

To,
 The Members
Nesco Foundation for Innovation and Development

Board of Directors have pleasure in presenting the 4th Annual Report of the Company together with the audited financial statements for the financial year ended 31 March 2023.

1. Financial Results

(₹ in lakhs)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Income	17.31	111.20
Expenditure	17.32	103.26
Surplus / (Deficit) for the year	(0.01)	7.94
Earning per Share (in ₹)	(0.16)	79.44

2. Share Capital

The paid-up equity capital as on 31 March 2023 was ₹ 1,00,000/-.

3. Directors

There was no change in the composition of directors during the financial year 2022-23.

4. Board Meetings

Pursuant to Section 134(3)(b), during the year under review, four Board Meetings were conveyed and held on 13 May 2022, 01 August 2022, 28 October 2022, 27 January 2023. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

5. Directors' Responsibility Statement as required under Section 134(3)(C) of the Companies Act, 2013

The Directors state that: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation by way of notes to accounts relating to material departures;
- The selected accounting policies were applied consistently and the judgments and estimates made by them are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31 March 2023 and of the profit and loss of the Company for the year ended on that date;

CIN No.: U85320MH2019NPL331463

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

Tel No.: 022 66450123; Fax No.: 022 66450101; Email: nescofoundation@nesco.in

- c. Proper and sufficient care has been taken for the 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 fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis.
- e. Directors had laid down internal financial controls to be followed by the Company and that such internal controls are adequate and were operating effectively.
- f. Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. Company's Performance

During the year, your Company received ₹ 17.31 lakhs as donations. Out of the above, ₹ 11.81 lakhs were received from Nesco Limited (Holding Company) as contribution towards its CSR activities. Your Company has utilized the contribution of ₹ 8.39 lakhs received for providing educational facilities.

7. Auditors and Audit Report

The Board of Directors in their meeting held on 11 May 2020 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 period of five years i.e., till the conclusion of the 6th 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.

The Notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

8. 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.

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

The provisions of Section 134(3)(m) of the Companies Act, 2013, relating to conservation of energy and technology absorption are not applicable to the Company.

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

10. Particulars of Loan, Guarantee or Investments

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

11. Particulars of Employees

There is 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.

12. Annual Return

The Annual Return of the Company as on 31 March 2023 is prepared in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014.

13. Subsidiaries

Your Company is a Wholly Owned Subsidiary of Nesco Limited. There are no subsidiaries of your Company.

14. Related Party Transactions

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

All Contracts or arrangements or transactions entered by the Company with Related Parties were in its ordinary course of business and on an arm's length basis.

15. Indian Accounting Standards

Your Company has adopted Indian accounting Standard (Ind AS) notified by the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 2013 and general circulars issued from time to time.

16. Acknowledgement

Your Directors thank the shareholders, customers and vendors for the support and their valuable contribution.

For and on behalf of the Board

Sd/-

Krishna S. Patel
Chairman
(DIN: 01519572)

Mumbai, 15 May 2023

Nesco Foundation for Innovation & Development
(A Company licensed under section 8 of the Companies Act 2013)

Balance Sheet

(₹ in lakhs)

Particulars	Notes	As at 31 March	
		2023	2022
Assets			
Non-Current Assets			
Property, Plant and Equipment	2	3.38	4.68
Other Intangible Assets	3	0.25	0.34
Financial Assets			
Other Non Current Financial Assets	4	2.82	2.82
Total Non-Current Assets		6.45	7.84
Financial Assets			
Cash and Cash Equivalents	5	5.71	6.18
Other Current Assets		0.39	0.70
Total Current Assets		6.10	6.88
Total Assets		12.55	14.72
Equity and Liabilities			
Equity			
Equity Share Capital	6A	1.00	1.00
Other Equity	6B	6.93	6.94
Total Equity		7.93	7.94
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities		2.27	3.60
Total Non-Current Liabilities		2.27	3.60
Current Liabilities			
Financial Liabilities			
Lease Liabilities		1.32	1.24
Trade Payables	7	-	-
Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		-	0.98
Other Current Financial Liabilities	8	0.93	0.73
Other Current Liabilities	9	0.09	0.23
Total Current Liabilities		2.35	3.18
Total Equity and Liabilities		12.55	14.72

Notes forming part of the financial statements

1 to 22

As per our report of even date

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

For and on behalf of the Board

Sd/-

Ashish Shah
Partner
Membership No : 103750

Mumbai, 15 May 2023

Sd/-

Krishna S. Patel
Director
DIN- 01519572

Mumbai, 15 May 2023

Sd/-

Sudha S. Patel
Director
DIN- 00187055

Mumbai, 15 May 2023

Nesco Foundation for Innovation & Development
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Statement of Income and Expenditure

(₹ in lakhs)

Particulars	Notes	For the year	
		2022 - 2023	2021 - 2022
Income			
Donation Received against Ongoing project		11.81	100.22
Donation Received Others		5.50	10.50
Income from Other Sources		-	0.48
Total Income		17.31	111.20
Expenditure			
Expense on Incubation Facility		-	6.58
Expense on Education Facility		8.39	29.06
Expense on Covid-19 Safety & Hygiene measures		-	59.10
Depreciation and Amortisation Expenses		1.39	1.39
Finance Cost		0.34	0.42
Other Expenses	10	7.20	6.70
Total Expenditure		17.32	103.26
Surplus/(Deficit) before tax		(0.01)	7.94
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Total Tax Expense		-	-
Surplus/(Deficit) after tax for the year		(0.01)	7.94

Earning per Share (face value ₹ 10/- each)
Basic & Diluted (in ₹)

16

(0.16)

79.44

Notes forming part of the financial statements

1 to 22

As per our report of even date

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

For and on behalf of the Board

Sd/-

Ashish Shah
Partner
Membership No : 103750

Mumbai, 15 May 2023

Sd/-

Krishna S. Patel
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DIN- 01519572

Mumbai, 15 May 2023

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Sudha S. Patel
Director
DIN- 00187055

Mumbai, 15 May 2023

Nesco Foundation for Innovation & Development
(A Company licensed under section 8 of the Companies Act 2013)

Cash Flow Statement

Particulars	For the Year	
	2022-2023	2021-2022
A) Cash Flow From Operating Activities		
Surplus/(Deficit) Before Income Tax	(0.01)	7.94
<u>Add/(Less):</u>		
Depreciation	1.39	1.39
Finance Cost	0.34	0.42
	<u>1.73</u>	<u>1.82</u>
Operating Profit Before Change In Operating Assets And Liabilities	1.72	9.76
<u>Add/(Less):</u>		
(Increase)/Decrease in Other Operating Assets	0.31	(3.32)
Increase/(Decrease) in Trade Payables	(0.99)	0.85
Increase/(Decrease) in Other Operating Liabilities	0.07	0.25
	<u>(0.61)</u>	<u>(2.22)</u>
Cash Generated From Operations	1.11	7.54
<u>Add/(Less):</u>		
<u>Income Tax Paid (Net of Refund)</u>	-	-
Net Cash Generated from Operating Activities - [A]	1.11	7.54
B) Cash Flow From Investing Activities		
Purchase of Fixed Assets / Capital Work In Progress / Capital Advances	-	(5.99)
	-	<u>(5.99)</u>
Net Cash Used in Investing Activities - [B]	-	(5.99)
C) Cash Flow Used in Financing Activities		
Increase/(Decrease) in Lease Liability	(1.24)	4.83
Finance Cost	(0.34)	(0.42)
Receipt for Share Capital Money from Holding Company	-	-
	<u>(1.58)</u>	<u>4.41</u>
Net Cash Used in Financing Activities - [C]	(1.58)	4.41
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(0.47)	5.97
Cash and Cash Equivalents as at 01 April	6.18	0.21
Cash and Cash Equivalents as at 31 March	<u>5.71</u>	<u>6.18</u>

Notes:

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

- b) Cash and Cash Equivalents comprises of
Cash On Hand
Balances With Banks in Current Accounts

2022-2023	2021-2022
5.71	-
<u>5.71</u>	<u>6.18</u>
	<u>6.18</u>

As per our report of even date

For and on behalf of the Board

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

Sd/-

Ashish Shah
Partner
Membership No : 103750

Mumbai, 15 May 2023

Sd/-

Krishna S. Patel
Director
DIN- 01519572

Mumbai, 15 May 2023

Sd/-

Sudha S. Patel
Director
DIN- 00187055

Mumbai, 15 May 2023

Nesco Foundation for Innovation and Development
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 current year	Balance as at 31 March 2023
1.00	-	-	-	1.00

(₹ in lakhs)

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 previous year	Balance as at 31 March 2022
1.00	-	-	-	1.00

As at 31 March
2023 2022

B Other Equity

Retained Earnings

Balance at the beginning

Surplus/(Deficit) for the year

Balance at the end

6.94

(0.01)

6.93

(1.00)

7.94

6.94

As per our report of even date

For and on behalf of the Board

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

Sd/-

Ashish Shah
Partner
Membership No : 103750

Mumbai, 15 May 2023

Sd/-

Krishna S. Patel
Director
DIN- 01519572

Mumbai, 15 May 2023

Sd/-

Sudha S. Patel
Director
DIN- 00187055

Mumbai, 15 May 2023

Nesco Foundation for Innovation & Development
Notes Forming part of the Financial Statements

Note no.	Particulars	As at 31 March	
		2023	2022
2	Property, Plant and Equipment		
	Right of Use - Leasehold Land*		
	Opening Gross Carrying Amount	5.99	-
	Additions during the year	-	5.99
	Closing Gross Carrying Amount	5.99	5.99
	Opening accumulated depreciation	1.31	-
	Depreciation during the year	1.31	1.31
	Closing accumulated depreciation	2.61	1.31
	Closing Net Carrying Amount	3.38	4.68
	*Lease Agreement is duly executed in the favour of the company		
3	Other Intangible Assets		
	Opening Gross Carrying Amount	0.53	0.53
	Additions during the year	-	-
	Closing Gross Carrying Amount	0.53	0.53
	Opening accumulated depreciation	0.19	0.10
	Depreciation during the year	0.09	0.09
	Closing accumulated depreciation	0.28	0.19
	Closing Net Carrying Amount	0.25	0.33
4	Other Non Current Financial Assets		
	Security Deposits (Unsecured, Considered Good)	2.82	2.82
		2.82	2.82
5	Cash and Bank Balances		
	Cash & Cash equivalents		
	Balances With Banks in Current Accounts	5.71	6.18
		5.71	6.18

Nesco Foundation for Innovation & Development

Notes Forming part of the Financial Statements

Note no.	Particulars	As at 31 March	
		2023	2022
6A	Equity Share Capital		
	Authorised		
	10,000 Equity shares of Rs 10 each	1.00	1.00
	Issued and Paid-up		
	10,000 Equity shares of Rs 10 each	1.00	1.00
		1.00	1.00
	<u>Reconciliation of shares outstanding at the beginning and at the end of the year</u>		
	At the beginning of the year	No. of Shares Rs.(in lakhs)	10,000.00 1.00
	Changes in Equity Share Capital during the year	No. of Shares Rs.(in lakhs)	- -
	At the end of the year	No. of Shares Rs.(in lakhs)	10,000.00 1.00
	<u>Details of Shares held by Holding Company</u>		
	Nesco Limited	No. of Shares % of Holding	9,999 99.99%
	<u>Details of Shareholders holding more than 5% Equity Shares</u>		
	Nesco Limited	No. of Shares % of Holding	9,999 99.99%
	<u>Details of Shares held by Promoters</u>		
	Nesco Limited	No. of Shares % of Holding % of change during the year	9,999 99.99% -
6B	Other Equity		
	Balance at the beginning	6.94	(1.00)
	Surplus/(Deficit) for the year	(0.01)	7.94
	Balance at the end	6.94	6.94
	<u>Terms / Rights Attached to Equity Shares</u>		
	Each holder of Equity share is entitled to One vote per share held. The company been a company registered under Sec 8 of the Companies Act, 2013 is required to compulsory apply its profit, if any, or other income in promoting its objective and is prohibited from the payment of any dividends to its member (shareholders). In the event of liquidation of the company, the holders of the equity shares shall be not be entitled to receive the remaining assets of the company after satisfaction of debts and liabilities. Such remaining assets shall be given or transferred to such other company registered under Sec 8 of the Companies Act, 2013 having similar objects, Subject to such conditions as the Tribunal may impose or may be sold and proceeds thereof credited to the rehabilitation and Insolvency Fund formed under section 269.		

Note No. 7

Particulars	(₹ in lakhs)	
	As at 31 March	
	2023	2022
Trade payables		
(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
(b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	-	0.98
Total	-	0.98

Trade Payables ageing schedule for the year ended 31 March 2023

Particulars	Not Due	(₹ in lakhs)				
		Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	-	-	-	-	-
(ii)Others	-	-	-	-	-	-
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	-	-	-	-	-	-

Trade Payables ageing schedule for the year ended 31 March 2022

Particulars							(₹ 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	-	-	-	-	-	-	-
(ii)Others	-	0.98	-	-	-	-	0.98
(iii)Disputed dues – MSME	-	-	-	-	-	-	-
(iv)Disputed dues – Others	-	-	-	-	-	-	-
Total	-	0.98	-	-	-	-	0.98

Nesco Foundation for Innovation & Development

Notes Forming part of the Financial Statements

(₹ in Lakhs)

Note no.	Particulars	As at 31 March	
		2023	2022
8	Other financial liabilities		
	Other Payables	0.86	0.73
		0.86	0.73
9	Other current liabilities		
	Payable Towards TDS / TCS	0.09	0.23
		0.09	0.23

Nesco Foundation for Innovation & Development
Notes Forming part of the Financial Statements

(₹ in Lakhs)

Note no.	Particulars	For the year	
		2022-2023	2021-2022
10	Other Expenses:		
	Administrative, Office & General Exps.	0.41	1.06
	Legal & Professional Fees	0.40	1.94
	Audit Fees	0.59	0.54
	Software and IT Expenses	1.94	1.83
	Repairs & Maintenance Charges	0.11	0.07
	Power & Fuel	3.73	-
	Miscellaneous Expenditure	0.01	1.27
		7.20	6.70

11 Category wise classification of financial instrument

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 comprehensive income	Total carrying value
Financial Assets				
Cash and cash equivalents	5.71	-	-	5.71
Other Financial Asset	2.82	-	-	2.82
Total Financial Assets	8.53	-	-	8.53
Financial Liabilities				
Lease Liability	3.60	-	-	3.60
Trade Payables	-	-	-	-
Other financial liabilities	0.93	-	-	0.93
Total Financial Liabilities	4.53	-	-	4.53

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 comprehensive income	Total carrying value
Financial Assets				
Cash and cash equivalents	6.18	-	-	6.18
Other Financial Asset	2.82	-	-	2.82
Total Financial Assets	9.00	-	-	9.00
Financial Liabilities				
Lease Liability	4.83	-	-	4.83
Trade Payables	0.98	-	-	0.98
Other financial liabilities	0.73	-	-	0.73
Total Financial Liabilities	6.55	-	-	6.55

Note 12 - Contingent Liabilities and Commitments:

- Income tax demand disputed by the Company ₹ **43.83 Lakhs.**
- Claims against the Company not acknowledged as debts ₹ Nil.
- Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ Nil.

Note 13 - 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	As at 31 March 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	-	-
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	-	-
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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 14 - 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) There are no Investments made in related party during the year.
- 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 15 - Related party disclosures:

- (a) List of related parties and relationships

Parent / Holding Company (i) Nesco Limited

Directors

- (i) Mr. Krishna S. Patel
- (ii) Mrs. Sudha S. Patel
- (iii) Mr Sumant J. Patel (Estate of Mr Sumant J Patel) (Left for his heavenly abode on 17 November 2021)

- (b) Related party transactions: -

(₹ in lakhs)

Particulars	For the year 2022-2023	For the year 2021-2022
Amounts received as donation from Nesco Limited	11.81	100.22
Rent Paid to Mr Sumant J. Patel. (Estate of Mr. Sumant J. Patel)	1.42	1.42

Note 16 - Earnings per share:

(₹ in lakhs)

Particulars	2022-23	2021-22
Surplus/(Deficit) after Tax as per statement of Income and Expenditure (₹ in lakhs)	(0.01)	7.94
Weighted average Number of equity shares outstanding during the years	10000	10000
Basic and diluted earnings per share in Rupees (Face value- ₹ 10 per share)	(0.16)	79.44

Note 17 - Segment Reporting:

The Company is only engaged in implementing/providing CSR activities for Nesco Limited and there are no reportable segments.

Note 18 - Leases:

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

Company as Lessee:

Nesco Foundation for Innovation and Development
Notes forming part of Financial Statements

NFID 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.

NFID has taken a part of land at Karamsad, Gujarat under non-cancellable Operating Lease. These lease rentals are payable on a monthly basis. It recognizes this lease as right of use assets and lease liability.

The company recognizes 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 Income & Expenditure and Cash outflow for ROU assets: -

(₹ in lakhs)

Particulars	2022 - 23	2021 - 22
Additions to Right of Use Assets		5.99
Depreciation for Right of Use Assets	1.31	1.31
Carrying Amount of Right of Use Assets	3.38	4.68
Interest Expense on Lease Liabilities	0.34	0.42
Repayment of Right of Use Assets	1.58	1.58

Contractual maturity analysis of undiscounted lease liabilities is given below: -

Particulars	As at 31st March 2023	As at 31st March 2022
Less than one year	1.58	1.58
One to two years	2.49	1.58
Two to five years	-	2.49
More than five years	-	-
Total	4.07	5.65

Note 20 - 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
 - (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 current year and previous 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 current year and previous year, the company had no transactions with struck off companies.

Note 21 - Previous year figures are regrouped wherever necessary.

Note 22 - The financial statements are approved for issue by the Board of Directors at its meeting held on 15 May 2023.

Note 19 - Ratio Analysis

Note 19 - Ratio Analysis				(₹ in lakhs)		(₹ in lakhs)		Ratios		Variance (in %)
Sr.No.	Particulars	Numerator		Denominator		Ratios				
		Particulars	2022-23	2021-22	Particulars	2022-23	2021-22			
1	Current Ratio	Current Assets	6.10	6.88	Current Liabilities	2.35	3.18	2.60	2.17	(20.13)*
2	Debt Equity Ratio	Total Debt (Borrowings)	-	-	Shareholder's Equity	-	-	NA	NA	NA
3	Debt Service Coverage Ratio	Net Operating Income	-	-	Debt Service	-	-	NA	NA	NA
4	Return on Equity Ratio	Profit	-	-	Average Shareholders Equity	-	-	NA	NA	NA
5	Inventory Turnover Ratio	Sales	-	-	Average Inventory	-	-	NA	NA	NA
6	Trade Receivables Turnover Ratio	Revenue from Operations	-	-	Average Trade Receivables	-	-	NA	NA	NA
7	Trade Payables Turnover Ratio	Total Purchases	-	-	Average Trade Payables	-	-	NA	NA	NA
8	Net Capital Turnover Ratio	Net Sales	-	-	Average Working Capital	-	-	NA	NA	NA
9	Net Profit Ratio	Surplus	-	-	Net Sales	-	-	NA	NA	NA
10	Return on Capital employed	EBIT	-	-	Capital Employed	-	-	NA	NA	NA
11	Return on Investment	Return/Profit/Earnings	-	-	Average Investment	-	-	NA	NA	NA

* Outstanding Current Liabilities increased as compared to Last Year

1.Statement of significant accounting policies and practices

A. Corporate Information

Nesco Foundation for Innovation and Development ("the Company"), a non-profit making Company, within the meaning of Section 8 of the Companies Act, 2013, was incorporated in India on 9 October, 2019. The Company is primarily engaged in CSR activities which are mainly in line with the specified areas for CSR in Schedule VII of Companies Act, 2013.

B. Basis of preparation: - Compliance with Ind AS

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

C. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialized and if material, their effects are disclosed in the notes to the financial statements.

D. Current/ non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's Normal operating cycle and other criteria set out in Schedule-III of the Act. For the purpose of current / non-current classification of assets and liabilities, the company has ascertained its normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets and their realization in cash and cash equivalents.

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. Revenue recognition

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

G. Cash and cash equivalents

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

H. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Investments and other Financial Assets:

(i) Classification:

The Company classifies its financial assets in following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on entity's business model for managing financial assets and the contractual terms of cash flow.

(ii) Initial recognition and measurement:

At initial recognition, the Company measures a financial asset at fair value, plus in case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transactions costs of financial assets carried at fair value through profit and loss are expensed in profit or loss.

(iii) Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. A gain or loss on such an instrument is recognised in profit or loss. Interest income from these financial assets is included in other income using effective interest method. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where represent solely payments of principal and interest, are measured at fair value initially as well as at each reporting date through other comprehensive income. Fair value movements in the carrying amount are recognized in the other comprehensive income, except for the recognition of impairment of gains and losses, interest revenue and foreign exchange gain or loss which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(v) Financial Assets measured at fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVTOCI are measured initially as well as at each reporting date at fair value through profit or loss as other income. Income from these financial assets is included in other income.

(vi) Investment in Subsidiary and Associates:

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

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

(vii) Investment in Equity Instruments:

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

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

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

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

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

(x) De-recognition of Financial Assets:

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

A financial asset is derecognised only when the Company –

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

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

(xi) Income recognition:

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

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

2. Financial Liabilities:

i) Classification:

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

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

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

iv) De-recognition of Financial Liabilities: A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3. Offsetting Financial Instruments:

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

I. 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.

- i) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
- ii) 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.

- iii) Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
- iv) 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.

J. 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.

K. Leases:

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 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 recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than Rs. 1,00,000 in value). The Company recognizes the lease payments associated with these leases as an expense over the lease term.