, ceremonies, functions, marriages and corporate programs for those in the vicinity.

The sub-division named 'Restaurant & Outlets' in alliance with some reputed brands of the city have already started 3 new restaurants and a food court in Tower 04 and have also brought several new options for food courts in exhibitions which is being highly appreciated by organisers, exhibitors and visitors. The sub-division invested ₹ 666.03 lakhs for commencing this business stream.

For the financial year 2023-24, division is planning to further increase its revenue stream by adding more restaurants and outlets within Nesco Center and by further expanding its footprints into outdoor catering and B2B contracts outside the Nesco Center.

Indabrator

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

Developments

Indabrator has effectively capitalized on opportunities presented by firms seeking to establish or expand greenfield and brownfield projects. The sales of abrasives have shown a consistent upward trend.

Indabrator has started 3rd Shift to increase abrasive production at Karamsad to reach installed capacity of 500 MT/Month. It has successfully commissioned high value Blast Cleaning Systems at Railway workshop, Liluah and Plate Preservation Line at Hooghly Cochin Shipyard.

Further, we have appointed agents in Export region for sale of abrasives and machines.

Opportunities and Threats

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

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

Since, last two years we were taking small orders with respect to designing and supplying of complete painting or powder coating or phosphating. Next year onwards, we will be taking big orders for the said work which would help us to provide full facility under one roof. Further, we are looking to outsource our job work for casting and production like motors and pumps parts which will allow us to focus on completing our orders within the prescribed timelines and focus on other things. We will also be focusing on customized heavy fabrication work.

Concerns

For Indabrator, currently the biggest risk is the shift in customer demands, competitions and changes in Technology. Workplace health and safety and environmental regulations is a challenge. International Companies are setting up its sales & manufacturing infrastructure and are offering cost effective solutions which can be the biggest challenge for us in near future.

The growth of Indabrator depends on many factors like adoption of new design, technology and automation, satisfying International customers demands with respect to quality, delivery, performance or service support is a task and well planned approach is required for the same.

Capital Expenditure and Expansion Plan

Indabrador division is undertaking further upgradation of its process as well as infrastructure. The infrastructure enhancement includes renovation of portions of the existing structures and is estimated at approximately ₹ 399.54 lakhs.

Investment

Our Company's investment portfolio primarily consists of holdings in mutual funds, corporate deposits, non-convertible debentures, bonds, and preference shares. It's important to note that market volatility can potentially lead to Mark to Market losses, which may have an adverse impact on the Company's financial position.

To mitigate this risk, the management regularly reviews the investments and assesses their returns. This evaluation is presented to the Board for consideration on a quarterly basis. By closely monitoring the investments and their performance, the Company aims to make informed decisions and minimize the potential negative effects of market fluctuations on its investment portfolio.

Outlook

The impressive growth across our business divisions is a testament to our strategic focus, resilient operations, and commitment to delivering exceptional value to our customers. We are particularly encouraged by the continued demand in the IT Park sector and the confidence shown by our customers in the BEC division. With a solid balance sheet, healthy cash flow, and a diversified pipeline of businesses, we are well-positioned to capitalize on the current market upcycle and achieve our business goals. Nesco Limited's strong financial performance post-pandemic is a testament to the Company's business growth across verticals.

Enterprise Risk Management

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

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

Internal Control Systems and their adequacy

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

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

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

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

Internal Audit

The internal audit of our Company is conducted by an independent audit firm consisting of chartered accountants. The internal auditor follows a quarterly or calendar plan to carry out audits. The internal audit process involves a risk-based approach, focusing on areas and processes identified as high-risk. In addition, transaction audits are conducted for specific areas and processes to ensure compliance and identify any irregularities or areas for improvement. This comprehensive internal audit

framework helps to enhance transparency, mitigate risks, and improve the overall effectiveness of our Company's operations.

Development in Human Resources and Industrial Relations

Company's vision is to create a cohesive work environment that encourages the employees to pursue their professional and self-development goals in addition to building operational excellence and a sense of belonging. Company believes that human resources are a critical factor for its growth. The emphasis is on grooming inhouse talent enabling them to take on larger responsibilities. The relations with the employees and workers remained cordial and harmonious throughout the year.

Company has made efforts to improve the employee's safety and security. Company has standardized the Policy for Recruitment, Training and Development and Employee Benefit. The Company has initiated providing Employee Flexi Benefits and training programs for employees.

Financial Review

During the year under review, all businesses performed well resulting in revenue and profits. The Standalone and Consolidated financial highlights for financial year 2022-23 are as follows:

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations and Other Income	60,925.69	38,241.21	60,911.81	38,216.37
EBIDTA	41,196.97	26,398.49	41,195.23	26,401.82
Profit Before Tax	36,697.02	22,646.00	36,697.03	22,651.18
Profit After Tax	29,063.63	18,917.12	29,063.64	18,922.24

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Debtors Turnover Ratio	26.47	13.99	26.47	13.99
Inventory Turnover Ratio	9.88	7.65	9.88	7.67
Current Ratio	4.70	8.04	4.70	8.02
Operating Profit Margin	69.45%	69.85%	69.45%	69.87%
Net Profit Margin	47.70%	49.47%	47.71%	49.51%
Return on Net worth	14.79%	11.17%	14.79%	11.19%

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

The Corporate Governance philosophy at Nesco stems from the set of principles and framework embedded in its values. The Company has a strong legacy of fair, transparent and ethical governance practices. Nesco considers Corporate Governance as one of the pillars to build and maintain the trust reposed by its stakeholders.

Corporate Governance is an ethically driven business process that is committed to values, aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting Stakeholders expectations.

At Nesco, we aim to abide by the highest standards of good governance and ethical behaviour across all levels within the organisation with a zero-tolerance policy towards any deviation from these standards. Our ethical framework focuses on long-term shareholder value creation through responsible decision-making.

We believe that a dynamic, diverse and experienced Board with a focus on excellence plays a pivotal role in Nesco's corporate governance aspirations. In view of this, we endeavour to maintain a Board composition that brings healthy balance of skills, experience, independence, assurance, growth mindset and deep knowledge of the sector.

2. Board of Directors:

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

The Board of Directors ("Board") is responsible for the strategic supervision and overseeing the Management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgment and plays a vital role in monitoring the Company's affairs. The Board also ensures the Company's adherence to the standards of corporate governance and transparency.

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

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

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

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

Detailed profile of the directors is available on the Company's website at <https://www.nesco.in/leadership>.

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 2023 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. Krishna S. Patel	Promoter / Executive/ Chairman & Managing Director	---	02	---
Mr. Mahendra K. Chouhan	Non-Executive and Independent	01	01	01
Mr. Jai S. Diwanji	Non-Executive and Independent	02	05	01
Mr. K. S. Srinivasa Murty	Non-Executive and Independent	---	02	---
Mrs. Sudha S. Patel	Promoter / Non-Executive	---	01	01
Mrs. Amrita Verma Chowdhury	Non-Executive and Independent	05	03	---

* 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.

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

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

The Details of Directors, their inter-se relationship, directorships held in other listed companies, their shareholding in the Company as on 31 March 2023 and their areas of expertise.

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

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

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

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

Key Board qualifications, expertise and attributes

Our Company is diversified in four business segments:

- **Nesco IT Park:** Our Tower 03 and 04 provide office space on lease to some of the leading reputed companies.
- **Bombay Exhibition Center (BEC):** BEC provides infrastructure to leading Indian and Foreign organizers to Corporates, Trade Bodies and Associations for Guest Exhibitions and Events. Nesco also holds its own Exhibitions and Events.
- **Nesco Foods:** Our Foods division caters to Banquets, Exhibitions and offices situated in the Nesco Center. On the days of exhibitions Nesco Foods prepares and serves over 20,000 meals per day. We also have our restaurants and outlets, franchisee restaurants and outlets now in our own premises.
- **Indabrator:** Our Indabrator division is a leading manufacturer of surface preparation equipment with integrated manufacturing facilities for Equipment, Spares and Abrasives in Gujarat.

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

Corporate Governance	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders interests. Experience in boards and committees of other large companies.
Legal	Understanding legal and regulatory aspects, mergers and acquisition, etc.
Finance	Understanding the financial statements, financial controls, risk management, accounting aspects in mergers and acquisition, etc. Proficiency in financial management, financial reporting process, budgeting, treasure operations, audit and capital allocation.
Information Technology	A significant background in technology, digitization resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business.
Wide management and leadership experience	Strong management and leadership experience, including in areas of business development, strategic planning, operations in technology, manufacturing, investments and finance.
Diversity	Diversity of thought, experience, knowledge, perspective and culture brought to the Board by individual members. Varied mix of strategic perspectives.
Personal values	Personal characteristics matching the Company's values, such as integrity, accountability and high performance standards.
Risk Management	Ability to identify and evaluate the significant risk affecting the business operations of the Company and to monitor the effectiveness of risk management framework and practices.
Sustainability and ESG	Understanding of diverse and global sustainability and ESG practices and the ability to align them with the Company's growth strategy.

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

Name of Director	Skills / Expertise / Competencies							Risk Management	Sustainability and ESG
	Corporate Governance	Legal	Finance	Information Technology	Wide management and leadership experience	Diversity	Personal values		
Mr. Krishna S. Patel	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mahendra K. Chouhan	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Jai S. Diwanji	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. K. S. Srinivasa Murty	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Sudha S. Patel	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Amrita Verma Chowdhury	✓	✓	✓	✓	✓	✓	✓	✓	✓

Familiarization Programme:

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

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

Brief details of the Familiarization Programme for Independent Directors are put up on the Company's website at <https://www.nesco.in/DetailsofFamiliarizationProgrammesforIndependentDirectors.pdf>

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

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

Board Meetings are convened at appropriate intervals by giving advance notice and agenda papers to the Directors, and the gap between two consecutive meetings does not exceed 120 days.

In consultation with the head of business units, the Company Secretary prepares the draft agenda, and post confirmation by Chairman of the Board or respective Committees, finalizes the same. The yearly calendar of Board and Committee meetings is finalized well in advance. The Directors are given the option to attend Board or Committee meetings via video conferencing.

In case of exigency or urgency of the matter, resolutions are passed by circulation for such matters as permitted by law and the same is taken on record in the succeeding Board or Committee meeting.

During the financial year, four meetings of the Board of Directors of the Company were held on 25 May 2022, 08 August 2022, 10 November 2022 and 09 February 2023.

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 2022-23		Attendance at the last AGM held on 08 August 2022*
	Held*	Attended*	
Mr. Krishna S. Patel	4	4	Yes
Mr. Mahendra K. Chouhan	4	4	Yes
Mr. Jai S. Diwanji	4	4 [#]	Yes
Mr. K. S. Srinivasa Murty	4	4	Yes
Mr. Manu M. Parpia [§]	4	0	No
Mrs. Sudha S. Patel	4	3	Yes
Mrs. Amrita Verma Chowdhury	4	4	Yes

* As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM except the meeting held on 10 November 2022.

[#] Mr. Jai S. Diwanji attended the Board meeting held on 10 November 2022 through video conference.

[§] Mr. Manu M. Parpia, Independent Director ceased to be an Independent Director on account of expiry of his term on 09 May 2022.

4. Committees of the Board:

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

The committees deal with specific areas that are assigned to them for either final decision-making or giving appropriate recommendations to the Board.

Audit Committee

Composition:

The Audit Committee meets the criteria laid down under Section 177 of the Act and Regulation 18 of the Listing Regulations.

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 2022-23 is detailed below:

During financial year 2022-23, four meetings of Audit Committee were held on 25 May 2022, 08 August 2022, 10 November 2022 and 09 February 2023. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	Nature of membership	No. of Committee meetings during the year 2022-23	
			Held*	Attended*
a.	Mr. Mahendra K. Chouhan	Chairman	4	4
b.	Mr. K. S. Srinivasa Murty	Member	4	4
c.	Mr. Jai S. Diwanji	Member	4	4 [#]
d.	Mr. Manu M. Parpia [§]	Member	4	0 [§]
e.	Mr. Krishna S. Patel	Member	4	4
f.	Mrs. Amrita Verma Chowdhury	Member	4	4

* As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, all meetings were held through VC/OAVM except the meeting held on 10 November 2022.

[#] Mr. Jai S. Diwanji attended the Audit Committee meeting held on 10 November 2022 through video conference.

[§] Mr. Manu M. Parpia, Independent Director ceased to be an Independent Director on account of expiry of his term on 09 May 2022.

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:

- a. 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;
- b. 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 Nomination and Remuneration Committee ('NRC') of the Board of Directors meets the criteria laid down under Section 178 of the Act and Regulation 19 of the Listing Regulations.

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 2022-23 is detailed below:

During the year, Committee met once on 24 May 2022. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	Nature of membership	No. of Committee meetings during the year 2022-23	
			Held*	Attended*
a.	Mr. Jai S. Diwanji	Chairman	1	1
b.	Mr. Mahendra K. Chouhan	Member	1	1
c.	Mrs. Sudha S. Patel	Member	1	1

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

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

Nomination and Remuneration Policy:

Nomination and 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 Chairman & Managing Director. Annual increment to Chairman & Managing Director is 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 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 Chairman & Managing Director.

The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at <https://www.nesco.in/NominationandRemunerationPolicy.pdf>

Details of Remuneration of the Directors of the Company for the financial year 2022-23 are as follows:

(₹ in lakhs)

Name of Directors	Designation	Sitting fees	Salary	Perquisites and allowance	Commission	Provident Fund	Total
Mr. Krishna S. Patel	Chairman & Managing Director	---	108.00	---	750.00	12.96	870.96
Mr. Mahendra K. Chouhan	Director	6.10	---	---	---	---	6.10
Mr. Jai S. Diwanji	Director	6.60	---	---	---	---	6.60
Mr. K. S. Srinivasa Murty	Director	5.35	---	---	---	---	5.35
Mr. Manu M. Parpia [§]	Director	---	---	---	---	---	---
Mrs. Sudha S. Patel	Director	3.25	---	---	---	---	3.25
Mrs. Amrita Verma Chowdhury	Director	4.85	---	---	---	---	4.85
Total		26.15	108.00	---	750.00	12.96	897.11

[§]Mr. Manu M. Parpia, Independent Director ceased to be an Independent Director on account of expiry of his term on 09 May 2022.

Mechanism for evaluating Board Members:

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

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

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

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

Performance Evaluation

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

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

Stakeholders Relationship Committee

Composition:

The Stakeholders' Relationship Committee ('SRC') of the Board of Directors meets the criteria laid down under Section 178 of the Act and Regulation 20 of the Listing Regulations.

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 2022-23 is detailed below:

During the year, the Committee met twice on 24 May 2022 and 09 November 2022. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	Nature of membership	No. of Committee meetings during the year 2022-23	
			Held*	Attended*
a.	Mrs. Sudha S. Patel	Chairperson	2	2
b.	Mr. K. S. Srinivasa Murty	Member	2	2
c.	Mr. Jai S. Diwanji	Member	2	2
d.	Mr. Krishna S. Patel	Member	2	2

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

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.

- b. Reviewing measures taken for effective exercise of voting rights by shareholders.
- c. Reviewing adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d. 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.
- e. 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 2022-23:

Sr. no.	Nature of Complaints	Pending as on 01 April 2022	Received	Redressed	Pending as on 31 March 2023
1	Delay/Non-Receipt of Annual Report	NIL	NIL	NIL	NIL
2	Delay in transfer of shares	NIL	3	3	NIL
3	Delay/Non-Receipt in issue of duplicate shares	NIL	2	2	NIL
4	Non-Receipt of shares/dividend/rights/bonus shares	NIL	1	1	NIL

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

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

Corporate Social Responsibility Committee

Composition:

The composition of the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2022-23 is detailed below:

During the year Committee met twice on 24 May 2022 and 09 November 2022. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	Nature of membership	No. of Committee meetings during the year 2022-23	
			Held*	Attended*
a.	Mrs. Sudha S. Patel	Chairperson	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

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

Scope of Corporate Social Responsibility Committee:

The Committee administers the following activities:

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

The details of CSR initiatives forms part of the Directors Report in the Annual Report. The CSR policy of the Company has been uploaded on the Company’s website at <https://www.nesco.in/CorporateSocialResponsibilityPolicy.pdf>

Risk Management Committee

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

Composition:

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

During the year the Committee met twice on 24 May 2022 and 09 November 2022. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	Nature of membership	No. of Committee meetings during the year 2022-23	
			Held*	Attended*
a.	Mr. Krishna S. Patel	Chairman	2	2
b.	Mr. Mahendra K. Chouhan	Member	2	2
c.	Mr. Jai S. Diwanji	Member	2	2
d.	Mr. Dipesh R. Singhania	Member	2	2

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

Scope of Risk Management Committee

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

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

5. Independent Directors Meeting:

During the year under review, a meeting of the Independent Directors of the Company was held on 08 February 2023 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.

Criteria for making payment to Non-executive Directors.

The criteria of making payment to the Non-executive Directors is based on the varied roles played by them towards the Company. The Company seeks their expert advice on various matters in general management, strategy, business planning, finance, technology or intellectual property.

It is not just restricted to corporate governance or outlook of the Company but they also bring along with them significant professional expertise and rich experience across the wide spectrum of functional areas such as technology, corporate strategy, finance and other corporate functions.

The Non-executive Directors are paid remuneration by way of Sitting Fees. The Non-executive Directors are paid Sitting Fees for each meeting of the Board or Committee attended by them. The Non-executive Director or Independent Directors do not have any material pecuniary relationship or transactions with the Company.

6. General Body Meetings:

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

Year	AGM	Location	Date	Time	No. of special resolutions set out at AGM
2019-20	61 st	Nesco Center, Western Express Highway, Goregaon East, Mumbai – 400063.	14 August 2020	2.30 P.M.	0
2020-21	62 nd	Nesco Center, Western Express Highway, Goregaon East, Mumbai – 400063.	11 August 2021	3.30 P.M.	0
2021-22	63 rd	Nesco Center, Western Express Highway, Goregaon East, Mumbai – 400063.	08 August 2022	2.30 P.M.	0

Postal Ballot:

Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules (including any statutory amendments(s) or re-enactment(s) thereof made thereunder), No Special Resolution was passed through Postal Ballot during financial year 2022-23. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this report.

7. Means of Communication:

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

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

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

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

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

The results are also displayed on the website of the Company at <https://www.nesco.in/financials>.

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

8. Compliance Officer:

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

9. Secretarial Audit:

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

10. Secretarial Compliance Report:

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

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

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

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

12. Managing Director and 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 Regulations. The certificate is annexed and forms part of this Annual Report as **"Annexure F."**

13. Other Disclosures:

a. Related Party Transactions

The Company has a process for monitoring the related party transactions. The Audit Committee, during the financial year 2022-23, has approved transactions in line with the Policy of dealing with related parties 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 <https://www.nesco.in/RelatedPartyTransactionsPolicy.pdf>

All the transactions entered into by the Company with the related parties, during the financial year 2022-23, were in the ordinary course of business and on arm's length basis. The details of the related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

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

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

b. Subsidiary Companies

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

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

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

The Policy for determining material subsidiary has been uploaded and can be accessed on the Company's website at <https://www.nesco.in/PolicyfordeterminingMaterialSubsidiaries.pdf>

c. Vigil Mechanism and Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, a Whistle Blower and Vigil Mechanism Policy was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy, genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

Our Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers, shareholders and business associates in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Accordingly, the Company has adopted a Whistle Blower Policy and an effective vigil mechanism system to provide a formal mechanism to its Directors and employees to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organisation and also safeguards against victimization of Directors or employees who avail of the mechanism. Whistle Blower Policy and Vigil Mechanism are also placed on the website on the Company at <https://www.nesco.in/WhistleBlowerPolicy.pdf>

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

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

Audit Qualification

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

Reporting of Internal Auditor

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

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

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

f. Certificate from Practicing Company Secretary

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

g. Recommendations of Committees of the Board

There were no instances during the financial year 2022-23, 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 ₹ 35.34 lakhs (Rupees Thirty Five Lakhs and Thirty Four Thousand only) for financial year 2022-23, for all services, was paid by the Company and its subsidiary, 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 2022-23 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 <https://www.nesco.in/CodeofConduct.pdf>

- 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

Krishna S. Patel
Chairman and Managing Director
DIN: 01519572

Mumbai
24 May 2023

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To
The Board of Directors
Nesco Limited
Mumbai

Dear Members of the Board,

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

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

Krishna S. Patel
Chairman and
Managing Director
DIN: 01519572

Dipesh R. Singhania
Chief Financial Officer

Mumbai
24 May 2023

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 2023 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.	Sudhaben Sumant Patel	00187055	16/07/2001
2.	Mahendrakumar Chouhan	00187253	19/04/2005
3.	Krishna Sumant Patel	01519572	30/06/2008
4.	Srinivasa Murty Sesha Kuruganti	00499663	30/07/2007
5.	Jai Shishir Diwanji	00910410	03/11/2012
6.	Manu Mahmud Parpia	00118333	10/05/2017
7.	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 electronic 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.

For ND & Associates
(Peer Reviewed)

Neeta H. Desai
Practising Company Secretary
COP No. 4741

Mumbai
24 May 2023
UDIN: F003262E000358311

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

To,
The Members of Nesco Limited

I, Krishna S. Patel, 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 2023.

Krishna S. Patel
Chairman and
Managing Director
DIN:01519572

Mumbai
24 May 2023

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Nesco Limited

We, Manubhai & Shah LLP, Chartered Accountants, the Statutory Auditors of Nesco Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company for the year ended 31 March 2023 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

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

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

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

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

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2023.

Other Matters

The Company is evaluating and taking necessary steps to appoint Mr. Manu Parpia, an Independent Director, whose term expired on 9 May 2022. Refer Note 9 in the Directors Report.

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
M. No.: 103750
Mumbai
24 May 2023
UDIN: 23103750BGBVQU6859

SHAREHOLDERS INFORMATION

1. General Shareholders Information

1	Annual General Meeting	The 64 th annual general meeting will be held on 04 August 2023 at 03:30 p.m. through Video Conference and Other Audio Visual Means (OAVM).
2.	Schedule for declaration of Financial Results during the financial year 2023-24	<p>Financial Year: 01 April 2023 to 31 March 2024</p> <p>First quarterly results: On or before 1st week of August 2023</p> <p>Second quarterly results: On or before 2nd week of November 2023</p> <p>Third quarterly results: On or before 3rd week of February 2024</p> <p>Annual accounts 2023-24: Last week of May 2024</p>
3.	Date of Book Closure	29 July 2023 to 04 August 2023 (both days inclusive)
4.	Listing on Stock Exchange	<p>The Company's equity shares are listed on:</p> <p>BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.</p> <p>The National Stock Exchange of India Limited 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.	<p>Payment of Dividend</p> <p>Final Dividend for financial year 2022-23 of ₹ 4.50 per equity share recommended by the Board of Directors at its meeting held on 24 May 2023.</p>	<p>On or after 04 August 2023</p> <p>(Subject to approval of the shareholders)</p>

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

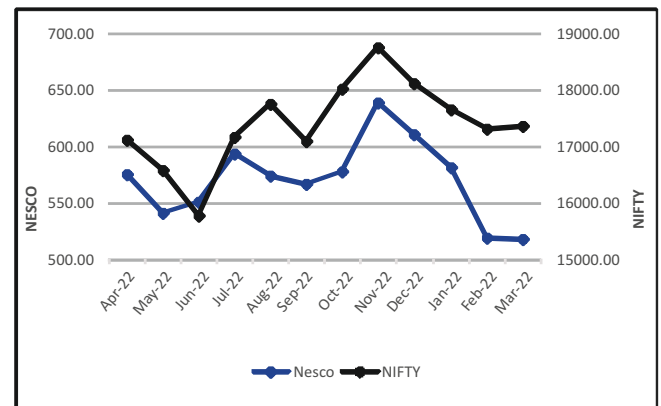
2. Stock Market data

Monthly high and low prices of equity shares of the Company quoted at BSE Limited and National Stock Exchange of India Limited during the financial year 2022-23.

BSE			NSE		
Month	High	Low	Month	High	Low
April 2022	616.90	551.70	April 2022	617.40	545.15
May 2022	590.05	513.20	May 2022	590.00	512.00
June 2022	559.00	501.10	June 2022	558.90	501.95
July 2022	606.05	540.60	July 2022	604.70	543.50
August 2022	604.20	553.95	August 2022	605.35	551.00
September 2022	686.40	556.10	September 2022	686.45	556.00
October 2022	595.25	553.40	October 2022	596.00	553.10
November 2022	658.20	566.50	November 2022	659.90	570.30
December 2022	677.15	578.20	December 2022	677.30	577.90
January 2023	625.80	570.00	January 2023	626.20	569.60
February 2023	609.85	510.50	February 2023	610.00	510.00
March 2023	532.00	505.25	March 2023	533.15	505.00

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 2023 (based on month end closing):



3. Share Transfer System

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

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

4. Dematerialization of Shares

As an on-going measure to enhance ease of dealing in securities markets by the investors, SEBI vide Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB /P/CIR/ 2022/8 dated 25 January 2022 declared that Listed Companies shall issue the securities in dematerialized form only while processing the following service request with immediate effect -

- a) Issue of duplicate securities certificate;
- b) Claim from Unclaimed Suspense Account;
- c) Renewal / Exchange of securities certificate;
- d) Endorsement;
- e) Sub-division / Splitting of securities certificate;
- f) Consolidation of securities certificates/folios;
- g) Transmission;
- h) Transposition;

For this purpose, the Securities holder/claimant shall submit a duly filled up Form ISR-4.

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

Sr. no.	Particulars	Equity
a.	Number of demat requests	72
b.	Number of shares dematted	91,080

5. Updation of PAN, KYC and Nomination details

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 03 November 2021 , Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated 14 December 2021 and Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16 March 2023 has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC and Nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to inter alia furnish PAN, KYC and Nomination details. Physical folios wherein the PAN, KYC and Nomination details are not available on or after 01 October 2023, shall be frozen by the RTA and will be eligible for lodging any service request or receiving payment including dividend only after registering the required details.

Your Company had intimated all the shareholders holding shares in physical mode to provide their KYC details. All these documents are also available on the website of the Company.

6. Categories of Shareholding as on 31 March 2023

Sr. No.	Category	Number of shares held	% of share holding
A	Promoters holding		
1.	Indian	4,38,18,313	62.19
2.	Foreign	44,72,000	6.35
	Sub-total (A)	4,82,90,313	68.54
B	Non-promoters holding		
1.	Institutional investors		
a.	Mutual funds	20,18,609	2.87
b.	Banks, financial institution, insurance companies (central / state govt. institution / non-government institution)	18,72,597	2.66
c.	Alternate investment fund	70,073	0.10
d.	FII (s)	16,20,759	2.30
	Sub-total (B1)	55,82,038	7.93
2.	Others		
a.	Private bodies corporate	14,57,260	2.07
b.	Indian public	1,37,02,068	19.44
c.	NRIS / OCBS	8,20,803	1.16
d.	Trusts	9,053	0.01
e.	NBFCs register with RBI	3,000	0.00
f.	Any other - Foreign companies	0	0.00
	- HUF	4,67,173	0.66
	- Clearing members	27,888	0.04
	- LLP	1,00,364	0.15
	Sub-total (B2)	1,65,87,609	23.53
	Sub-total (B=B1+B2)	2,21,69,647	31.46
	Grand total (A+B)	7,04,59,960	100.00

Distribution of shareholding as on 31 March 2023 is as follows

SHARE	NO OF HOLDERS	(%) OF HOLDERS	TOTAL SHARES	% OF SHARES
UPTO TO 100	26,110	69.38	7,91,434	1.12
101 TO 200	3,393	9.02	5,34,426	0.76
201 TO 500	3,528	9.38	12,29,150	1.74
501 TO 1000	1,976	5.25	15,19,429	2.16
1001 TO 5000	2,032	5.40	45,00,695	6.39
5001 TO 10000	350	0.93	24,84,153	3.53
10001 TO 100000	218	0.58	52,73,335	7.48
100001 TO ABOVE	24	0.06	5,41,27,338	76.82
TOTAL	37,631	100.00	7,04,59,960	100.00

7. Unclaimed / unpaid dividends

Dividend amount for the financial year ended 31 March 2016 and subsequent years, which remain unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on the dates mentioned in the table below. Members who have not claimed or encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's Registrar and Share Transfer Agent M/s. Link Intime India Private Limited.

Sr. No.	For the financial year ended	Date of declaration	Due for transfer to IEPF
1	31.03.2016	17.03.2016	23.04.2023
2	31.03.2017	14.08.2017	20.09.2024
3	31.03.2018	08.08.2018	14.09.2025
4	31.03.2019	05.08.2019	11.09.2026
5	31.03.2020	26.03.2020	02.05.2027
6	31.03.2021	11.08.2021	17.09.2028
7	31.03.2022	08.08.2022	14.09.2029

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 2023.

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 2023. 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: +91 9137 500 282, 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: +91 9137 500 282
Fax: 022 66450101
Email: companysecretary@nesco.in,
Website: www.nesco.in

Registrar & Share Transfer Agent

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

For and on behalf of the Board of Directors

Krishna S. Patel
Chairman and Managing Director
DIN:01519572

Mumbai
24 May 2023

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)**SECTION A: GENERAL DISCLOSURES****I. Details of the listed entity**

1.	Corporate Identity Number (CIN)	L17100MH1946PLC004886
2.	Name of the Listed Entity	Nesco Limited
3.	Year of Incorporation	1946
4.	Registered office address	Nesco Center, Western Express Highway, Goregaon East, Mumbai – 400 063.
5.	Corporate address	Nesco Center, Western Express Highway, Goregaon East, Mumbai – 400 063.
6.	E-mail	companysecretary@nesco.in
7.	Telephone	+91 022 66450123
8.	Website	www.nesco.in
9.	Financial Year for which reporting is being done	01 April 2022 to 31 March 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and the National Stock Exchange Limited
11.	Paid-up Capital	₹ 1,409.20 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Jinal J. Shah Email: companysecretary@nesco.in Mobile: +91 9137500282
13.	Reporting Boundary	Consolidated Basis

II. Products/services**14. Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Realty - IT Park	To build private IT park and to provide space on license basis	48.44%
2	Bombay Exhibition Center (BEC)	To provide space to trade fairs, exhibitions, conventions and conferences	25.58%
3	Indabrator	Manufacture of machinery, equipment and capital goods in the surface preparation and allied segments	7.64%
4	Nesco Foods	To carry on the business of Kitchens, Food Courts, Food Kiosks, Mass Catering, etc.	7.98%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Office Buildings	99531223	48.44%
2	Exhibition halls	99531222	25.58%
3	Other food products n. e. c.	99611299	7.98%
4	Machinery for metallurgy and parts thereof	99611881	7.64%
5	Other special-purpose machinery n.e.c.	99611889	

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	4*	6
International	0	0	0

* We have not considered offices at plant locations separately.

17. Markets served by the entity:

Our Nesco IT Park, Foods & Restaurant Operations, Exhibitions and Events businesses are run out of our Goregaon, Mumbai premises and customers are Pan India and Global. However, the service delivery is in Mumbai. Indabrator sells machinery to customers across India and Internationally.

a. Number of locations

Locations	Number
National (No. of States)	5
International (No. of Countries)	3*

*In the last 5 years our Indabrator business has exported machines to the UAE, Bangladesh and Zambia. This is our only exports business.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The total contribution of exports to the total turnover is 0.12% i.e. ₹ 67.23 lakhs

c. A brief on types of customers

We have distinct customer categories depending on the nature of the business. Nesco IT Park includes occupiers who lease office space from us. The occupiers include services firms, IT/ITES and BFSI companies amongst others. For Bombay Exhibition Center and Events, the customers include Corporates, exhibition organisers, and individuals/ families who wish to conduct their social events at our banquet halls or other facilities and we also organize our own events. For Nesco Foods, the customers include consumers at the food courts and exhibition halls during events. We also lease space for restaurants and food court operations.

For Indabrator, we provide specialised capital goods machinery including Tumblast Shot Blasting Machines, Jet III Types Dust Collectors, Leaf Coil Spring Peening Machines and similar industrial products. We meet the demands of various industry verticals in Indian and International markets, which primarily includes Foundry, Indian Railway, Automotive, Defence, Shipbuilding, Chemical and numerous other industries.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Nesco Ltd (Excl. Indabrator)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	87	65	75	22	25
2.	Other than Permanent (E)	15	12	80	3	20
3.	Total employees (D + E)	102	77	75	25	25
WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	96	78	81	18	19
6.	Total workers (F + G)	96	78	81	18	19

Note: All Workers at Nesco Ltd (Excl Indabrator) are non-permanent

Indabrator:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	81	81	100	-	-
2.	Other than Permanent (E)	5	5	100	-	-
3.	Total employees (D + E)	86	86	100	-	-
WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-

Note: All workers are day workers at Indabrator

b. Differently abled Employees and workers:

Nesco Ltd does not currently have any differently-abled employees or workers, though we encourage a diverse and inclusive workplace.

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	6	2	33.33
Key Management Personnel	2	1	50

* Mr. Krishna S. Patel being Chairman and Managing Director, is included in the Board of Directors and hence excluded from Key Managerial Personnel.

*Mr. Manu M. Parpia, Independent Director ceased to be an Independent Director on account of expiry of his term on 09 May 2022.

20. Turnover rate (%) for permanent employees and workers

Nesco Ltd (Excl. Indabrator)

Particulars	Current Financial Year 2022-23			Previous Financial Year 2021-22			Prior to the Previous Financial Year 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	2	22	1	2	20	1	2	19	2
Permanent Workers	-	-	-	-	-	-	-	-	-

Indabrator

Particulars	Current Financial Year 2022-23			Previous Financial Year 2021-22			Prior to the Previous Financial Year 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1	-	1	1	-	1	1	-	1
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Nesco Foundation for Innovation and Development	Wholly Owned Subsidiary	100	Yes

*NHPL, a wholly owned subsidiary of Nesco Limited went under voluntary liquidation during the financial year 2021-22. Hence not considered above.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
(ii) Turnover (in ₹): 60,925.69 lakhs
(iii) Net worth (in ₹): 1,96,459 lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	Financial Year 2022-23 (Current Financial Year)			Financial Year 2021-22 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and Workers	Yes	-	-		-	-	
Customers	Yes	139	5	Pending as on 31 March 2023	160	5	Pending as on 31 March 2022
Government Entities and Regulatory Bodies	Yes	-	-		-	-	
Investors	Yes	-	-		-	-	
Shareholders	Yes	6	-		5	-	
Communities	No	-	-		-	-	

The Complaints under the Shareholders Category includes complaints raised across all sources including NSE/BSE mechanisms, Scores, ROC, RTA and direct complaint via email. Our grievance management mechanism is shared with our stakeholders and we will be formalizing a policy and mechanism which will be published on the website after approval by the Board.

24. Overview of the entity's material responsible business conduct issues

We have undertaken a detailed materiality exercise on ESG parameters in the reporting year which has been guided by ESG experts. The process involved peer benchmarking, interaction with stakeholder representatives within the management, executive leadership and business unit heads. Indicated below are material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to our businesses. This includes all of Nesco's businesses including Indabratror.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1	Energy and GHG Emissions	Risk and Opportunity	<p>(Risk): Climate Impacts are affecting society and businesses and as a Responsible Corporate Citizen, we are taking actions to minimize our impacts.</p> <p>(Opportunity): Green Buildings and low GHG emissions are important criteria for current and potential occupiers. Additionally, there would be a need to adapt to climate change. Focus on GHG Emission reduction here will enable a more resilient business.</p>	We have started our GHG accounting (as discussed in Principle 6, Q 6) and some of our sustainability initiatives to reduce GHG emissions (Principle 6, Q7). We are also embarking on a green education initiative in collaboration with our occupiers	Positive: Proactive action will positively influence our brand, and occupancy rates, and improve customer attraction as well as lease renewals. Additionally, resource efficiency will improve our margins.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
2	Waste and Water Management	Risk and Opportunity	<p>(Risk): Waste and Water Management helps address resource efficiency, ensure responsible disposal as well as address the challenge of water scarcity. There is a need to go beyond the regulatory risk of non-compliance. Not following the compliance norms related to water/waste can impact occupier sentiment as well as approvals for future projects.</p> <p>(Opportunity): We have identified opportunities to reduce waste, and water consumption and leverage recycling/reuse of both which will have a positive business outcome.</p>	<p>Our approach to Waste Management has been discussed in detail in Principle 6, Q9. Our approach to effective water management has been briefly discussed in Principle 6 Q3 and Q4</p> <p>Additional Capex is planned for Organic Waste Composting to generate manure which also helps in our green cover and biodiversity.</p>	Positive - Reduced environmental Impact, reduced cost of operations and maintenance for us and the occupiers, addresses the risk of penalties and impact on brand reputation
3	Health Safety & Well-being	Risk	Health and Safety for our employees, workers, contractual workforce, as well as those of our occupiers, are crucial for us	Our Health and Safety Risk Management Processes are discussed in Principle 3, Q10 to Q15	Negative - Health and Safety incidents would affect employee/worker morale and impact our reputation
4	Human Capital Management	Opportunity and Risk	<p>(Risk) - A significant quantum of labour for our businesses is provided by contractual labour on our premises and we need to ensure compliance as well as appropriate safety.</p> <p>Opportunity - Well-managed, diverse employees and workers who are appropriately compensated, engaged and provided opportunities for career growth ensure a productive and resilient workforce</p>	The benefits, training, career development retention, safety and other aspects of human capital management are discussed in Principle 3	Positive - We have robust processes for our employees and workers and are further strengthening our governance mechanisms for contractual workers to ensure that we get positive outcomes
5	Customer Centricity, Operational Excellence & Innovation	Opportunity	Opportunity - We are improving our systems and governance mechanisms to further improve customer satisfaction across our businesses. Besides improving our operational agility to improve service levels and improve profitability we also see an opportunity in leveraging digital technologies.		Positive: Operational efficiency will improve our bottom-line while customer centricity would enable resilient top line and improve reputation.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9									
Policy and management processes																		
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No#	Yes	Yes									
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No#	Yes	Yes									
c. Web Link of the Policies, if available	All external policies are available on the link https://www.nesco.in/corporate-governance The internal policies are provided to the employees of the company.																	
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, wherever relevant, policies have defined procedures for stakeholders to respond to situations defined in the policies.																	
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Our practices ensure that our value chain partners are aware of our policies. We are in the process of evaluating and formalizing specific features we want to extend to our suppliers, vendors and customers and on their inclusion in our contracts																	
4. Name of the national and international codes /certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> Platinum LEED Certification at all IT Park Buildings covers Principles 2,3,6 and 9 ISO 9001:2015 at Indabrador Division, plants at Vishnoli and Karamsad covers Principle 2 and 9 ISO 14001:2015 and ISO 45001:2018 that covers Principle 2, Principle 3 and Principle 6 at Vishnoli Plant 																	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	None. We will be defining KPIs and setting goals over Financial Year 2024 and Financial Year 2025 and will be communicating them in due course																	
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable in Financial Year 2023																	
Governance, leadership and oversight																		
7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The statement from the director is included in the Chairman's Message which forms part of this Annual Report																	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The executive leadership is responsible for the implementation while the Board of Directors and Board Committees are responsible for oversight.																	
9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	The Chairman and Managing Director is the Director responsible for decision-making on ESG and Sustainability issues. These have also been discussed in the Risk Management Committee of the Board during the reporting year. We are in the process of including ESG parameters in the scope of oversight by Board Level Committees by Financial Year 2023-24																	
10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action*	Yes									Annual								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances**	Yes									Annual								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.***	P1	P2	P3	P4	P5	P6	P7	P8	P9	N	Y	Y	N	N	Y	N	N	Y

Notes:

In general, Nesco does not participate in influencing public policy directly or indirectly. Therefore Principle 7 does not apply to the Company. However, the executive leadership shall evaluate the importance of this aspect during its periodic materiality assessment. At a suitable time, if it becomes relevant, we shall formulate a policy.

*The Leadership including the Chairman and Managing Director reviews the Company's policies every year. During this evaluation, the policy's effective implementation is assessed, and any policy or procedure adjustments needed are identified. If any amendments are needed, these are made and shared with the Board for approval.

**The Company complies with all legal responsibilities that are relevant to the principles, and in case of any non-compliances, the Chairman and Managing Director being responsible, ensures prompt action to rectify any issues.

***Our certifications on quality, health and safety (IS) 9001, 14001 and 45001 by URS India and Green Building (Indian Green Buildings Council IGBC) have been assessed by the certifying body. We have identified the key policies that are most important for us from a compliance and materiality perspective and will consider undertaking an assessment in Financial Year 2024.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year:

Segment	Total No. of training & awareness prog. Held	Topics/principles covered under the training and its impact	% age coverage by awareness programmes
Board of Directors	1	Principle 9	100
Key Managerial Personnel	2	All Principles	100
Employees other than BoD and KMPs	7	Top Management – All principles Other Employees - Principles 1 and 3	80
Workmen	3	Principle 3	80

Note: The Board Familiarization Training covers key business aspects from a customer perspective and hence are around aspects of Principle 9. Trainings on Principle 3 are health and safety related as well as for skills upgradation while on Principle 1 are related to POSH. KMP and leadership have attended ESG, stakeholder prioritization, materiality and BRSR workshops. There are regular on-the-job awareness and training sessions done regularly for workers.

2. Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format

There were no monetary (Penalty/Fine, Settlement or Compounding fee) or non-monetary (Imprisonment or Punishment) proceedings against any of the NGRBC Principles for Nesco Ltd, its Directors or KMP's in the reporting period with any regulators, law enforcement agencies or judicial institutions.

3. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

At Nesco Ltd, matters related to anti-bribery and anti-corruption form a part of the Code of Conduct for the Board and all Company Management levels. We are in the process of extending this to all our employees. Any incidents related to corruption/bribery can be brought to the attention of the Executive Leadership and action are taken as defined in the Whistle Blower Policy. The link for the abovementioned policy is <https://www.nesco.in/WhistleBlowerPolicy.pdf>

4. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

There were no instances of disciplinary action against any of our Directors, KMPs, Employees or workers in financial year 2023 or financial year 2022.

5. Details of complaints with regard to conflict of interest:

There were no instances of complaints with regard to conflict of interest against any of our Directors, or KMPs financial year 2023 or financial year 2022.

6. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable - there have been no instances of fines, penalties or disciplinary actions against any of our directors, KMP, employees or workers for cases related to conflict or interest or Anti- Bribery and Anti-corruption.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

At Nesco we are committed to driving efficiency and quality, and minimizing the environmental and social impacts of our activities. All our businesses excluding Indabrator are services businesses and so R&D expenditure are currently not applicable. In the Indabrator Business, we provide machinery that is customized to customer requirements leaving little need for product specific R&D. The capital expenditure incurred along with details of improvements in terms of minimizing environmental or social impacts are listed below:

Particulars	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Nil
Capex	-	-	Improved Waste and Water Management, reduced air pollution, better energy and workforce efficiency, improvement in working conditions, green cover and health and safety for workers and occupiers.

Note: We continue to invest in capital expenditure to improve the environmental and social impacts of our business operations. The areas detailed above are aligned with our material topics. The nature of the commercial contracts and our current financial accounting systems do not allow an accurate numerical calculation of the percentage figure.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Nesco's sourcing practices and procedures adhere to sustainable sourcing principles. We are in the process of developing a more formal sustainable sourcing policy and framework for our key vendors and suppliers. Most of our suppliers and vendors are in reasonable proximity to our operating locations across Business Units and all our Business Units support local suppliers and disadvantaged communities.

Our IT Park Business chooses suppliers and vendors (producers, traders, manufacturers, retailers, or service providers) that meet a wide range of sustainability metrics such as respecting basic human rights, worker Health and Safety, land use planning, and others. Our IT Towers are LEED-certified buildings and as such during the construction of additional facilities, we use sustainable materials and buy from vendors by considering the environmental impacts of production, community relations, etc.

At Indabrator, input materials and components are sourced from certified partners who are compliant with standards such as ISO 14001, OHSAS 18001, etc.

b. If yes, what percentage of inputs were sourced sustainably?

Nearly 99% of materials for facilities management and for the manufacturing division are sourced locally which helps reduce the emissions from the inbound transportation of input materials. We estimate that at least 50% of our procurement spend is as per environmental and social parameters beyond localisation parameters. We are currently evaluating our spend categories as well as key suppliers and will be improving the structuring of our reporting to provide more details by financial year 2025.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Nesco IT Parks, Foods, Events and Exhibitions are service businesses and the end-of-life stage of products does not apply to us. The mechanisms that we use to manage and dispose of all the waste (including recycling and disposal) that is generated as part of our operation, have been mentioned in Principle 6 Q.8. At Indabrador, we produce machinery and capital goods, which have a life expectancy of more than 10 years and our customers refurbish the machinery to extend its life and are eventually scrapped by our customers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

No, EPR does not apply for any of Nesco Ltd's businesses.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Categories	% of employees covered by										
	Total	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	No.(D)	% (D/A)	No. (E)	% (E/A)	No.(F)	% (F/A)
I. Permanent											
a. Male	146	146	100	146	100	146	100	146	100	146	100
b. Female	22	22	100	22	100	22	100	-	NA	22	100
c. Total	168	168	100	168	100	168	100	146	100	168	100
II. Other than Permanent											
a. Male	17	17	100	17	100	17	100	17	100	17	100
b. Female	3	3	100	3	100	3	100	-	NA	3	100
c. Total	20	20	100	20	100	20	100	17	100	20	100

Note : Daycare facilities and maternity/paternity benefits (health insurance cover for hospitalization of the mother including spouse of the employee covered as well as paid leave benefits as per Maternity Act.), health/accident insurance are applicable to all permanent and non-permanent employees across all Nesco Ltd businesses.

b. Details of measures for the well-being of workers:

Workers are covered by workman compensation [Indabrador] and ESI [Mumbai location]. In Mumbai there are employees whose compensation level is above the ESIC coverage are being covered as per the organizations insurance policy.

2. Details of retirement benefits, for current Financial Year and previous Financial Year.

Benefits	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	No. of emps covered as a % of total emp.	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of emps covered as a % of total emp.	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	87	100	Y	85	85	Y
Gratuity	100	100	N*	100	100	N*
ESI	-	65	Y	-	60	Y
Others	-	-	N.A	-	-	N.A

Notes: PF is not paid for those who have opted out or those non-permanent employees on a retainer as consultants.

*We don't deduct gratuity from employees CTC. We make provision in our books of account and pay when required.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

None of Nesco Ltd's current employees or workers are differently abled, however, all of our locations are accessible for persons with disabilities. Our facility at Nesco is created for all having ramps, walkways, turnstiles, elevators with braille friendly switches. Washrooms, staircases and pedestrian walkways are equipped with railing and adequate support at all required places. We have a wheelchair at the lobby and have conveniently located the designated parking for differently abled employees and visitors to provide easy access to the lobby entrance. We have a dedicated "P" gate provided along with ramps and adequate railings for smooth access to their respective floors. We currently do not have any differently-abled workers or customers who visit Indabrator locations, and since all the operations are on the ground floor, they are easily accessible.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an Equal Opportunity Policy that covers persons with disabilities compliant with the Act. This policy is internally shared with all to ensure adherence and it is also displayed on the notice board. Going forward it will be part of the corporate intranet which will be accessible to all employees through our HRMS.

5. Return to work and Retention rates (%) of permanent employees and workers that took parental leave.

Category	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	100	100
Female	100	100	100	100
Total	100	100	100	100

Note: There was one case each of Maternity & Paternity leave that was applicable for the reporting year of financial year 2023.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No - (If Yes, then give details of the mechanism in brief.)
Permanent Workmen	For all employees and workers, we have an open-door policy where an employee can access HR / Manager, in case there's any concern that they would like to address to the management. They can decide to escalate the grievance to the reporting Supervisor/manager. If not resolved, then they can escalate the same to the next level along with HR. At Indabrator we also have a suggestion box which acts as a point for grievance collection. All grievances are addressed as per internal norms in-line with the whistleblower policy norms. Going forward all grievances / complaints will be logged and addressed to the respective function / department through the HRMS ticketing system with a defined turnaround time basis severity of the issue in hand. This will be implemented by Q3.
Other than Permanent Workmen	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

We have a Collective Bargaining Agreement [for 3rd Party workers] at Indabrator. There are no other worker/employee associations or unions at Nesco Ltd.

8. a. Details of training given to employees and workers

Nesco Ltd (Excluding Indabrator)

Category	Financial Year 2022-23					Financial Year 2021-22				
	Total	On Health and safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
		No.	% (B/A)	No.	% (C/A)		No.	% (E/D)	No.	% (F/D)
	(A)	(B)	(B/A)	C	(C/A)	(D)	(E)	(E/D)	F	(F/D)
Employees										
Male	77	77	100	77	100	63	63	100	63	100
Female	25	25	100	25	100	12	12	100	12	100
Total	102	102	100	102	100	75	75	100	75	100
Workers										
Male	78	78	100	78	100	82	82	100	82	100
Female	18	18	100	18	100	21	21	100	21	100
Total	96	96	100	96	100	103	103	100	103	100

Indabrator

Category	Financial Year 2022-23					Financial Year 2021-22				
	Total	On Health and safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
		No.	% (B/A)	No.	% (C/A)		No.	% (E/D)	No.	% (F/D)
	(A)	(B)	(B/A)	C	(C/A)	(D)	(E)	(E/D)	F	(F/D)
Employees										
Male	86	86	100	86	100	64	64	100	64	100
Female	-	-	-	-	-	-	-	-	-	-
Total	86	86	100	86	100	64	64	100	64	100
Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

9. Details of performance and career development reviews of employees and workers:

Category	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Total	No.	%	Total	No.	%
	(A)	(B)	(B/A)	(C)	(D)	(D/C)
Employees						
Male	163	163	100	127	127	100
Female	25	25	100	12	12	100
Total	188	188	100	139	139	100
Workers						
Male	78	78	100	82	82	100
Female	18	18	100	21	21	100
Total	96	96	100	103	103	100

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

At Nesco, we have built robust systems to address Occupational Health & Safety Management System (OHSMS), recognizing its criticality to our own operations and the interests of our occupiers and other stakeholders. Our policy framework currently has Occupational Safety & Health (OSH) and Fire Life Safety (FLS) policies, and we periodically assess the need for additional policies. These are supported with robust procedures including those for Care and Maintenance, Safety and Security, and Facilities Management. We have built standard operating processes (SOPs) covering a variety of aspects of Health and Safety within operational tasks including for example, garden/façade/equipment maintenance, facility management, etc. We developed strong procedures and Covid-19 precautions and restrictions during the pandemic which can be rapidly adapted to any new public health situation.

Additionally, we have a remote monitoring system of STP water parameters, Lift visual inspection along with location, Exhaust and Ventilation, BTU (British Thermal Units) Monitoring for HVAC chilled water, Water Tank levels, Status of AHU (ON/OFF) along with filter cleaning status. Our Enterprise Risk Management (ERM) system includes safety and health and undertakes periodic reviews/assessments and provides action areas for improvement across our businesses. External third-party Audit and certification are in process for OHS ISO-45001.

Our Indabrator Business Unit complies with the Occupational Health and Safety Management System (OHSMS) relevant to the manufacturing sector. The OHSMS covers every employee of the organization, and the system is applicable at all work locations at Indabrator.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We conduct weekly onsite training for our housekeeping staff and monthly training for our engineering team on Occupation Health and Safety. Some of the key aspects covered include the identification of safety and work-related hazards as well as potential risks. We also have a periodic third-party audit process in place for a monthly inspection and reporting for all fire detection and suppression system installed. An annual third-party electrical and elevator audit is in place for complete electrical infrastructure health state check, energy efficiency measures, fire safety infrastructure operation, AMC contracts, and preventive maintenance. The half-yearly program for Reward and Recognition is done for all in the TFM (Total Facility Management) team and the parameters include safety-related aspects. Besides these, there are walkaround inspections carried out by managerial staff and other senior personnel who actively assess safety risks on a non-routine basis. Our incident reporting and management system also helps in ensuring speedy mitigation and adaptation of systems towards improved safety.

Since Indabrator is a manufacturing unit, it is relatively more prone to occupational hazards. To address these, we have robust systems and processes in place to identify work-related hazards and assess risks on a regular and non-routine basis. The scope includes assessing factors like light, air, fumes, noise, ease of movement etc. across each section of the plant. Risks are assessed and prioritized for action based on significance. Our processes to assess and record hazards include mitigation and ensuring subsequent awareness and training on any necessary safety precautions or control measures. We have an internal method statement that elaborates on the safety systems in place and the significant health and safety risks that have been identified.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, we have defined processes and multiple channels for quick and effective communication. We have a WhatsApp group which is for immediate capture and reporting of incidents. Incident reports are maintained at the site to report, track and address all work-related hazards. Instructions, awareness, and training programmes are periodically conducted for all stakeholders on reporting and removal from risks. This includes an appropriate reporting/escalation system on WhatsApp/telephone/e-mail to provide detailed incident reports to senior management depending on the urgency, sensitivity, and impact.

At Indabrator, there is a framework in place for people to report work-related hazards and remove themselves from such hazards. Workers are trained to identify any such work-related dangers and report them via the communication channels available at their specific workplaces including suggestion boxes on each floor. These are reviewed and addressed on priority. The forms are also in the local regional language (Gujarati) with a reward mechanism to encourage active participation from workers and the contractual workforce.

Half-yearly joint Fire Drills are conducted for all Offices and staff at Nesco as well as Indabrator plants to educate personnel for preparedness during emergency/Fire evacuation situations

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. Employees and workers have access to non-occupational medical and healthcare services provided by company-operated health care facilities as well as external healthcare facilities, which are appropriately compensated in accordance with business policy. As an employee-friendly workplace, we also provide access to a recreational area, gym. To deal with emergencies, we provide 24x7 access on our office premises to an ambulance service which associated with a nearby hospital.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	Current Financial Year 2022-23	Previous Financial Year 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0*	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: There were no recordable work-related injuries, fatalities or high consequence incidents of injuries or ill-health at Indabrator.

*There were two contractual workers who had minor injuries in one incident where the workers were back by the next working day.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

For the Nesco business operations at Goregaon in Mumbai, we ensure adequate signage and risk identification and mitigation systems to ensure that workers, employees, visitors, and occupier's employees are aware of all necessary precautions that need to be taken. Regular clients interaction and engagement process is in place with all licenses operating out of Nesco. Communication and awareness are shared with employees of clients on infrastructure, health, safety and recreation. Client's third-party audits on occupational health and safety are conducted at regular intervals and no issues or gaps have been reported. Additionally, we provide regular training for the workers and employees who are responsible for maintenance and repair work aligned to work-related safety risks.

There is a process of hot and cold work permit for all critical repair and maintenance work and no gas-based welding is permitted within Nesco. All refrigerants and fire detection and suppression system and emergency response systems are under AMC and audited by third-party. ISO 45001 certification for Occupational Health and Safety is in process. We also ensure adequate fresh air in all areas, CO2 sensors, lighting and appropriate air conditioning thereby providing a productive and healthy work environment. We also provide green spaces with landscaping while maintaining more than 1,400+ trees having a high oxygenated capacity which provides a green and healthy environment for our stakeholders. There are multiple facilities like a gym, futsal, Badminton, Pool table, Food courts, etc on our premises. Periodically engagement activities are conducted in the form of sports, festivals and celebrations at Nesco Goregaon. We also have an on-site ambulance (24X7) which has a tie up with a nearby hospital for immediate medical response in case of an emergency which is accessible to our employees as well as those of our clients.

Due to the nature of our Indabrator business, one of the most important aspects of personal health and safety at the workplace is providing Personal Protective Equipment (PPE). We provide employees and workers with PPEs, to avoid various hazards in our manufacturing facilities. PPE includes gloves, protective hearing gear (earplugs, muffs), hard hats, goggles, etc. We also ensure appropriate housekeeping/cleanliness of our workstation and plant area to avoid accidents. Routine safety inspections are conducted, and any hazards identified are addressed immediately. We also conduct periodic Security checks and security audits.

13. Number of Complaints on the following made by employees and workers:

Particulars	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	01	0	Based on the periodic reviews, and resolved with one of the occupiers upon mutual agreement	0	0	-
Health & Safety	01	0	Incident report was captured and corrective actions taken	0	0	-

Note: We have a robust system with convenient ways to record complaints of Employees and workers which are monitored and handled by designated authorities with an appropriate escalation process based on the severity, complexity and urgency of the complaint. There were no complaints related to Working Conditions or Health & Safety that were reported for the reporting year of financial year 2023 for any of Nesco's businesses by employees or workers except to report the above complaints on behalf of a customer and a contractual worker.

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety Practices	100%, We use a combination of internal and 3 rd parties for health and safety assessments. Electrical Audit is handled by a 3 rd party and a 3 rd party FFS (firefighting system) maintenance is in place. Additionally, we have an In-house monthly maintenance schedule for critical systems and the Inhouse team undertakes daily and bi-monthly thermography for all critical systems. At Indabrator, Health and Safety Assessments are conducted annually by the certifying agencies.
Working Conditions	100%, Working Conditions are routinely assessed by managerial staff, Human Resources and Leadership. Additionally, our grievance management mechanisms ensure that the feedback loop is closed with appropriate actions. Internal assessments are carried out for Health and Safety Practices as well as Working Conditions at Indabrator.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Nesco has a high tonnage water cooled HVAC system. One of the critical electrical panels feeding power to the chilled water pump got overheated which was observed during a routine thermal check by the shift engineer. To mitigate risk and further improve our existing fire suppression system, we have installed terminal heating sensors and automated self-activation fire extinguishers for individual panels as well as a thermal detection system using thermography for all critical panels.

The safety incident recorded in Principle 3 Q11, involved a gate which fell down. We extended inspection to all the remaining doors and canopies of the site to avoid similar accidents in the future. A training session on hazard transmission was conducted for the entire team and an annual maintenance contract for periodic maintenance and checks was awarded covering all doors. We will conduct an inspection of all doors, taking into account all critical parameters every two months or three months.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

As an active business for many years, we have through our stakeholder-facing functions built a strong understanding of stakeholders who are impacted by and in turn influence our business outcomes. To further validate and improve this, we conducted a workshop with the leadership teams of each of our businesses with an external ESG consultant. The scope was expanded to include a variety of direct and indirect stakeholders including employees of occupiers as well as contractual and permanent workers and employees of service providers. We undertook peer benchmarking with stakeholders considered by industry peers as a cross-verification. These were subsequently prioritized for scope, mode and frequency of engagement. We are in the process of optimizing these engagements in line with the priority, influence and control, as well as our material ESG priorities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Adv., Community Meetings, Notice Board, Website) Other (Text Box)	Frequency of Engagement (Annually/ Half yearly/ Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> o Emails o WhatsApp Adverts, o Website, o Periodic Corporate Connect 	<ul style="list-style-type: none"> o Monthly o Quarterly o Half Yearly o Event-based 	<ul style="list-style-type: none"> o Health and safety including fire/evacuation drill, parking management, visitor management etc. o Customer Engagement entertainment activity o Customer Enquiries and Needs Assessment: Event/Product/ Service requirements, contractual and commercial terms, service levels, o Expansion plans, business performance and general issues if any. o Customer complaints on facilities and resolution
Employees and Workers (excl contractual)	No	<ul style="list-style-type: none"> o Email o WhatsApp o Notice Boards o In-person Meetings o Digital Meetings o Classroom Training o Joint Meetings 	<ul style="list-style-type: none"> o Weekly o Monthly o Quarterly o Annual o Event-based 	<ul style="list-style-type: none"> o Employee Engagement o Ethics & Policies o Compensation & Benefits o Performance Management, Rewards and Recognition o Business updates & announcements on key developments o Health and Safety o Emergency Preparedness & Evacuation Drills, o Do and Don't at workplace, Work environment, o Career and Personal development, o Recruitment and Staffing
Investors and Shareholders	No	<ul style="list-style-type: none"> o Institutional Investors Meetings o Email o Website o Newspaper o SMS 	<ul style="list-style-type: none"> o Quarterly o Event-Based 	<ul style="list-style-type: none"> o Performance and direction of the Company o Financial Results o Dividends o Outcome of Board Meeting o Claiming dividend & shares
Government Entities and Regulatory Bodies	No	<ul style="list-style-type: none"> o Compliance-related communications (incl. submission and responses) o SMS o Website o Newspaper o BSE/NSE Website 	<ul style="list-style-type: none"> o Quarterly o Event-Based 	<ul style="list-style-type: none"> o Compliance update o Project related clearances
Contractors and Contractual Workers	Yes (Workers)	<ul style="list-style-type: none"> o Email o Telephone o In-person o WhatsApp o On site meeting, o Classroom training and demonstration 	<ul style="list-style-type: none"> o Daily o Weekly o Monthly o Need-basis 	<ul style="list-style-type: none"> o Hiring o Health and Safety o Safe handling of critical equipment o Emergency Preparedness & Evacuation Drills, o Energy conservation training to technical team, o Use of chemicals and safe handling of the equipment, o Work Ethics and Conduct o Project Schedule, Quality and Specifications
Communities	Yes	<ul style="list-style-type: none"> o Community Meeting 	<ul style="list-style-type: none"> o Quarterly o Event based 	<ul style="list-style-type: none"> o Impact Assessments
Suppliers, Business Partners	No*	<ul style="list-style-type: none"> o Email o Telephone 	<ul style="list-style-type: none"> o Annual & Need based 	<ul style="list-style-type: none"> o Goods and Service Quality o Contractual, commercial and service level negotiations o Supplier identification

*We are in the process of evaluating our spend categories for suppliers from marginalised/vulnerable communities to potentially support our business where possible. This will promote inclusive and equitable economic growth.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity,:

Category	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Total	No.	%	Total	No.	%
	(A)	(B)	(B/A)	(C)	(D)	(D/C)
Employees						
Permanent	168	168	100	121	121	100
Other than permanent	20	20	100	18	18	100
Total Employees	188	188	100	139	139	100
Workmen						
Permanent	-	-	-	-	-	-
Other than permanent	96	96	100	103	103	100
Total Workers	96	96	100	103	103	100

The current scope of Human Rights for us are detailed in Principle 5, Q 4. Copies of the HR manual have been provided to managers and employees while policies are prominently displayed on notice boards. New employees on induction are informed about the manual with key areas and are encouraged to discuss the details with the managers. HR periodically shares information and details of policies via email. We are in the process of finalizing an HRMS which will make policies, procedures, training and grievances redressal digitally which will also allow monitoring digitally. We will be developing a formal training calendar on POSH, CoC and other human rights aspects which will be executed in financial year 2024

2. Details of minimum wages paid to employees and workers, in the following format:

Nesco Ltd (Excl Indabrator)

Category	Current Financial Year 2022-23					Previous Financial Year 2021-22				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C/A)		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees										
Permanent	87	-	-	87	100	58	-	-	58	100
Male	65	-	-	65	100	50	-	-	50	100
Female	22	-	-	22	100	8	-	-	8	100
Other than Permanent	15	-	-	15	100	17				
Male	12	-	-	12	100	13	-	-	13	100
Female	3	-	-	3	100	4	-	-	4	100
Workers										
Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	96	-	-	96	100	103	-	-	103	100
Male	78	-	-	78	100	82	-	-	82	100
Female	18	-	-	18	100	21	-	-	21	100

Indabrator:

Category	Current Financial Year 2022-23					Previous Financial Year 2021-22				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees										
Permanent	81	-	-	81	100	63	-	-	63	100
Male	81	-	-	81	100	63	-	-	63	100
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	5	-	-	5	100	1	-	-	1	100
Male	5	-	-	5	100	1	-	-	1	100
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	4	6,35,000	2	4,05,000
Key Managerial Personnel#	1	1,14,44,000	1	11,30,000
Employees other than BoD and KMP (Nesco Ltd Excl Indabrator)	63	4,26,164	21	7,91,304
Employees other than BoD and KMP (Indabrator)	81	4,34,642	-	-
Workers	78	2,87,400	18	2,28,924

* The Chairman and Managing Director compensation is included in the Board of Directors and not in the KMP though he is also a KMP due to the executive nature of his responsibilities.

Key Managerial Personnel includes Chief Financial Officer and Company Secretary.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

We are currently focused on awareness of human rights issues given the scale and scope of our operations. The scope includes personal conduct with stakeholders and colleagues, individual rights and duties, no tolerance for discrimination (including gender, recognizing transgender and non-gender conformity, community or disability) or harassment in any form. Human Rights related grievances are tagged and escalated to the complaints redressal committee which also handles POSH-related complaints. We will be formalizing our policy and governance mechanism on human rights in financial year 2024.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have a robust grievance mechanism for all types of grievances including Human Rights issues. These are escalated to the complaints redressal committee which also handles POSH-related complaints.

6. Number of Complaints on the following made by employees and workers:

There were no complaints related to Sexual Harassment, Discrimination at the workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights-related issues in the reporting year.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have a detailed POSH policy which is readily available for all employees. The policy helps ensure that the complainant is protected from any form of retaliation. This includes protection against any adverse actions or treatment based on the complaint, such as termination, demotion, or harassment. The policy provides for situations where provisions can be made for support to the complainant during the investigation and resolution process. This can include offering counselling services, granting leaves of absence, or making temporary arrangements to separate the complainant and the accused to ensure a safe working environment.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Human Rights clauses are currently included in some of the Leave and License Agreements. We are in the process of evaluating the specific human rights clauses that should be incorporated in our contracts with different categories of stakeholders.

9. Assessments for the year:

There were no formal assessments on human rights that were carried out in the reporting year. Human Rights considerations are a part of the SOP for our workforce and feature in relevant contracts. We are in the process of developing an internal audit/assessment protocol for future assessments and will be engaging a 3rd party to support this exercise.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Nesco Ltd (IT Parks)

Parameter	Current Financial Year 2022-23	Previous Financial Year 2021-22
Total electricity consumption (A)	38,577.15 GJ	21,325.77 GJ
Total fuel consumption (B)	113.67 GJ	111.66 GJ
Energy consumption through other sources (C)		
Total energy consumption (A+B+C)	38,690.82	21,437.43
Energy intensity per rupee of turnover GJ/₹ (Total energy consumption/turnover in Rupees)	0.00001311 GJ/Rupee	0.00000812 GJ/Rupee

Note: The Energy Intensity Calculations have been provided only for the IT Parks business. In financial year 2021-22, our Nesco Foods business was mainly catering to the needs of the Covid Centre being operated by MCGM and the Restaurant Operations were minimal. Additionally, the electricity consumption for the space utilized at our Bombay

Exhibition Centre was directly paid by MCGM. Since the numbers are not reflective of “business as usual” we have not disclosed these. From financial year 2023-24 we will be expanding our disclosures to include the other divisions.

Indabator

Parameter	Current Financial Year 2022-23	Previous Financial Year 2021-22
Total electricity consumption (A)	22748.16 GJ	9028.44 GJ
Total fuel consumption (B)	3612.17 GJ	2379.06 GJ
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	26360.34	11407.50
Energy intensity per rupee of turnover <i>(Total energy consumption/turnover in Rupees)</i>	0.000057 GJ/Rupee	0.000025 GJ/Rupee

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Nesco IT Parks, Exhibitions, Events and Foods

Parameter	Current Financial Year 2022-23	Previous Financial Year 2021-22
Water withdrawal by source (in kilo litres)		
(i) Surface water	NA	NA
(ii) Groundwater	3,600	3,600
(iii) Third party water	1,13,211	53,954
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	116,811	57,554
Total volume of water consumption (in kilolitres)	116,811	57,554
Water intensity per rupee of turnover <i>(Water consumed / turnover)</i>	0.023 litres per Rupee	0.020 litres per Rupee
Water intensity (optional) – the relevant metric may be selected by the entity		

Notes: We have considered revenue from operations (excluding income from investments). The consumption of water is significantly higher due to higher occupancy and increased activity of Nesco Foods after removal of Covid restrictions.

Indabrator:

Parameter	Current Financial Year 2022-23	Previous Financial Year 2021-22
Water withdrawal by source (in kilolitres)	0	0
(i) Surface water	0	0
(ii) Groundwater	14,964	7,430
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	14,964	7,430
Total volume of water consumption (in kilolitres)	14,964	7,430
Water intensity per rupee of turnover (Water consumed / turnover)	0.032 litres per Rupee	0.016 litres per Rupee
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

For our IT Parks, Foods, Events and Exhibitions businesses based out of Goregaon, BMC water bills are provided by the MCGM while STP plants process sewage and kitchen water discharge. The borewell water level and the STP water output are checked by the in-house team. A third-party agency is in place to carry out water quality testing for BMC inlet water, STP plant water (both inlet and outlet), and borewell water quality.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We recognize the importance of water conservation in our business operations. We have installed rainwater harvesting systems at the Mumbai premises. We also have implemented appropriate measures for rainwater harvesting as per the Green Building norms. We have three STP plants of 500KLD, 300KLD, and 110KLD capacity. Sewage and sludge and water discharge are processed and used for flushing water and gardening. We have also invested in an irrigation system for water conservation for watering our gardens and landscape area and a water saving plumbing system with low-flow plumbing fixtures. At Indabrator, the water usage is only for domestic purposes (drinking and flushing). The plants are located in a greenfield area and wastewater is used for maintaining the green belt and agriculture in the nearby regions.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Nesco IT Parks, Exhibitions, Events and Foods

Parameter	Please specify unit	Current Financial Year 2022-23	Previous Financial Year 2021-22
NOx	µg/m ³	26.07	22.33
Sox	µg/m ³	24.37	17.34
Particulate matter (PM)	µg/m ³	88.22	50.04
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please Specify	NA	NA	NA

We monitor other air emissions from our stacks and DG set for Sox, NOx and Particulate Matter (PM₁₀ and PM_{2.5}). As a practice, we ensure that all air pollution parameters are within the permissible limits, indicating efficient management of industrial operations and stringent air pollution control processes. We have provided comparable data for IT Tower 03. Our second building IT Tower 04 became operational towards the end of 2022 and while tests and audits are being done in current financial year the data is not comparable for IT Tower 04. DG sets are only used as a back-up and for testing of equipment and hence are excluded. While we ensure compliance with environmental regulations, we will be following a more structured process and shall start reporting the Air Emissions for Indabrator from Year 2024.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Tests were conducted by Enviro Analysts and Engineers and validated by the Maharashtra Pollution Control Board.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Nesco IT Parks, Exhibitions, Events and Foods

Parameter	Unit	Current Financial Year 2022-23	Previous Financial Year 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	8.45	7.05
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	0.00	3641.21
Total Scope 1 and Scope 2 emissions per rupee of Turnover	Kg of Co ₂ equivalent/Re	0.00000286	0.00138113
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: The Emissions Intensity Calculations have been provided only for the IT Parks business. In financial year 2021-22, our Nesco Foods business was mainly catering to the needs of the Covid Centre being operated by MCGM and the Restaurant Operations were minimal. Additionally, the electricity consumption for the space utilized at our Bombay Exhibition Centre was directly paid by MCGM. Since the numbers are not reflective of “business as usual” we have not disclosed these. The electricity consumption in our IT Parks business is now 100% Green Energy leading to the drop in the emissions. In financial year 2022-23 our emissions from Foods, Restaurants and Exhibitions have been significantly higher due to a return to business as usual. We have taken initiatives to reduce these as discussed in Principle 6, Q7.

Indabrator

Parameter	Unit	Current Financial Year 2022-23	Previous Financial Year 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	202.84	133.71
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	4518.04	1793.15
Total Scope 1 and Scope 2 emissions per rupee of Turnover	Kg of Co ₂ equivalent/Re	0.01 kg CO ₂ equivalent per Rupee	0.0042 kg CO ₂ equivalent per Rupee
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

The GWP rates used are as per the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the grid emission factor is as per CEA CO₂ Baseline Data. The emissions for Scope 1 are combined CO₂ equivalents of GHG based on 100-year GWP based on fuel consumption (fugitive emissions and other GHG emissions are not factored in these calculations) and so these should be considered indicative. We have excluded the consumption of fuel in company-owned vehicles for this year. We have initiated accounting for Greenhouse gases (GHGs) to help us analyse areas where energy efficiency improvement is most required. Over time, we will be bringing in more nuanced reporting and will consider other elements and Scope 3 carbon accounting in due course. This will guide us towards an improved understanding of our overall emissions and subsequent improvements.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, GHG accounting calculations and evaluation have been done based on data provided by an external agency viz.; Sustainability and Strategy. This is not equivalent to an assurance.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

We have initiated GHG accounting only from the current reporting year and as such our initiatives on energy conservation and green energy have given us GHG improvements.

- 100% of our electricity consumption for IT Park (Tower 3 and 4) in financial year 2023 was green energy from renewable sources as purchased and certified by our electricity providers compared to 14% in financial year 2022
 - 51% of total electricity at Nesco Ltd (excl Indabrator) in financial year 2023 was green energy, while the rest is non-green grid electricity as per the customer requirements for Bombay Exhibition Center. We are initiating conversations with customers to encourage migration to green electricity
 - 37 units of Solar Street lights (60 Watts each), have been installed at IT Tower 04 premises to save energy and we save approximately 9590 Kwh units per year.
- We have Indian Green Building Council certification for LEED India for core and shell platinum, and our rating covers implementation of appropriate systems and equipment for power conservation.
 - All HVAC, Glass façade, Ventilation, Plumbing, lighting, and project execution has been done with highly energy-efficient equipment. Additionally, we are investing more in LEDs and timing equipment.
 - At the Bombay Exhibition Center, we installed power-factor capacitor panels which has led to an almost 10% reduction in electricity consumption.
 - Efficient Building envelope-façade system. Glass façade combination of fire-rated aluminium panel-based and double-glazed unitized system, super low capital E-rated glass with Argon Fill helps ensure better air conditioning and energy efficiency

- Variable Frequency Drives in use for all chilled water, exhaust, and hydropneumatic pumps and CTI (Cooling Technology Institute) certified cooling tower having superior thermal performance with optimal energy efficiency are installed
- Our sourcing and procurement efforts are focused on local suppliers with ~95% localized procurement. This helps to ensure that upstream logistics GHG emissions are minimized

We also contribute to reducing the impact of GHG's through our green cover. We have planted and maintained more than 1,400+ trees having a high oxygenated capacity and we are continuously focused on expanding this further. Indabrator currently does not have any additional projects (excluding sourcing) related to reducing Green House Gas emissions.

8. Provide details related to waste management by the entity, in the following format:

The waste data provided below is for Nesco Ltd (excluding Indabrator). At Indabrator hazardous and e-waste is monitored as per compliance requirements and we have started measuring non-hazardous waste from financial year 2023. We will be reporting waste data for Indabrator from financial year 2024.

<i>Parameter</i>	Current Financial Year 2022-23	Previous Financial Year 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A) Non- Biodegradable	3.23 MT	1.10 MT
E-waste (B)	0	0
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	0	0
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H) . Please specify, if any (Break-up by composition i.e. by materials relevant to the sector)	Dry Waste -9.68 MT Wet Waste - 76 MT Sludge - 1.15 MT	Dry Waste - 1.46 MT Wet Waste - 6.20 MT Sludge - 0.90 MT
Total (A+B + C + D + E + F + G+ H)	90.06 MT	9.66 MT
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(I) Recycled (plastic + Manure)	4.38 MT	2 MT
(ii) Re-used	0	0
(iii) Other recovery operations (dry + wet)	85.68 MT	7.66 MT
Total	90.05 MT	9.66 MT
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total	NA	NA

*We have BMC empaneled vendor for dry, wet and plastic waste disposal which ensures segregation into plastic, paper, cardboard, glass, etc. and is appropriately recycled. For example, plastic waste is eventually recycled into crude oil and fuel for use as feedstock for olefin cracking and transportation.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes - Waste data is as per the Environmental Audit Report by Maharashtra Pollution Control Board. Declaration and certification are taken for segregation and recycling of plastic waste disposed of by BMC empaneled vendor and e-Waste vendor at Indabrator. We are in the process of defining an audit/assessment protocol to ensure disposal by the vendor is as per the self-certification and will evaluate reporting of end-disposal methods.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

At the IT Park, we have a rigorous process for the segregation of wet and dry waste to facilitate recycling and disposal through the OWC machine at Nesco. This facilitates the process of reuse, recycling, and recovery of waste. Firstly, there is segregation of waste at designated locations inside the complex. Secondly, it is segregated and put into wet and dry bins. For dry waste, we have an authorized vendor who collects it from our garbage disposal site and recycles it. At Nesco Foods there is a refrigerated garbage room and a dedicated area wherein the wet waste is stored and recycled through the OWC machine. We use Organic Waste Composting machines for wet and biodegradable waste to convert to manure which is used for gardening, upkeep, and maintenance of the MMRD outside NESCO as well as for the metro station landscape and plantation. We recycle the flush water in STP and generate 350 kg per annum of approximate sludge as manure at the site for gardening purpose. Organic Compost waste, which is used to enrich the soil for gardening purposes. Plastics, E-waste, and Hazardous waste are collected, processed, and disposed of by a government-certified vendor who ensures appropriate further segregation by material type, recycling, and disposal.

Our Nesco Foods uses bio-degradable Eco-ware & Paper products as disposable service ware in which all food is served. The empties are collected back in dedicated bins and disposed of through a proper Garbage Clearance Mechanism of BMC. There is a refrigerated garbage room and dedicated area wherein the wet waste is stored and recycled through the OWC machine. Approx quantity of wet waste processed per month is 250kgs. We have a BMC empaneled vendor for plastic waste disposal, mostly water bottles. Additionally, we carry out awareness drives including regular communication with all the clients to segregate the dry and wet waste for the disposal in the garbage area.

At Indabrator, we dispose off the plastic waste and E-waste to a govt registered vendor. We do not generate hazardous waste at our units. Other wastes like wood or cardboard wastes are utilized for the manufacturing process at our foundry unit. Currently we do not have a mechanism to record this, but we plan to start monitoring data from financial year 2023-24.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year :

We have conducted an Environmental Impact assessment as part of the process for approvals for a new IT Tower at Goregaon.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, we are compliant with all applicable environmental laws and guidelines for each of our businesses. We have taken measures to go beyond basic compliance to implement improvement initiatives in line with the importance we place on Environmental Impacts. For new projects, like the new IT Tower, Environmental Clearance is obtained before the start of the project. and applications are submitted for Consent to Establish and Consent to Operate from MPCB board. We have also got precertification to ensure that the project meets LEED Platinum certification levels.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Four (4)

b. List the top 10 trade and industry chambers/ associations you are a member of/are affiliated to, on the basis of no. of members.

S. No	Name of trade and industry chambers/ associations	Scope of Entity (State/ National)
1	Indian Exhibition Industry Association	National
2	Council of Indian Exhibition Organisers	National
3	CRGDAI-MCHI	State
4	Maharashtra Economic Development Council (MEDC)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

None

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the Current Financial Year

None, there were no projects undertaken in which SIA was applicable.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

None, there were no projects for which there is any ongoing Rehabilitation and Resettlement.

3. Describe the mechanisms to receive and redress grievances of the community.

We have a mechanism to collect formal (Notice, letter, e-mail, etc) and informal (verbal, in-person) feedback or grievances at our entry gates, staff/security. These are reported to the immediate reporting manager i.e., a Security officer, Technical/Housekeeping manager, and Facilities Management based on the nature of the grievance on a WhatsApp group and telephonically. Minor incidents are addressed by the first level of escalation and the closure along with incident information and actions taken are communicated to the Standing Committee. If the grievance hasn't been addressed within the defined TAT, then the issue is escalated to the Standing Committee and subsequently to the Chairperson till it is appropriately addressed.

Since our Indabrator business operates in a greenfield area located far from any residential area, it does not affect any neighboring community and hence does not receive any grievances from the community. However, we maintain a register with our security personnel in case any such grievance were to occur.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Nesco Ltd (Excl Indabrator)	Current Financial Year 2022-23	Previous Financial Year 2021-22
Directly sourced from MSMEs/ small producers	<1	<1
Sourced directly from within the district and neighbouring districts	99	99

Indabrator	Current Financial Year 2022-23	Previous Financial Year 2021-22
Directly sourced from MSMEs/ small producers	29	21
Sourced directly from within the district and neighbouring districts	71	79

For our IT Parks business which comprises the most significant spend, our suppliers are larger companies given the quality, scale and nature of goods and services required. We are in the process of evaluating our spend categories to explore expanding suppliers from MSME/Small Producers where possible in Events, Exhibitions and Foods businesses to promote inclusive and equitable economic growth. At Indabrator we have 64 MSMEs/ small producers for which input material is Directly sourced. Out of these 13 suppliers are from within the district and 51 suppliers from outside districts.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company is constantly striving to provide value to its customers through its products and services. Customer complaints are received through various channels such as letters, emails, phone calls, messages and meetings. The complaints are segregated into operational or contractual and allocated to appropriate departments. These are then systematically resolved by the relevant client-facing function in a time bound fashion as the first point of redressal. In case of any gaps or need for management intervention, these are escalated to the BU heads for further action or escalation to management if needed to expedite/obtain permissions for effective complaint resolution. We also conduct periodic meetings with customers to identify any challenges proactively. We also have customer feedback forms and surveys on various parameters related to the services/products to ascertain customer satisfaction and take focused actions for improvements.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	100 (Indabrator)
Safe and responsible usage	100 (Indabrator)
Recycling and/or safe disposal	Not Applicable

The Nesco IT parks, Events and Exhibitions and Foods businesses are services businesses, and hence packaging and labelling do not apply. However, we ensure that we have appropriate health and safety as well as waste management signages on the premises of our IT Park. This helps ensure awareness about these parameters for our occupiers, employees, and visitors on our campus. Our Nesco Foods business prepares fresh food. We provide dedicated dustbins to enable segregation and a Composting plant for Waste treatment on campus. All waste is treated properly to ensure that there are no harmful effects of any kind. In our Indabrator business, our products are capital goods with a 25-year operating life. Customers are provided with manuals covering topics such as safety and operating in an environmentally friendly manner.

3. Number of consumer complaints in respect of the following:

There were no consumer complaints in financial year 2021-22 or financial year 2022-23 on Data privacy, Advertising, Cyber-security, Delivery of essential services, Restrictive Trade Practices or Unfair Trade Practices

Note: None of our businesses are subject to ESMA 1968 however during Covid-19 based on requirement from BMC, our premises were operational to host the jumbo Covid centre.

4. Details of instances of product recalls on account of safety issues:

Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The data we have access to is limited to that of our employees and operational interactions with customers, suppliers and other stakeholders. We ensure adequate cyber security and data privacy norms are maintained as per the nature of information. All data and information are classified into public/confidential/sensitive/personal to ensure that the user exercises appropriate care in ensuring its confidentiality. Any information shared outside the company has to be with an entity which also adheres to the highest standards and are compliant with IS/ISO/IEC 27001 or equivalent standards.

We have a well-defined policy which includes user registration, user authentication and user responsibilities (including handling internal and external confidential information), access management and network access control. This policy is also extended to suppliers who are provided access from time to time. Our sensitive systems follow isolation protocols which limit access based on our risk analysis and they leverage the in-built security features of the system (including but not limited to e.g.; SAP, Tally, VMS, AUTOCAD etc).

This policy is shared with employees in the employee induction as well as the employee manual and regular reminders on its key features and compliance expectations are shared via email. Suppliers when provided access to our networks are also educated about the policy to ensure compliance. We have also a well-defined grievance management system with an appropriate governance and escalation process.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

INDEPENDENT AUDITOR'S REPORT

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 2023, 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 2023, 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 on the standalone financial statements.

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 the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How was the matter addressed in our audit
1.	<p><u>Recognition of lease rental income of IT Park & related disclosures.</u></p> <p>Lease rental income amounting to ₹ 29,502.70 lakhs reported in the Company's standalone financial statements is recognised based on the agreements / contract with the tenants on straight line basis over the lease term. Due to modifications in terms of agreement, risk of material misstatement on such modifications significantly increases for its accuracy, completeness, presentation, and disclosure. This can lead to revenue either being recognised in incorrect accounting periods or at incorrect value thereby impacting the results. Considering these factors, in the context of our audit this matter was of significant and hence considered as a Key Audit Matter.</p>	<ul style="list-style-type: none"> • Understanding the internal control environment for revenue recognition and to test check with a view to verify its operative effectiveness. • Read terms of the contract/ modified agreements / communications with the lessee's and verified accuracy of lease rental income recognition on test basis. • On sample basis, examining supporting documents / emails / approval for deferments / waiver given to tenants. • Performed analytical procedures. • Ensured that revenue is recognized in accordance with accounting standards and policy. <p>Based on above procedures performed, we did not identify any material exceptions in the lease rental income recognized and related disclosures in the standalone financial statements.</p>

<p>2.</p>	<p><u>Provision and disclosure of Contingent Liability in respect of property tax</u></p> <p>The Company had paid property tax amounting to ₹ 338.80 lakhs in respect of plot of land on which IT 4 is currently constructed as per the invoices received for the period from November 2014 to March 2021. However, in March 2021, the Company had received request letter with additional property tax liability for the plot and period mentioned above at ₹ 2044.18 lakhs and asking for 50% payment. Of the said demand, the Company has paid ₹ 424.70 lakhs in March 2021 under dispute, made a provision of ₹ 994.73 lakhs and disclosed ₹ 619.60 lakhs as contingent liability in standalone financial statement for FY 2020-21. It has also filed a complaint on 8 April, 2021 for not accepting the said liability completely on various grounds.</p> <p>In FY 2021-22, the actual invoices of ₹ 1082.97 lakhs were received and booked against provision of ₹ 920.00 lakhs. However, property tax paid under dispute shown as advance of ₹ 424.70 lakhs, provision of ₹ 74.73 lakhs and contingent liability of ₹ 429.67 lakhs are continued in standalone financial statements for the year ended 31 March 2022 till the dispute is resolved.</p> <p>The Honourable High Court of Mumbai and then subsequently the Honourable Supreme Court of India upheld the decision in favour of the property owners and subsequent review appeal by MCGM was also rejected by the Honourable Supreme Court of India. MCGM has not yet given the effect of said Order hence, the advance of ₹ 424.70 lakhs, provision of ₹ 74.73 lakhs and contingent liability of ₹ 429.67 lakhs continues to appear in the standalone financial statements for the year ended 31 March 2023.</p>	<ul style="list-style-type: none"> • Gone through the request letter received and complaint filed by the Company. • Obtained details of the working along with supporting documents to evaluate management's assessment of probability of outcome of the disputed liability and provision required for the same. • Also, had discussion with the management's legal expert on the writ petition in the court of law with respect to retrospective application of changed method of calculating the property tax liability and regarding latest decisions of Honourable Supreme Court of India. <p>Based on above procedures performed, we did not identify any material exceptions in the provision recognized and contingent liability disclosed in the standalone financial statements.</p>
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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, Business Responsibility and Sustainability report and Shareholder's Information, but does not include the standalone financial statements, consolidated 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 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, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on matters specified in paragraphs 3 and 4 of the order
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (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 Flow 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, 2023 taken on record by the Board of Directors, none of the director is disqualified as on 31 March, 2023 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**"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35(1) and (2) to the standalone financial statements;
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv)
 - (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
 - (v) The dividend for the year 2021-22, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
 - (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from 01 April 2023 to the Company and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

For Manubhai & Shah LLP

Chartered Accountants

Firm's Registration No: 106041W/W100136

Ashish Shah

Partner

Membership No: 103750

Mumbai

24 May 2023

UDIN: 23103750BGGVQS4375

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) i. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets;
- ii. The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a program of verification to cover all items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to the programme, a portion of the property, plant and equipment have been physically verified by the management during the year and no material discrepancies have been 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 all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in Property, Plant and Equipment and Investment Property are held in the name of the Company as at balance sheet date.
- (d) The company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company the Management has conducted physical verification of the inventories at reasonable intervals. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verifications.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rupees Five crores in aggregate at point of time during the year from bank on the basis of security of Mutual funds under lien. The Company has utilised non fund based limit only and thus there was no requirement to submit the quarterly statement with the bank.
- (iii) (a) The company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or any other parties during the year and hence sub clause iii (a), (c), (d), (e), (f) under clause (iii) of the Order is not applicable.
- (b) The investments made, during the year are, prima facie, not prejudicial to the interest of 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 Companies Act, 2013 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.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by Central Government of India for the maintenance of cost records under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

- (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, Excise Duty, 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 payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Excise Duty, Custom Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues as at 31 March 2023 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 Act, 1961	Income Tax	7.07	FY 2007-08	ITAT
Income Tax Act, 1961	Income Tax	38.62	FY 2009-10	ITO
Income Tax Act, 1961	Income Tax	0.18	FY 2012-13	ITO
Income Tax Act, 1961	Income Tax	18.80	FY 2015-16	ITO
Income Tax Act, 1961	Income Tax	92.46	FY 2017-18	ITO
Municipal Corporation Act 1949	Property Tax	537.43	FY 2020-21	Municipal Corporation (Maharashtra)

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, bank, and Government as at the balance sheet date and hence, reporting under clause (ix) (a) of the order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix) (c) of the order is not applicable.
- (d) On an overall examination of the financial statements of the Company, there were no funds raised on short-term basis during the year and hence, reporting under clause (ix) (d) of the order is not applicable.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries during the year and hence the reporting requirements of clause (ix) (e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, and hence the reporting requirements of clause (ix) (f) of the Order is not applicable.
- (x) (a) 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) during the year.
- (b) 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.
- (xi) (a) To the best of our knowledge, no material fraud on or by the Company has been noticed or reported during the year nor have we been informed of any such case by the Management.

- (b) No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year.
- (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 clause (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) (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
 (b) We have considered, the internal audit reports for the year under audit, issued to the Company, in determining nature, timing and extent of our audit procedure.
- (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, reporting as per clause (xv) of the Order is not required.
- (xvi) (a) In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence reporting requirement of clause (xvi) (a), (b), (c) and (d) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub section (6) of Section 135 of the said Act. Accordingly reporting under clause (xx) of the Order is not applicable for the year.

For Manubhai & Shah LLP**Chartered Accountants**

Firm's Registration No: 106041W/W100136

Ashish Shah**Partner**

Membership No: 103750

Mumbai**24 May 2023****UDIN: 23103750BGVVQS4375**

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 (j) 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 2023 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 Company's management is 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 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 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 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 2023, 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

Firm's Registration No: 106041W/W100136

Ashish Shah

Partner

Membership No: 103750

Mumbai

24 May 2023

UDIN: 23103750BGVVQS4375

Particulars	Note No	As at 31 March	
		2023	2022
Assets			
Non-Current Assets			
Property, Plant and Equipment	4	14,954.95	17,169.35
Capital work-in-progress	4a	8,526.98	8,206.20
Investment property	5	65,295.14	67,267.70
Other Intangible Assets	6	156.74	204.41
Intangible assets under development	6a	38.02	29.43
Financial Assets			
Investments	7	76,749.00	32,096.96
Other Non Current Financial Assets	8	5,542.66	7,730.31
Non Current Tax Assets(Net)	9	1,034.91	1,733.54
Other non current assets	10	1,247.73	1,440.23
Total Non-Current Assets		1,73,546.13	1,35,878.13
Current Assets			
Inventories	11	1,173.39	752.13
Financial assets			
Investments	7	39,350.93	52,556.22
Trade Receivables	12	2,262.23	1,862.90
Cash and Cash Equivalentents	13a	1,189.15	376.63
Other Balances with Banks	13b	585.59	273.95
Other Current Financial Assets	14	5,746.10	3,120.18
Other current assets	15	2,403.03	2,077.98
Total Current Assets		52,710.42	61,019.99
Total Assets		2,26,256.55	1,96,898.12

CIN : L17100MH1946PLC004886
BALANCE SHEET (Contd.)

(₹ in lakhs)

Particulars	Note No	As at 31 March	
		2023	2022
Equity and Liabilities			
Equity			
Equity share capital	16	1,409.20	1,409.20
Other Equity	17	1,95,043.15	1,68,096.21
Total Equity		1,96,452.35	1,69,505.41
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Lease Liabilities		25.89	40.94
Other Non Current Financial Liabilities	18	12,007.93	12,747.15
Provisions	19	628.39	546.35
Deferred Tax Liabilities(Net)	20	2,488.40	3,138.58
Other Non-Current Liabilities	21	3,435.91	3,307.04
Total Non-current Liabilities		18,586.52	19,780.06
Current Liabilities			
Financial Liabilities			
Lease Liabilities		15.06	14.07
Trade Payables	22		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		324.95	88.80
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		1,119.10	791.47
Other Current Financial Liabilities	23	5,332.89	2,731.82
Other Current Liabilities	24	4,371.44	3,955.84
Provisions	25	54.24	30.65
Total Current Liabilities		11,217.68	7,612.64
Total Equity and Liabilities		2,26,256.55	1,96,898.12

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, 24 May 2023

1 to 51
For and on behalf of the Board

Krishna S. Patel
Chairman and Managing Director
DIN- 01519572

Dipesh R. Singhania
Chief Financial Officer
Mumbai, 24 May 2023

Sudha S. Patel
Non-executive Director
DIN - 00187055

Jinal J. Shah
Company Secretary and
Compliance Officer
Mumbai, 24 May 2023

Particulars	Note No	For the Year	
		2022-2023	2021-2022
Revenue			
Revenue from Operations	26	54,600.16	33,739.87
Other Income	27	6,311.65	4,476.50
Total Income		60,911.81	38,216.37
Expenses			
Cost of Materials Consumed	28	3,746.61	2,534.97
Change in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	29	(159.13)	35.83
Employee Benefits Expenses	30	1,964.47	1,339.99
Finance Cost	31	1,220.78	921.48
Depreciation and Amortisation Expenses	4,5 & 6	3,277.42	2,829.16
Other Expenses	32	14,164.63	7,903.76
Total Expenses		24,214.78	15,565.19
Profit before tax		36,697.03	22,651.18
Tax expense	44		
Current Tax		8,260.00	4,223.72
Deferred Tax		(648.63)	(439.49)
Income Tax for Earlier Year		22.02	(55.29)
Total tax expense		7,633.39	3,728.94
Profit after tax		29,063.64	18,922.24
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plans - Net of Tax		(4.61)	44.40
Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income		1.71	3.39
Total Other Comprehensive Income		(2.90)	47.79
Total Comprehensive Income for the year		29,060.74	18,970.03
Earning Per Equity Share (face value of ₹ 2 each)			
Basic & Diluted (In ₹)	41	41.25	26.86

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, 24 May 2023

1 to 51
For and on behalf of the Board

Krishna S. Patel
Chairman and Managing Director
DIN- 01519572

Dipesh R. Singhania
Chief Financial Officer
Mumbai, 24 May 2023

Sudha S. Patel
Non-executive Director
DIN - 00187055

Jinal J. Shah
Company Secretary and
Compliance Officer
Mumbai, 24 May 2023

CIN : L17100MH1946PLC004886

STATEMENT OF CHANGES IN EQUITY

A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at 01 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
1,409.20	-	1,409.20	-	1,409.20

Balance as at 01 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1,409.20	-	1,409.20	-	1,409.20

B) OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Total Other Equity
	Retained Earnings	Preference Shares Redemption Reserve	General Reserve	Equity Instruments	Other items	
Balance as at 01 April 2021 (A)	50.00	9.56	1,51,163.85	16.57	-	1,51,239.98
Additions during the year						
Profit for the year	18,922.24	-	-	-	-	18,922.24
Items of OCI for the year, net of tax						
Remeasurement of the Defined Benefit Plans	44.40	-	-	-	-	44.40
Net fair value gain/(loss) on investment in equity instruments Through Other Comprehensive Income	-	-	-	3.39	-	3.39
Total Comprehensive Income for the year 2021-22 (B)	18,966.64	-	-	3.39	-	18,970.03
Reductions during the year						
Dividend	(2,113.80)	-	-	-	-	(2,113.80)
Total (C)	(2,113.80)	-	-	-	-	(2,113.80)
Transfers during the year						
Retained earnings transferred to General reserve	(16,852.84)	-	16,852.84	-	-	-
Total (D)	(16,852.84)	-	16,852.84	-	-	-
Balance as at 31 March 2022 { E = (A + B + C + D) }	50.00	9.56	1,68,016.69	19.96	-	1,68,096.21

(₹ in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Total Other Equity
	Retained Earnings	Preference Shares Redemption Reserve	General Reserve	Equity Instruments	Other items	
Additions during the year						
Profit for the year	29,063.64	-	-	-	-	29,063.64
Items of OCI for the year, net of tax						
Remeasurement of Defined Benefit Plans	(4.61)	-	-	-	-	(4.61)
Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income	-	-	-	1.71	-	1.71
Total Comprehensive Income for the year 2022-23 (F)	29,059.03	-	-	1.71	-	29,060.74
Reductions during the year						
Dividend	(2,113.80)	-	-	-	-	(2,113.80)
Total (G)	(2,113.80)	-	-	-	-	(2,113.80)
Transfers during the year						
Retained earnings transferred to General reserve	(26,945.23)	-	26,945.23	-	-	-
Total (H)	(26,945.23)	-	26,945.23	-	-	-
Balance as at 31 March 2023 I = (E + F + G + H)	50.00	9.56	1,94,961.92	21.67	-	1,95,043.15

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, 24 May 2023

1 to 51
For and on behalf of the Board

Krishna S. Patel
Chairman and Managing Director
DIN- 01519572

Dipesh R. Singhanian
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Mumbai, 24 May 2023

Sudha S. Patel
Non-executive Director
DIN - 00187055

Jinal J. Shah
Company Secretary and
Compliance Officer
Mumbai, 24 May 2023

CIN : L17100MH1946PLC004886
CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	For the Year	
	2022-2023	2021-2022
A) Cash Flow from operating activities		
Net Profit before income tax	36,697.03	22,651.18
Add / (Less):		
Depreciation	3,277.42	2,829.16
Interest income	(3,755.57)	(2,189.88)
Brokerage Income	(21.12)	(26.29)
Dividend income	(15.17)	(37.03)
(Profit) / Loss on Sale of Asset	1,614.68	130.77
Finance Cost	1,220.78	921.48
Assets written off	253.48	-
Net (Gain)/Loss Arising On Financial Assets Measured at FVTPL	(2,546.21)	(2,288.67)
Net (Gain)/Loss Arising On Redemption of Bonds	144.38	296.22
Prepaid License Fee Amortised	(988.34)	(929.98)
Lease Rental Income	712.95	(985.25)
Bad debts/sundry balance written off	41.30	73.00
Allowance for Doubtful Bad Debts	128.74	86.10
Provision for Warranty Expenses	4.30	7.36
Sundry creditors/liabilities written back (net)	(115.54)	(165.63)
	<u>(43.90)</u>	<u>(165.63)</u>
Operating profit before change in operating assets and liabilities	36,653.13	20,372.54
Add / (Less):		
(Increase)/Decrease in Inventory	(421.25)	(16.83)
(Increase)/Decrease in Trade & other receivable	(569.38)	937.69
(Increase)/Decrease in Other operating assets	(1,595.40)	718.54
Increase/(Decrease) in Trade payables	679.33	(12.95)
Increase/(Decrease) in Provisions	95.16	31.23
Increase/(Decrease) in Other operating liabilities	2,411.51	(1,274.10)
	<u>599.97</u>	<u>(1,274.10)</u>
Cash generated from operations	37,253.10	20,756.12
Add / (Less):		
Income Tax paid (Net of refund)	(7,583.38)	(4,392.06)
	<u>(7,583.38)</u>	<u>(4,392.06)</u>
Net Cash generated from operating activities - [A]	29,669.72	16,364.06
B) Cash Flow from investing activities		
Purchase of fixed assets / Capital work in Progress	(1,240.33)	(14,864.91)
Purchase of investments	(51,695.33)	(56,462.72)
Proceeds from sale of investments	22,652.11	54,833.37
Interest received	3,755.57	2,189.88
Brokerage Income	21.12	26.29
Dividend received	15.17	37.03
	<u>(26,491.69)</u>	<u>37.03</u>
Net Cash used in investing activities - [B]	(26,491.69)	(14,241.05)
C) Cash Flow used in financing activities		
Finance costs paid	(237.64)	(11.00)
Increase/(Decrease) in Lease Liability	(14.07)	55.02
Dividend Paid to Shareholders	(2,113.80)	(2,113.80)
	<u>(2,365.51)</u>	<u>(2,113.80)</u>
Net Cash used in financing activities - [C]	(2,365.51)	(2,069.78)
Net Increase / (Decrease) in Cash / Cash Equivalents (A+B+C)	812.52	53.22
Cash/Cash Equivalents at the beginning of the year	376.63	323.41
Cash/Cash Equivalents at the end of the year	<u>1,189.15</u>	<u>376.63</u>

(₹ in lakhs)

Particulars	2022-2023	2021-2022
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Notes:-

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

b) Cash and Cash Equivalent comprises of

Cash on hand	1.97	0.10
Balances with Banks in Current Account	1,187.18	376.53
Cash and Cash Equivalents in Cash Flow Statements	1,189.15	376.63

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, 24 May 2023

1 to 51
For and on behalf of the Board

Krishna S. Patel
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Mumbai, 24 May 2023

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Non-executive Director
DIN - 00187055

Jinal J. Shah
Company Secretary and
Compliance Officer
Mumbai, 24 May 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Company Background

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

The Company is mainly engaged in the following:

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

Note 1 - Basis of Preparation of Financial Statements

a) Compliance with Ind AS:

These financial statements have been prepared in compliance with Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act 2013 (The Act), read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

b) Current / Non-Current Classification:

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

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

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

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

c) Functional and Presentation Currency:

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

d) Rounding of Amounts:

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

Note 2- Significant Accounting Policies

a) Property, Plant and Equipment:

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

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

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

b) Investment Property:

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

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

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

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

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. 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 Subsidiary and Associates:

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

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

(vii) Investment in Equity Instruments:

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

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

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

(viii) Investment in Debt Instruments:

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

(ix) Impairment of Financial Assets:

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

(x) De-recognition of Financial Assets:

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

A financial asset is derecognised only when the Company –

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

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

(xi) Income recognition:

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

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

2. Financial Liabilities:**i) Classification:**

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

ii) Initial recognition and measurement:

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

iii) Subsequent measurement:

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

iv) De-recognition of Financial Liabilities:

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

3. Offsetting Financial Instruments:

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

i) Provisions and Contingencies:

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

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

j) Segment Reporting:

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

1. Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with/ or allocable to segments are considered for determining the segment result. Expenses which relate the Company as a whole and not allocable to segments are included in un-allocable expenditure.
3. Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

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

k) Revenue Recognition:

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

Recognition of revenue from major business activities:

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

4. Interest income is recognised using effective interest method and dividend income is recognised when the right to receive the payment is established.

l) Income tax:

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

1. Current tax:

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

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

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

2. Deferred tax:

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

Deferred tax assets and liabilities are offset only if:

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

m) Cash and cash equivalents:

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

n) Trade Receivables:

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

o) Leases

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

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

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

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

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

Leases as lessor

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

p) Earnings Per Share:

Basic Earnings per share is calculated by dividing:

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

q) Employee Benefits:

1. Short term obligations:

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

2. Other long term employee obligations:

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

3. Post-employment obligations:

The Company operates the following post-employment schemes.

i) Defined benefit plans (gratuity):

The Company has unfunded defined benefit gratuity plan for employees.

Recognition and measurement of Defined Benefit plans:

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

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

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

ii) Defined contribution plans such as provident fund:

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

r) Proposed Dividend:

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

s) Recent Accounting pronouncements:

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 March, 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards issued but not yet effective:

In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS as explained below:

Ind AS 1 – Presentation of Financial Statements – the amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Financial Statements is expected to be insignificant basis the preliminary evaluation.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – the amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

The above amendments are effective from annual periods beginning on or after 1 April, 2023.

Note 3- Key Accounting Estimates and Judgements:

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

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

Critical accounting estimates and assumptions

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

a) Income Taxes:

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

b) Property, Plant and Equipment and Investment Property:

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

c) Defined Benefit Obligation:

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

d) Fair value measurement of Financial Instruments:

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

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 2023

(₹ in lakhs)

Particulars	Freehold land	Right of Use - Leasehold Land*	Freehold building	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Vehicles	Total
Opening gross carrying amount	638.23	68.17	13,861.25	4,395.49	1,352.71	840.81	364.66	21,521.31
Additions	-	-	38.96	361.99	65.23	335.22	0.00	801.40
Deductions / Adjustments	-	-	(1,759.36)	(40.08)	-	(15.08)	(131.88)	(1,946.39)
Closing gross carrying amount (A)	638.23	68.17	12,140.85	4,717.40	1,417.94	1,160.95	232.78	20,376.32
Opening accumulated depreciation	-	14.87	994.72	1,857.53	664.44	625.12	195.28	4,351.96
Depreciation during the year	-	14.87	773.98	254.90	131.34	77.15	25.11	1,277.35
Deductions / Adjustments	-	-	(72.50)	(19.12)	-	(12.47)	(103.85)	(207.94)
Closing accumulated depreciation and impairment (B)	-	29.74	1,696.20	2,093.31	795.78	689.80	116.54	5,421.37
Net carrying amount (A-B)	638.23	38.43	10,444.65	2,624.09	622.16	471.15	116.24	14,954.95

* Lease Agreement is duly executed in favour of the Company.

Changes in carrying value of Property, Plant and Equipment for the year ended 31 March 2022

(₹ in lakhs)

Particulars	Freehold land	Right of Use - Leasehold Land*	Freehold building	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Vehicles	Total
Opening gross carrying amount	638.23	-	4,612.45	4,111.68	1,344.49	825.62	445.99	11,978.44
Additions	-	68.17	9,248.80	283.81	8.22	15.72	43.32	9,668.05
Deductions / Adjustments	-	-	-	-	-	(0.53)	(124.65)	(125.18)
Closing gross carrying amount (A)	638.23	68.17	13,861.25	4,395.49	1,352.71	840.81	364.66	21,521.31
Opening accumulated depreciation	-	-	573.04	1,635.50	535.76	525.60	243.34	3,513.24
Depreciation during the year	-	14.87	421.68	222.03	128.68	100.03	40.70	927.99
Deductions / Adjustments	-	-	-	-	-	(0.51)	(88.76)	(89.27)
Closing accumulated depreciation and impairment (B)	-	14.87	994.72	1,857.53	664.44	625.12	195.28	4,351.96
Net carrying amount (A-B)	638.23	53.30	12,866.53	2,537.96	688.26	215.69	169.37	17,169.35

* Lease Agreement is duly executed in favour of the Company.

Title deeds of all immovable properties are in the name of the Company.

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	
	2023	2022	2023	2022	2023	2022
Plant and machinery	-	36.66	70.67	-	70.67	36.66
Freehold building	752.38	531.85	7,701.45	7,637.69	8,453.83	8,169.54
Furniture, fixture & office equipment	2.48	-	-	-	2.48	-
Total	754.86	568.51	7,772.12	7,637.69	8,526.98	8,206.20

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Capital Work in Progress (CWIP)

a) CWIP Ageing Schedule as at 31 March 2023

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	376.43	7,354.00	675.94	120.61	8,526.98
Projects temporarily suspended	-	-	-	-	-
Total	376.43	7,354.00	675.94	120.61	8,526.98

b) CWIP Ageing Schedule as at 31 March 2022

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	7,399.77	682.17	124.26	-	8,206.20
Projects temporarily suspended	-	-	-	-	-
Total	7,399.77	682.17	124.26	-	8,206.20

There are no projects whose completion is overdue or has exceeded the cost compared to its original budget as on 31 March 2023 & 31 March 2022.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 5 - Investment Property

Changes in carrying value of Investment property for the year ended 31 March 2023

(₹ in lakhs)

Particulars	Freehold building	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Total
Opening gross carrying amount	63,368.14	3,549.12	5,308.63	1,648.28	73,874.17
Additions	49.84	46.54	38.87	105.06	240.31
Deductions / Adjustments	-	-	(2.55)	(310.58)	(313.13)
Closing gross carrying amount (A)	63,417.98	3,595.66	5,344.95	1,442.76	73,801.35
Opening accumulated depreciation	3,594.16	1,007.81	1,800.56	203.95	6,606.47
Depreciation during the year	1,025.18	254.09	472.36	200.53	1,952.16
Deductions / Adjustments	-	-	(0.16)	(52.26)	(52.42)
Closing accumulated depreciation and impairment (B)	4,619.34	1,261.90	2,272.76	352.21	8,506.21
Net carrying amount (A-B)	58,798.64	2,333.76	3,072.19	1,090.55	65,295.14

Changes in carrying value of Investment property for the year ended 31 March 2022

(₹ in lakhs)

Particulars	Freehold building	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Total
Opening gross carrying amount	63,107.70	3,344.30	4,990.37	636.55	72,078.92
Additions	282.81	305.36	475.70	1,390.45	2,454.32
Deductions / Adjustments	(22.37)	(100.54)	(157.44)	(378.72)	(659.07)
Closing gross carrying amount (A)	63,368.14	3,549.12	5,308.63	1,648.28	73,874.17
Opening accumulated depreciation	2,585.24	773.12	1,291.85	251.24	4,901.44
Depreciation during the year	1,008.92	234.69	508.71	101.84	1,854.16
Deductions / Adjustments	-	-	-	(149.13)	(149.13)
Closing accumulated depreciation and impairment (B)	3,594.16	1,007.81	1,800.56	203.95	6,606.47
Net carrying amount (A-B)	59,773.98	2,541.32	3,508.07	1,444.33	67,267.70

Title deeds of all immovable properties are in the name of the Company.

Note:-

The fair value of freehold building as at 31 March 2023 is ₹ 3,66,218.00 lakhs (previous year ₹ 3,53,326.00 lakhs) which is based on Stamp Duty Ready Reckoner published by Government of Maharashtra.

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

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

(₹ in lakhs)

Particulars	Amount
1) Total income from Investment Property	29,502.70
2) Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	6,850.02
3) Direct operating expenses (including repairs and maintenance) arising from investment property that did not generated rental income during the period	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 6 - Other Intangible Assets

Changes in carrying value of Other Intangible Assets for the year ended 31 March 2023

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Opening gross carrying amount	310.01	287.58
Additions	0.24	22.43
Deductions / Adjustments	-	-
Closing gross carrying amount(A)	310.25	310.01
Opening accumulated depreciation	105.60	58.60
Depreciation during the year	47.91	47.00
Deductions / Adjustments	-	-
Closing accumulated depreciation and impairment (B)	153.51	105.60
Net carrying amount (A-B)	156.74	204.41

Note 6a - Intangible assets under development:

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Software	38.02	29.43
Total	38.02	29.43

Intangible assets under development ageing schedule as at 31 March 2023

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	8.59	2.04	2.40	24.99	38.02

Intangible assets under development ageing schedule as at 31 March 2022

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	2.04	2.40	24.99	-	29.43

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 7 - Investments

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
<u>Investments - Non-Current</u>		
Unquoted		
Investment in Equity Instruments - Subsidiary measured at cost	1.00	26.10
Other Investment measured at cost	1.03	1.03
Less :- Provision for Diminution in value of investments	(1.03)	-
Total	1.00	26.10
Quoted		
Investment carried at fair value through OCI		
Fully paid equity shares	21.66	20.00
Total	21.66	20.00
Investment in Mutual Funds carried at fair value through profit and loss		
Fixed Maturity Plans	869.81	-
Equity Funds	9,000.14	2,302.12
Dynamic Asset Allocation Fund	211.91	519.11
Total	10,081.86	2,821.23
Investment carried at amortised cost		
Non Convertible Debentures and Bonds	66,444.48	29,029.62
Preference Shares	200.00	200.00
Total	66,644.48	29,229.62
Total Non Current Investments	76,749.00	32,096.96
Total aggregate amount of quoted and unquoted investment at cost	76,481.65	32,055.62
Aggregate amount of impairment in value of investments	1.03	1.03
<u>Investments - Current</u>		
Investment in Mutual Funds carried at fair value through profit and loss		
Fixed Maturity Plans	-	4,561.36
Debt Funds	13,122.40	13,803.49
Short Term Debt Funds	8,201.78	10,388.41
Floating rate Debt Funds	4,084.83	4,904.11
Balanced Funds	806.15	770.23
Equity Funds	1,329.33	1,251.50
Dynamic Asset Allocation Fund	550.78	-
Liquid Funds	2,158.43	1,740.57
Debt funds - ultra short term bond funds	9,097.23	13,051.70
Total (A)	39,350.93	50,471.37
Investment carried at amortised cost		
Non Convertible Debentures and Bonds	-	1,684.85
Corporate Deposits	-	400.00
Total (B)	-	2,084.85
Total Current Investments (A+B)	39,350.93	52,556.22
Total aggregate amount of Quoted and Unquoted Investment at Cost	32,791.57	46,422.22
Aggregate amount of impairment in value of investments	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Note 8 Other Non Current Financial Assets		
Security Deposits (Unsecured, Considered Good)	447.29	431.92
Lease Rental Receivables	5,095.37	7,298.39
	5,542.66	7,730.31
Note 9 Non Current Tax Assets(Net)		
Advance Payment of Income Tax (Net)	1,034.91	1,733.54
	1,034.91	1,733.54
Note 10 Other non current assets		
Capital Advances	128.06	55.06
Other Long Term Advances	1,119.67	1,385.17
	1,247.73	1,440.23
Note 11 Inventories (At lower of cost and net realisable value)		
Raw Materials	819.29	559.61
Work in Progress	322.83	163.70
Stores and Spares	31.27	28.82
	1,173.39	752.13
Note 12 Trade Receivables		
a) Unsecured - Considered Good	2,262.23	1,862.90
b) Credit Impaired	165.77	134.24
	2,428.00	1,997.14
Less : Allowances for Doubtful Trade Receivables	(165.77)	(134.24)
	2,262.23	1,862.90

Trade Receivables ageing schedule for the year ended 31 March 2023

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	802.44	1,298.95	150.57	-	0.03	10.25	2,262.23
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	1.86	13.45	11.84	10.58	6.33	44.05
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	5.50	0.54	21.31	6.58	87.79	121.72
Total	802.44	1,306.31	164.56	33.15	17.19	104.36	2,428.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Trade Receivables ageing schedule for the year ended 31 March 2022

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	622.38	1,102.85	85.87	10.91	17.10	26.78	1,862.90
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	15.07	32.50	17.13	7.90	8.05	80.65
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	17.45	20.58	15.56	53.59
Total	622.38	1,117.92	115.37	45.49	45.58	50.39	1,997.14

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022

Note 13 Cash and Bank Balances**a) Cash and cash equivalents**

Balances With Banks in Current Accounts
Cash On Hand

1,187.18	376.53
1.97	0.10
1,189.15	376.63

b) Other balances with banks

Bank Deposits With Less Than 12 Months of Original Maturity
Earmarked Balances with banks
Unclaimed Dividend*
Unspent CSR**

368.16	61.86
183.82	190.56
33.61	21.53
585.59	273.95

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

**The Company can utilise these balances only towards CSR Activities.

Note 14 Other financial assets

Deposits(Others)
Other Receivables

51.86	30.59
5,694.24	3,089.59
5,746.10	3,120.18

Note 15 Other current assets

Advance Recoverable in Cash Or Kind
Balances with Government Authorities
Sales Tax and GST
Advances to Suppliers
Advance to Staff
Other Receivables

242.43	186.96
601.25	587.60
785.25	632.10
12.35	10.96
761.75	660.36
2,403.03	2,077.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 16 Equity Share Capital

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Share Capital		
Authorised		
7,37,50,000 Equity Shares of ₹ 2 each	1,475.00	1,475.00
(Previous year 7,37,50,000 Equity Shares of ₹ 2 each)		
2,50,000 Preference Shares of ₹ 10 each	25.00	25.00
(Previous year 2,50,000 Preference Shares of ₹ 10 each)		
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	1,409.20	1,409.20
(Previous year 7,04,59,960 Equity Shares of ₹ 2 each)		
Total	1,409.20	1,409.20

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

Particulars	As at 31 March			
	2023		2022	
	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
Changes in Equity Share Capital during the year	-	-	-	-
At the end of the year	7,04,59,960	14,09,19,920	7,04,59,960	14,09,19,920

b) Terms / Rights Attached to Equity Shares

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

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

c) Proposed Dividend

The Board of Directors at its meeting held on 24 May 2023 have recommended a payment of dividend of ₹ 4.50 (Rupees Four and Fifty Paise) per equity share of face value ₹ 2 each for the financial year ended 31 March 2023 amounting to ₹3,170.70 lakhs and subject to approval at the ensuing AGM of the Company and hence is not recognized as a liability.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**d) Details of Shareholders holding more than 5% Equity Shares in the company - @**

Particulars	2023		As at 31 March		2022	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Chandler & Price India Pvt. Ltd.	1,95,84,718	27.80	1,95,84,718	27.80	1,95,84,718	27.80
Mr. Sumant J. Patel*	88,67,335	12.58	88,67,335	12.58	88,67,335	12.58
Patel Consultancy Services Pvt. Ltd.	53,62,500	7.61	53,62,500	7.61	53,62,500	7.61
Mrs. Sudha S. Patel	45,74,720	6.49	45,74,720	6.49	45,74,720	6.49
Engineering Global Pte Limited	44,72,000	6.35	44,72,000	6.35	44,72,000	6.35

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

e) Details of Shareholding of Promoters

Particulars	2023		As at 31 March		% of change during the year
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	
Chandler & Price India Pvt. Ltd.	1,95,84,718	27.80	1,95,84,718	27.80	-
Mr. Sumant J. Patel*	88,67,335	12.58	88,67,335	12.58	-
Patel Consultancy Services Pvt. Ltd.	53,62,500	7.61	53,62,500	7.61	-
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	-
Sumant J Patel HUF	31,63,640	4.49	31,63,640	4.49	-
Mr. Krishna S. Patel	21,25,400	3.02	21,25,400	3.02	-
Aarav K. Patel	1,40,000	0.20	1,40,000	0.20	-

*Shri Sumant J. Patel left for his heavenly abode on 17 November 2021.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 17 - Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Total Other Equity
	Retained Earnings	Preference Shares Redemption Reserve	General Reserve	Equity Instruments	Other items	
Balance as at 01 April 2021 (A)	50.00	9.56	1,51,163.85	16.57	-	1,51,239.98
Additions during the year						
Profit for the year	18,922.24	-	-	-	-	18,922.24
Items of OCI for the year, net of tax						
Remeasurement of the Defined Benefit Plans	44.40	-	-	-	-	44.40
Net fair value gain/(loss) on investment in equity instruments Through Other Comprehensive Income	-	-	-	3.39	-	3.39
Total Comprehensive Income for the year 2021-22 (B)	18,966.64	-	-	3.39	-	18,970.03
Reductions during the year						
Dividend	(2,113.80)	-	-	-	-	(2,113.80)
Total (C)	(2,113.80)	-	-	-	-	(2,113.80)
Transfers during the year						
Retained earnings transferred to General reserve	(16,852.84)	-	16,852.84	-	-	-
Total (D)	(16,852.84)	-	16,852.84	-	-	-
Balance as at 31 March 2022 { E = (A + B + C + D) }	50.00	9.56	1,68,016.69	19.96	-	1,68,096.21
Additions during the year						
Profit for the year	29,063.64	-	-	-	-	29,063.64
Items of OCI for the year, net of tax						
Remeasurement of Defined Benefit Plans	(4.61)	-	-	-	-	(4.61)
Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income	-	-	-	1.71	-	1.71
Total Comprehensive Income for the year 2022-23 (F)	29,059.03	-	-	1.71	-	29,060.74
Reductions during the year						
Dividend	(2,113.80)	-	-	-	-	(2,113.80)
Total (G)	(2,113.80)	-	-	-	-	(2,113.80)
Transfers during the year						
Retained earnings transferred to General reserve	(26,945.23)	-	26,945.23	-	-	-
Total (H)	(26,945.23)	-	26,945.23	-	-	-
Balance as at 31 March 2023 { I = (E + F + G + H) }	50.00	9.56	1,94,961.92	21.67	-	1,95,043.15

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Description of nature and purpose of each reserve

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

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Note 18 Other financial liabilities		
Security Deposits from IT Park Licensees and Others	12,007.93	12,747.15
	12,007.93	12,747.15
Note 19 Provisions		
a) Provision for Employee benefits (Refer Note 43)		
Gratuity	365.18	304.86
Leave Encashment	98.21	76.49
b) Compensation Payable (Refer note 47)	165.00	165.00
	628.39	546.35
Note 20 Deferred tax liabilities (Net)		
Opening Balance	3,138.58	3,586.99
Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961	(308.40)	(44.08)
Provision for expenses allowed for tax purpose on payment basis	(32.39)	235.85
Difference in carrying value and tax base of investments measured at FVTPL	(158.68)	(816.23)
Allowance of doubtful debts and advances	(32.47)	(14.89)
Lease Equalisation Reserve assets	(125.61)	173.58
Remeasurement of the defined benefit plan through OCI	7.37	17.36
	2,488.40	3,138.58
(Refer Note 44 "Income Taxes" for further details)		
Note 21 Other non-current liabilities		
Advance Lease Rentals	2,601.12	2,353.73
Advance from Customers	834.79	953.31
	3,435.91	3,307.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 22 - Trade Payables

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 36)	324.95	88.80
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	1,119.10	791.47
	1,444.05	880.27

Trade Payables ageing schedule for the year ended 31 March 2023

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	183.80	139.18	-	-	-	322.98
(ii) Others	660.81	323.37	8.38	-	1.89	994.45
(iii) Disputed dues - MSME	-	1.97	-	-	-	1.97
(iv) Disputed dues - Others	3.40	16.59	-	-	104.66	124.65
Total	848.01	481.11	8.38	-	106.55	1,444.05

Trade Payables ageing schedule for the year ended 31 March 2022

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	46.52	38.56	1.00	2.72	-	88.80
(ii) Others	295.83	349.07	23.04	4.59	7.31	679.85
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	0.68	11.45	98.68	0.82	111.62
Total	342.35	388.31	35.49	105.99	8.13	880.27

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022

Note 23 Other financial liabilities

Unclaimed dividend	183.82	190.56
Payable to Employees	154.88	43.76
Payable towards Capital Expenditure	254.27	379.05
Security Deposits	3,218.54	1,083.98
Other Payables	1,521.38	1,034.47
	5,332.89	2,731.82

Note 24 Other current liabilities

a) Revenue received in advance		
Advance from Customers	3,314.04	3,079.38
b) Others		
Statutory Payables		
Payable Towards VAT	8.77	1.26
Payable Towards GST	652.71	449.62
Payable Towards TDS/TCS	377.26	415.79
Payable Towards PF/ESIC/PT	18.66	9.79
	4,371.44	3,955.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Note 25 Provisions		
Provision for Employee benefits (Refer Note 43)		
Gratuity	18.21	4.44
Leave Encashment	11.38	5.86
Provision for Warranty (Refer Note 47)	24.65	20.35
	<u>54.24</u>	<u>30.65</u>

(₹ in lakhs)

Particulars	For the year	
	2022-2023	2021-2022
Note 26 Revenue from Operations		
a) Sale of Products		
Sales of Machines and Spares	4,437.07	4,393.98
b) Sale of Services		
Bombay Exhibition Centre (Rental and Services)	15,582.63	1,618.33
Nesco IT Park (Rental and Services)	29,502.70	26,415.15
Hospitality Services	4,862.56	1,135.27
Engineering Fees, Services and Other Charges	215.20	177.14
	<u>54,600.16</u>	<u>33,739.87</u>

Note 27 Other income		
Interest Income	3,755.57	2,189.88
Dividend from Mutual Fund Investments	15.17	37.03
Net Gain Arising on Financial Assets Measured at FVTPL	2,546.21	2,288.67
Net (Loss) / Gain Arising on Redemption of Bonds	(144.38)	(296.22)
Sundry Creditors/Liabilities written back(net)	115.54	165.63
Other Miscellaneous Income	23.54	91.51
	<u>6,311.65</u>	<u>4,476.50</u>

Note 28 Cost of Materials Consumed		
Opening Stock	559.61	511.11
Add: Purchases	4,006.29	2,583.47
	4,565.90	3,094.58
Less: Closing Stock	819.29	559.61
Cost of Materials Consumed	<u>3,746.61</u>	<u>2,534.97</u>

Note 29 Changes in Inventories of finished goods and work in progress		
Opening Stock of work in progress	163.70	199.53
Less: Closing Stock of work in progress	(322.83)	(163.70)
	<u>(159.13)</u>	<u>35.83</u>

Note 30 Employee Benefits expense		
Salaries and Wages	1,752.64	1,222.53
Contribution to Provident and other funds	90.49	55.43
Gratuity (Refer Note 43)	71.93	44.98
Staff welfare expenses	49.41	17.05
	<u>1,964.47</u>	<u>1,339.99</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	For the year	
	2022-2023	2021-2022
Note 31 Finance Costs		
Interest on Financial Liabilities Carried at Amortised Cost	1,192.92	910.49
Bank Charges & Guarantee Commission	10.01	8.66
Others	17.85	2.33
	1,220.78	921.48

(₹ in lakhs)

Particulars	For the year	
	2022- 2023	2021- 2022
Note 32 Other Expenses		
Consumption of Stores and Spares	182.40	148.45
Power, Fuel & Electricity	1,824.72	568.18
Contract Manpower	1,891.77	891.05
Repairs and maintenance of :		
- Buildings & Property	1,173.91	998.25
- Plant & Machinery	325.92	124.51
- Other Assets	539.11	305.86
Printing, Stationery, Postage and Communication expenses	67.04	29.14
Rent	8.12	6.81
Hire Charges	205.16	39.20
Catering and Other operating supplies	182.82	87.84
Rates and Taxes	1,372.49	1,325.00
Water Charges	110.94	22.77
Advertisement and Sales Promotion	237.80	48.28
Membership and Subscription	12.56	5.43
Insurance	114.89	106.34
Housekeeping and Other Office Expenses	114.53	55.03
Exchange Loss on Foreign Currency Transactions	0.31	1.46
Travelling, Conveyance and vehicle expenses	218.82	89.18
Payment to Auditors:-		
- Audit Fees	34.50	30.00
- Certification work	0.25	0.28
Legal & professional fees	593.52	547.86
Event Expenses	271.10	2.40
CSR Expenses	441.08	496.88
Donation	151.01	1.95
Freight and handling charges	119.98	125.12
Commission to Directors	750.00	785.00
Directors' sitting fees	26.15	30.25
Security charges	111.31	79.78
Bad Debts/Sundry Balance Written Off	41.30	73.00
Loss on Sale of Asset	1,868.15	130.77
Allowance for Doubtful Bad Debts, Stock and Deposits	128.74	86.10
Commission Brokerage	980.06	605.87
Software and IT Expenses	51.00	39.11
Miscellaneous Expenses	13.17	16.60
	14,164.63	7,903.76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 33 Category wise classification of financial instruments

The carrying value of financial instruments by categories as of 31 March 2023 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	-	-	21.66	21.66
Mutual Funds	-	49,432.79	-	49,432.79
Corporate Deposits, Non-convertible Debentures, Bonds and Preference Shares	66,644.48	-	-	66,644.48
Other Investments	1.00	-	-	1.00
Trade Receivables	2,262.23	-	-	2,262.23
Cash and Cash Equivalents	1,189.15	-	-	1,189.15
Other Balances with Banks	585.59	-	-	585.59
Other financial assets	11,288.76	-	-	11,288.76
Total Financial Assets	81,971.21	49,432.79	21.66	1,31,425.66
Financial Liabilities				
Trade Payables	1,444.05	-	-	1,444.05
Lease Liabilities	40.95	-	-	40.95
Other financial liabilities	17,340.82	-	-	17,340.82
Total Financial Liabilities	18,825.82	-	-	18,825.82

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

(₹ in lakhs)

Financial Assets / Financial Liabilities	Amortised cost	Fair Value through profit or loss	Fair Value through other comprehensive income	Total carrying value
Financial Assets				
Investments				
Equity Instruments	-	-	20.00	20.00
Mutual Funds	-	53,292.60	-	53,292.60
Corporate Deposits, Non-convertible Debentures, Bonds and Preference Shares	31,314.47	-	-	31,314.47
Other Investments	26.10	-	-	26.10
Trade Receivables	1,862.90	-	-	1,862.90
Cash and Cash Equivalents	376.63	-	-	376.63
Other Balances with Banks	273.95	-	-	273.95
Other financial assets	10,850.49	-	-	10,850.49
Total Financial Assets	44,704.54	53,292.60	20.00	98,017.14
Financial Liabilities				
Trade Payables	880.27	-	-	880.27
Lease Liabilities	55.01	-	-	55.01
Other financial liabilities	15,478.97	-	-	15,478.97
Total Financial Liabilities	16,414.25	-	-	16,414.25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Fair value hierarchy

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

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

(₹ in lakhs)

Particulars	As of 31 March 2023	Fair value hierarchy at the end of the reporting period/year using		
		Level 1	Level 2	Level 3
Investments in Equity Instruments	21.66	21.66	-	-
Investments in Mutual Funds	49,432.79	49,432.79	-	-

Particulars	As of 31 March 2022	Fair value hierarchy at the end of the reporting period/year using		
		Level 1	Level 2	Level 3
Investments in Equity Instruments	20.00	20.00	-	-
Investments in Mutual Funds	53,292.60	53,292.60	-	-

Financial instrument measured at amortised cost

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 34 - Financial Risk Management:

Financial Risk Factors:

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

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

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 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Currency				
USD	NIL	NIL	9.29	3.84

The Company has not entered into any forward contract during the year ended 31 March 2023 and 31 March 2022. 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 department. 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 ₹2,262.23 lakhs and ₹ 1,862.90 lakhs as on 31 March 2023 and 31 March 2022 respectively

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

The allowance for lifetime expected credit loss on customer balances as on 31 March 2023 and 31 March 2022 was ₹ 165.77 lakhs and ₹ 134.24 lakhs respectively.

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	134.24	134.18
Loss allowance measured at lifetime expected credit losses	31.53	0.06
Balance at the end	165.77	134.24

Credit risk of financial assets other than Trade receivables:

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

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

The allowance for lifetime expected credit loss on current license and other fees receivables as on 31 March 2023 and 31 March 2022 was ₹ 218.31 lakhs and ₹120.83 lakhs respectively.

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	120.83	61.74
Loss allowance measured at lifetime expected credit losses	97.48	59.09
Balance at the end	218.31	120.83

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. Liquidity Risk:

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

The Company manages the liquidity risk by maintaining adequate cash and cash equivalent ₹ 1189.15 lakhs and ₹ 376.63 lakhs as on 31 March 2023 and 31 March 2022 respectively.

The table below provides details regarding the contractual maturities of significant financial liabilities as on 31 March 2023:

(₹ in lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Other financial liabilities (non-current)				
Lease Liabilities	-	25.89	-	25.89
Security Deposits from IT Park Licensees and Others	-	12,007.93	-	12,007.93
Other financial liabilities (current)				
Lease Liabilities	15.06	-	-	15.06
Security deposit from licensees and customers	3,218.54	-	-	3,218.54
Trade Payables	1,444.05	-	-	1,444.05
Other financial liabilities	2,114.34	-	-	2,114.34
Total	6,791.99	12,033.82	-	18,825.81

Details regarding contractual maturities of significant financial liabilities as on 31 March 2022:

(₹ in lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Other financial liabilities (non-current)				
Lease Liabilities	-	40.94	-	40.94
Security Deposits from IT Park Licensees and Others	-	12,747.15	-	12,747.15
Other financial liabilities (current)				
Lease Liabilities	14.07	-	-	14.07
Security deposit from licensees and customers	1,083.98	-	-	1,083.98
Trade Payables	880.27	-	-	880.27
Other financial liabilities	1,647.84	-	-	1,647.84
Total	3,626.16	12,788.09	-	16,414.25

4. Capital Management

For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As of 31 March 2023, the Company has only one class of shares referred to as Equity Shares and has nil debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long-term financial plans.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 35 - Contingent Liabilities and Commitments:

- 1 Income tax demand disputed by the Company ₹157.14 lakhs (previous year ₹286.24 lakhs).
- 2 Claims against the Company not acknowledged as debts ₹4,499.59 lakhs (previous year ₹3,256.67 lakhs).
- 3 Estimated value of contracts remaining to be executed on capital account and not provided for is ₹3,439.20 lakhs (previous year - ₹2,605.91 lakhs) against which an advance of ₹128.06 lakhs (previous year - ₹55.06 lakhs) has been paid.
- 4 Domestic Bank Guarantees given by bank on Company's behalf ₹756.98 lakhs (previous year - ₹694.89 lakhs) secured by lien of Mutual Fund (Fixed Maturity Plan) of value ₹1,093.77 lakhs (previous year ₹1,009.70 lakhs).

Note 36 - Disclosure under the MSMED Act 2006:

Disclosure under the MSMED Act 2006 is provided as under for the year 2022-23, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
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	324.95	88.80
Interest due on above	-	-
2. Interest paid by the company in terms of Section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
3. Interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed day during the period), but without adding interest specified under the MSMED Act 2006	2.06	0.69
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	3.90	1.84
5. Interest due and remaining payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises	-	-

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

Note 37 - Details of Hedged and Unhedged exposure in foreign currency denominated monetary items.

- a) Exposure in Foreign Currency – Hedged: - The company has not entered into any foreign exchange contract. The Company does not enter into any derivative instruments for trading or speculative purpose.
- b) Exposure in Foreign Currency – Un Hedged: - The foreign currency exposure not hedged as on 31 March 2023 are as under:

(₹ in lakhs)

Currency	Payables		Receivables	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
USD	NIL	NIL	9.29	3.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 38 - Disclosure as per Section 186 of the Companies Act, 2013**

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

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

Note 39 - Corporate Social Responsibility expense (CSR):

1. Gross amount required to be spent by the Company during the year 2022-23 ₹ 438.23 lakhs (Previous year ₹ 496.88 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 2022-2023			Year 2021-2022		
	In Cash**	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
Promoting Education: -						
i) Construction of school	-	-	-	-	-	-
ii) Purpose other than i) above	441.08	-	441.08	455.32	41.56	496.88
Total	441.08	-	441.08	455.32	41.56	496.88

3. Related party transactions in relation to Corporate Social Responsibility

(₹ in lakhs)

Nature of activities	Year 2022-2023			Year 2021-2022		
	In Cash**	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
Related party transactions	11.81	-	11.81	93.64	-	93.64

** Represents actual outflow during the year.

4. Provision movement during the year

(₹ in lakhs)

Particulars	Year 2022-2023	Year 2021-2022
Opening Provision	63.09	190.00
Addition during the year	-	41.56
Utilised during the year	29.92	168.47
Closing Provision	33.17	63.09

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Amount earmarked for ongoing project

(₹ in lakhs)

Particulars	Year 2022-20223			Year 2021-2022		
	With Company Unspent	In separate CSR	Total	With Company Unspent	In separate CSR	Total
Opening Balance	41.56	21.53	63.09	190.00	-	190.00
Amount required to be spent during the year	-	-	-	41.56	-	41.56
Transfer to CSR Unspent A/C	(42.00)	42.00	-	(190.00)	190.00	-
Amount spent during the year	-	29.92	29.92	-	(168.47)	(168.47)
Closing Balance	(0.44)	33.61	33.17	41.56	21.53	63.09

There is no unspent amount at the end of the year to be deposited in specified fund of Schedule VII under Section 135(5) of the Companies Act, 2013.

6. Details of Excess Amount spent

(₹ in lakhs)

Particulars	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
Details of excess amount spent	6.96	438.23	441.08	9.04

7. Nature of CSR Activities undertaken by the company

The Company's CSR activities primarily include one or more of the items covered under Schedule VII of the Act with special focus on the following:

- (i) Promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, setting up Atal Tinkering Labs (ATL);
- (iii) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine;
- (iv) Extending support to Jumbo Covid Centre managed by MCGM at Nesco Premises.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 40 - Leases:

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

Company as Lessor:

Ind AS 116 “Leases” requires the lessor to recognize income from operating leases on a straight-line basis over the lease term which includes rent free period. Thus, contracted lease rental income including future escalation is straight lined over the lease term. This has resulted in derecognizing unearned lease income amounting to ₹712.95 lakhs (previous year recognizing ₹985.25 lakhs) for the year ended 31 March 2023.

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

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

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Within one year	25,764.16	26,065.16
After one year but not more than five years	39,928.04	40,301.47
More than 5 years	66.22	77.06

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 ₹ 29,502.70 lakhs (previous year ₹ 26,415.15 lakhs)

Company as Lessee:

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

The 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. Company recognizes this lease as right of use assets and lease liability.

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

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

(₹ in lakhs)

Particulars	2022-23	2021-22
Opening	53.30	-
Additions of Right of Use Assets	-	68.17
Depreciation for Right of Use Assets	14.87	14.87
Carrying Amount of Right of Use Assets	38.43	53.30
Interest Expense on Lease Liabilities	3.85	4.77
Expense relating to Short term Leases	8.12	6.81
Repayment of Right of Use Assets	17.93	17.93

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Less than one year	17.93	17.93
One to two years	28.38	17.93
Two to five years	-	28.38
More than five years	-	-
Total	46.31	64.24

Note 41 - Earnings per share:

Particulars	2022-23	2021-22
Profit after Tax as per statement of Profit and Loss (₹ in lakhs)	29,063.64	18,922.24
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)	41.25	26.86

Note 42 - Related party disclosures:

1. List of related parties and relationships:

Subsidiaries	Nesco Hospitality Pvt Ltd* Nesco Foundation for Innovation and Development
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. Krishna S. Patel – Chairman and Managing Director Mr. Dipesh R. Singhanian – Chief Financial Officer Ms. Jinal J. Shah - Company Secretary and Compliance Officer
Relative of Key Management Personnel	Mr. Sumant J. Patel (Estate of Mr. Sumant J. Patel) Mrs. Sudha S. Patel - Non-executive Director
Independent Non-Executive Directors	Mr. Mahendra K. Chauhan Mr. Manu M. Parpia [§] Mr. Jai S. Diwanji Mr. K. S. Srinivasa Murty Mrs. Amrita Verma Chowdhury

* Till 31 March 2022

§ Upto 09 May 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Related Party Transactions:

(₹ in lakhs)

Particulars	2022-2023	2021-2022
Brokerage Income		
Chandler and Price (India) Private Limited	21.12	26.29
Rent Expense		
Mr. Sumant J. Patel (Estate of Mr. Sumant J. Patel)	17.93	17.93
Corporate Social Responsibility Expense		
Nesco Foundation for Innovation and Development	11.81	93.64
Remuneration, perquisites, commission		
Mr. Sumant J. Patel (Estate of Mr. Sumant J. Patel)	-	330.27
Mr. Krishna S. Patel	870.96	545.48
Mr. Dipesh R. Singhania	114.44	64.50
Ms. Jinal J. Shah	11.30	9.00
Director sitting fees		
Mrs. Sudha S. Patel	3.25	3.50
Mr. Mahendra K. Chauhan	6.10	6.05
Mr. Manu M. Parpia	-	4.55
Mr. Jai S. Diwanji	6.60	6.55
Mr. K. S. Srinivasa Murty	5.35	5.05
Mrs. Amrita Verma Chowdhury	4.85	4.55
Amount paid on behalf of Subsidiary.		
Nesco Hospitality Private Limited	-	-*
Security Deposit Transferred from Subsidiary		
Nesco Hospitality Private Limited	-	6.88
Amount Payable / (Receivable)		
Mr. Sumant J. Patel	-	165.08
Mr. Krishna S. Patel	422.25	244.98

* Represents amount less than ₹ 1000/-.

Employee benefits for Key Management Personnel is as follows: -

(₹ in lakhs)

Particulars	2022-2023	2021-2022
Short-term employee benefits	996.70	949.25
Post-employment benefits	168.39	159.15
Other long-term benefits	24.61	26.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 43 - Employee Benefits:

1. Post-employment benefits:

a. Defined Contribution plan

Provident Fund and Employee State Insurance Scheme

Defined contribution plans are Provident Fund Scheme and Employee State Insurance Scheme. The Company contributes to the Government administered provident funds on behalf of its employees.

b. Defined Benefit plan

Gratuity scheme

The Company operates a defined benefit gratuity plan for employees. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary. The Company creates adequate provision in its books every year based on actuarial valuation. These benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and investment risk.

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 2023	As at 31 March 2022
Present Value of Benefit Obligation at the Beginning of the Period	309.30	307.38
Interest Cost	22.25	20.11
Current Service Cost	49.67	24.86
Benefit Paid Directly by the Employer	(3.99)	(7.57)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(11.54)	(19.00)
Demographic Assumptions	(3.14)	21.44
Actuarial (Gains)/Losses on Obligations - Due to Experience	20.85	(37.92)
Present Value of Benefit Obligation at the End of the Period	383.39	309.30

Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	383.39	309.30
Funded Status (Surplus/ (Deficit))	(383.39)	(309.30)
Net (Liability)/Asset Recognized in the Balance Sheet	(383.39)	(309.30)

Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	49.67	24.86
Net Interest Cost	22.25	20.11
Expenses Recognized	71.92	44.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation for the Period	6.16	(35.48)
Net (Income)/Expense for the Period Recognized in OCI	6.16	(35.48)

Balance Sheet Reconciliation		
Opening Net Liability	309.30	307.38
Expenses Recognized in Statement of Profit or Loss	71.92	44.98
Expenses Recognized in OCI	6.16	(35.48)
Benefit Paid Directly by the Employer	(3.99)	(7.57)
Net Liability/(Asset) Recognized in the Balance Sheet	383.39	309.30

Other Details		
No of Active Members	264.00	121
Per Month Salary for Active Members	78.04	44.02
Average Past Services (Years)	4.28	6.73
Average Age (Years)	36.82	39.18
Average Expected Future Service	21.21	18.82
Projected Benefit Obligation	383.39	309.30

Assumptions		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.45%	7.20%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Mortality Rate After Employment	N.A.	N.A.

Maturity Analysis of the Benefit Payments: From the Employer		
Projected Benefits Payable in Future Years from the Date of Reporting		
1st Following Year	18.20	4.44
2 to 5 Years	80.24	41.21
6 to 10 Years	137.97	121.19
More than 10 Years	802.75	662.66

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	383.39	309.30
Delta Effect of +1% Change in Rate of Discounting	(10.60%)	(11.20%)
Delta Effect of -1% Change in Rate of Discounting	12.40%	13.10%
Delta Effect of +1% Change in Rate of Salary Increase	11.90%	12.70%
Delta Effect of -1% Change in Rate of Salary Increase	(10.40%)	(11.10%)
Delta Effect of +50% Change in Rate of Employee Turnover	(1.70%)	(1.50%)
Delta Effect of -50% Change in Rate of Employee Turnover	1.90%	1.60%

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

2. Long Term Employee Benefits:

The liability towards compensated absences (annual leave) as on 31 March 2023, based on actual valuation carried out by using the project accrued benefit method amount to ₹ 29.24 lakhs (previous year ₹ 6.22 lakhs) has been recognized on the Statement of Profit and Loss.

Note 44 - Income Taxes :

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

(₹ in lakhs)

Particulars	Year 2022-2023	Year 2021-2022
Current Taxes	8,260.00	4,223.72
Deferred Taxes	(648.63)	(439.49)
Income Tax for earlier year	22.02	(55.29)
Income Tax Expenses as per statement of Profit and Loss	7,633.39	3,728.94
Income Tax Expenses recognised in OCI	Year 2022-2023	Year 2021-2022
Deferred tax benefit on remeasurement benefit of defined benefit plans	(1.55)	8.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

(₹ in lakhs)

Particulars	Year 2022-2023	Year 2021-2022
Profit before tax	36,697.03	22,651.18
Enacted Tax rate in India	25.168%	25.168%
Computed enacted tax expenses	9,235.91	5,700.85
Add / (Less): Expenses not allowable for tax purposes	853.40	403.27
Add / (Less): Income not considered for tax purpose	(748.44)	(1,466.65)
Add / (Less): Effect of expenses, computed differently in tax	(117.45)	126.01
Add / (Less): Effect of expenses, which are allowed on payment basis	88.05	38.12
Add / (Less): Effect of income, considered under other head of income	(1,700.10)	(1,017.37)
Total	7,611.37	3,784.23
(Excess)/Short provision of earlier years	22.02	(55.29)
Income Tax Expense as per statement of Profit and Loss	7,633.39	3,728.94

The tax rate used for reconciliation above is the corporate tax rate of 25.168 % (Previous Year 25.168%) payable by corporate entities in India on taxable profits under Indian law.

- 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.

Details of income tax assets and liabilities as of 31 March 2023 and 31 March 2022 are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Income Tax Assets	1,034.91	1,733.54
Current Income Tax Liabilities	-	-
Net current income tax Assets/(Liabilities)	1,034.91	1,733.54

The gross movement in the Current Tax assets / (liabilities) for the year ended 31 March 2023 and 31 March 2022 is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Net current tax Assets/(Liabilities) at the beginning of the year	1,733.54	1,509.91
Income tax paid :		
Advance tax and TDS	8,255.28	4,392.06
Self-Assessment Tax paid/Previous year adjustments	(693.91)	55.29
Current income tax expenses	(8,260.00)	(4,223.72)
Net current tax Assets/(Liabilities) at the end of the year	1,034.91	1,733.54

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Details of deferred tax assets and liabilities as of 31 March 2023 and 31 March 2022 are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax Assets/(Liabilities) at the beginning	(3,138.58)	(3,586.99)
Deferred Tax Asset/(Liabilities)	650.18	448.41
Net deferred tax Assets/(Liabilities) at the end	(2,488.40)	(3,138.58)

Detailed bifurcation of deferred tax assets and liabilities as of 31 March 2023 and 31 March 2022 are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Net deferred tax assets/(liabilities) at the beginning	(3,138.58)	(3,586.99)
Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961	308.40	44.08
Provision for expenses allowed for tax purpose on payment basis	32.39	(235.85)
Difference in carrying value and tax base of investments measured at FVTPL	158.68	816.23
Allowance of doubtful debts and advances	32.47	14.89
Lease Equalisation Reserve assets	125.61	(173.58)
Remeasurement of the defined benefit plan through OCI	(7.37)	(17.36)
Net deferred tax assets/(liabilities) at the end	(2,488.40)	(3,138.58)

The credits relating to temporary differences during the year ended 31 March 2023 and 31 March 2022 are primarily on account of Other income due to fair valuation of investments on mutual funds and Ind AS 116 adjustment.

Note 45 – Proposed Dividend:

The Board of Directors at its meeting held on 24 May 2023 have recommended a payment of dividend of ₹ 4.50 (Rupees Four and Fifty Paise Only) per equity share of face value ₹ 2 each for the financial year ended 31 March 2023 amounting to ₹ 3,170.70 lakhs and subject to approval at the ensuing AGM of the Company and hence is not recognized as a liability.

Note 46 - Segment Reporting:

The Company has following business segments, which are its reportable segments. Operating segment disclosures are consistent with the information provided to and reviewed by the management.

Reportable Segment	Products / Services
IT Park	Licencing premises in IT park buildings and providing related services
Bombay Exhibition Center	Licencing premises for exhibitions and providing services to the organisers
Industrial Capital Goods Division	Manufacturing of machines and capital equipment
Nesco Foods	Hospitality and catering services

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	2022-2023	2021-2022
Revenue by Segment		
IT Park	29,502.70	26,415.15
Bombay Exhibition Center	15,582.63	1,618.33
Industrial Capital Goods Division	4,652.27	4,571.12
Nesco Foods	4,862.56	1,135.27
Income from Investments/ Other Income	6,311.65	4,476.50
Total	60,911.81	38,216.37
Segment profit before tax and finance cost		
IT Park	23,636.26	21,568.00
Bombay Exhibition Center	9,931.65	607.79
Industrial Capital Goods Division	199.71	369.74
Nesco Foods	601.75	(219.52)
Unallocable expenses & Finance Cost net off Unallocable income	2,327.66	325.18
Total Operating profit before tax	36,697.03	22,651.18
Capital Employed: -		
Segment Assets: -		
IT Park	87,606.45	87,252.01
Bombay Exhibition Center	12,814.57	13,278.32
Industrial Capital Goods Division	4,035.51	3,805.58
Nesco Foods	4,213.05	2,962.14
Unallocable Assets	1,17,586.97	89,600.07
Total	2,26,256.55	1,96,898.12
Segment Liabilities: -		
IT Park	19,105.63	17,228.52
Bombay Exhibition Center	4,390.50	4,072.28
Industrial Capital Goods Division	837.86	835.25
Nesco Foods	1,116.17	317.61
Unallocable Liabilities	4,318.04	4,939.05
Total	29,804.20	27,392.71
Capital Employed: -		
IT Park	68,500.82	70,023.50
Bombay Exhibition Center	8,424.07	9,206.03
Industrial Capital Goods Division	3,161.65	2,970.34
Nesco Foods	3,096.88	2,644.53
Unallocable Assets net of Unallocable Liabilities	1,13,268.93	84,661.01
Total	1,96,452.35	1,69,505.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Capital Expenditure	2022-2023	2021-2022
IT Park	338.08	8,464.49
Bombay Exhibition Center	287.88	6,567.32
Industrial Capital Goods Division	31.12	145.07
Unallocable Assets	86.08	79.86
Nesco Foods	628.17	23.25
Total	1,371.33	15,279.99

Revenue from Operation	2022-2023	2021-2022
India	54,532.93	33,714.96
Outside India	67.23	24.91
Total Revenue	54,600.16	33,739.87

Note 47 - Pursuant to the IND AS 37 – ‘Provisions, Contingent Liabilities and Contingent Assets’, the disclosure relating to provisions made in the accounts for the year ended 31 March 2023 is as follows.

(₹ in lakhs)

Particulars	Compensation Payable *		Provision for warranty #	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Opening Balance	165.00	171.36	20.35	12.99
Additions	-	-	4.30	7.36
Utilizations / Reversals	-	(6.36)	-	-
Closing Balance	165.00	165.00	24.65	20.35

* 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 48 - Ratio Analysis

Sr. No.	Particulars	Numerator (₹ in lakhs)			Denominator (₹ in lakhs)			Ratio		Variance (in %)
		Particulars	2022-23	2021-22	Particulars	2022-23	2021-22	2022-23	2021-22	
1	Current Ratio	Current Assets	52,710.42	61,019.99	Current Liabilities	11,217.68	7,612.65	4.70	8.02	(41.38)*
2	Debt Equity Ratio	Total Debt (Borrowings)	-	-	Shareholder's Equity	1,96,452.35	1,69,505.41	NA	NA	NA
3	Debt Service Coverage Ratio	Net Operating Income	-	-	Debt Service	-	-	NA	NA	NA
4	Return on Equity Ratio	Profit after tax	29,063.64	18,922.24	Average Shareholders Equity	1,82,978.88	1,61,077.30	15.88%	11.75%	35.21**
5	Inventory Turnover Ratio	Net Sales of Indabrador & Nesco Foods Division	9,514.84	5,706.39	Average Inventory	962.76	743.72	9.88	7.67	28.80^
6	Trade Receivables Turnover Ratio	Revenue from Operations	54,600.16	33,739.87	Average Trade Receivables	2,062.56	2,411.29	26.47	13.99	89.19^^
7	Trade Payables Turnover Ratio	Total Purchases	3,587.48	2,570.80	Average Trade Payables	1,162.16	969.56	3.09	2.65	16.42
8	Net Capital Turnover Ratio	Net Sales	60,911.81	38,216.37	Average Working Capital	952.66	474.48	63.94	80.54	(20.62)
9	Net Profit Ratio	Profit After Tax	29,063.64	18,922.24	Net Sales	60,911.81	38,216.37	47.71%	49.51%	(3.63)
10	Return on Capital employed	EBIT	37,917.81	23,572.66	Capital Employed	1,96,452.35	1,69,505.41	19.30%	13.91%	38.79"
11	Return on Investment	Return/Profit/Earnings	6,179.57	4,223.20	Investment	1,00,376.55	82,840.59	6.16%	5.11%	20.52

* Increase in Current Liability vis a vis reduction in current assets

** Increase in net profit on account of increase in turnover during the current year

^ Increase in sales of fast moving standard equipments

^^ Faster realisation of trade receivables due to reduced credit sales

" Increase in net profit on account of increase in turnover during the current year

Note 49 - Additional Regulatory Information required by Schedule III to the Companies Act, 2013.

- (i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (iv) Utilisation of borrowed funds and share premium
 - I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (v) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (vi) The Company has not traded or invested in crypto currency or virtual currency during the year.
- (vii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- (viii) During the year, the company had no transactions with struck off companies.

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

Note 51 - The financial statements are approved for issue by the Audit Committee and thereafter by the Board of Directors at its meeting held on 24 May 2023.

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 subsidiary (the Holding company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2023, 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 subsidiary, 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 2023, 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><u>Recognition of lease rental income of IT Park & related disclosures.</u></p> <p>Lease rental income of Holding Company amounting to ₹ 29,502.70 lakhs reported in the Company's consolidated financial statements is recognised based on the agreements / contract with the tenants on straight line basis over the lease term. Due to modifications in terms of agreement, risk of material misstatement on such modifications significantly increases for its accuracy, completeness, presentation, and disclosure. This can lead to revenue either being recognised in incorrect accounting periods or at incorrect value thereby impacting the results. Considering these factors, in the context of our audit this matter was of significant and hence considered as a Key Audit Matter.</p>	<ul style="list-style-type: none"> • Understanding the internal control environment for revenue recognition and to test check with a view to verify its operative effectiveness. • Read terms of the contract/ modified agreements / communications with the lessee's and verified accuracy of lease rental income recognition on test basis. • On sample basis, examining supporting documents / emails/ approval for deferments / waiver given to tenants. • Performed analytical procedures. • Ensured that revenue is recognized in accordance with accounting standards and policy. <p>Based on above procedures performed, we did not identify any material exceptions in the lease rental income recognized and related disclosures in the consolidated financial statements.</p>

<p>2.</p>	<p><u>Provision and disclosure of Contingent Liability in respect of property tax</u></p> <p>The Holding Company had paid property tax amounting to ₹ 338.80 lakhs in respect of plot of land on which IT 4 is currently constructed as per the invoices received for the period from November 2014 to March 2021. However, in March 2021, the Holding Company had received request letter with additional property tax liability for the plot and period mentioned above at ₹ 2044.18 lakhs and asking for 50% payment. Of the said demand, the Holding Company has paid ₹ 424.70 lakhs in March 2021 under dispute, made a provision of ₹ 994.73 lakhs and disclosed ₹ 619.60 lakhs as contingent liability in consolidated financial statements for FY 2020-21.</p> <p>It has also filed a complaint on 8 April, 2021 for not accepting the said liability completely on various grounds.</p> <p>In FY 2021-22, the actual invoices of ₹1082.97 lakhs were received and booked against provision of ₹ 920.00 lakh. However, property tax paid under dispute shown as advance of ₹ 424.70 lakhs, provision of ₹ 74.73 lakhs and contingent liability of ₹ 429.67 lakhs are continued in consolidated financial statements for the year ended 31 March 2022 till the dispute is resolved.</p> <p>The Honourable High Court of Mumbai and then subsequently the Honourable Supreme Court of India upheld the decision in favour of the property owners and subsequent review appeal by MCGM was also rejected by the Honourable Supreme Court of India. MCGM has not yet given the effect of said Order hence, the advance of ₹ 424.70 lakhs, provision of ₹ 74.73 lakhs and contingent liability of ₹ 429.67 lakhs continues to appear in the standalone financial statements for the year ended 31 March 2023.</p>	<ul style="list-style-type: none"> • Gone through the request letter received and complaint filed by the Holding Company. • Obtained details of the working along with supporting documents to evaluate management's assessment of probability of outcome of the disputed liability and provision required for the same. • Also, had discussion with the management's legal expert on the writ petition in the court of law with respect to retrospective application of changed method of calculating the property tax liability and regarding latest decisions of Honourable Supreme Court of India. <p>Based on above procedures performed, we did not identify any material exceptions in the provision recognized and contingent liability disclosed in the consolidated financial statements.</p>
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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, Business Responsibility and Sustainability Report and Shareholder's Information, but does not include the consolidated financial statements, Standalone 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.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, with respect to the matters specified in paragraphs 3 and 4 of the order, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the management of the Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said Companies included in the consolidated financial statements.
- 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 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, 2023 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, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. There is no remuneration to directors in subsidiary companies of the group.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 35 (1) and (2) to the consolidated financial statements.
- (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary companies.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Holding Company or its Subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (h) (iv) (a) and (b) above, contain any material misstatement.
- (v) The dividend for the year 2021-22, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from 01 April 2023 to the Holding Company and subsidiary, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

For Manubhai & Shah LLP**Chartered Accountants**

Firm's Registration No: 106041W/W100136

Ashish Shah**Partner**

Membership No. 103750

Mumbai**24 May 2023****UDIN: 23103750BGVVQT1626**

ANNEXURE – A 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”)

In conjunction with our audit of the Consolidated financial statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting of the **Nesco Limited** ('the Holding Company') and its subsidiary company 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 company, which are Company 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 company 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 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 company 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 company 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 2023, 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.

For Manubhai & Shah LLP

Chartered Accountants

Firm's Registration No: 106041W/W100136

Ashish Shah

Partner

Membership No. 103750

Mumbai

24 May 2023

UDIN: 23103750BGVVQT1626

Particulars	Note No	As at 31 March	
		2023	2022
Assets			
Non-Current Assets			
Property, Plant and Equipment	4	14,958.33	17,174.03
Capital work-in-progress	4a	8,526.98	8,206.20
Investment property	5	65,295.14	67,267.70
Other Intangible Assets	6	156.99	204.74
Intangible assets under development	6a	38.02	29.43
Financial Assets			
Investments	7	76,748.00	32,070.96
Other Non Current Financial Assets	8	5,545.48	7,733.13
Non Current Tax Assets(Net)	9	1,034.91	1,733.54
Other non current assets	10	1,247.73	1,440.23
Total Non-Current Assets		1,73,551.58	1,35,859.96
Current Assets			
Inventories	11	1,173.39	752.13
Financial assets			
Investments	7	39,350.93	52,556.22
Trade Receivables	12	2,262.23	1,862.90
Cash and Cash Equivalentents	13a	1,194.86	677.86
Other Balances with Banks	13b	585.59	273.95
Other Current Financial Assets	14	5,746.10	3,120.18
Other current assets	15	2,403.42	2,078.68
Total Current Assets		52,716.52	61,321.92
Total Assets		2,26,268.10	1,97,181.88

CIN : L17100MH1946PLC004886
BALANCE SHEET (Contd.)

(₹ in lakhs)

Particulars	Note No	As at 31 March	
		2023	2022
Equity and Liabilities			
Equity			
Equity share capital	16	1,409.20	1,409.20
Other equity	17	1,95,050.13	1,68,364.82
Total Equity		1,96,459.33	1,69,774.02
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Lease Liabilities		28.16	44.54
Other Non Current Financial Liabilities	18	12,007.93	12,747.15
Provisions	19	628.39	546.35
Deferred Tax Liabilities(Net)	20	2,488.40	3,138.58
Other non-current Liabilities	21	3,435.91	3,307.04
Total Non-current Liabilities		18,588.79	19,783.66
Current Liabilities			
Financial Liabilities			
Lease Liabilities		16.38	15.31
Trade Payables	22		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		324.95	88.80
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		1,119.10	800.33
Other Current Financial Liabilities	23	5,333.77	2,732.55
Other current Liabilities	24	4,371.54	3,956.56
Provisions	25	54.24	30.65
Total Current Liabilities		11,219.98	7,624.20
Total Equity and Liabilities		2,26,268.10	1,97,181.88

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, 24 May 2023

1 to 50
For and on behalf of the Board

Krishna S. Patel
Chairman and Managing Director
DIN- 01519572

Dipesh R. Singhania
Chief Financial Officer
Mumbai, 24 May 2023

Sudha S. Patel
Non-executive Director
DIN - 00187055

Jinal J. Shah
Company Secretary and
Compliance Officer
Mumbai, 24 May 2023

Particulars	Note No	For the Year	
		2022-2023	2021-2022
Revenue			
Revenue from operations	26	54,600.16	33,739.87
Other income	27	6,325.53	4,501.34
Total Income		60,925.69	38,241.21
Expenses			
Cost of materials consumed	28	3,746.61	2,534.97
Change in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	29	(159.13)	35.83
Employee Benefits Expenses	30	1,964.47	1,339.99
Finance Cost	31	1,221.12	921.95
Depreciation and Amortisation Expenses	4,5 & 6	3,278.82	2,830.55
Other Expenses	32	14,176.78	7,931.92
Total Expenses		24,228.67	15,595.21
Profit before tax		36,697.02	22,646.00
Tax expense	42		
Current Tax		8,260.00	4,223.72
Deferred Tax		(648.63)	(439.49)
Income Tax for Earlier Year		22.02	(55.35)
Total tax expense		7,633.39	3,728.88
Profit after tax		29,063.63	18,917.12

CIN : L17100MH1946PLC004886

STATEMENT OF PROFIT AND LOSS (Contd.)

(₹ in lakhs)

Particulars	Note No	For the Year	
		2022-2023	2021-2022
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plans - Net of Tax		(4.61)	44.40
Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income		1.71	3.39
Total Other Comprehensive Income		(2.90)	47.79
Total Comprehensive Income for the year		29,060.73	18,964.91
Profit for the year attributable to			
- Owners of the company		29,063.63	18,917.12
- Non Controlling interest		-	-
		29,063.63	18,917.12
Other Comprehensive Income for the year attributable to			
- Owners of the company		(2.90)	47.79
- Non Controlling interest		-	-
		(2.90)	47.79
Total Comprehensive Income for the year attributable to			
- Owners of the company		29,060.73	18,964.91
- Non Controlling interest		-	-
		29,060.73	18,964.91
Earning Per Equity Share (face value of ₹ 2 each)			
Basic & Diluted (In ₹)	39	41.25	26.85

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, 24 May 2023

1 to 50
For and on behalf of the Board

Krishna S. Patel
Chairman and Managing Director
DIN- 01519572

Dipesh R. Singhania
Chief Financial Officer
Mumbai, 24 May 2023

Sudha S. Patel
Non-executive Director
DIN - 00187055

Jinal J. Shah
Company Secretary and
Compliance Officer
Mumbai, 24 May 2023

A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at 01 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
1,409.20	-	1,409.20	-	1,409.20

Balance as at 01 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1,409.20	-	1,409.20	-	1,409.20

B) OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Total attributable to owners of the Company	Non Controlling Interest	Total Other Equity
	Retained Earnings	Preference Shares Redemption Reserve	General Reserve	Equity instruments	Other items			
Balance as at 01 April 2021 (A)	50.00	9.56	1,51,437.58	16.57	-	1,51,513.71	-	1,51,513.71
Additions during the year								
Profit for the year	18,917.12	-	-	-	-	18,917.12	-	18,917.12
Items of OCI for the year, net of tax								
Remeasurement of the Defined Benefit Plans	44.40	-	-	-	-	44.40	-	44.40
Net fair value gain/(loss) on investment in equity instruments Through Other Comprehensive Income	-	-	-	3.39	-	3.39	-	3.39
Total Comprehensive Income for the year 2021-22 (B)	18,961.52	-	-	3.39	-	18,964.91	-	18,964.91
Reductions during the year								
Dividend	(2,113.80)					(2,113.80)		(2,113.80)
Total (C)	(2,113.80)	-	-	-	-	(2,113.80)	-	(2,113.80)
Transfers during the year								
Retained earnings transferred to General reserve	(16,847.72)		16,847.72					-
Total (D)	(16,847.72)	-	16,847.72	-	-	-	-	-
Balance as at 31 March 2022 {E = (A + B + C + D)}	50.00	9.56	1,68,285.30	19.96	-	1,68,364.82	-	1,68,364.82

STATEMENT OF CHANGES IN EQUITY (Contd.)

(₹ in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Total attributable to owners of the Company	Non Controlling Interest	Total Other Equity
	Retained Earnings	Preference Shares Redemption Reserve	General Reserve	Equity instruments	Other items			
Additions during the year								
Profit for the year	29,063.63	-	-	-	-	29,063.63	-	29,063.63
Items of OCI for the year, net of tax								
Remeasurement of Defined Benefit Plans	(4.61)	-	-	-	-	(4.61)	-	(4.61)
Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income	-	-	-	1.71	-	1.71	-	1.71
Total Comprehensive Income for the year 2022-23 (F)	29,059.02	-	-	1.71	-	29,060.73	-	29,060.73
Reductions during the year								
Dividend	(2,113.80)	-	-	-	-	(2,113.80)	-	(2,113.80)
Total (G)	(2,113.80)	-	-	-	-	(2,113.80)	-	(2,113.80)
Transfers during the year								
Retained earnings transferred to General reserve	(26,945.22)	-	26,945.22	-	-	-	-	-
Total (H)	(26,945.22)	-	26,945.22	-	-	-	-	-
Adjustments during the year								
Adjustment on account of Liquidation of Subsidiary - Nesco Hospitality Private Limited	-	-	(261.62)	-	-	(261.62)	-	(261.62)
Total (I)	-	-	(261.62)	-	-	(261.62)	-	(261.62)
Balance as at 31 March 2023 { J = (E + F + G + H + I) }	50.00	9.56	1,94,968.90	21.67	-	1,95,050.13	-	1,95,050.13

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, 24 May 2023

1 to 50
For and on behalf of the Board

Krishna S. Patel
Chairman and Managing Director
DIN- 01519572

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Mumbai, 24 May 2023

Sudha S. Patel
Non-executive Director
DIN - 00187055

Jinal J. Shah
Company Secretary and
Compliance Officer
Mumbai, 24 May 2023

Particulars	For the Year	
	2022-2023	2021-2022
A) Cash Flow From Operating Activities		
Net Profit Before Income Tax	36,697.02	22,646.00
Add/(Less):		
Depreciation	3,278.82	2,830.55
Interest Income	(3,755.57)	(2,197.16)
Dividend Income	(15.17)	(37.03)
Brokerage Income	(21.12)	(26.29)
(Profit) / Loss on Sale of Asset	1,614.68	130.77
Finance Cost	1,221.12	921.95
Assets Written Off	253.48	-
Net (Gain)/Loss Arising On Financial Assets Measured at FVTPL	(2,546.21)	(2,288.67)
Net (Gain)/Loss Arising On Redemption of Bonds	144.38	296.22
Prepaid License Fee amortised	(988.34)	(929.98)
Lease Rental Income	712.95	(985.25)
Bad Debts/Sundry Balance Written Off	41.30	75.48
Allowance For Doubtful Bad Debts	128.74	86.10
Provision for Warranty Expenses	4.30	7.36
Sundry Creditors/Liabilities Written Back (Net)	(115.54)	(165.63)
	<u>(42.18)</u>	<u>(165.63)</u>
Operating Profit Before Change In Operating Assets And Liabilities	36,654.84	20,364.43
Add/(Less):		
(Increase)/Decrease in Inventory	(421.25)	(11.93)
(Increase)/Decrease in Trade & Other Receivable	(569.38)	935.21
(Increase)/Decrease in Other Operating Assets	(1,595.09)	674.23
Increase/(Decrease) in Trade Payables	670.46	(169.95)
Increase/(Decrease) in Provisions	95.16	38.60
Increase/(Decrease) in Other Operating Liabilities	2,411.05	(1,117.40)
	<u>590.95</u>	<u>(1,117.40)</u>
Cash Generated From Operations	37,245.79	20,713.18
Add/(Less):		
Income Tax Paid (Net of Refund)	(7,583.39)	(4,391.89)
	<u>(7,583.39)</u>	<u>(4,391.89)</u>
Net Cash Generated from Operating Activities - [A]	29,662.40	16,321.29
B) Cash Flow From Investing Activities		
Purchase of Fixed Assets / Capital Work In Progress	(1,240.33)	(14,870.89)
Purchase of Investments	(50,843.35)	(56,462.72)
Proceeds From Sale of Investments	21,775.13	54,833.38
Interest Received	3,755.57	2,197.16
Brokerage Income	21.12	26.29
Dividend Received	15.17	37.03
	<u>(26,516.69)</u>	<u>37.03</u>
Net Cash Used in Investing Activities - [B]	(26,516.69)	(14,239.75)
C) Cash Flow Used in Financing Activities		
Increase/(Decrease) in Lease Liability	(15.31)	59.85
Finance Costs Paid	(237.98)	(11.46)
Dividend Paid to Shareholders	(2,113.80)	(2,113.80)
	<u>(2,367.09)</u>	<u>(2,113.80)</u>
Net Cash Used in Financing Activities - [C]	(2,367.09)	(2,065.41)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	778.62	16.13
Cash/Cash Equivalents at the beginning of the year	677.86	661.73
Less: Cash and Cash Equivalents as at 01 April 2022 of NHPL	261.62	-
Cash/Cash Equivalents at the end of the year	1,194.86	677.86

CASH FLOW STATEMENT (Contd.)

(₹ in lakhs)

Particulars	2022-2023	2021-2022
Notes:-		
a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS- 7) Statement of Cash Flow		
b) Cash and Cash Equivalent comprises of		
Cash on hand	1.97	0.10
Balances with Banks in Current Account	<u>1,192.89</u>	<u>677.76</u>
Cash and Cash Equivalents in Cash Flow Statements	<u>1,194.86</u>	<u>677.86</u>

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, 24 May 2023

For and on behalf of the Board

Krishna S. Patel
Chairman and Managing Director
DIN- 01519572

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Chief Financial Officer
Mumbai, 24 May 2023

Sudha S. Patel
Non-executive Director
DIN - 00187055

Jinal J. Shah
Company Secretary and
Compliance Officer
Mumbai, 24 May 2023

NOTES FORMING PART OF FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Company Background

Nesco Limited ("Nesco" or "Parent Company") was incorporated on 15 April 1946, under the Indian Companies Act VII of 1913. The Parent Company is domiciled in India having registered office at Nesco Centre, Western Express Highway, Goregaon (East), Mumbai 400063 and listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). These consolidated financial statements comprise the Parent Company and its subsidiaries (referred to collectively as "the Group")

The Group is mainly engaged in the following:

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

Note 1 - Basis of Preparation of Financial Statements

a) Compliance with Ind AS:

These consolidated financial statements have been prepared in compliance with Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act 2013 (The Act), read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

b) Current / Non-Current Classification:

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

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

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

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

c) Functional and Presentation Currency:

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

d) Rounding of Amounts:

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

Note 2- Significant Accounting Policies**a) Property, Plant and Equipment:**

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

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

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

b) Investment Property:

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

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

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

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

Asset Class	Years
Factory Buildings	30
Buildings (other than Factory Buildings)	60
Plant and Equipment	15
Electrical Installations	10
Patterns and Mouldings	8
Kitchen Equipment	5
Furniture and Fixtures and Office equipment: -	
-Office furniture	10
-Computers	3
-Office equipment	5
Vehicles	10

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

d) Non-Current Assets held for sale:

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

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

e) Intangible assets:

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

f) Impairment of Assets:

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

g) Inventories:

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

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

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

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

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

h) Financial Instruments:

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

1. Investments and other Financial Assets:

(i) Classification:

The Group classifies its financial assets in following measurement categories:

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

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

(ii) Initial recognition and measurement:

At initial recognition, the Group measures a financial asset at fair value, plus in case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. 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 is recognised in profit and loss as other income when the Group's right to receive payments is established. Impairment loss (and reversal of impairment loss) on equity instruments measured at FVTOCI are not accounted separately from other changes in fair value.

(vii) Investment in Debt Instruments:

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

(viii) Impairment of Financial Assets:

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

(ix) De-recognition of Financial Assets:

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

A financial asset is derecognised only when the Group –

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

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

(x) Income recognition:

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

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

2. Financial Liabilities:

i) Classification:

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

ii) Initial recognition and measurement:

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

iii) Subsequent measurement:

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

iv) De-recognition of Financial Liabilities:

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

3. Offsetting Financial Instruments:

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

i) Provisions and Contingencies:

A provision is recognised, if as a result of a past event the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the management's best estimate of the expenditure required to settle

the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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

j) Segment Reporting:

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

1. Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with/ or allocable to segments are considered for determining the segment result. Expenses which relate the Group as a whole and not allocable to segments are included in un-allocable expenditure.
3. Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

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

k) Revenue Recognition:

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

Recognition of revenue from major business activities:

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

l) Income tax:

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

1. Current tax:

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

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

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

2. **Deferred tax:**

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

Deferred tax assets and liabilities are offset only if:

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

m) **Cash and cash equivalents:**

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

n) **Trade Receivables:**

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

o) **Leases**

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

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

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

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

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

Leases as lessor

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

p) Earnings Per Share:

Basic Earnings per share is calculated by dividing:

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

q) Employee Benefits:

1. Short term obligations:

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

2. Other long term employee obligations:

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

3. Post-employment obligations:

The Group operates the following post-employment schemes.

i) Defined benefit plans (gratuity):

The Group has unfunded defined benefit gratuity plan for employees.

Recognition and measurement of Defined Benefit plans:

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

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

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

ii) Defined contribution plans such as provident fund:

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

r) Proposed Dividend:

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

s) Basis of Consolidation:

The consolidated financial statements relate to the Nesco Limited and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements of the Group and its subsidiaries are combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income, and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Ind - AS 110 “Consolidated Financial Statements”.

Subsidiaries are the entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

Non-controlling interests (NCI): Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively. NCI are measured at their proportionate share of the acquirer's identifiable net assets.

Transactions eliminated on consolidation: Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated. Unrealised gains and losses are eliminated unless the transaction provides evidence of impairment of the transferred asset.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% to 50% of the voting rights. Investments in associates are accounted for under the equity method as per Ind - AS 28 - “Investments in Associates and Joint Ventures”.

t) Recent Accounting pronouncements:

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March, 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards issued but not yet effective:

In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS as explained below:

Ind AS 1 – Presentation of Financial Statements – the amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Consolidated Financial Statements is expected to be insignificant basis the preliminary evaluation.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – the amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. There is no impact of the amendment on the Consolidated Financial Statements basis the preliminary evaluation.

Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Consolidated Financial Statements basis the preliminary evaluation.

The above amendments are effective from annual periods beginning on or after 1 April, 2023.

Note 3- Key Accounting Estimates and Judgements:

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

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

Critical accounting estimates and assumptions

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

a) Income Taxes:

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

b) Property, Plant and Equipment and Investment Property:

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

c) Defined Benefit Obligation:

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

d) Fair value measurement of Financial Instruments:

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

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 2023

(₹ in lakhs)

Particulars	Freehold land	Right of Use - Leasehold Land*	Freehold building	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Vehicles	Total
Opening gross carrying amount	638.23	74.16	13,861.25	4,395.49	1,352.71	840.81	364.66	21,527.30
Additions	-	-	38.96	361.99	65.23	335.22	0.00	801.40
Deductions / Adjustments	-	-	(1,759.36)	(40.08)	-	(15.08)	(131.88)	(1,946.39)
Closing gross carrying amount (A)	638.23	74.16	12,140.85	4,717.40	1,417.94	1,160.95	232.78	20,382.31
Opening accumulated depreciation	-	16.18	994.72	1,857.53	664.44	625.12	195.28	4,353.27
Depreciation during the year	-	16.18	773.98	254.90	131.34	77.15	25.11	1,278.66
Deductions / Adjustments	-	-	(72.50)	(19.12)	-	(12.47)	(103.85)	(207.95)
Closing accumulated depreciation and impairment (B)	-	32.36	1,696.20	2,093.31	795.78	689.80	116.54	5,423.98
Net carrying amount (A-B)	638.23	41.80	10,444.65	2,624.09	622.16	471.15	116.24	14,958.33

* Lease Agreement is duly executed in favour of the Group Companies.

Changes in carrying value of Property, Plant and Equipment for the year ended 31 March 2022

(₹ in lakhs)

Particulars	Freehold land	Right of Use - Leasehold Land*	Freehold building	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Vehicles	Total
Opening gross carrying amount	638.23	-	4,612.45	4,111.68	1,344.49	825.62	445.99	11,978.44
Additions	-	74.16	9,248.80	283.81	8.22	15.73	43.32	9,674.04
Deductions / Adjustments	-	-	-	-	-	(0.54)	(124.65)	(125.18)
Closing gross carrying amount (A)	638.23	74.16	13,861.25	4,395.49	1,352.71	840.81	364.66	21,527.30
Opening accumulated depreciation	-	-	573.04	1,635.50	535.76	525.60	243.34	3,513.24
Depreciation during the year	-	16.18	421.68	222.03	128.68	100.03	40.70	929.30
Deductions / Adjustments	-	-	-	-	-	(0.50)	(88.77)	(89.27)
Closing accumulated depreciation and impairment (B)	-	16.18	994.72	1,857.53	664.44	625.12	195.28	4,353.27
Net carrying amount (A-B)	638.23	57.98	12,866.53	2,537.96	688.26	215.68	169.38	17,174.03

* Lease Agreement is duly executed in favour of the Group Companies.

Title deeds of all immovable properties are in the name of the Group Companies.

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	
	2023	2022	2023	2022	2023	2022
Plant and machinery	-	36.66	70.67	-	70.67	36.66
Freehold building	752.38	531.85	7,701.45	7,637.69	8,453.83	8,169.54
Furniture, fixture & office equipment	2.48	-	-	-	2.48	-
Total	754.86	568.51	7,772.12	7,637.69	8,526.98	8,206.20

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Capital Work in Progress (CWIP)

a) CWIP Ageing Schedule as at 31 March 2023

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	376.43	7,354.00	675.94	120.61	8,526.98
Projects temporarily suspended	-	-	-	-	-
Total	376.43	7,354.00	675.94	120.61	8,526.98

b) CWIP Ageing Schedule as at 31 March 2022

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	7,399.77	682.17	124.26	-	8,206.20
Projects temporarily suspended	-	-	-	-	-
Total	7,399.77	682.17	124.26	-	8,206.20

There are no projects whose completion is overdue or has exceeded the cost compared to its original budget as on 31 March 2023 & 31 March 2022.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 5 - Investment Property

Changes in carrying value of Investment property for the year ended 31 March 2023

(₹ in lakhs)

Particulars	Freehold building	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Total
Opening gross carrying amount	63,368.14	3,549.12	5,308.63	1,648.28	73,874.17
Additions	49.84	46.54	38.87	105.06	240.31
Deductions / Adjustments	-	-	(2.55)	(310.58)	(313.13)
Closing gross carrying amount (A)	63,417.98	3,595.66	5,344.95	1,442.76	73,801.35
Opening accumulated depreciation	3,594.16	1,007.81	1,800.56	203.95	6,606.47
Depreciation during the year	1,025.18	254.09	472.36	200.53	1,952.16
Deductions / Adjustments	-	-	(0.16)	(52.26)	(52.42)
Closing accumulated depreciation and impairment (B)	4,619.34	1,261.90	2,272.76	352.21	8,506.21
Net carrying amount (A-B)	58,798.64	2,333.76	3,072.19	1,090.55	65,295.14

Changes in carrying value of Investment property for the year ended 31 March 2022

(₹ in lakhs)

Particulars	Freehold building	Plant and machinery	Electrical Installations	Furniture, fixture & office equipment	Total
Opening gross carrying amount	63,107.70	3,344.30	4,990.37	636.55	72,078.92
Additions	282.81	305.36	475.70	1,390.44	2,454.32
Deductions / Adjustments	(22.37)	(100.53)	(157.44)	(378.72)	(659.07)
Closing gross carrying amount (A)	63,368.14	3,549.12	5,308.63	1,648.28	73,874.17
Opening accumulated depreciation	2,585.24	773.12	1,291.85	251.24	4,901.44
Depreciation during the year	1,008.92	234.69	508.71	101.84	1,854.16
Deductions / Adjustments	-	-	-	(149.13)	(149.13)
Closing accumulated depreciation and impairment (B)	3,594.16	1,007.81	1,800.56	203.95	6,606.47
Net carrying amount (A-B)	59,773.98	2,541.32	3,508.07	1,444.33	67,267.70

Note:-

The fair value of freehold building as at 31 March 2023 is ₹ 3,66,218.00 lakhs (previous year ₹ 3,53,326.00 lakhs) which is based on Stamp Duty Ready Reckoner published by Government of Maharashtra.

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

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

(₹ in lakhs)

Particulars	Amount
1) Total income from Investment Property	29,502.70
2) Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	6,850.02
3) Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate 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 2023

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Opening gross carrying amount	310.53	288.11
Additions	0.24	22.42
Deductions / Adjustments	-	-
Closing gross carrying amount(A)	310.77	310.53
Opening accumulated depreciation	105.79	58.70
Depreciation during the year	47.99	47.09
Deductions / Adjustments	-	-
Closing accumulated depreciation and impairment (B)	153.78	105.79
Net carrying amount (A-B)	156.99	204.74

Note 6a - Intangible assets under development:

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Software	38.02	29.43
Total	38.02	29.43

Intangible assets under development ageing schedule as at 31 March 2023

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	8.59	2.04	2.40	24.99	38.02

Intangible assets under development ageing schedule as at 31 March 2022

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Projects in progress	2.04	2.40	24.99	-	29.43

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 7 - Investments

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Investments - Non-Current		
Unquoted		
Investment in Government Securities measured at cost	1.00	1.00
Other Investment measured at cost	0.03	0.13
Less :- Provision for Diminution in value of investments	(1.03)	(1.03)
Total	-	0.10
Quoted		
Investment carried at fair value through OCI		
Fully paid equity shares	21.66	20.00
Total	21.66	20.00
Investment in Mutual Funds carried at fair value through profit and loss		
Fixed Maturity Plans	869.81	-
Equity Funds	9,000.14	2,302.12
Dynamic Asset Allocation Fund	211.91	519.11
Total	10,081.86	2,821.23
Investment carried at amortised cost		
Corporate Deposits	-	-
Non Convertible Debentures and Bonds	66,444.48	29,029.62
Preference Shares	200.00	200.00
Total	66,644.48	29,229.62
Total Non Current Investments	76,748.00	32,070.96
Total aggregate amount of quoted and unquoted investment at cost	76,480.65	32,029.48
Aggregate amount of impairment in value of investments	1.03	1.03
Investments - Current		
Investment in Mutual Funds carried at fair value through profit and loss		
Fixed Maturity Plans	-	4,561.36
Debt Funds	13,122.40	13,803.49
Short Term Debt Funds	8,201.78	10,388.41
Floating rate Debt Funds	4,084.83	4,904.11
Balanced Funds	806.15	770.23
Equity Funds	1,329.33	1,251.50
Dynamic Asset Allocation Fund	550.78	-
Liquid Funds	2,158.43	1,740.57
Debt funds - ultra short term bond funds	9,097.23	13,051.70
Total (A)	39,350.93	50,471.37
Investment carried at amortised cost		
Non Convertible Debentures and Bonds	-	1,684.85
Corporate Deposits	-	400.00
Total (B)	-	2,084.85
Total Current Investments (A + B)	39,350.93	52,556.22
Total aggregate amount of Quoted and Unquoted Investment at Cost	32,791.57	46,422.22
Aggregate amount of impairment in value of investments	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Note 8 Other Non Current Financial Assets		
Security Deposits (Unsecured, Considered Good)	450.11	434.74
Lease Rental Receivables	5,095.37	7,298.39
	5,545.48	7,733.13
Note 9 Non Current Tax Assets (Net)		
Advance Payment of Income Tax(Net)	1,034.91	1,733.54
	1,034.91	1,733.54
Note 10 Other non current assets		
Capital Advances	128.06	55.06
Other Long Term Advances	1,119.67	1,385.17
	1,247.73	1,440.23
Note 11 Inventories (At lower of cost and net realisable value)		
Raw Materials	819.29	559.61
Work in Progress	322.83	163.70
Stores and Spares	31.27	28.82
	1,173.39	752.13
Note 12 Trade Receivables		
a) Unsecured - Considered Good	2,262.23	1,862.90
b) Credit Impaired	165.77	134.24
	2,428.00	1,997.14
Less : Allowances for Doubtful Trade Receivables	(165.77)	(134.24)
	2,262.23	1,862.90

Trade Receivables ageing schedule for the year ended 31 March 2023

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	802.44	1,298.95	150.57	-	0.03	10.25	2,262.23
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	1.86	13.45	11.84	10.58	6.33	44.05
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	5.50	0.54	21.31	6.58	87.79	121.72
Total	802.44	1,306.31	164.56	33.15	17.19	104.36	2,428.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Trade Receivables ageing schedule for the year ended 31 March 2022

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	622.38	1,102.85	82.87	10.91	17.10	26.78	1,862.90
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	15.07	32.50	17.13	7.90	8.05	80.65
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	17.45	20.58	15.56	53.59
Total	622.38	1,117.92	115.37	45.49	45.58	50.39	1,997.14

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022

Note 13 Cash and Bank Balances

a) Cash and cash equivalents		
Balances With Banks in Current Accounts	1,192.89	677.76
Cash On Hand	1.97	0.10
	<u>1,194.86</u>	<u>677.86</u>
b) Other balances with banks		
Bank Deposits With Less Than 12 Months of Original Maturity	368.16	61.86
Earmarked Balances with banks		
Unclaimed Dividend*	183.82	190.56
Unspent CSR**	33.61	21.53
	<u>585.59</u>	<u>273.95</u>

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

**The Parent Company can utilise these balances only towards CSR Activities.

Note 14 Other financial assets

Deposits (Others)	51.86	30.59
Other Receivables	5,694.24	3,089.59
	<u>5,746.10</u>	<u>3,120.18</u>

Note 15 Other current assets

Advance Recoverable in Cash Or Kind	242.82	187.66
Balances with Government Authorities		
Sales Tax and GST	601.25	587.60
Advances to Suppliers	785.25	632.10
Advance to Staff	12.35	10.96
Other Receivables	761.75	660.36
	<u>2,403.42</u>	<u>2,078.68</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 16 Equity Share Capital

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
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

Particulars	As at 31 March			
	2023 Equity Shares		2022 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
Changes in Equity Share capital during the year	-	-	-	-
At the end of the year	7,04,59,960	14,09,19,920	7,04,59,960	14,09,19,920

b) Terms / Rights Attached to Equity Shares

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

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

c) Proposed Dividend

The Board of Directors of Parent Company at its meeting held on 24 May 2023 have recommended a payment of dividend of ₹ 4.50 (Rupees Four and Fifty Paise only) per equity share of face value ₹2 each for the financial year ended 31 March 2023 amounting to ₹ 3,170.70 lakhs and subject to approval at the ensuing AGM of the Company and hence is not recognized as a liability.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	As at 31 March			
	2023		2022	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Chandler & Price India Pvt. Ltd.	1,95,84,718	27.80	1,95,84,718	27.80
Mr. Sumant J. Patel*	88,67,335	12.58	88,67,335	12.58
Patel Consultancy Services Pvt. Ltd.	53,62,500	7.61	53,62,500	7.61
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

e) Details of Shareholding of Promoters

Particulars	As at 31 March				% of change during the year
	2023		2022		
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	
Chandler & Price India Pvt. Ltd.	1,95,84,718	27.80	1,95,84,718	27.80	-
Mr. Sumant J. Patel*	88,67,335	12.58	88,67,335	12.58	-
Patel Consultancy Services Pvt. Ltd.	53,62,500	7.61	53,62,500	7.61	-
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	-
Sumant J Patel HUF	31,63,640	4.49	31,63,640	4.49	-
Mr. Krishna S. Patel	21,25,400	3.02	21,25,400	3.02	-
Aarav K. Patel	1,40,000	0.20	1,40,000	0.20	-

*Shri Sumant J. Patel left for his heavenly abode on 17 November 2021.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 17 - Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Total attributable to owners of the Company	Non Controlling Interest	Total Other Equity
	Retained Earnings	Preference Shares Redemption Reserve	General Reserve	Equity instruments	Other items			
Balance as at 01 April 2021 (A)	50.00	9.56	1,51,437.58	16.57	-	1,51,513.71	-	1,51,513.71
Additions during the year								
Profit for the year	18,917.12	-	-	-	-	18,917.12	-	18,917.12
Items of OCI for the year, net of tax								
Remeasurement of Defined Benefit Plans	44.40	-	-	-	-	44.40	-	44.40
Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income	-	-	-	3.39	-	3.39	-	3.39
Total Comprehensive Income for the year 2021-22 (B)	18,961.52	-	-	3.39	-	18,964.91	-	18,964.91
Reductions during the year								
Dividend	(2,113.80)	-	-	-	-	-	-	(2,113.80)
Total (C)	(2,113.80)	-	-	-	-	-	-	(2,113.80)
Transfers during the year								
Retained earnings transferred to General reserve	(16,847.72)	-	16,847.72	-	-	-	-	-
Total (C)	(16,847.72)	-	16,847.72	-	-	-	-	-
Balance as at 31 March 2022 E = (A + B + C + D)	50.00	9.56	1,68,285.30	19.96	-	1,70,478.62	-	1,68,364.82
Additions during the year								
Profit for the year	29,063.63	-	-	-	-	29,063.63	-	29,063.63
Items of OCI for the year, net of tax								
Remeasurement of Defined Benefit Plans	(4.61)	-	-	-	-	(4.61)	-	(4.61)
Net Fair Value Gain/(Loss) on Investment in Equity Instruments Through Other Comprehensive Income	-	-	-	1.71	-	1.71	-	1.71
Total Comprehensive Income for the year 2022-23 (F)	29,059.02	-	-	1.71	-	29,060.73	-	29,060.73
Reductions during the year								
Dividend	(2,113.80)	-	-	-	-	-	-	(2,113.80)
Total (G)	(2,113.80)	-	-	-	-	-	-	(2,113.80)
Transfers during the year								
Retained earnings transferred to General reserve	(26,945.22)	-	26,945.22	-	-	-	-	-
Total (H)	(26,945.22)	-	26,945.22	-	-	-	-	-
Adjustments during the Year								
Adjustment on account of Liquidation of Subsidiary - Nesco Hospitality Private Limited	-	-	(261.62)	-	-	-	-	(261.62)
Total (I)	-	-	(261.62)	-	-	-	-	(261.62)
Balance as at 31 March 2023 J = (E + F + G + H + I)	50.00	9.56	1,94,968.90	21.67	-	1,99,539.35	-	1,95,050.13

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Description of nature and purpose of each reserve

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

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Note 18 Other financial liabilities		
Security Deposits from IT Park Licensees and Others	12,007.93	12,747.15
	12,007.93	12,747.15
Note 19 Provisions		
a) Provision for Employee benefits (Refer Note 41)		
Gratuity	365.18	304.86
Leave Encashment	98.21	76.49
b) Compensation Payable (Refer Note 45)	165.00	165.00
	628.39	546.35
Note 20 Deferred tax liabilities (Net)		
Opening Balance	3,138.58	3,586.99
Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961	(308.40)	(44.08)
Provision for expenses allowed for tax purpose on payment basis	(32.39)	235.85
Difference in carrying value and tax base of investments measured at FVTPL	(158.68)	(816.23)
Allowance of doubtful debts and advances	(32.47)	(14.89)
Lease Equalisation Reserve assets	(125.61)	173.58
Remeasurement of the defined benefit plan through OCI	7.37	17.36
	2,488.40	3,138.58
(Refer Note 42 "Income Taxes" for further details)		
Note 21 Other non-current liabilities		
Advance Lease Rentals	2,601.12	2,353.73
Advance from Customers	834.79	953.31
	3,435.91	3,307.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 22 Trade Payable

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 36)	324.95	88.80
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	1,119.10	800.33
	1,444.05	889.13

Trade Payables ageing schedule for the year ended 31 March 2023

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	183.80	139.18	-	-	-	322.98
(ii) Others	660.81	323.37	8.38	-	1.89	994.45
(iii) Disputed dues - MSME	-	1.97	-	-	-	1.97
(iv) Disputed dues - Others	3.40	16.59	-	-	104.66	124.65
Total	848.01	481.11	8.38	-	106.55	1,444.05

Trade Payables ageing schedule for the year ended 31 March 2022

(₹ in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	46.52	38.56	1.00	2.72	-	88.80
(ii) Others	295.83	357.93	23.04	4.59	7.31	688.71
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	0.68	11.45	98.68	0.82	111.62
Total	342.35	397.17	35.48	105.99	8.13	889.13

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022

Note 23 Other financial liabilities

Unclaimed dividend	183.82	190.56
Payable to Employees	154.88	43.76
Payable towards Capital Expenditure	254.27	379.05
Security Deposits	3,218.54	1,083.98
Other Payables	1,522.26	1,035.20
	5,333.77	2,732.55

Note 24 Other current liabilities

a) Revenue received in advance		
Advance from Customers	3,314.04	3,079.38
b) Others		
Statutory Payables		
Payable Towards VAT	8.77	1.26
Payable Towards GST	652.71	449.62
Payable Towards TDS/TCS	377.36	416.51
Payable Towards PF/ESIC/PT	18.66	9.79
	4,371.54	3,956.56

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Note 25 Provisions		
Provision for Employee benefits (Refer Note 41)		
Gratuity	18.21	4.44
Leave Encashment	11.38	5.86
Provision for Warranty (Refer Note 45)	24.65	20.35
	54.24	30.65

(₹ in lakhs)

Particulars	For the year	
	2022-2023	2021-2022
Note 26 Revenue from Operations		
a) Sale of Products		
Sales of Machines and Spares	4,437.07	4,393.98
b) Sale of Services		
Bombay Exhibition Centre (Rental and Services)	15,582.63	1,618.33
Nesco IT Park (Rental and Services)	29,502.70	26,415.15
Hospitality Services	4,862.56	1,135.27
Engineering fees, services and other charges	215.20	177.14
	54,600.16	33,739.87
Note 27 Other income		
Interest Income	3,755.57	2,197.16
Dividend from mutual fund investments	15.17	37.03
Net gain arising on financial assets measured at FVTPL	2,546.21	2,288.67
Net (Loss)/ Gain Arising on Redemption of Bonds	(144.38)	(296.22)
Sundry Creditors/Liabilities written back(net)	115.54	165.63
Other Miscellaneous Income	37.42	109.07
	6,325.53	4,501.34
Note 28 Cost of Materials Consumed		
Opening Stock	559.61	516.01
Add: Purchases	4,006.29	2,578.57
	4,565.90	3,094.58
Less: Closing Stock	819.29	559.61
Cost of Materials Consumed	3,746.61	2,534.97
Note 29 Changes in Inventories of finished goods and work in progress		
Opening Stock of work in progress	163.70	199.53
Less: Closing Stock of work in progress	(322.83)	(163.70)
	(159.13)	35.83
Note 30 Employee Benefits expense		
Salaries and Wages	1,752.64	1,222.53
Contribution to Provident and other funds	90.49	55.43
Gratuity (Refer Note 41)	71.93	44.98
Staff welfare expenses	49.41	17.05
	1,964.47	1,339.99

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	For the year	
	2022-2023	2021-2022
Note 31 Finance Costs		
Interest on Financial Liabilities Carried at Amortised Cost	1,192.92	910.49
Bank Charges & Guarantee Commission	10.01	8.66
Others	18.19	2.80
	1,221.12	921.95

(₹ in lakhs)

Particulars	For the year	
	2022 - 2023	2021 - 2022
Note 32 Other Expenses		
Consumption of Stores and Spares	182.40	148.45
Power, Fuel & Electricity	1,828.45	568.18
Contract Manpower	1,891.77	891.05
Repairs and maintenance of :		
- Buildings & Property	1,173.91	986.76
- Plant & Machinery	325.92	180.10
- Other Assets	539.22	261.84
Printing, Stationery, Postage and Communication expenses	67.10	29.14
Rent	8.12	6.81
Hire Charges	205.16	39.20
Catering and Other operating supplies	182.82	87.84
Rates and Taxes	1,372.49	1,328.54
Water Charges	110.94	22.77
Advertisement and Sales Promotion	237.80	48.47
Membership and Subscription	12.56	5.43
Insurance	114.89	106.34
Housekeeping and Other Office Expenses	114.89	56.09
Loss on Sale / Asset Written off	1,868.15	130.77
Exchange Loss on Foreign Currency Transactions	0.31	1.46
Travelling, Conveyance and vehicle expenses	218.82	89.18
Payment to Auditors:-		
- Audit Fees	35.09	30.99
- Certification work	0.25	0.28
Legal & professional fees	593.92	558.57
Event Expenses	271.10	2.40
CSR Expenses	437.66	497.97
Donation	159.40	1.95
Freight and handling charges	119.98	125.12
Commission to Directors	750.00	785.00
Directors' sitting fees	26.15	30.25
Security charges	111.31	79.78
Bad Debts/Sundry Balance Written Off	41.30	75.48
Allowance for Doubtful Bad Debts, Stock and Deposits	128.74	86.10
Commission Brokerage	980.06	605.87
Software and IT Expenses	52.94	40.94
Miscellaneous Expenses	13.18	22.80
	14,176.78	7,931.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 33 Category wise classification of financial instruments

The carrying value of financial instruments by categories as of 31 March 2023 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	-	-	21.66	21.66
Mutual Funds	-	49,432.79	-	49,432.79
Corporate Deposits, Non-convertible Debentures, Bonds and Preference Shares	66,644.48	-	-	66,644.48
Trade Receivables	2,262.23	-	-	2,262.23
Cash and Cash Equivalents	1,194.86	-	-	1,194.86
Other Balances with Banks	585.58	-	-	585.58
Other financial assets	11,291.58	-	-	11,291.58
Total Financial Assets	81,978.74	49,432.79	21.66	1,31,433.19
Financial Liabilities				
Trade Payables	1,444.05	-	-	1,444.05
Lease Liabilities	44.54	-	-	44.54
Other financial liabilities	17,341.70	-	-	17,341.70
Total Financial Liabilities	18,830.29	-	-	18,830.29

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

(₹ in lakhs)

Financial Assets / Financial Liabilities	Amortised cost	Fair Value through profit or loss	Fair Value through other comprehensive income	Total carrying value
Financial Assets				
Investments				
Equity Instruments	-	-	20.00	20.00
Mutual Funds	-	53,292.60	-	53,292.60
Corporate Deposits, Non-convertible Debentures, Bonds and Preference Shares	31,314.47	-	-	31,314.47
Other Investments	0.10	-	-	0.10
Trade Receivables	1,862.90	-	-	1,862.90
Cash and Cash Equivalents	677.86	-	-	677.86
Other Balances with Banks	273.95	-	-	273.95
Other financial assets	10,853.31	-	-	10,853.31
Total Financial Assets	44,982.59	53,292.60	20.00	98,295.19
Financial Liabilities				
Trade Payables	889.13	-	-	889.13
Lease Liabilities	59.85	-	-	59.85
Other financial liabilities	15,479.70	-	-	15,479.70
Total Financial Liabilities	16,428.68	-	-	16,428.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Fair value hierarchy

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

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

(₹ in lakhs)

Particulars	As of 31 March 2023	Fair value hierarchy at the end of the reporting period/year using		
		Level 1	Level 2	Level 3
Investments in Equity Instruments	21.66	21.66	-	-
Investments in Mutual Funds	49,432.79	49,432.79	-	-

Particulars	As of 31 March 2022	Fair value hierarchy at the end of the reporting period/year using		
		Level 1	Level 2	Level 3
Investments in Equity Instruments	20.00	20.00	-	-
Investments in Mutual Funds	53,292.60	53,292.60	-	-

Financial instrument measured at amortised cost

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 34 - Financial Risk Management:

Financial Risk Factors:

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

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

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 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Currency				
USD	NIL	NIL	9.29	3.84

The Group has not entered into any forward contract during the year ended 31 March 2023 and 31 March 2022. The Group has not entered into any forward instrument for trades or speculation purpose.

b. Interest Rate Risk:

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

c. Other Price Risk:

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

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

2. Credit Risk:

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

The maximum exposure to credit risk on account of trade receivables, at the reporting date is ₹ 2,262.23 lakhs and ₹ 1,862.90 lakhs as on 31 March 2023 and 31 March 2022 respectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

The allowance for lifetime expected credit loss on customer balances as on 31 March 2023 and 31 March 2022 was ₹ 165.77 lakhs and ₹ 134.24 lakhs respectively.

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2021
Balance at the beginning	134.24	134.18
Loss allowance measured at lifetime expected credit losses	31.53	0.06
Balance at the end	165.77	134.24

Credit risk of financial assets other than Trade receivables:

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

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

The allowance for lifetime expected credit loss on current license and other fees receivables as on 31 March 2023 and 31 March 2022 was ₹218.31 lakhs and ₹120.83 lakhs respectively.

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	120.83	61.74
Loss allowance measured at lifetime expected credit losses	97.48	59.09
Balance at the end	218.31	120.83

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. Liquidity Risk:

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

The Group manages the liquidity risk by maintaining adequate cash and cash equivalent ₹ 1,194.86 lakhs and ₹677.86 lakhs as on 31 March 2023 and 31 March 2022 respectively.

The table below provides details regarding the contractual maturities of significant financial liabilities as on 31 March 2023:

(₹ in lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Other financial liabilities (non-current)				
Lease Liabilities	-	28.16	-	28.16
Security Deposits from IT Park Licensees and Others	-	12,007.93	-	12,007.93
Other financial liabilities (current)				
Lease Liabilities	16.38	-	-	16.38
Security deposit from licensees and customers	3,218.54	-	-	3,218.54
Trade Payables	1,444.05	-	-	1,444.05
Other financial liabilities	2,115.23	-	-	2,115.23
Total	6,794.20	12,036.09	-	18,830.29

Details regarding contractual maturities of significant financial liabilities as on 31 March 2022:

(₹ in lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Other financial liabilities (non-current)				
Lease Liabilities	-	44.54	-	44.54
Security Deposits from IT Park Licensees and Others	-	12,747.15	-	12,747.15
Other financial liabilities (current)				
Lease Liabilities	15.31	-	-	15.31
Security deposit from licensees and customers	1,083.98	-	-	1,083.98
Trade Payables	889.13	-	-	889.13
Other financial liabilities	1,648.57	-	-	1,648.57
Total	3,636.99	12,791.69	-	16,428.68

4. Capital Management

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As of 31 March 2023, the Group has only one class of shares referred to as Equity Shares and has nil debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long-term financial plans.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 35 - Contingent Liabilities and Commitments:

- 1 Income tax demand disputed by the Company ₹ 200.97 lakhs (previous year ₹ 286.24 lakhs)
- 2 Claims against the Company not acknowledged as debts ₹ 4,499.59 lakhs (previous year ₹ 3,256.67 lakhs)
- 3 Estimated value of contracts remaining to be executed on capital account and not provided for is ₹ 3,439.20 lakhs (previous year - ₹ 2,605.91 lakhs) against which an advance of ₹ 128.06 lakhs (previous year - ₹ 55.06 lakhs) has been paid.
- 4 Indian Bank Guarantees given by bank on Company's behalf ₹ 756.98 lakhs (previous year - ₹ 694.89 lakhs) secured by lien of Mutual Fund (Fixed Maturity Plan) of value ₹ 1,093.77 lakhs (previous year ₹ 1,009.70 lakhs)

Note 36 - Disclosure under the MSMED Act 2006:

Disclosure under the MSMED Act 2006 is provided as under for the year 2022-23, to the extent the Group has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
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	324.95	88.80
Interest due on above	-	-
2. Interest paid by the company in terms of Section 16 of the MSMED Act 2006, along- with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
3. Interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed day during the period), but without adding interest specified under the MSMED Act 2006	2.06	0.69
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	3.90	1.84
5. Interest due and remaining payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises	-	-

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

Note 37 - Details of Hedged and Unhedged exposure in foreign currency denominated monetary items.

- a) Exposure in Foreign Currency- Hedged: - The Group has not entered into any foreign exchange contract. The Group does not enter into any derivative instruments for trading or speculative purpose.
- b) Exposure in Foreign Currency – Un Hedged: - The foreign currency exposure not hedged as on 31 March 2023 are as under

(₹ in lakhs)

Currency	Payables		Receivables	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
USD	NIL	NIL	9.29	3.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 38 - Leases:

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

Company as Lessor:

Ind AS 116 “Leases” requires the lessor to recognize income from operating leases on a straight-line basis over the lease term which includes rent free period. Thus, contracted lease rental income including future escalation is straight lined over the lease term. This has resulted in derecognizing unearned lease income amounting to ₹712.95 lakhs (Previous Year recognizing ₹985.25 lakhs) for the year ended 31 March 2023.

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

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

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Within one year	25,764.16	26,065.16
After one year but not more than five years	39,928.04	40,301.47
More than 5 years	66.22	77.06

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 ₹ 29,502.70 lakhs (previous year ₹ 26,415.15 lakhs)

Company as Lessee:

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

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

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

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

(₹ in lakhs)

Particulars	2022-23	2021-22
Opening	57.98	-
Additions of Right of Use Assets	-	74.16
Depreciation for Right of Use Assets	16.18	16.18
Carrying Amount of Right of Use Assets	41.80	57.98
Interest Expense on Lease Liabilities	4.19	5.19
Expense relating to Short term Leases	8.12	6.81
Repayment of Right of Use Assets	19.50	19.50

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Contractual maturity analysis of undiscounted lease liabilities is given below:-**

(₹ in lakhs)

Particulars	As at 31 March	
	2023	2022
Less than one year	19.50	19.50
One to two years	30.88	19.50
Two to five years	-	30.88
More than five years	-	-
Total	50.38	69.88

Note 39 - Earnings per share:

Particulars	2022-23	2021-22
Profit after Tax as per statement of Profit and Loss (₹ in lakhs)	29,063.63	18,917.12
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)	41.25	26.85

Note 40 - Related party disclosures:**1. List of related parties and relationships:****Entities in which KMPs have significant influence**

Patel Consultancy Pvt Ltd
 JV 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. Krishna S. Patel – Chairman and Managing Director
 Mr. Dipesh R. Singhania – Chief Financial Officer
 Ms. Jinal J. Shah – Company Secretary
 and Compliance Officer

Relative of Key Management Personnel

Mr. Sumant J. Patel (Estate of Mr. Sumant J. Patel)
 Mrs. Sudha S. Patel - Non-executive Director

Independent Non-Executive Directors

Mr. Mahendra K. Chauhan
 Mr. Manu M. Parpia[§]
 Mr. Jai S. Diwanji
 Mr. K. S. Srinivasa Murty
 Mrs. Amrita Verma Chowdhury

[§] Upto 09 May 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Related Party Transactions:

(₹ in lakhs)

Particulars	2022-2023	2021-2022
Brokerage Income		
Chandler and Price (India) Private Limited	21.12	26.29
Rent Expense		
Mr. Sumant J. Patel (Estate of Mr. Sumant J. Patel)	19.50	19.50
Remuneration, perquisites, commission		
Mr. Sumant J. Patel (Estate of Mr. Sumant J. Patel)	-	330.27
Mr. Krishna S. Patel	870.96	545.48
Mr. Dipesh R. Singhania	114.44	64.50
Ms. Jinal J. Shah	11.30	9.00
Director sitting fees		
Mrs. Sudha S. Patel	3.25	3.50
Mr. Mahendra K. Chauhan	6.10	6.05
Mr. Manu M. Parpia	-	4.55
Mr. Jai S. Diwanji	6.60	6.55
Mr. K. S. Srinivasa Murty	5.35	5.05
Mrs. Amrita Verma Chowdhury	4.85	4.55
Amount Payable / (Receivable)		
Mr. Sumant J. Patel	-	165.08
Mr. Krishna S. Patel	422.25	244.98

Employee benefits for Key Management Personnel is as follows:

(₹ in lakhs)

Particulars	2022-2023	2021-2022
Short-term employee benefits	996.70	949.25
Post-employment benefits	168.39	159.15
Other long-term benefits	24.61	26.62

Note 41 - 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 2023	As at 31 March 2022
Present Value of Benefit Obligation at the Beginning of the Period	309.30	307.38
Interest Cost	22.25	20.11
Current Service Cost	49.67	24.86
Benefit Paid Directly by the Employer	(3.99)	(7.57)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(11.54)	(19.00)
Demographic Assumptions	(3.14)	21.44
Actuarial (Gains)/Losses on Obligations - Due to Experience	20.85	(37.92)
Present Value of Benefit Obligation at the End of the Period	383.39	309.30

Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	383.39	309.30
Funded Status (Surplus/ (Deficit))	(383.39)	(309.30)
Net (Liability)/Asset Recognized in the Balance Sheet	(383.39)	(309.30)

Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	49.67	24.86
Net Interest Cost	22.25	20.11
Expenses Recognized	71.92	44.98

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation for the Period	6.16	(35.48)
Net (Income)/Expense for the Period Recognized in OCI	6.16	(35.48)

Balance Sheet Reconciliation		
Opening Net Liability	309.30	307.38
Expenses Recognized in Statement of Profit or Loss	71.92	44.98
Expenses Recognized in OCI	6.16	(35.48)
Benefit Paid Directly by the Employer	(3.99)	(7.57)
Net Liability/(Asset) Recognized in the Balance Sheet	383.99	309.30

Other Details		
No of Active Members	264	121
Per Month Salary for Active Members	78.04	44.02
Average Past Services (Years)	4.28	6.73
Average Age (Years)	36.82	39.18
Average Expected Future Service	21.21	18.82
Projected Benefit Obligation	383.39	309.30

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Assumptions		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.45%	7.20%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Mortality Rate After Employment	N.A.	N.A.

Projected Benefits Payable in Future Years from the Date of Reporting		
1st Following Year	18.20	4.44
2 to 5 Years	80.24	41.21
6 to 10 Years	137.97	121.19
More than 10 Years	802.75	662.66

Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	383.39	309.30
Delta Effect of +1% Change in Rate of Discounting	(10.60%)	(11.20%)
Delta Effect of -1% Change in Rate of Discounting	12.40%	13.10%
Delta Effect of +1% Change in Rate of Salary Increase	11.90%	12.70%
Delta Effect of -1% Change in Rate of Salary Increase	(10.40%)	(11.10%)
Delta Effect of +50% Change in Rate of Employee Turnover	(1.70%)	(1.50%)
Delta Effect of -50% Change in Rate of Employee Turnover	1.90%	1.60%

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

2. Long Term Employee Benefits:

The liability towards compensated absences (annual leave) as on 31 March 2023, based on actual valuation carried out by using the project accrued benefit method amount to ₹ 29.24 lakhs (previous year ₹ 6.22 lakhs) has been recognized on the Statement of Profit and Loss.

Note 42 - Income Taxes:

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

(₹ in lakhs)

Particulars	Year 2022-2023	Year 2021-2022
Current Taxes	8,260.00	4,223.72
Deferred Taxes	(648.63)	(439.49)
Income Tax for earlier year	22.02	(55.35)
Income Tax Expenses as per statement of Profit and Loss	7,633.39	3,728.88
Income Tax Expenses recognised in OCI	Year 2022-2023	Year 2021-2022
Deferred tax benefit on remeasurement benefit of defined benefit plans	(1.55)	8.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

(₹ in lakhs)

Particulars	Year 2022-2023	Year 2021-2022
Profit before tax	36,697.02	22,646.00
Enacted Tax rate in India	25.168%	25.168%
Computed enacted tax expenses	9,235.91	5,699.55
Add / (Less): Expenses not allowable for tax purposes	853.40	404.57
Add / (Less): Income not considered for tax purpose	(748.44)	(1,466.65)
Add / (Less): Effect of expenses, computed differently in tax	(117.45)	126.01
Add / (Less): Effect of expenses, which are allowed on payment basis	88.05	38.12
Add / (Less): Effect of income, considered under other head of income	(1,700.10)	(1,017.37)
Total	7,611.37	3,784.23
(Excess)/short provision of earlier years	22.02	(55.35)
Income Tax Expense as per statement of Profit and Loss	7,633.39	3,728.88

The tax rate used for reconciliation above is the corporate tax rate of 25.168 % (previous year 25.168%) payable by corporate entities in India on taxable profits under Indian law..

- 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.

Details of income tax assets and liabilities as of 31 March 2023 and 31 March 2022 are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax Assets	1,034.91	1,733.54
Current Income Tax Liabilities	-	-
Net current income tax Assets / (Liabilities)	1,034.91	1,733.54

The gross movement in the Current Tax Assets / (Liabilities) for the year ended 31 March 2023 and 31 March 2022 is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Net current tax assets / (liabilities) at the beginning of the year	1,733.54	1,510.02
<u>Income tax paid</u>		
Advance tax and TDS	8,255.28	4,391.89
Self-Assessment Tax paid/Previous year adjustments	(693.91)	55.35
Current income tax expenses	(8,260.00)	(4,223.72)
Net current tax assets / (liabilities) at the end of the year	1,034.91	1,733.54

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Details of deferred tax assets and liabilities as of 31 March 2023 and 31 March 2022 are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax Assets/(Liabilities) at the beginning	(3,138.58)	(3,586.99)
Deferred Tax Asset/(Liabilities)	650.18	448.41
Net deferred tax Assets/(Liabilities) at the end	(2,488.40)	(3,138.58)

Detailed bifurcation of deferred tax assets and liabilities as of 31 March 2023 and 31 March 2022 are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Net deferred tax assets / (liabilities) at the beginning	(3,138.58)	(3,586.99)
Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961	308.40	44.08
Provision for expenses allowed for tax purpose on payment basis	32.39	(235.85)
Difference in carrying value and tax base of investments measured at FVTPL	158.68	816.23
Allowance of doubtful debts and advances	32.47	14.89
Lease Equalisation Reserve assets	125.61	(173.58)
Remeasurement of the defined benefit plan through OCI	(7.37)	(17.36)
Net deferred tax assets / (liabilities) at the end	(2,488.40)	(3,138.58)

The credits relating to temporary differences during the year ended 31 March 2023 and 31 March 2022 are primarily on account of Other income due to fair valuation of investments on mutual funds and Ind AS 116 adjustment.

Note 43 - Proposed Dividend:

The Board of Directors of the Parent Company at its meeting held on 24 May 2023 have recommended a payment of dividend of ₹ 4.50 (Rupees Four and Fifty Paise Only) per equity share of face value ₹ 2 each for the financial year ended 31 March 2023 amounting to ₹ 3,170.70 lakhs and subject to approval at the ensuing AGM of the Company and hence is not recognized as a liability.

Note 44 - Segment Reporting:

The Group has following business segments, which are its reportable segments. Operating segment disclosures are consistent with the information provided to and reviewed by the management.

Reportable Segment	Products / Services
IT Park	Licencing premises in IT park buildings and providing related services
Bombay Exhibition Center	Licencing premises for exhibitions and providing services to the organisers
Industrial Capital Goods Division	Manufacturing of machines and capital equipment
Nesco Foods	Hospitality and catering services

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	2022-2023	2021-2022
Revenue by Segment		
IT Park	29,502.70	26,415.15
Bombay Exhibition Center	15,582.63	1,618.33
Industrial Capital Goods Division	4,652.27	4,571.12
Nesco Foods	4,862.56	1,135.27
Income from Investments/ Other Income	6,325.53	4501.34
Total	60,925.69	38,241.21
Segment profit before tax and finance cost		
IT Park	23,636.26	21,568.00
Bombay Exhibition Center	9,931.65	607.79
Industrial Capital Goods Division	199.71	369.74
Nesco Foods	601.75	(232.57)
Unallocable expenses & Finance Cost net off Unallocable income	2327.66	333.04
Total Operating profit before tax	36,697.02	22,646.00
Capital Employed: -		
Segment Assets: -		
IT Park	87,606.45	87,252.01
Bombay Exhibition Center	12,814.57	13,278.32
Industrial Capital Goods Division	4,035.51	3,805.58
Nesco Foods	4,213.05	3,232.19
Unallocable Assets	1,17,598.52	89,613.78
Total	2,26,268.10	1,97,181.88
Segment Liabilities: -		
IT Park	19,105.63	17,228.52
Bombay Exhibition Center	4,390.50	4,072.28
Industrial Capital Goods Division	873.86	835.25
Nesco Foods	1,116.17	325.99
Unallocable Liabilities	4,322.61	4,945.82
Total	29,808.77	27,407.86
Capital Employed: -		
IT Park	68,500.82	70,023.50
Bombay Exhibition Center	8,424.07	9,206.03
Industrial Capital Goods Division	3,161.65	2,970.34
Nesco Foods	3,096.88	2,906.20
Unallocable Assets net of Unallocable Liabilities	1,13,275.91	84,667.95
Total	1,96,459.33	1,69,774.02

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Capital Expenditure	2022-2023	2021-2022
IT Park	338.08	8,464.49
Bombay Exhibition Center	287.88	6,567.32
Industrial Capital Goods Division	31.12	145.07
Unallocable Assets	86.08	85.85
Nesco Foods	628.17	23.25
Total	1,371.33	15,285.98

Revenue from Operations	2022-2023	2021-2022
India	54,532.93	33,714.96
Outside India	67.23	24.91
Total Revenue	54,600.16	33,739.87

Note 45 - 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 2023 is as follows:

(₹ in lakhs)

Particulars	Compensation Payable *		Provision for warranty #	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Opening Balance	165.00	171.36	20.35	12.99
Additions	-	-	4.30	7.36
Utilizations / Reversals	-	(6.36)	-	-
Closing Balance	165.00	165.00	24.65	20.35

* 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 Group is not able to reasonably ascertain the timing of the outflow.

Provision for warranty represents cost associated with providing post-sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of two years.

Note 46 – The shareholders of Nesco Hospitality Private Limited (Subsidiary Company) in their Extra Ordinary General Meeting held on 17 January 2022 approved Voluntary Liquidation under Section 59 of Insolvency & Bankruptcy Code, 2016. Accordingly, the company has appointed a Liquidator and has also filed Form GNL-2 and Form MGT-14 with the MCA which have been approved. Accordingly the Company has not consolidated accounts of Nesco Hospitality Private limited for the current year.

Liquidator has complete the process of reliasation of assets and liabilities and final report is being filed with Registrar of Companies (ROC) and Insolvency and Bankruptcy Board of India (IBBI). The dissolution will be completed upon receipt of approval from ROC.

Note 47 – Additional Regulatory Information required by Schedule III to the Companies Act, 2013.

(i) The Group does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (ii) The Group has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) The Group has complied with the requirement with respect to number of layers as prescribed under Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (iv) Utilisation of borrowed funds and share premium
 - I The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
 - II The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (v) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (vi) The Group has not traded or invested in crypto currency or virtual currency during the year.
- (vii) The Group does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- (viii) During the year, the Group had no transactions with struck off companies.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 48 – 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	2022-23		2022-23		2022-23		2022-23	
	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 (₹ in lakhs)	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income
Parent								
Nesco Limited	1,96,452.35	100.00	29,063.64	100.00	(2.90)	100.00	29,060.73	100.00
Subsidiaries								
Nesco Foundation for Innovation and Development	6.98	0.00	(0.01)	(0.00)	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-
Total	1,96,459.33	100.00	29,063.63	100.00	(2.90)	100.00	29,060.73	100.00

Name of the entity in the Group	2021-22		2021-22		2021-22		2021-22	
	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 (₹ in lakhs)	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income
Parent								
Nesco Limited	1,69,505.41	99.84	18,922.24	100.03	47.79	100.00	18,970.03	100.03
Subsidiaries								
Nesco Hospitality Private Limited	261.67	0.16	(13.06)	(0.07)	-	-	(13.06)	(0.07)
Nesco Foundation for Innovation and Development	6.94	0.00	7.94	0.04	-	-	7.94	0.04
Non-controlling interest	-	-	-	-	-	-	-	-
Total	1,69,774.02	100.00	18,917.12	100.00	47.79	100.00	18,964.91	100.00

Note 49 - Previous year's figures have been regrouped / reclassified wherever necessary.

Note 50 - The financial statements are approved for issue by the Audit Committee and thereafter by the Board of Directors at its meeting held on 24 May 2023.

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

Sr No	Particulars	Details
1	Name of the subsidiary	Nesco Foundation for Innovation and Development
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	As at 31 March 2023
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR (₹ in lakhs)
4	Share capital - Authorised Capital	1.00
	Share capital - Paid up Capital	1.00
5	Reserves & surplus	6.93
6	Total assets	12.55
7	Total Liabilities	4.62
8	Investments	-
9	Turnover	17.31
10	Profit/(Loss) before taxation	(0.01)
11	Provision for taxation	-
12	Short/(Excess provision for earlier years)	-
13	Profit after taxation	(0.01)
14	Proposed Dividend	-
15	% of shareholding	100%

Notes:

- 1 Names of subsidiaries which are yet to commence operations - NIL
- 2 Names of subsidiaries which have been liquidated during the year -NIL*

*Nesco Hospitality Pvt. Ltd. (NHPL) is in the process of Voluntary Liquidation

For and on behalf of the Board

Krishna S. Patel
Chairman and Managing Director
DIN- 01519572
Mumbai, 24 May 2023

Sudha S. Patel
Non-executive Director
DIN -00187055
Mumbai, 24 May 2023

Dipesh R. Singhania
Chief Financial Officer

Mumbai, 24 May 2023

Jinal J. Shah
Company Secretary and
Compliance Officer
Mumbai, 24 May 2023



NESCO LIMITED

CIN No: L17100MH1946PLC004886

Registered Office: Nesco Center, Western Express Highway, Goregaon (East),
Mumbai – 400 063. Tel: 022 66450123.

Website: www.nesco.in Email: companysecretary@nesco.in

NOTICE

Notice is hereby given that 64th Annual General Meeting (AGM) of Nesco Limited will be held on Friday, 04 August 2023 at 03:30 p.m. through video conference (VC) or other audio visual means (OAVM) to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Nesco Center, Western Express Highway, Goregaon (East), Mumbai – 400063.

Ordinary Business:

1. To consider and adopt and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

The audited standalone and consolidated financial statements of the Company for the financial year ended 31 March 2023, together with the report of the Board of Directors and Auditors thereon.

2. To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

To declare final dividend on equity shares for the financial year ended 31 March 2023.

3. To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

To appoint a Director in place of Mrs. Sudha S. Patel (DIN:00187055), who retires by rotation and being eligible, offers herself for reappointment.

Special Business:

4. To consider, and if thought fit, to approve continuation of directorship by Mrs. Sudha S. Patel (DIN:00187055) as Non-executive Director of this Company and pass, with or without modification(s), the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and other applicable laws, if any, approval of the members of the Company be and is hereby accorded for continuation of directorship by Mrs. Sudha S. Patel (DIN:00187055), who has attained the age of seventy five years, as a Non-executive Director of the Company beyond 75 (seventy-five) years of age, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto”.

5. To consider, and if thought fit, to approve re-appointment of Mr. Krishna S. Patel (DIN:01519572) as Chairman & Managing Director for a period of five years and pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended and rules made thereunder, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), subject to the provisions of the Articles of Association (“AoA”) of the Company, approval of shareholders be and is hereby accorded for reappointment of Mr. Krishna S. Patel (DIN: 01519572) as the Chairman & Managing Director of the Company, not liable to retire by rotation for a period of five (5) years, commencing from 01 July 2023 to 30 June 2028 on such terms and conditions as may be agreed by and between

Mr. Krishna S. Patel and the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to alter and vary the terms and conditions of the said re-appointment from time to time as it may deem fit on the recommendations of Nomination and Remuneration Committee of the Company subject to terms as specified, and in compliance with the applicable provisions of the Act including but not limited to Section 197 read with Section 198 of the Act read with the rules made thereunder and other applicable laws.

RESOLVED FURTHER THAT the Chief Financial Officer and/or the Company Secretary of the Company be and are hereby jointly or severally authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to this resolution.”

6. To consider, and if thought fit, to approve payment of remuneration to Mr. Krishna S. Patel (DIN:01519572) as Chairman & Managing Director and pass, with or without modification(s), the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended and rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the shareholders be and is hereby accorded for payment of remuneration to Mr. Krishna S. Patel (DIN: 01519572) as the Chairman & Managing Director of the Company for a period of five (5) years, commencing from 01 July 2023 to 30 June 2028.

RESOLVED FURTHER THAT approval of the shareholders be and is hereby accorded for the remuneration, perquisites, allowances, benefits and amenities payable to Mr. Krishna S. Patel as per the terms and conditions agreed by Mr. Krishna S. Patel with the Company for the aforesaid re-appointment including the following:

Remuneration:

The remuneration payable to Mr. Krishna S. Patel per month shall not exceed ₹ 15,00,000/- (Rupees Fifteen lakhs) and shall include:

1. Salary:

Salary for the financial year 2023-24 shall be ₹ 10,58,400/- per month and shall include:

a) Basic Salary:

Basic salary and the annual increments to the basic salary per annum will be decided at the discretion of the Board of Directors of the Company based on the recommendations of the Nomination and Remuneration Committee for each financial year during the tenure of the Chairman & Managing Director.

b) House Rent Allowance: House Rent Allowance shall not exceed 50% of the basic salary.

c) Contribution to Provident Fund: 12% of the basic salary. The said contribution or any other retiral benefit is subject to changes in law and policies of the Company.

d) Special Allowances: Special allowance amount shall be as decided by the Board of Directors from time to time.

Perquisites and other Allowances:

i. Leave Travel Allowance incurred for self and his family, and any other Allowances as per the applicable policies of the Company and as per the provisions of Income Tax Act, 1961.

ii. Reimbursement of medical expenses including any health insurance premium and expenses towards hospitalization in India or abroad in accordance with the policies of the Company.

iii. Reimbursement of expenses towards fuel changes shall be in accordance with the policies of the Company.

iv. Insurance and Medical benefits as per policy of the Company.

v. Benefits and Other Amenities:

- a. Gratuity: Benefits in accordance with the rules and regulations in force in the Company from time to time and subject to applicable laws.
- b. Leave: In accordance with the practices, rules, and regulations in force in the Company from time to time, subject to applicable laws.

Reimbursements:

- Reimbursement of entertainment, travelling, phone and all other expenses incurred in relation to the business of the Company shall be as per the Policy of the Company.
- Reimbursement of expenses towards charges of club membership (subject to maximum of 2 memberships).
- Any other benefits as per policy of the Company from time to time.

The annual remuneration of Managing Director will be reviewed on annual basis, as per the policy of the Company.

Commission:

In addition to the salary, perquisites, allowances and benefits, the Chairman & Managing Director shall also be entitled to receive commission / performance linked bonus. The Commission amount will be decided based on the recommendation of the Nomination and Remuneration Committee every year till completion of the tenure.

Remuneration along with perquisites and commission shall be referred as '**Total Remuneration**'.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the shareholders be and is hereby accorded for total remuneration payable to Mr. Krishna S. Patel in his capacity as the Chairman & Managing Director of the Company exceeding 2.5% of the net profits calculated as per the provisions of Section 198 of the Companies Act, 2013 and exceeding ₹ 5,00,00,000 (Rupees Five Crores).

RESOLVED FURTHER THAT the Board of Directors or Nomination and Remuneration Committee of the Company be and is hereby authorized to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary, the type and amount of perquisites, bonus and other benefits payable to Mr. Krishna S. Patel), in such manner as may be agreed to between the Company and Mr. Krishna S. Patel, within the limits approved by the Members and to the extent the Board may consider appropriate.

RESOLVED FURTHER THAT Total Remuneration payable to Mr. Krishna S. Patel shall be as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors considering the performance and growth of the Company and various other factors, not exceeding 5% of the net profits calculated as per the provisions of Section 198 of the Companies Act, 2013 for each financial year during his tenure as the Chairman & Managing Director.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits in any financial year during the tenure of Chairman & Managing Director, Mr. Krishna S. Patel, shall be paid same remuneration, perquisites and allowances as mentioned above, subject to necessary sanctions and approvals, if any required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, alter or vary the scope and quantum of remuneration, perquisites, allowances, benefits and amenities payable to Mr. Krishna S. Patel in the light of further progress of the Company which shall be in accordance with the prescribed provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and within the limits approved by the shareholders.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as, it may, in its absolute discretion consider necessary, expedient or desirable for giving effect to the foregoing resolution.

7. To consider, and if thought fit, to ratify remuneration payable to M/s. Y. S. Thakar & Co., Cost Accountants (FRN:000318), Cost Auditors of the Company, for financial year ending 31 March 2024 and pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. Y. S. Thakar & Co., Cost Accountants (Firm Registration No. 000318), who were appointed by the Board of Directors as Cost Auditors, based on the recommendation of the Audit Committee, to audit the cost records made and maintained by the Company pertaining to goods manufactured at Indabrator division of the Company for the financial year ending 31 March 2024, amounting to ₹ 40,000/- (Rupees Forty Thousand only) plus taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned or incidental thereto”.

By Order of the Board of Directors

Jinal J. Shah
Company Secretary and
Compliance Officer

Mumbai
24 May 2023

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

NOTES:

1. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular No. 10/2022 dated 28 December 2022, other Circulars issued by the Ministry of Corporate Affairs (“MCA”) from time to time, and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05 January 2023 issued by SEBI (“the Circulars”), companies are allowed to hold AGM through video conference/other audio visual means (“VC/OAVM”) upto 30 September 2023, without the physical presence of members. The AGM of the Company is being held through VC/OAVM. National Securities Depository Limited (“NSDL”) will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM.
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. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Institutional / Corporate Members are requested to send a scanned copy (PDF format) of the Board Resolution authorizing 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. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
5. The Register of Members and share transfer books of the Company will remain closed from **Saturday, 29 July 2023 to Friday, 04 August 2023** (both days inclusive), for the purpose of annual general meeting and payment of dividend.

6. The dividend, if approved by the members at the annual general meeting will be paid on or before the 30th day from the date of declaration to those members whose names appear in the Register of Members of the Company as on **Friday, 28 July 2023**.
7. 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>.
8. 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 2015-16.
9. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 all shares in respect of which dividend was not claimed or had remained unpaid for seven consecutive years, were transferred by the Company to Investor Education and Protection Fund (IEPF) set up by the Central Government.
10. All Members are requested to
 - i. Intimate immediately any change in their address to Company's Registrar and Share Transfer Agent:
Link Intime India Private Limited
C-101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai – 400083.
Tel: 022 49186270
Fax: +91 22 28512885
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in
 - ii. Inform change in address directly to their respective depository participants in case members are holding shares in demat form.
 - iii. Quote their folio no. / client ID no. in their correspondence with the Registrar and Share Transfer Agent.
 - iv. Intimate Registrar and Share Transfer Agents, Link Intime India Private Limited for consolidation of folios, in case having more than one folio.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

11. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depository Participant (DP).
12. The Notice of AGM along with Annual Report for the financial year 2022-23, will also be 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 at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com.
13. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **Friday, 28 July 2023**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., **Friday, 28 July 2023** may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
14. The Shareholders holding shares in physical form and who have not registered their email addresses with the Company are requested to update their email addresses on the Company's website at <https://www.nesco.in/shareholder-services> or

with the Registrar and Share Transfer Agent of the Company and may get registered their email addresses at https://linkintime.co.in/emailreg/email_register.html by providing details such as Select company name from drop box, Folio Number, Certificate Number, Shareholder name, PAN, Mobile number, Email id and also upload the image of share certificate and PAN card in PDF or JPEG format (up to 1MB). The facility for registration of bank details for the Shareholders holding shares in physical form is also available at https://linkintime.co.in/emailreg/email_register.html by providing details such as Bank account no, Bank name, IFSC code and also upload self-attested cancelled cheque leaf along with request letter duly signed in PDF or JPEG format (Up to 1MB) at the earliest so that it could receive by the Company before making the payment of dividend. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

15. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned at note no. 26 "Step 1: Access to NSDL e-Voting system". After successful login, you can see link of "VC/OAVM link" placed under "Join Meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.

Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice.

15. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.
16. Members who need assistance before or during the AGM with use of technology, can:
- Send a request at evoting@nsdl.co.in or call on : 022-4886 7000 / 022-2499 7000; or
 - Contact Mr. Amit Vishal, Asst. Vice President, NSDL at the designated email ID: evoting@nsdl.co.in; or
 - Contact Ms. Pallavi Mhatre, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or call at 022-4886 7000 / 022-2499 7000
 - Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM. In case any Institutional Members, facing issues for participating in AGM can write to (Ms. Soni Singh) at evoting@nsdl.co.in.
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.

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 **Wednesday, 02 August 2023** 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 following the steps mentioned at note no. 26 Step 1: Access to NSDL e-Voting system between 9.00 a.m. on **Tuesday, 01 August 2023** to 5.00 p.m. on **Thursday, 03 August 2023**. After successful login, Members will be able to register themselves as a speaker shareholder by clicking on the link available against the EVEN of the Company. Speakers can also send their questions in advance to the Company at companysecretary@nesco.in.
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 64th annual general meeting by electronic means

and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

23. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.
24. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Friday, 28 July 2023**, 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.
25. Members may cast their votes on electronic voting system from any place (remote e-voting). The voting period begins on **Tuesday, 01 August 2023** at 09.00 a.m. and ends on **Thursday, 03 August 2023** 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.
26. The details of the process and manner for remote e-voting are explained herein below:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:




Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDLIndividual	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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.

4. 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***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) 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'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “**Initial password**” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) 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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for Members for e-voting on the day of the AGM are as under:

- a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 - b. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
 - c. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 - d. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022-4886 7000 / 022-2499 7000 or send a request to (Ms. Soni Singh) at evoting@nsdl.co.in
27. Ms. Neeta H. Desai, ND & Associates, Practicing Company Secretaries (membership no. 3262, COP No. 4741) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
28. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
29. The results declared along with Scrutinizers Report shall be placed on the Company's website www.nesco.in within two working days of the passing of the resolutions at the 64th AGM of the Company and shall be immediately communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

DIVIDEND RELATED INFORMATION:

30. Final dividend for the financial year ended 31 March 2023, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or after **Tuesday, 08 August 2023**, to those members whose names appear on the Register of Members as on **Friday, 28 July 2023**.
31. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
32. Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.
33. Shareholders holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participant(s) and shareholders holding shares in physical mode shall send a duly signed request letter to TSR mentioning the name, folio no., bank details, self-attested PAN card and original cancelled cheque leaf. In case of absence of name of the first shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided.
34. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants to such shareholder by post.
35. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 01 April 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.
- a. All Shareholders are requested to ensure that the below information & details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with Link Intime India Private Limited, on or before the Record Date i.e. **Friday, 28 July 2023**. Please note that the following information & details, if already registered with Link Intime and Depositories, as the case may be, will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

- I. Valid Permanent Account Number (PAN)*.
- II. Residential status as per the Income Tax Act i.e. Resident or Non-Resident for FY 2022-23.
- III. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FI): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, Overseas Corporate Bodies, etc.

IV. Email Address.

V. Residential Address.

*If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN. Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN.

- b. For Resident Shareholders, TDS is required to be deducted at the rate of 10% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Company in the financial year 2022-23 provided valid PAN is registered by the Shareholder. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% Section 206AA of the Income Tax Act, 1961.

However, in case the dividend is not exceeding ₹ 5,000 in a fiscal year to resident individual shareholder then no tax will be deducted from the dividend. If any resident individual shareholder is in receipt of Dividend exceeding ₹ 5,000 in a fiscal year, entire dividend will be subject to TDS @ 10%. Even in the cases where the shareholder provides valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.

- c. For Non-resident shareholders [Including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)], the TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D of the Income Tax Act, 1961, as the case may be.
- d. Further, as per Section 90 of the Income Tax Act, 1961 the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them.

For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

- I. Self-attested copy of the PAN allotted by the Indian Income Tax authorities
- II. Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident;
- III. Self-declaration in Form 10F; and
- IV. Self-declaration in the attached format certifying:
 - Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2022-23;
 - Shareholder is eligible to claim the beneficial Double Taxation Avoidance Agreement (DTAA) rate for the purposes of tax withholding on dividend declared by the Company;
 - Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
 - Shareholder does not have a taxable presence or a permanent establishment in India during the financial year 2022-23.

d. The draft of the aforementioned documents may also be accessed from the Company's website at <https://www.nesco.in/shareholder-services>.

e. Submission of tax related documents:

Resident Shareholders

The aforesaid documents such as Form 15G/15H, documents under Sections 196, 197A, etc. can be sent to the Company or to the RTA on or before **Friday, 28 July 2023** to enable the Company to determine the appropriate TDS withholding tax rate applicable. Any communication on the tax determination/deduction received post **Friday, 28 July 2023** shall not be considered. Shareholders can also send the scanned copies of the documents mentioned above at the email id mentioned below:

Email ID companysecretary@nesco.in

Non-Resident Shareholders

Shareholders are requested to send the scanned copies of the documents mentioned above at the email id mentioned below:

Email ID companysecretary@nesco.in

These documents should reach us on or before **Friday, 28 July 2023** in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained post **Friday, 28 July 2023**.

f. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

By Order of the Board of Directors

Jinal J. Shah
Company Secretary and
Compliance Officer

Mumbai
24 May 2023

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

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013.

Resolution No. 4

Mrs. Sudha S. Patel (DIN: 00187055), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting (“AGM”) and being eligible seeks re-appointment under Resolution No. 3 of this Notice. In accordance with Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) consent of the members is required to appoint/continue the directorship of any person as a Non-executive Director who has attained the age of 75 (seventy-five) years.

The consent of the members by way of special resolution is sought for the continuation of directorship of Mrs. Sudha S. Patel, who has attained the age of 85 (Eighty Five) years. The Board of Directors of the Company at their meeting held on 24 May 2023 and based on the recommendation of the Nomination and Remuneration Committee, proposed the continuation of Mrs. Sudha S. Patel as a Non-executive Director of the Company, and recommends this Special Resolution as set out in Resolution No. 4 of this Notice for approval of the members of the Company.

Mrs. Sudha Patel's seniority, role played by her towards the growth of this Company and to reap the benefits of her rich and varied experience, approval of the members is sought for continuation of Mrs. Sudha S. Patel as a Non-executive Director, liable to retire by rotation as set out in Resolution No. 4 of this Notice. Relevant details relating to continuation of directorship of Mrs. Sudha S. Patel, including her profile, as required by the Companies Act, 2013 (“the Act”) and the Listing Regulations are provided in the “Annexure to this Notice”.

Mrs. Sudha S. Patel is not disqualified from continuing as a Director in terms of Section 164 of the Act, and has consented to continue as a Director of the Company. She is not debarred from holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India or any other such authority pursuant to BSE Circular No. LIST/COMP/14/2018-19 and NSE Circular No. NSE/CML/2018/24, both dated 20th June, 2018.

The Board of Directors are of the opinion that the re-appointment of Mrs. Sudha S. Patel as the Non-executive Director is in the best interest of the Company and accordingly, recommends the special resolution set out in Resolution No. 4 for approval of the shareholders.

Other than Mrs. Sudha S. Patel and Mr. Krishna S. Patel, none of the other Directors, key managerial personnel or their relatives are interested or concerned in the proposed resolution.

Resolution No. 5

At the Fifty eighth Annual General Meeting of the Company held on 14 August 2017 the shareholders, pursuant to the provisions of Sections 196, 197, 198, 203 and such other applicable provisions, if any, of the Companies Act, 2013, accorded their approval to designate Mr. Krishna S. Patel as the Managing Director of the Company with effect from 01 August 2016 till completion of his tenure.

At the Fifty ninth Annual General Meeting of the Company held on 08 August 2018 the shareholders, pursuant to the provisions of Sections 196, 197, 198, 203 and such other applicable provisions, if any, of the Companies Act, 2013, accorded their approval for re-appointment of Mr. Krishna S. Patel as the Managing Director of the Company for a period of five (5) years commencing from 01 July 2018 to 30 June 2023, not liable to retire by rotation.

At the Sixty third Annual General Meeting of the Company held on 08 August 2022 the shareholders, pursuant to the provisions of Sections 196, 197, 198, 203 and such other applicable provisions, if any, of the Companies Act, 2013, accorded their approval to designate Mr. Krishna S. Patel as the Chairman & Managing Director of the Company with effect from 15 June 2021 to 30 June 2023 i.e., till completion of his tenure.

Based on the strong performance of the Company achieved under the leadership of Mr. Krishna S. Patel, and other key factors, the Board of Directors of the Company (“the Board”), at its meeting held on 24 May 2023, has, subject to approval of shareholders, re-appointed Mr. Krishna S. Patel (DIN:01519572) as Chairman & Managing Director of the Company, for a period of 5 (five) years from the expiry of his present term i.e., with effect from 01 July 2023, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee ('NRC') of the Board.

The key factors that were considered by the NRC or Board while recommending the re-appointment and remuneration of Mr. Krishna S. Patel are the top-line, bottom line, evaluation of his performance, other parameters and growth prospects of the Company.

Shareholder's approval is sought for re-appointment of Mr. Krishna S. Patel as Chairman & Managing Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ('Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Mr. Krishna S. Patel is not debarred from being re-appointed pursuant to any order of SEBI or other authority. He satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Relevant details relating to re-appointment of Mr. Krishna S. Patel, including his profile, as required by the Companies Act, 2013 ("the Act") and the Listing Regulations are provided in the "Annexure to this Notice".

The Board of Directors are of the opinion that the re-appointment of Mr. Krishna S. Patel as the Chairman & Managing Director is in the best interest of the Company and accordingly, recommends the ordinary resolution set out in Resolution No. 5 for approval of the shareholders.

Other than Mr. Krishna S. Patel and Mrs. Sudha S. Patel, none of the other Directors, key managerial personnel or their relatives are interested or concerned in the proposed resolution.

Resolution No. 6

Board of Directors of the Company ("the Board"), at its meeting held on 24 May 2023, has, subject to approval of shareholders, re-appointed Mr. Krishna S. Patel (DIN:01519572) as Chairman & Managing Director of the Company, for a period of 5 (five) years from the expiry of his present term i.e., with effect from 01 July 2023, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee ('NRC') of the Board.

Shareholder's approval is sought for remuneration payable to Mr. Krishna S. Patel as Chairman & Managing Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ('Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as per the terms of remuneration provided in the resolution.

Pursuant to Regulation 17(6)(e) of Listing Regulations, approval of the shareholders of the Company by way of a special resolution is required for (i) payment of annual remuneration to executive director, who is a promoter or member of a promoter group of the Company, exceeding rupees 5 crore or 2.5 per cent of the net profits (computed as per provisions of Section 198 of the Act) of the Company, whichever is higher; or (ii) where there is more than one such director, payment of aggregate annual remuneration to such directors exceeding 5 per cent of the net profits (computed as per provisions of Section 198 of the Act) of the Company.

In view of the above, the Nomination and Remuneration Committee members and the Board of Directors of the Company in their respective meetings held on 24 May 2023 recommended and approved managerial remuneration payable to Mr. Krishna S. Patel upto 5% of the net profits of the Company every year.

The Board of Directors are of the opinion that remuneration payable to Mr. Krishna S. Patel is as per market standards and accordingly, recommends the special resolution set out in Resolution No. 6 for approval of the shareholders.

Other than Mr. Krishna S. Patel and Mrs. Sudha S. Patel, none of the other Directors, key managerial personnel or their relatives are interested or concerned in the proposed resolution.

Resolution No. 7

The Board of Directors of the Company, on the recommendation of the Audit Committee, at their meeting held on 24 May 2023 approved the appointment of M/s. Y. S. Thakar & Co., Cost Accountants (Firm Registration No. 000318), as the Cost Auditors for audit of the cost records maintained by the Indabrator division of the Company for the financial year ending 31 March 2024, at a remuneration not exceeding ₹ 40,000 (Rupees Forty Thousand) plus taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) maintenance of cost records and audit thereof is applicable in respect of Other Machinery and Mechanical Appliances manufactured at Indabrator division.

The overall remuneration proposed to be paid to the Cost Auditor for the financial year ending 31 March 2024 is commensurate to the scope of the audit to be carried out by the Cost Auditors. M/s. Y. S. Thakar & Co., Cost Accountants, have confirmed that they are eligible for appointment pursuant to the applicable provisions of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to Cost Auditors is required to be ratified by the members of the Company.

The Board recommends the resolution as set out at item no. 7 of the Notice for the approval of the Members of the Company as an ordinary resolution.

None of the Directors, key managerial personnel or their relatives are concerned or interested in the proposed resolution as set out in the notice.

By Order of the Board of Directors

Jinal J. Shah
Company Secretary and
Compliance Officer

Mumbai
24 May 2023

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

ANNEXURE TO THE NOTICE:

Details of Director seeking appointment/ Re-appointment in the forthcoming Annual General Meeting

[In pursuance of Secretarial Standards on General Meetings (SS-2) and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015]

Particulars	Non-executive Director	Chairman & Managing Director
Name of the Director	Mrs. Sudha S. Patel (DIN:00187055)	Mr. Krishna S. Patel (DIN:01519572)
Age	85 years	43 years
Brief Resume along with experience and qualification	Mrs. Sudha S. Patel has completed her M.S. in Education Psychology from University of Southern California, USA. She founded Sudha Garments 36 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.	A dynamic people's leader, Krishna Patel is adept at spotting and implementing future trends in any industry even as he hones in on new business opportunities and verticals. Mr. Krishna S. Patel is an alumnus of The Pennsylvania State University, USA and Kingston University, UK. Mr. Krishna began his career in Corporate strategy with Fisher Hamilton in Pittsburgh, USA. His experience taught him the value of a services backbone. He has guided the corporate expansion of Bombay Exhibition Center and introduced the fast-gaining service verticals of hospitality and events. A technology enthusiast, Krishna keeps up-to-date with the latest industry trends, introducing new technologies and global industry norms to our world at Nesco.
Expertise in specific functional areas	Mrs. Sudha S. Patel have developed expertise across all functions within the Company. Her experience in CSR and other social activities is very helpful to the Company in its contribution towards the society.	Mr. Krishna S. Patel have developed expertise across all functions within the Company. A technology enthusiast, keeps up-to-date with the latest industry trends, introducing new technologies and global industry norms to our world at Nesco.
Date of first appointment	16 July 2001	30 June 2008
Details of proposed remuneration	Sitting Fees	Remuneration and Commission as approved by the Board of Directors or Shareholders as per applicable provisions of law.
Details of remuneration last drawn	₹ 3.25 lakhs as sitting fees for attending Board and Committee meetings	₹ 870.96 lakhs as total remuneration including commission
Shareholding in the Company	45,74,720 Equity shares of ₹ 2/- each (6.49% of the paid-up share capital of the Company)	21,25,400 Equity shares of ₹ 2/- each (3.02% of the paid-up share capital of the Company)
Terms and conditions of reappointment	Non-executive Director, liable to retire by rotation	Executive Director, not liable to retire by rotation
Relationship with other Directors / Key Managerial Personnel	<ul style="list-style-type: none"> Mother of Mr. Krishna S. Patel, Chairman & Managing Director of the Company and member of Promoters and Promoter Group 	<ul style="list-style-type: none"> Son of Mrs. Sudha S. Patel, Non-executive Director of the Company and member of Promoters and Promoter Group
Number of board meetings attended during financial year 2022-23	3 of 4	4 of 4
Chairperson / Membership of the Board of directors of the Company	<ul style="list-style-type: none"> Chairperson of Stakeholders Relationship Committee Chairperson of Corporate Social Responsibility Committee Member of Nomination and Remuneration Committee 	<ul style="list-style-type: none"> Chairperson of Risk Management Committee Member of Corporate Social Responsibility Committee Member of Stakeholders Relationship Committee Member of Audit Committee

Particulars	Non-executive Director	Chairman & Managing Director
Other Listed Companies in which he/she is a director	NIL	NIL
Listed Companies from which Director has resigned in the past three years	NIL	NIL

By Order of the Board of Directors

Jinal J. Shah
Company Secretary and
Compliance Officer

Mumbai, 24 May 2023

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

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a division of NESCO Ltd.













believe

Nesco Center

Western Express Highway, Goregaon (East), Mumbai 400 063.
Maharashtra, India