



INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

to
The Members of Nesco Hospitality Private Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Nesco Hospitality Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on

these matters. We have determined that there are no Key Audit Matters which needs to be communicated to the Members of the Company.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash 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 31st March, 2020 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in "**Annexure B**";

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32(a) and (b) to the standalone financial statements;
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.



For Arvind & Co.
Chartered Accountants

Gaurang A. Patel
Partner
Membership No. 036700
Firm Registration No. 100569W
Mumbai- 11 May 2020

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) The company does not have any fixed assets and accordingly sub clause (a) and (b) are not applicable;
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax,

Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks and Government. Also, it did not have any outstanding debentures during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per paragraph 3(xii) of the Order is not required.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any

non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



For Arvind & Co.
Chartered Accountants

Gaurang A. Patel
Partner
Membership No. 036700
Firm Registration No. 100569W
Mumbai- 11 May 2020

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of **Nesco Hospitality Private Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For Arvind & Co.
Chartered Accountants

Gaurang A. Patel
Partner

Membership No. 036700
Firm Registration No. 100569W
Mumbai- 11 May 2020

NESCO HOSPITALITY PRIVATE LIMITED

CIN : U55204MH2014PTC260414

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

Telephone no.: 022 66450123

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Sixth Annual Report of the Company together with the audited financial statements of the Company for the year ended 31 March 2020.

1. Financial Results:

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
Income	16.04	60.24
Profit before depreciation and Tax	7.79	20.62
Depreciation	-	-
Profit before taxes	7.79	20.62
Provision for taxes	1.96	8.00
Short / Excess provision for taxes for earlier years	(5.60)	(11.92)
Net Profit after tax for the year	11.43	24.54
Balance brought forward	279.48	268.05
Earnings Per Share	4.57	9.82

2. Dividend:

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

3. Share Capital:

The paid up equity capital as on 31 March 2020 was Rs. 25,00,000/-. Your Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity during the financial year.

4. Directors:

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

5. Board Meetings

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

During the year 6 Board Meetings were conveyed and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



6. Directors' Responsibility Statement:

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

- a) in the preparation of the annual accounts for the financial year ended 31 March 2020, the applicable accounting standards and schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) 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 2020 and of the profit and loss of the Company for the financial year ended 31 March 2020;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and,
- f) proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

7. Auditors and Audit Report:

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

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

8. Public Deposits:

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

9. Safety, Health and Environment:

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



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

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

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

11. Particulars of Loan, Guarantee or Investments:

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

12. Particulars of Employees:

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

13. Merger with Nesco Limited:

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

14. Extract of Annual Return:

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

15. Related Party Transactions:

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

16. Acknowledgment:

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

For and on behalf of the Board of Directors


Dipesh R. Singhania
Chairman


Mumbai, 11 May 2020



ANNEXURE 'A' TO BOARD'S REPORT

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

Sr No	Date of Board Meeting
1	15.05.2019
2	01.08.2019
3	03.09.2019
4	01.11.2019
5	20.11.2019
6	29.01.2020

Name of the Director	No. of Meeting Attended
Mr. Dipesh R. Singhania	06
Mr. Krishna S. Patel	06



ANNEXURE "B" TO THE BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31 March 2019 (till date of the meeting)
[Pursuant to Section 92 (3) of the Companies Act, 2013, and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

SL. NO.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associates	% of shares held	Applicable Section
1	Nesco Limited	L17100MH1946PLC004886	Holding	100%	2(46)

