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SFO Technologies Private Limited

(A NeST Group Company)

Phone : 91 484 6614000

Fax : 91 484 2413053

Website : www.sfotechnologies.net

Email : contact@sfotechnologies.net

CIN : U72900KL1990PTC005620

Registered office : Stone House, Market Road, Aluva - 683 101, Kerala, India

Corporate Office : Plot No.02, Cochin Special Economic Zone, Kakkanad – 682 037, Ernakulam, Kerala, India

SHORTER NOTICE OF 31ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31st Annual General Meeting of **SFO TECHNOLOGIES PRIVATE LIMITED** will be held on **Tuesday, the 30th Day of November 2021**, at 04:00 PM at the Registered Office of the company at Stone House, Market Road, Aluva – 683 101, Ernakulam, Kerala to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a) Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2021, together with the Reports of the Board of Directors' and Auditors' thereon
- b) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2021, together with the Report of the Auditors' thereon.

SPECIAL BUSINESS:

2. Appointment of Mr. Althaaf Jehangir as Wholetime Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable 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) Mr. Althaaf Jehangir (DIN:00006080), who was appointed as an Additional Director to the Board of the Company on 20th day of November 2021 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196 and any other applicable 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), the consent of the shareholders of the Company be and is hereby accorded to appoint Mr. Althaaf Jehangir (DIN:00006080) as a Wholetime Director of the Company for a period of 5 years commencing from 30th day of November 2021”

“RESOLVED FURTHER THAT the terms and conditions of appointment of Mr. Althaaf Jehangir (DIN:00006080) shall be same as applicable to him as a part of his employment.”

RESOLVED FURTHER THAT Mr. Nagoor Jehangir Rawther, (DIN: 00002790), Managing Director and Mr. Padmanabhan Kumaravel, Company Secretary of the Company, be and are hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

3. Alteration in Articles of Association of the Company

To alter the Articles of Association of the Company for adoption of new set of Articles of Association in alignment with the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14, or any other applicable provisions of the Companies Act, 2013 ('the Act'), read with the Companies (Incorporation) Rules, 2014, including any modification(s) thereto or re-enactment(s) thereof for the time being in force, the consent of the members of the company be and is hereby accorded to substitute the existing Articles of Association of the company with a new set of Articles of Association as per the provisions of the Companies Act, 2013.

“RESOLVED FURTHER THAT Mr. Nagoor Jehangir Rawther, (DIN: 00002790), Managing Director and Mr. Padmanabhan Kumaravel, Company Secretary of the Company be and are hereby severally authorized to do all such acts and deeds as may be necessary or incidental in this regard to give effect to the foregoing resolution including filing of all the necessary e-forms with the office of the Registrar of Companies”

By order of the Board of Directors

Sd/-

Padmanabhan Kumaravel
Company Secretary

Place : Aluva
Date : 30.11.2021

Notes:

(i) A member entitled to attend and vote in the meeting is entitled to appoint a proxy and vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective should be deposited at the Registered Office of the company before the commencement of the meeting.

(ii) Please note that the Company intends to make provision for shareholders of the Company, or their proxies, to participate in the Annual General Meeting by way of video conferencing.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The explanatory statements are provided below for Item No. 2 and 3, though same were not strictly required as per Section 102(1) of the Companies Act 2013:

ITEM NO.2

Mr. Althaaf Jehangir was appointed as an Additional Director by the Board of Directors with effect from November 20, 2021 and in terms of the provisions of the Act read with relevant provisions of the Companies Act, 2013, he holds office till the conclusion of this Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from Member proposing the candidatures of Mr. Althaaf Jehangir for the office of Director of the Company.

Pursuant to Section 2(94) of the Companies Act, 2013, Mr. Althaaf Jehangir is also appointed as a Whole - Time Director of the Company, subject to the approval of shareholders, for period of 5 years with effect from 30th November 2021.

The Terms and conditions of employment and remuneration, as applicable to Mr. Althaaf Jehangir as a part of his employment shall continue to be applicable to him as an appointment Whole-Time Director. The terms and conditions of employment shall be open for inspection of members of the Company at the Registered Office of the Company during the business hours i.e., 9.00 a.m. to 6.00 p.m. up to the date of this Annual General Meeting.

In compliance with the provisions of Section 196 of the Act, appointment of Mr. Althaaf Jehangir as a Whole-Time Director of the Company for a period of 5 years is placed before the members at this Annual General Meeting.

The Board believes that the Company would be immensely benefited from the appointment of Mr. Althaaf Jehangir as Whole-Time Director and he fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder, and the Board recommends the Ordinary Resolutions set out at item No. 2 of the Notice for the approval by the Members.

Mr. Althaaf Jehangir is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Except Mr. Althaaf Jehangir, being an appointee, none of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 2.

ITEM NO.3

The Articles of Association of the Company was originally framed as per the provisions of the Companies Act, 1956 and a new set of Articles were adopted as per the new provisions of the Companies Act, 2013. Now the Company wanted to alter the Articles of Association of the Company by modifying many of the articles. The Board of Directors had a discussion on the matter and proposed to alter the Articles by adopting a new

set of Articles. For the alteration, the consent of the Members of the Company is required as a Special Resolution.

The Resolution at Item No. 3 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013.

A copy of the Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company.

The Board of Directors recommend passing of the Special Resolution as contained in the Notice.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.3.

By order of the Board of Directors

Place : Aluva
Date : 30.11.2021

**Sd/-
Padmanabhan Kumaravel
Company Secretary**

NEST

SFO TECHNOLOGIES PRIVATE LIMITED

Registered Office: Stone House, Market Road, Aluva – 683 101, Ernakulam, Kerala

PROXY FORM

31st Annual General Meeting

I/We.....

(enter name) having address at

(enter address), a member of SFO Technologies Private Limited, do hereby appoint Mr/Ms

(enter name)

(enter address), as my/our proxy to attend and vote for me/us on my/our behalf at the 31st Annual General Meeting of the company, to be held on Tuesday, the 30th day of November 2021, at 04:00 PM at the Registered Office of the company at Stone House, Market Road, Aluva-683 101, Ernakulam, Kerala and at any adjournments thereof.

IN WITNESS whereof I/We set hands this day of2021.

Folio No :

No. of shares held :

Signature :

Please affix
Rs. 1.00 revenue stamp

(Signature of the shareholder across the stamp)

Note: Proxy must be deposited at the registered office of the company before the commencement of the meeting.

ROAD MAP TO THE VENUE





SFO Technologies Private Limited

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Phone : 91 484 6614000

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CIN : U72900KL1990PTC005620

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Corporate Office : Plot No.02, Cochin Special Economic Zone, Kakkanad – 682 037, Ernakulam, Kerala, India

SHORTER NOTICE OF 31ST ADJOURNED ANNUAL GENERAL MEETING

Notice is hereby given that the 31ST Adjourned Annual General Meeting of **SFO TECHNOLOGIES PRIVATE LIMITED** will be held on **Monday, the 28th day of February 2022**, at 02:00 PM at the Registered Office of the company at Stone House, Market Road, Aluva - 683101, Ernakulam, Kerala to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a) Audited consolidated financial statements of the Company for the financial year ended 31st March 2021, together with the Reports of the Board of Directors' and Auditors' thereon.

You are requested to kindly attend the meeting.

By order of the Board of Directors

Sd/-

Padmanabhan Kumaravel
Company Secretary

Place : Aluva
Date : 28.02.2022

Notes:

(i) A member entitled to attend and vote in the meeting is entitled to appoint a proxy and vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective should be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.

(ii) Please note that the Company intends to make provision for shareholders of the Company, or their proxies, to participate in the Annual General Meeting by way of video conferencing.

ROAD MAP TO THE VENUE





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(A NeST Group Company)

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Corporate Office : Plot No.02, Cochin Special Economic Zone, Kakkanad – 682 037, Ernakulam, Kerala, India

DIRECTORS' REPORT 2020-21

Dear Shareholders,

Your directors have pleasure in presenting the 31st Annual Report of your Company, **SFO TECHNOLOGIES PRIVATE LIMITED** along with the audited accounts for the Financial Year ended 31st March 2021.

(1) Financial Highlights

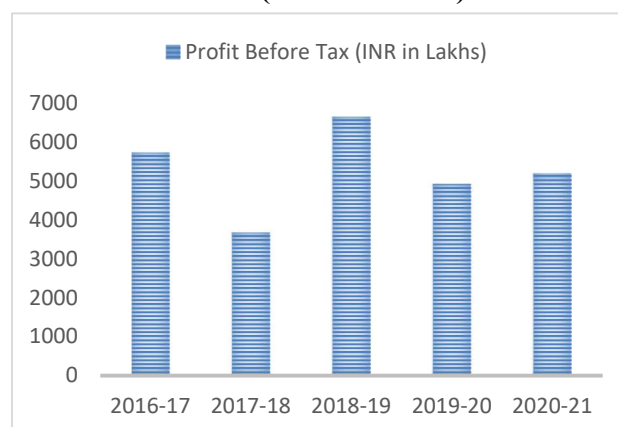
(Amount in Lakhs except *per share* data)

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Revenue from Operations (Net) (1)	1,54,058	1,46,021	1,65,934	1,78,897
Material consumed (2)	98,371	100,615	1,00,997	1,15,290
Gross Profit (3) = (1)-(2)	55,687	45,406	64,937	63,607
Other Income	2,755	1,698	1,363	1,797
Operating and other expenses	40,831	35,489	47,773	48,176
Profit Before Interest, Depreciation & Tax	13,825	14,377	17,129	22,047
Finance cost	5,541	5,332	6,432	7,216
Depreciation and Amortisation expense	3,924	4,114	4,242	4,962
Profit Before Tax (PBT)	5,841	4,931	6,455	9,869
Tax expense	2,284	1,917	2,721	2,289
Profit After Tax (PAT)	3,557	3,013	3,734	7,581
Share of loss attributable to minority interest	-	-	-	-
Share of profits of associates	-	-	138	232
Net Profit	3,596	2,642	3,734	7,581
Earnings Per share-basic/diluted	388	329	408	828

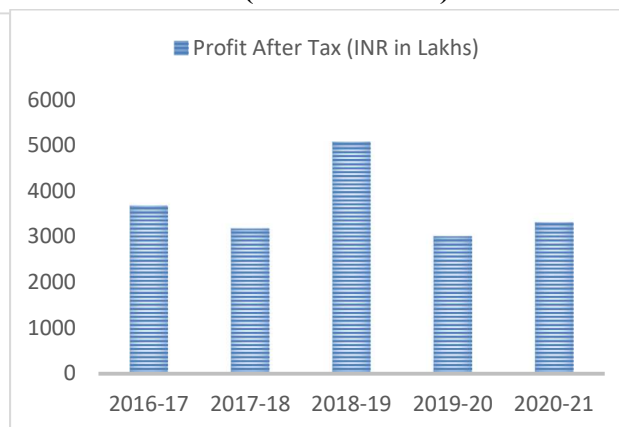
(2) Results of operations

Total Revenue recorded for the year under review was Rs.1,56,813 Lakhs as against the revenue of Rs. 1,47,719 Lakhs in the previous year. Your company has achieved a Profit Before Tax of Rs.5,841 Lakhs as against Rs.4,930 Lakhs in the previous year. Total Profit After Tax for the year under report is Rs.3,557 Lakhs as against the previous year figure of Rs.3,013 Lakhs.

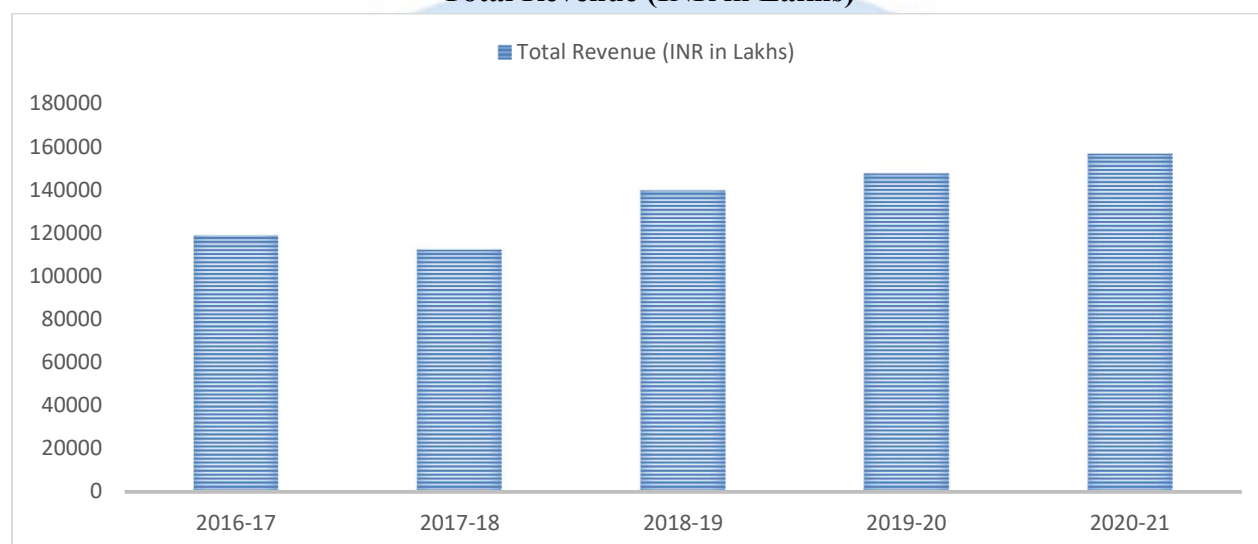
Profit Before Tax (INR in Lakhs)



Profit After Tax (INR in Lakhs)



Total Revenue (INR in Lakhs)



(3) Business

Your company has recorded continuous growth in its business during the year under review and has successfully added new customers including global electronic leaders, in the sectors including Healthcare, Industrial, Defence, Transportation, Automotive. Your company, through its inherent strengths and capabilities is confident of achieving increased pace in sales and profitability in the upcoming years also.

(4) Material Changes Affecting the Financial Position of the Company

There have been no material changes and commitments, affecting the financial position of the Company which occurred during the period between the end of the financial year to which the financial statements relate and the date of this report.

For the preparation of financial statements, our Auditors have adopted Ind AS in the previous financial year i.e., FY 2019-20 and the current financial year i.e., FY 2020-21, instead of Indian GAAP (Generally Accepted Accounting Principles) as used in the past previous years.

(5) Adequacy of Internal Financial Controls with Reference to Financial Statements

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

(6) Dividend

To conserve the financial resources, the Board of Directors is not recommending any Dividend.

(7) Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

There were no transactions requiring the company to transfer any amounts to IEPF during previous years and hence the provisions of Section 125 of the Companies Act, 2013 do not apply.

(8) Directors

The Board of Directors of your Company has appointed Mr. Althaaf Jehangir (DIN:00006080), as an Additional Director to the Board of the Company on the Board Meeting held on 20th day of November 2021 to hold office until the date of the ensuing Annual General Meeting of the Company. The Members of the Company had appointed him as the Wholetime Director of the Company in the Annual General Meeting held on 30th November 2021.

As on the date of this report, the directors of the company are as under:

No.	Name of Directors	Designation
1	Dr. Javad K Hassan	Chairman & Director
2	Mr. Nagoor Rawther Jehangir	Managing Director
3	Mr. Althaaf Jehangir	Wholetime Director

(9) Company's Policy relating to Directors' appointment, Payment of Remuneration and discharge of their duties

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

(10) Declaration of Independent Directors

The provisions of Section 149 of the Companies Act, 2013 regarding the appointment of Independent Directors do not apply to the company and hence the declaration required under section 149(6) is not applicable.

(11) Shares

During the year under review, the company has undertaken following transactions:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
Nil	Nil	Nil	Nil	Nil

(12) Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in [Annexure A](#) and is attached to this Report.

(13) Number of Board Meetings

The Company has conducted 17 (Seventeen) Board Meetings during the financial year under review. The attendance of Directors for the Board meetings are as under:

No.	Date	<i>Dr. Javad K Hassan</i>	<i>Mr. Nagoor Jehangir Rawther</i>
1	30 April 2020	✓	✓
2	21 May 2020	✓	✓
3	01 June 2020	✓	✓
4	01 July 2020	✓	✓
5	07 July 2020	✓	✓
6	09 September 2020	✓	✓
7	24 September 2020	✓	✓
8	09 Octo 2020	✓	✓
9	28 October 2020	✓	✓
10	06 November 2020	✓	✓
11	18 November 2020	✓	✓
12	21 December 2020	✓	✓
13	31 December 2020	✓	✓
14	20 January 2021	✓	✓
15	18 February 2021	✓	✓
16	27 February 2021	✓	✓
17	29 March 2021	✓	✓

[✓ : Attended / X: Not attended / NA: Not Applicable]

(14) Particulars of Loans, Guarantees and Investments under Section 186

Details of Loans, Guarantees and Investments under Section 186 are provided under note 7 and 8 of the audited financials of the company.

(15) Particulars of Contracts or Arrangements made with Related Parties

Details provided in [Annexure B](#) in AOC-2 format pursuant to clause 2(h) of sub section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules 2014.

(16) Deposits

The Company has not accepted any deposits during the year under review.

(17) Conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014

(A) Conservation of Energy

Your company has taken adequate steps for effective utilization of energy at all levels of production process.

(B) Technology Absorption

Your company is constantly upgrading the technological innovations into the production process. The company, in accordance with the latest technology sets process, systems and put efforts to provide best price, which aids the company retain its premium customers and getting orders from the existing and new customers.

(C) Foreign Exchange Earnings and Outgo

Foreign exchange earned and used for the year ended on 31st March 2021: (Rs. Lakhs)

	March 2021	March 2020
Foreign exchange earnings	66,250	76,235
Foreign exchange outgo	199	602

(18) Statutory Auditors

M/s. MSKA & Associates, Chartered Accountants, (Firm Registration No. 105047W) having office at 05th Floor, Main Building, Guna Complex, New No. 443 & 445, Old No. 304, 305, Mount Road, Teynapet, Chennai-600018 India has been appointed as the Auditors and acts as the Statutory Auditors of the Company till the conclusion of 32nd Annual General Meeting of the Company, on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors and the Auditors.

(19) Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors in their Report

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

(20) Secretarial Audit

Your directors had appointed **M/s. Satheesh and Remesh**, Company Secretaries in Practice, 2nd Floor, “Krishna Apartments”, M G Road, (Behind Duroflex Showroom), Ambady Lane, Ravipuram, Ernakualm – 682 016, Kerala, to undertake the Secretarial Audit of your Company. They have submitted Secretarial Audit Report for the year 2020-21. A copy of the Secretarial Audit Report issued in form MR-3 by M/s. Satheesh and Remesh, Secretarial Auditors is enclosed as an [Annexure C](#) to this report. It may be observed that there no adverse remarks made by them.

(21) Disclosure of Composition of Audit Committee and Providing Vigil Mechanism

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2013 regarding constitution of Audit Committee is not applicable to the Company.

Further, section 177 (9) of the Companies Act, 2013 and Rules 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 regarding Vigil Mechanism is applicable to the Company and accordingly a 'Vigil Policy' approved by the Board of Directors of the company is in place. The Board has nominated Mr. Nagoor Jehangir Rawther, Managing Director of the Company to implement vigil mechanism in the Company. The Company has appointed Mr. M Ramachandran, FCA as the Vigilance Officer for a period of One (1) year with effect from 09th July 2021.

(22) Risk Management Policy

The Company has in force a "Risk Management Policy" approved by the members of the Board of Directors of the company.

(23) Corporate Social Responsibility (CSR) Policy

SFO Technologies Private Limited is committed to serve the society as a token of its gratitude for the continuous support extended to it by the society. Further, section 135 of the Companies Act, 2013 also mandates certain group of companies to adopt a policy for Corporate Social Responsibility. Company has in place, a Corporate Social Responsibility Policy adopted by the Board of Directors of the company. The details are available on the website of the Company.

The composition of the CSR Committee is as under:

No.	Name	Designation
1	Mr. Nagoor Jehangir Rawther	Chairman of the CSR Committee
2	Dr. Javad K Hassan	Member

The contents of the CSR policy and initiatives taken by the Company on Corporate Social Responsibility during the year 2020-21 is attached as **Annexure D** to this Report.

(24) Research and Development (JKH Technology Centre)

The R&D division of the company has been undertaking Concept to Product activities, which are becoming potential for volume manufacturing business. The Value engineering activities are also acting as a catalyst for the manufacturing opportunities from customer. R&D centre of the Company has bagged some R&D projects from healthcare customers, where novel ideas are being tried out.

(25) Technology Road Map

The technology road map adopted by the company will establish your Company, a leader in medical electronics, automotive, aerospace and embedded system software products and services during the next few years.

(26) Subsidiaries

The list of Subsidiary Companies of the Company is as under:

1. NeST Hi-Tek Park Private Limited, India
2. Ray-Hans Precision Tools Private Limited, India
3. NeST Digital Private Limited (Formerly known as NeST Information Technologies Private Limited), India
4. ICAM Solution Private Limited, India
5. SFO Technologies Corporation, Wisconsin, USA

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is provided at [Annexure E.](#)

(27) Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) The directors had prepared the annual accounts on a going concern basis.
- (e) The directors had devised proper Internal Financial Controls to be followed by the company and that such Internal Financial Controls are adequate and operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(28) Particulars of Employees

Details of employees in the company receiving remuneration of Rs. 60 Lakhs or more or employed for part of the financial year and in receipt of Rs.5 Lakhs or more a month, under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as [Annexure F.](#)

(29) Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

(30) Information required under sexual harassment of women at workplace (prevention, prohibition & redressal) Act, 2014

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21:

(a)	No of complaints received	:	Nil
(b)	No of complaints disposed off	:	NA
(c)	Number of cases pending for more than 90 days	:	Nil
(d)	Number of workshops or awareness programmes against sexual harassment carried out	:	-
(e)	Nature of action taken by the employer or District Officer	:	Nil

(31) Appreciation

We thank our clients, vendors, authorities of Cochin Special Economic Zone, Customs and Central Excise departments, Income Tax Authorities, Registrar of Companies-Kerala and our Bankers for their continued support during the year. We place on record our appreciation of the contribution made by the employees at all levels. Our consistent growth was made possible by their hard work, co-operation and support.

For and on behalf of the Board of Directors of
SFO Technologies Private Limited

Sd/-

Nagoor Jehangir Rawther
Managing Director
(DIN: 00002790)

Sd/-

Althaaf Jehangir
Wholtime Director
(DIN: 00006080)

Place : Aluva

Date : 28th February 2022

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
(As on financial year ended on 31.03.2020)

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U72900KL1990PTC005620
2.	Registration Date	08/02/1990
3.	Name of the Company	SFO TECHNOLOGIES PRIVATE LIMITED
4.	Category/Sub-category of the Company	Private Limited company
5.	Address of the Registered office & contact details	Stone House, Market Road, Aluva – 683 101, Ernakulam, Kerala, India, Ph: 0484-6614300
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Ph: +91-40-23312454

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)

SI. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	PCB Assembling	261	85.99

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled: 05]

No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Nest Hi-Tek Park Private Limited, Stone House, Market Road, Aluva - 683101, Ernakulam, Kerala, INDIA	U70102KL2007PTC 020633	Subsidiary	100	2(87)
2	SFO Technologies Corporation, 200 South Executive Drive, Suite 101 Brookfield, Wisconsin 53005, United States of America	Nil	Foreign Subsidiary	100	2(87)
3	NeST Digital Private Limited (Formerly NeST Information Technologies Private Limited) VI/165 Mackar Manzil, Thynothil Road, Aluva Ernakulam, Kerala - 683101, INDIA	U72200KL1998PTC0 12602	Subsidiary	100	2(87)
4	Ray-Hans Precision Tools Private Limited Stone House, Market Road, Aluva - 683101, Ernakulam, Kerala, INDIA	U29220KL2006PTC0 19920	Subsidiary	100	2(87)
5	ICAM Solution Private Limited 113/A Bommasandra industrial Area Hosur Road Bangalore, Karnataka - 560099, INDIA	U72900KA2000PTC0 26932	Subsidiary	100	2(87)

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) INDIAN									
a) Individual/ HUF	-	2,50,141	2,50,141	27.32	-	2,50,141	2,50,141	27.32	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	-	2,50,141	2,50,141	27.32	-	2,50,141	2,50,141	27.32	-
(2) FOREIGN									
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	4,65,950	4,65,950	50.89	-	4,65,950	4,65,950	50.89	-
© Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	4,65,950	4,65,950	50.89	-	4,65,950	4,65,950	50.89	-
Total shareholding of Promoter (A)=(A)1+(A)2	-	7,16,091	7,16,091	78.21	-	7,16,091	7,16,091	78.21	-
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	1000	1000	0.11	-	1000	1000	0.11	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	140	140	0.01	-	140	140	0.01	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	1,98,358	1,98,358	21.67	-	1,98,358	1,98,358	21.67	-
Others (specify) Sub Total (B) = (B)(1) + (B)(2)	-	1,99,498	1,99,498	21.79	-	1,99,498	1,99,498	21.79	-
(C) SHARES HELD BY CUSTODIAN FOR GDRS AND ADRS									
-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	9,15,589	9,15,589	100	-	9,15,589	9,15,589	100	-

Shareholding of Promoter-

No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Dr. Javad K Hassan	4,65,950	50.89	Nil	4,65,950	50.89	Nil	-
2	Mr. Nagoor Jehangir Rawther	2,50,141	27.32	Nil	2,50,141	27.32	Nil	-

D. Change in Promoters' Shareholding (please specify, if there is no change)

SN.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	7,16,091	78.21		
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the end of the year	7,16,091	78.21	-	-

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
01	Mrs. Nishi Jehangir	1,39,860	15.28	-	-
02	Mr. Althaaf Jehangir	58,498	6.39	-	-
03	M/s NTC Softech India P Ltd	1000	0.11	-	-
04	Mr. A M Iqbal	140	0.01	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	At the end of the year	Same as that of beginning of the year			

F. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7,16,091	78.21	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
	At the end of the year	7,16,091	78.21		

G. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment (INR in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	31,771	-	-	31,771
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	31,771	-	-	31,771
Change in Indebtedness during the financial year				
* Addition	872	-	-	-
* Reduction	-	-	-	-
Net Change	872	-	-	872
Indebtedness at the end of the financial year				
i) Principal Amount	32,643	-	-	32,643
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	32,643	-	-	32,643

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amt Rs.)

SN.	Particulars of Remuneration	Mr. Nagoor Jehangir Rawther	Total Amount
1	Gross salary		Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,00,000	6,00,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission (- As % of profit/- Others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	6,00,00,000	6,00,00,000
	Ceiling as per the Act	NA	Nil

B. Remuneration to other directors: NA

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD (Amt. `)

No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	46,66,841	Nil	46,66,841
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	46,66,841	Nil	46,66,841

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	NA	NA	NA	Nil
Punishment	Nil	NA	NA	NA	Nil
Compounding	Nil	NA	NA	NA	Nil
B. DIRECTORS					
Penalty	Nil	NA	NA	NA	Nil
Punishment	Nil	NA	NA	NA	Nil
Compounding	Nil	NA	NA	NA	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	NA	NA	NA	Nil
Punishment	Nil	NA	NA	NA	Nil
Compounding	Nil	NA	NA	NA	Nil

For and on behalf of the Board of Directors of
SFO Technologies Private Limited

Sd/-
Nagoor Jehangir Rawther
Managing Director
(DIN: 00002790)

Sd/-
Althaaf Jehangir
Wholtime Director
(DIN: 00006080)

Place : Aluva
Date : 28th February 2022

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 ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO

1.	Details of contracts or arrangements or transactions not at arm's length basis	NIL
(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/ arrangements/ transactions	-
(c)	Duration of the contracts / arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	Justification for entering into such contracts or arrangements or transactions	-
(f)	Date(s) of approval by the Board	-
(g)	Amount paid as advances, if any:	-
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-
2	Details of material contracts or arrangement or transactions at arm's length basis	Sales, Purchase and Services to Related Party Company
(a)	Name(s) of the related party and nature of relationship	Refer note below.
(b)	Nature of contracts/ arrangements/ transactions	Sale, purchase and services
(c)	Duration of the contracts / arrangements/transactions	During the financial year
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	-
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any	NIL

Note: List of related parties with whom/which the company had transactions:

Description of Relationship	Name of Related Party
Wholly owned subsidiaries	NeST Hi-Tek Park Private Limited SFO Technologies Corp USA NeST Digital Private Limited (Formerly known as NeST Information Technologies Private Limited) Ray-Hans Precision Tools Private Limited ICAM Solution Private Limited
Enterprises under the direct / indirect control of the Company	NeST Information Technologies (LLC), Dubai NeST Information Technologies (Aus), Australia SFO Tech Inc., USA Qual-Pro Corporation
Person controlling the Company	Mr. Javad K. Hassan
Key Management Personnel - Managing Director	Mr. Nagoor Jehangir Rawther
Relatives of Key Management Personnel	Mrs. Nishi Jehangir, Wife of Mr. Nagoor Jehangir Rawther Mrs. Naazneen Jehangir, D/o Mr. Nagoor Jehangir Rawther Mr. Althaaf Jehangir, Son of Mr. Nagoor Jehangir Rawther

**Enterprises under the control of the Person
controlling the Company**

Opterna AM, USA
 Opterna Europe, UK
 Opterna AB, Sweden
 Opterna MEA Fz Co., Dubai
 Opterna, Africa
 Ashling Microsystems Limited, Ireland
 Auriga NeST MEA Fz Co., Dubai
 NeST Europe Limited, Europe
 NeST Technologies Corporation, USA
 Nestrides, Japan
 JKH Associates LLC, USA
 SFO Technologies Inc. USA
 E Cell Technologies, USA
 NTC Softech India Private Limited
 Javad K Hassan Consultancy Private Limited
 Javad K Hassan Associates Fz Co.
 SFO Technologies Northlight
 JAVAD K HASSAN ASSOCIATES LLC
 Saba Powderdex Private Limited
 Opterna Technologies Private Limited
 Parnitha Holdings
 ECell Healthcare Private Limited
 Allied Network Solutions India Private Limited
 Opterna Arabia
 Opterna WGD AG

**Enterprises under the control of Managing
Director**

NeST Technology Enabled Services Private Limited
 NeST Infracsoft Limited
 NeST Realities India Private Limited
 NJ Business Corporation
 NeST Foods & Beverages Corporation
 Nenmany Agro Mills Private Limited
 NeST Research & Development Centre (Registered Society)
 Naz Rice and Foods Private Limited
 Q Life Consumer Products Private Limited
 Royal MalabarFoods Private Limited
 NeST Agro Foods (Proprietorship)
 N J Enterprises (Proprietorship)
 NeST Institute of Fibre Optics Technologies Private Limited
 SFO Technologies Solutions Private Limited
 NeST Connectivity Corporation
 NeST Connectivity Solutions Private Limited
 NeST Connectivity Solutions Pte Limited
 SFO Technologies Pte, Singapore
 Ray-Hans Cables and Magnetics Private Limited
 Ray-Hans Technologies Private Limited
 Ray-Hans Luminaries Private Limited
 Photon Data Links Private Limited
 Green House Cardamom Marketing India Private Limited
 NEID Engineering & Infrastructure Development Private
 Limited

Details of Transactions with Related Party in the Ordinary course of business for the year ended March 31, 2021

	<u>Amount INR in Lakhs</u>	
	As at 31.03.2021	As at 31.03.2020
<u>Subsidiaries</u>		
Purchase of Goods/ Services	1,427	1,115
Sale of Goods/ Services	88	81
Loans Given	3,295	768
Loans repaid	1,112	1,634
Purchase of Investment	-	-
Trade receivables	1,776	1,272
Loans & Advances	8,683	6,531
Trade Payables	236	190
Advance to Supplier	73	49
<u>Enterprises under the control of the person controlling the Company</u>		
Purchase of Goods/ Services	139	136
Sale of Goods/ Services	1,368	1,012
Trade receivables	153	176
Loans & Advances	512	-
Trade Payables	32	41
<u>Key Managerial Personnel – MD</u>		
Loans given	2,669	2979
Loans Repaid	(2,565)	3349
Remuneration paid	600	600
Purchase of Land	875	
Loans & Advances	2,201	2,247
<u>Enterprises under the Control of MD</u>		
Purchase of Goods/ Services	592	635
Sale of Goods/ Services	3,053	3,564
Trade receivables	2,480	3,183
Trade Payables	1,323	1,254
Advance to Supplier	58	40
<u>Relative of Key Managerial Personnel</u>		
Purchase of Goods/Services	6	6
Remuneration Paid	26	-
Advance to Supplier	17	17

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SFO TECHNOLOGIES PRIVATE LIMITED
STONE HOUSE, MARKET ROAD
ALUVA ERNAKULAM Kerala 683101 India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SFO TECHNOLOGIES PRIVATE 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 limited verification of the Company's Books, Papers, Minute Books, Forms and returns filed with regulatory authorities and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2021 ('Audit Period') complied with statutory provisions listed hereunder:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company, our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2021, as per the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under to the extent of its applicability; Not Applicable

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of its applicability; Not Applicable
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent of its applicability:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not applicable since the Company is not equity listed Company
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; Not applicable since the Company is not equity listed Company
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: Not Applicable
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable since the Company is not a listed Company
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not Applicable
 - (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; : Not Applicable
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 Not applicable since the Company is not a listed Company: Not Applicable; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not Applicable

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) Reserve Bank of India Act, 1934 and guidelines issued under the act as applicable to the Company

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company complied with the provisions of the above-mentioned Acts, Rules, Regulations, Guidelines, and Standards etc except delay in filing some of Statutory returns/forms

with various Statutory authorities. As informed and declaration given by the Company, no statutory body/ authorities imposed any fine or penalty on the Company under the various provisions of the applicable regulations.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors. No changes in the composition of the Board of Directors took place during the period under review.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and the Company has developed a reasonable system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The company has conducted meaningful evaluation of board of directors of the Company as required under the Act.

Majority decision is carried through, and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the Minutes

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, We report that the company has adequate systems and processes 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 are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, etc, referred to above.

**For Satheesh and Remesh,
Company Secretaries**

Sd/-

Remesh B

Partner

CP No. 6730

Date: 30.11.2021

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

‘Annexure A’

To,
The Members,
SFO TECHNOLOGIES PRIVATE LIMITED
STONE HOUSE, MARKET ROAD
ALUVA ERNAKULAM Kerala 683101 India

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whereever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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-check 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 Satheesh and Remesh,
Company Secretaries**

Sd/-

Remesh B

Partner

CP No. 6730

ANNUAL REPORT ON CSR ACTIVITIES

1. Overview

SFO Technologies Private Limited (SFO), the flagship company of NeST Group of Companies is conscious of the need and responsibility to serve the society in which it exists. SFO acknowledges the contribution of the society in providing an environment to create wealth, market, employment, prosperity and all such other key factors to successfully run a business. SFO, is committed to serve the society, as a token of its gratitude for the continuous support of the society. SFO's focus has always been on the sustainable development of the society; through this policy, SFO attempt to focus more in serving the society at large.

2. Composition of the CSR Committee

The Committee comprises of (i) Dr. Javad K Hassan, Chairman of the Company and (ii) Mr. Nagoor Rawther Jehangir, Managing Director; Mr. Nagoor Rawther Jehangir acts as the Chairman of the committee.

3. Average Net profit of the company for the last 03 financial years : Rs. 5,275 Lakhs

4. Prescribed CSR Expenditure/ Gross Amount required to be Spend by the Company (2% of the amount as in item 3 above) : Rs. 105.51 Lakhs

5. Details of CSR spent during the financial year : Rs. 34.00 Lakh

(Measures for reducing inequalities faced by the socially and economically backward groups/Contribution towards Charitable activities)

(a) Total amount to be spent for the financial year : Rs. 105.51 Lakhs

(b) Amount unspent if any : Rs. 71.51 Lakh

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

(Amt. Rs. Lakhs)

1	(2)	(3)	(4)	(5)	(6)	(7)	(8)
No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (i) local area or other (2) specify the state and district where products or programs were undertaken	Amount outlay (budget) project or program wise (Amt. Rs)	Amount spent on the projects or programs Sub heads: (1) District expenditure on projects or programs (2) overheads:	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
1	Measures for reducing inequalities faced by the socially and economically backward groups/Contribution towards Charitable activities	Charity	Local area	34,00,000/-	34,00,000/-	-	34,00,000/-
	Total			34,00,000/-	34,00,000/-	-	34,00,000/-

6. Reason for not spending, if any.

The Company had spent the maximum amount through the Measures for reducing inequalities faced by the socially and economically backward groups/Contribution towards Charitable activities. The Board had decided to transfer the balance unspent amount to the Funds as Specified under Schedule VII of the Companies Act, 2013 pursuant to the CSR Provision.

We, the members of the CSR Committee hereby confirm that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the company.

Sd/-

Nagoor Jehangir Rawther
Managing Director
(Chairman of the CSR Committee)

Sd/-

Javad K Hassan
Member-CSR Committee

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 subsidiaries/associate
companies/joint ventures**

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	Sl. No	1
2	Name of the subsidiary	Nest Hi-Tek Park Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5	Share capital	₹215,000,000/-
6	Reserves & surplus	(₹13,98,73,439/-)
7	Total assets	₹58,72,83,287/-
8	Total Liabilities	₹58,72,83,287/-
9	Investments	-
10	Turnover	₹61,58,400/-
11	Profit before taxation	(₹2,92,65,291/-)
12	Provision for taxation	₹64,77,076/-
13	Profit after taxation	(₹3,57,42,367/-)
14	Proposed Dividend	-
15	% of shareholding	100% held by SFO Technologies P Ltd

1	Sl. No	2
2	Name of the subsidiary	SFO Technologies Corporation
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD
5	Share capital	\$ 50,000/-
6	Reserves & surplus/ Retained Earnings	\$ 67,417/-
7	Current Assets	\$ 28,70,016/-
8	Current Liabilities	\$ 27,55,517/-
9	Investments	0
10	Turnover	\$ 4,99,852/-
11	Profit before taxation	\$ 19,036/-
12	Provision for taxation	(\$ 8,566/-)
13	Profit after taxation/ Net Income	\$ 10,470/-
14	Proposed Dividend	-
15	% of shareholding	100% held by SFO Technologies P Ltd

1	Sl. No	3
2	Name of the subsidiary	NeST Digital Private Limited (Formerly NeST Information Technologies Private Limited)
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5	Share capital	₹1,34,000/-
6	Reserves & surplus	₹24,22,86,662/-
7	Total assets	₹46,36,67,022/-
8	Total Liabilities	₹46,36,67,022/-
9	Investments	₹99,01,490/-
10	Turnover	₹59,49,05,109/-
11	Profit before taxation	₹10,81,72,556/-
12	Provision for taxation	₹2,71,94,128/-
13	Profit after taxation	₹8,09,78,428/-
14	Proposed Dividend	-
15	% of shareholding	100% held by SFO Technologies P Ltd

1	Sl. No	4
2	Name of the subsidiary	Ray-Hans Precision Tools Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5	Share capital	₹2,50,00,000/-
6	Reserves & surplus	(₹15,13,94,628/-)
7	Total assets	₹66,15,03,075/-
8	Total Liabilities	₹66,15,03,075/-
9	Investments	₹34,21,55,042/-
10	Turnover	₹22,67,67,719/-
11	Profit before taxation	(₹4,97,02,262/-)
12	Provision for taxation	₹58,30,626/-
13	Profit after taxation	(₹5,55,32,888/-)
14	Proposed Dividend	-
15	% of shareholding	100% held by SFO Technologies P Ltd

1	Sl. No	5
2	Name of the subsidiary	ICAM Solution Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5	Share capital	₹33,25,500/-
6	Reserves & surplus	₹10,07,54,732/-

7	Total assets	₹39,48,63,197/-
8	Total Liabilities	₹39,48,63,197/-
9	Investments	-
10	Turnover	₹47,13,44,528/-
11	Profit before taxation	₹1,52,70,003/-
12	Provision for taxation	₹35,90,588/-
13	Profit after taxation	₹1,16,79,415/-
14	Proposed Dividend	-
15	% of shareholding	100% held by SFO Technologies P Ltd

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : Nil
- Names of subsidiaries which have been liquidated or sold during the year : Nil

Part “B”: Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates/Joint Ventures	-
1	Latest audited Balance Sheet Date	-
2	Shares of Associate/Joint Ventures held by the company on the year end	-
	No.	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3	Description of how there is significant influence	-
4	Reason why the associate/joint venture is not consolidated	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet	-
6	Profit / Loss for the year	-
	i. Considered in Consolidation	-
	i. Not Considered in Consolidation	-

- Names of associates or joint ventures which are yet to commence operations: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For SFO Technologies Private Limited

Sd/-
Nagoor Jehangir Rawther
Managing Director

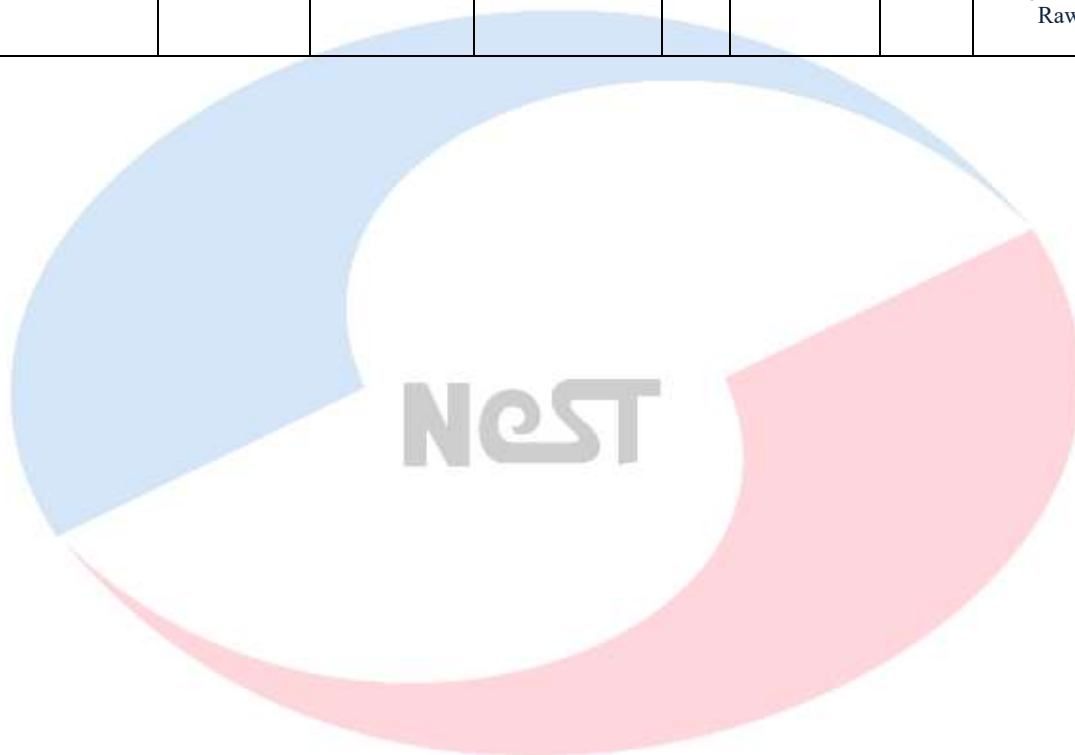
Sd/-
Althaaf Jehangir
Wholtime Director

Sd/-
Padmanabhan Kumaravel
Company Secretary

Annexure F

Particulars of Employees under Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the provisions of Section 197 (12) of the Companies Act, 2013

Name & designation	Remuneration (Rs.)	Nature of employment	Qualification, Experience	Date of commencement of employment	Age	Last employment	% of equity shares	Whether any relative is a director/manager in the company
Nagoor Jehangir Rawther (Managing Director)	6,00,00,000/-	Permanent	Graduation	01/11/2006	66	-	17.16	Dr. Javad K Hassan, Chairman of the company is the brother of Mr. Nagoor Jehangir Rawther



INDEPENDENT AUDITOR'S REPORT

To the Members of SFO Technologies Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SFO Technologies Private Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, 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 (hereinafter 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 consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries and associates, 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 accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associate as at March 31, 2021, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate entity are responsible for assessing the ability of the Group and of its associate entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities 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 Standards on Auditing ("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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a. We did not audit the financial statements of 7 subsidiaries whose financial statements reflect total assets of Rs. 23,161 Lakhs as at March 31, 2021, total revenues of Rs. 13,408 lakhs and net cash flows amounting to Rs.1,531 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 138 Lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statement have not been audited by us. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate entity, is based solely on the reports of the other auditors.



- b. Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statement, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the 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 March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group 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 Rule 11 of the Companies (Audit and Auditor's) 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 and its associate entity- Refer Note 37 to the consolidated financial statements.
- ii. The Group and its associate entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.



MSKA & Associates

Chartered Accountants

2. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Group as it is a private Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Geetha Jeyakumar
Partner
Membership No. 29409
UDIN: 22029409ADVOLS5278



Place: Chennai
Date: February 28, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SFO Technologies Private Limited

Auditor's Responsibilities for the Audit of the 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 company has internal financial controls with reference to financial statements 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 ability of the Group and its associate 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 and its associate entities 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 and its associates entity 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 of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



MSKA & Associates

Chartered Accountants

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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Geetha Jeyakumar
Partner
Membership No. 29409
UDIN: 22029409ADVOLS5278



Place: Chennai
Date: February 28, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SFO Technologies Private Limited

[Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **SFO Technologies Private Limited** on the consolidated Financial Statements for the year ended March 31, 2020

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 March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of **SFO Technologies Private Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective 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 ("the 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies and its associate company which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI 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 internal financial controls with reference to consolidated financial statements 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 internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies and its associate company which are companies incorporated in India.



Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Geetha Jeyakumar
Partner
Membership No. 29409
UDIN: 22029409ADVOLS5278



Place: Chennai
Date: February 28, 2022

SFO Technologies Private Limited
Consolidated Balance Sheet as at 31 March 2021
(Amount in INR lakhs, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4A	20,377	20,020
Right of Use Asset	4B	6,126	4,678
Capital work-in-progress		3,175	1,320
Goodwill	6	4,731	4,731
Other intangible assets	5	838	762
Intangible asset under development		3,945	3,577
Financial assets			
Investments	7	4,267	4,348
Loans	8	4,057	3,663
Other financial assets	9	1,836	961
Other Non-Current assets	10	1,370	2,535
Total non-current assets		50,722	46,595
Current assets			
Inventories	11	38,508	50,084
Financial assets			
Investments	7	61	49
Trade receivables	12	41,467	29,086
Cash and cash equivalents	13	6,299	4,818
Bank balances other than cash and cash equivalent	14	2,525	1,308
Other financial assets	15	2,103	2,997
Current tax assets	16	-	-
Other current assets	16	11,568	13,385
Total current assets		1,02,531	1,01,727
Total assets		1,53,253	1,48,322
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	916	916
Other equity	18	59,623	55,891
Equity attributable to owners of the company		60,539	56,807
Non-controlling interests	18	-	-
Liabilities			
Non-current liabilities			
Financial liabilities:			
Borrowings	19	5,603	2,511
Lease liabilities	4B	3,469	3,436
Deferred tax liability	34	2,330	1,916
Employee benefit obligations	20	2,048	1,756
Total non-current liabilities		13,450	9,619
Current liabilities			
Financial liabilities:			
Borrowings	21	28,272	30,330
Lease liabilities	4B	1,313	1,336
Trade payables	22	-	-
		2,206	3,411
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		35,223	40,072
Other financial liabilities	23	4,765	3,303
Other current liabilities	24	4,160	1,772
Employee benefit obligations	20	72	64
Current tax liabilities (net)	25	3,253	1,608
Total current liabilities		79,264	81,896
Total liabilities		92,714	91,515
Total equity and liabilities		1,53,253	1,48,322

Summary of significant accounting policies

1-3

The accompanying notes are an integral part of the Consolidated financial statements.

In terms of our report attached
For M&A & Associates
Chartered Accountants
Firm Registration No.: 105047W

Geetha Jayakumar
Geetha Jayakumar
Partner
Membership No: 029409

Place: Chennai
Date: February 28, 2022

For and on behalf of the Board of Directors
SFO Technologies Private Limited
CIN: U72900KL1990PTC005620

H. Jeyanar
H. Jeyanar
Managing Director
DIN: 00002790

K. Padmanabhan
K. Padmanabhan
Director
DIN: 00004080

K. Padmanabhan
K. Padmanabhan
Company Secretary
Membership No: F6985

Place: Kochi
Date: February 28, 2022



SFO Technologies Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2021
(Amount in lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	26	1,65,934	1,78,897
Other Income	27	1,363	1,797
Total Income		1,67,297	1,80,694
Expenses			
Cost of material consumed	28	1,00,997	1,15,290
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	1,536	(359)
Employee benefits expense	30	25,595	27,833
Finance costs	31	6,432	7,216
Depreciation and amortization expense	32	4,242	4,961
Other expenses	33	22,178	20,345
Total expenses		1,60,980	1,75,286
Profit before share of profit/(loss) from associate and tax expense		6,317	5,408
Share of profit from associates (Net)		138	232
Profit before exceptional items and tax		6,455	5,640
Exceptional Item:			
(a) Gain on loss of control interest in subsidiary		-	4,229
Profit before tax		6,455	9,869
Tax expense			
(a) Current tax	34	2,307	1,465
(b) Deferred tax (credit)/ charge	34	414	824
Total tax expense		2,721	2,289
Profit for the year		3,734	7,580
Other comprehensive income (net of tax expense)			
Items that will not be reclassified to Consolidated statement of profit or loss in subsequent periods:			
Net (loss)/gain on FVTOCI equity Securities		76	(131)
Remeasurement of net defined benefit liability		(15)	(568)
Income tax on above		(20)	244
Items that will be reclassified to Consolidated statement of profit or loss in subsequent periods:			
Exchange differences in translating the financial statements of foreign operations		(84)	(469)
Other comprehensive income for the year, net of tax		(43)	(924)
Total comprehensive income for the year		3,691	6,656
Profit for the year attributable to:			
Owners of the Company		3,734	7,590
Non-controlling Interests		-	(10)
Other comprehensive income for the year attributable to:			
Owners of the Company		(43)	(924)
Non-controlling Interest		-	-
Total comprehensive income for the year attributable to:			
Owners of the Company		3,691	6,666
Non-controlling Interest		-	(10)
Earnings per share [nominal value of INR 100 (March 31, 2020: INR 100)]			
Basic earnings per share (INR)	35	408	828
Diluted earnings per share (INR)	35	408	828

Summary of significant accounting policies 1-3

The accompanying notes are an integral part of the Consolidated financial statements.

In terms of our report attached
For MSA & Associates
Chartered Accountants
Firm Registration No.:105047W

Geetha Jeyakumar

Geetha Jeyakumar
Partner
Membership No: 029409

Place: Chennai
Date: February 28, 2022



For and on behalf of the Board of Directors of
SFO Technologies Private Limited
CIN: U72900KL1990PTC005620

H. Jeyakumar
Managing Director
DIN: 00002790

Alkhaat Jeyakumar
Director
DIN: 00006080

K. Padmanabhan
Company Secretary
Membership No: F6985

Place: Kochi
Date: February 28, 2022



SFO Technologies Private Limited
Consolidated Statement of cash flows for the year ended 31st March 2021
(Amount in INR lakhs, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit before exceptional items and tax	6,455	5,641
Adjustments for:		
Depreciation and amortization expenses	4,246	4,973
Finance cost	5,369	7,216
Interest income	(980)	(1,055)
(Gain)/ loss on sale of fixed assets	(6)	(2)
Exchange differences in translating the financial statements of foreign operations	42	(469)
Unrealised foreign exchange loss (net)	136	2,029
Provision for doubtful debts	365	-
Re-measurement of actuarial (gain)/loss	15	568
(Gain)/loss on FVTOCI equity Securities (net)	(76)	131
Share of profit from associates (Net)	(138)	(232)
Operating loss before working capital changes	15,429	18,799
Changes in working capital		
Increase/(Decrease) in Trade Payables	(7,072)	2,450
Decrease/ (Increase) in inventories	11,576	(16,353)
Decrease/ (Increase) in trade receivables	(12,103)	10,829
Increase in other current liabilities	2,490	246
Increase/ (Decrease) in Loans	321	(955)
Increase in provisions	286	(589)
Decrease in Non-Current assets	1,538	1,014
Decrease in other financial liabilities	(65)	(693)
Increase in other financial assets	179	(659)
(Increase)/Decrease in other current assets	1,909	(1,137)
(Increase)/Decrease in Bank balances other than Cash and cash equivalent	(140)	320
Cash generated used in operations	14,348	13,273
Income taxes paid (net of refund)	(730)	319
Net cash flows from operating activities (A)	13,618	12,954
Cash flow from investing activities		
Payment for property, plant and equipment and Intangible assets	(5,205)	(4,538)
Proceeds from sale of property, plant and equipment	16	15
(Purchase) / Sale of Investments	283	(203)
Maturity/(Investment) in Fixed Deposit	(1,075)	(7)
Interest received	101	1,055
Net cash flow used in Investing activities (B)	(5,880)	(3,678)
Cash flow from Financing activities		
Proceeds from Long term Borrowings	4,158	1,979
Repayment of Short term Borrowings	-	46
Net increase / decrease in Short term Borrowings	(2,117)	-
Interest repayment of Lease Liabilities	(605)	(693)
Principal repayment of Lease Liabilities	(3,051)	(747)
Interest paid	(4,720)	(7,209)
Net cash flow used in financing activities (C)	(6,335)	(6,624)
Net increase in cash and cash equivalents (A+B+C)	1,403	2,652
Cash and cash equivalents at the beginning of the year	4,814	2,141
Exchange difference on translation of foreign currency cash and cash equivalents	19	22
Cash and cash equivalents at the end of the year	6,236	4,814



SFO Technologies Private Limited
Consolidated Statement of cash flows for the year ended 31st March 2021
(Amount in INR lakhs, unless otherwise stated)

Cash and cash equivalents comprise (Refer note 13)

Balances with banks

On current accounts

5,857

4,497

Fixed deposits with maturity of less than 3 months

426

287

Cash on hand

16

34

Less: Bank Overdraft

(63)

(4)

Total cash and bank balances at end of the year

6,236

4,814

Summary of significant accounting policies

1-3

The accompanying notes are an integral part of the consolidated financial statements.

In terms of our report attached
For M&A & Associates
Chartered Accountants
Firm Registration No.: 105047W



Geetha Jeyakumar
Partner
Membership No: 029409

Place: Chennai
Date: February 28, 2022



For and on behalf of the Board of Directors of
SFO Technologies Private Limited
CIN: U72100KL1990PTC005620



M. Jehangir
Managing Director
DIN: 00006080

Place: Kochi
Date: February 28, 2022



Mithun Jehangir
Director
DIN: 00006080



K. Padmanabhan
Company Secretary
Membership No: F6985





SFO Technologies Private Limited
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021
(Amount in INR Lakhs, unless otherwise stated)

1 General Information

SFO Technologies Private Limited is a private limited Company domiciled in India and was incorporated on February 8, 1990 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at XDX/346, Stone House, Market Road, Aluva - 683 101 (hereinafter "Holding Company"). The Holding Company has strong presence in niche technology areas like Digital Electronics, Fiber Optics, Radio Frequency & Wireless, Cable & Wire Harness, Sheet Metal & Plastics and Aerospace Industry. The Holding Company has manufacturing facilities at Cochin and Bangalore and a branch at Japan. The Holding Company has 7 subsidiaries and one associate. (Holding Company & subsidiaries hereinafter will be referred as "Group")

The Consolidated financial statements comprise the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, and the Consolidated Statement of Changes in Equity ("Financial statements")

The Consolidated Ind AS financial statements of the group were approved in the meeting of the Board of Directors held on February 28, 2022.

1.1 Statement of Compliance with IndAS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Basis for Consolidation

The consolidated financial statements incorporate the financial statements of the group and entities controlled by the Holding Company and its subsidiaries. Control is achieved when the group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the entity has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The entity considers all relevant facts and circumstances in assessing whether or not the group's voting rights in an investee are sufficient to give it power, including:

- the size of the entity's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the entity, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the entity has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the entity obtains control over the subsidiary and by applicable Ind AS. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1.3 The subsidiary companies and associate which are included in the consolidation and the group's effective holdings therein are as follows:

				% of holding	
Name of the Company's	Country of incorporation	Relationship	Parent	31 March, 2021	31 March, 2020
Subsidiaries					
i) Nest Hi-Tek Park Private Limited	India	Wholly Owned Subsidiary	SFO Technologies Private Limited	100	100
ii) SFO Technologies Corporation	USA	Wholly Owned Subsidiary	SFO Technologies Private Limited	100	100
Nest Digital Private Limited					
iii) (Formerly, Nest Information Technologies Private Limited)	India	Wholly Owned Subsidiary	SFO Technologies Private Limited	100	100
iv) Ray-hans Precision Tools Private Limited	India	Wholly Owned Subsidiary	SFO Technologies Private Limited	100	100
v) ICAM Solution Private Limited	India	Wholly Owned Subsidiary	SFO Technologies Private Limited	100	100
vi) Nest Information Technologies (Aus) Pty. Limited	Australia	Wholly Owned Subsidiary	Nest Information Technologies Private Limited	100	100
vii) Nest Technologies LLC	Oman	Subsidiary	Nest Information Technologies Private Limited	70	70
viii) Nest Information Technologies LLC	United Arab Emirates	Associate	Nest Information Technologies Private Limited	49	49
ix) SFO Tech Inc	USA	Wholly Owned Subsidiary till 31-3-2020	Ray-hans Precision Tools Private Limited	10	100
x) Qual-Pro Corporation	USA	Wholly Owned Subsidiary till 31-3-2020	SFO Tech Inc	10	100
xi) Qual-Pro Corporation (Thailand) Limited	Thailand	Wholly Owned Subsidiary till 31-3-2020	Qual-Pro Corporation	10	100

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the group's separate financial statements.

2 Significant accounting policies

Significant accounting policies adopted by the group are as under:



SFO Technologies Private Limited
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021
(Amount in INR Lakhs, unless otherwise stated)

2.1 Basis of Preparation of Financial Statements

(a) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Goodwill on business combination is recognised at fair value on the date of acquisition of control
- iii) Defined Benefit Plan-Plan measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

These financial statements are presented in Indian rupees (Rs.) and all amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(b) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Key source of estimation of uncertainty as at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

(i) Taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

(ii) Defined Benefit Plan (Gratuity and Leave Encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 42.

(iii) Intangible asset under development

The group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. At 31 March 2020, the carrying amount of capitalised intangible asset under development was INR 3,3945 lakhs (31 March 2020: INR 3,577 lakhs)

(iv) Impairment of Goodwill and Non-Financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

2.2 Current and non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.



2.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The group depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets as specified in Schedule II are as follows:

Property, plant and equipment	Useful Life
Leasehold improvement*	Lease period
Building	30 years
Plant & Machinery**	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Motor Vehicle	8 years
Electrical Installations and Equipment	10 years
Computer Equipment:	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

**Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Therefore, group assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.: Useful life of Tools and Jigs included in General Plant and Machinery to be 5 years

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.4 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer Note 6 for a description of impairment testing procedures.

Goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities of the acquired entity at the date of acquisition.

Goodwill shall be tested for impairment annually and whenever there is an indication that it might be impaired.

2.5 Intangible Assets

Intangible Assets under Development:

The group expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are amortised on a straight line basis over the estimated useful life of 3 to 4 years.

2.6 Impairment of Non-Financial Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.7 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the group's functional and presentation currency.



SFO Technologies Private Limited
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021
(Amount in INR Lakhs, unless otherwise stated)

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the group.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The group's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.9 Revenue Recognition

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods to Customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

Rendering of services

Service revenue is recognized under "percentage of completion method". Under this method, service revenue is recognised in the statement of profit and loss in the accounting period in which the work is performed. Service costs are also recognised as an expense in the Statement of Profit and Loss in the accounting period in which the work to which they relate is performed. However, any expected excess of total service costs over total service revenue is recognised as an expense immediately. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Tooling, design and development charges are recognised on acceptance of designs, prototypes etc. by customers.

Interest Income

Interest income is recognized when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

Dividend Income

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head "Other Income" in the statement of profit and loss account.

2.10 Taxes

Income tax expense comprise current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, respectively.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the group.



2.11 Assets classified as held for sale

The group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.12 Leases

The group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

Group as a lessee

The group enters into an arrangement for lease of land, buildings, plant and machinery and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The group assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to

- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset

The group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the group is reasonably certain to exercise that option. The group at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received.

Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The group applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below. For lease liabilities at the commencement of the lease, the group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the group recognizes any remaining amount of the re-measurement in statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

The group as a lessor

Leases under which the group is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. For leases under which the group is an intermediate lessor, the group accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

2.13 Inventories

Stores and spares, packing materials are valued at or below cost. Raw materials and other inventories are valued at lower of cost and net realizable value. Net realizable value represents the estimated of inventories less all estimated costs of completion and costs necessary to make the sale. The method of determination of cost of various categories of inventories is as follows:

1. Stores and spares and packing materials - First-in-First-out basis. Cost includes purchase cost and other attributable expenses.
2. Raw material - First-in-First-out basis. Cost includes purchase cost and other attributable expenses.
3. Finished goods and Work-in-process - First-in-First-out basis, which comprises of direct material costs, direct wages and applicable overheads.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

2.14 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. The group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

2.15 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.



2.16 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.

Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or 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 or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

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

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity Instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity Instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the group does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Investments in subsidiaries and associates:

On initial recognition, these investments are recognized at cost. Investments will be tested for impairment if any.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.



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Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(B) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) 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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.17 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The group provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

2.18 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.



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2.20 Segment Reporting

The group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.21 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as expenditure in the period in which they are incurred. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

3 New standards and amendment to existing standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2021.

Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specified format for disclosure of shareholding of promoters.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- If a group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the group will evaluate the same to give effect to them as required by law.



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4A. Property, plant and equipment

	Freehold Land	Building	Plant and Machinery	Furniture and fixtures	Motor Vehicle	Office Equipment	Leasehold Improvements	Computer Equipment	Total
Disposal unit -									
As at April 1, 2019	198	6,374	14,316	880	1,181	790	1,383	1,273	26,314
Additions	-	75	1,978	249	142	90	1	315	2,858
Deposits	-	-	(13)	-	-	-	-	-	(13)
Adjustments to non controlling interest	-	(649)	(1,802)	(239)	-	(131)	-	(121)	(3,003)
Effect of foreign currency translation from functional currency to reporting currency	-	-	-	2	-	-	-	-	2
As at March 31, 2020	198	5,800	14,379	901	1,243	797	1,384	1,464	28,128
Reclassification	-	-	-	-	-	-	-	-	-
Additions	875	53	984	110	401	61	-	138	2,422
Deposits	-	-	(73)	-	-	(89)	-	-	(162)
As at March 31, 2021	1,073	5,853	15,296	1,011	1,575	618	1,384	1,604	28,808
Accumulated depreciation:									
Balance as at April 1, 2019	-	443	2,678	268	256	285	30	732	4,684
Charge for the year	-	288	1,938	124	192	177	48	282	3,833
Deposits	-	-	(2)	-	-	-	-	-	(2)
Adjustments to non controlling interest	-	(231)	(1,096)	(185)	-	(72)	-	(114)	(1,688)
Effect of foreign currency translation from functional currency to reporting currency	-	-	-	1	-	-	-	-	1
As at March 31, 2020	-	492	3,600	208	448	390	78	900	6,108
Reclassification	-	-	-	-	-	-	-	-	-
Charge for the year	-	235	1,391	154	109	135	41	198	2,235
Deposits	-	-	(82)	-	(80)	-	-	(5)	(167)
As at March 31, 2021	-	727	4,924	262	497	525	111	1,083	8,231
Net Book									
As at March 31, 2020	198	5,308	10,779	693	795	267	1,254	564	20,820
As at March 31, 2021	1,073	5,126	10,376	749	1,078	293	1,273	519	20,377



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5 Intangible assets

	Computer Software
Original cost:	
As at April 1, 2019	634
Additions	516
Deposits	-
As at March 31, 2020	1,150
Reclassification	-
Additions	478
Deposits	-
As at March 31, 2021	1,628
Accumulated depreciation:	
Balance as at April 1, 2019	282
Charge for the year	406
Deposits	-
As at March 31, 2020	688
Reclassification	-
Charge for the year	402
Deposits	-
As at March 31, 2021	1,090
Net Book	
As at March 31, 2020	462
As at March 31, 2021	538



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4B The details of the right-of-use asset held by the Group is as follows:

	Amount
Gross Carrying Value :	
As at April 01, 2019	-
Effect of transition to Ind AS 116	6,140
Additions during the year	72
As at March 31, 2020	<u>6,212</u>
Additions during the year	3,298
Disposals during the year	550
As at March 31, 2021	<u>8,960</u>
Accumulated depreciation:	
As at April 01, 2019	-
Charge for the year	1,534
As at March 31, 2020	<u>1,534</u>
Charge for the year	1,595
Disposals	295
As at March 31, 2021	<u>2,834</u>
Net block	
As at March 31, 2020	<u>4,678</u>
As at March 31, 2021	<u>6,124</u>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Year ended March 31, 2021	Year ended March 31, 2020
Lease liabilities as at April 1	4,772	5,939
Additions	1,542	68
Interest on lease liabilities	604	733
Payments	2,135	1,969
As at March 31	<u>4,782</u>	<u>4,772</u>
Current	1,313	1,336
Non-current	3,469	3,436

The maturity analysis of lease liabilities are given as below:

	March 31, 2021	March 31, 2020
Within one year	1,313	1,341
After one year but not more than five years	3,774	2,987
More than five years	222	971

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	1,593	1,587
Interest expense on lease liabilities	605	929
Expense relating to short-term leases (Included in other expenses)	136	338
Total amount recognised in statement profit or loss	<u>2,334</u>	<u>2,855</u>



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6 Goodwill

The Group tests whether goodwill on business purchase has suffered any impairment on an annual basis as at year end. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the management. An average of the range of each assumption used is mentioned below:

	As at <u>March 31, 2021</u>	As at <u>March 31, 2020</u>
Growth rate	10.50%	40%
Operating margins	6.18%	5.77%
Discount rate (Pre-tax)	12.50%	12.5%

As at March 31, 2021, the Group assessed the carrying value of its goodwill along with the carrying value of related CGUs, based on future operational plan and projected cash flows. There is no impairment noted based on the assessment performed by the management. Management has also performed sensitivity analysis around the significant assumptions used and concluded that no reasonable possible changes in key assumptions would cause the recoverable amount of the CGU lower than the carrying amount of CGU.



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7 Financial Assets- Investments

	As at 31 March 2021	As at 31 March 2020
Investment in equity instruments (fully paid-up)		
Quoted equity shares at fair value through other comprehensive income		
696 (As at March 31, 2020: 696) shares of ₹10 each, fully paid-up, in Indian Bank	1	0
330 (As at March 31, 2020: 330) shares of ₹10 each, fully paid-up, in State Bank of India (consequent to merger of State Bank of Travancore to State Bank of India where 22 shares of State Bank of India were offered for every 10 shares held in State Bank of Travancore)	1	1
8,865 (As at March 31, 2020: 8,865) shares of ₹2 each fully paid-up, in HDFC Bank Limited	132	76
Unquoted equity shares at Cost		
Others :-		
1125 (As at March 31, 2020 : 1125) shares of USD 1 each, fully paid-up, in SFO Tech Inc, USA.	3,422	3,422
147 (As at March 31, 2020: 147) shares of AED 1000 each, fully paid-up, in Nest Information Technologies LLC, United Arab Emirates	27	27
Add : Share of Profit from Associate	471	334
	<u>4,054</u>	<u>3,860</u>
Unquoted equity shares at Fair Value through other comprehensive income		
750,000 (As at March 31, 2020: 750,000) shares of ₹10 each, fully paid-up, in Lakeshore Hospital and Research Centre Ltd.	213	211
Sub total unquoted investments at FVTOCI	<u>213</u>	<u>211</u>
Investment in others at fair value		
Investment in unsecured loan of Other affiliates	-	279
Total Non-current investments	<u>4,267</u>	<u>4,350</u>
7 Financial Assets- Investments (Continued..)		
- Investments in Mutual Funds (Quoted) (Refer foot note 1)	61	49
Investments at fair value through OCI (fully paid)	348	289
Investment at Cost	3,919	3,782
Investment in unsecured loan Other affiliates	-	279
	<u>4,328</u>	<u>4,399</u>
Current	61	49
Non- Current	4,267	4,350
	<u>4,328</u>	<u>4,399</u>
Aggregate book value of:		
Quoted investments	6	6
Unquoted investments	3,523	3,523
Aggregate market value of:		
Quoted investments	134	77
Unquoted investments	3,661	3,659

Footnotes:

1. Details of Investments in Mutual Funds (Quoted) designated at FVTOCI:

Particulars	Face Value (In Rs.)	Number of units		Amount	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
ICICI Prudential Infrastructure Fund - Growth Plan	10	34,941	34,941	21	11
Aditya Birla Sun Life Low Duration Fund-Growth Plan	10	7,688	7,688	40	38
		<u>42,629</u>	<u>42,629</u>	<u>61</u>	<u>49</u>



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	As at 31 March 2021	As at 31 March 2020
8 Non- current financial assets - Loans (at amortised cost)		
<u>Unsecured, considered good</u>		
Loans to related party	1,854	1,414
Loan to director	2,203	2,249
	<u>4,057</u>	<u>3,663</u>

Terms of loan

(I) Loan to related parties is loan provided to group company's at terms and conditions and repayable within March 31, 2023.

(ii) Vide the approval of the Shareholders of the Company vide Extra Ordinary General Meeting dated February 24, 2018, pursuant to the provisions of Section 185(1)(a)(i) and Section 185(1)(a)(ii) of the Companies Act, 2013, A Loan Scheme was approved to be given to the Managing Director of the Holding. The loan carried an interest rate of 9.35% per annum and is repayable within February 28, 2023.

	As at 31 March 2021	As at 31 March 2020
9 Other financial assets (at amortised cost)		
<u>Unsecured, considered good</u>		
In Fixed deposit accounts with maturity for more than 12 months from balance sheet date.	706	-
Security Deposit	1,130	961
	<u>1,836</u>	<u>961</u>

	As at 31 March 2021	As at 31 March 2020
10 Other non-current assets		
<u>Unsecured, considered good</u>		
Capital advance	977	605
Prepaid rent	-	1,628
Others (advances)	393	302
Total other non-current other assets	<u>1,370</u>	<u>2,535</u>

	As at 31 March 2021	As at 31 March 2020
11 Inventories		
<u>(At lower of cost and net realizable value)</u>		
Raw material	27,412	29,426
Raw material in transit	935	9,189
Work in progress	6,459	6,725
Finished goods in stock	2,952	4,222
Store and spares parts including packing material	750	522
	<u>38,508</u>	<u>50,084</u>

	As at 31 March 2021	As at 31 March 2020
12 Trade receivable		
Secured, considered good		
Unsecured		
-Considered good	41,832	29,086
Less-Allowance for bad and doubtful debts	(365)	-
	<u>41,467</u>	<u>29,086</u>
Further classified as:		
Receivable from related parties (Refer Note 41)	3,077	3,743
Receivable from others	38,390	25,343
	<u>41,467</u>	<u>29,086</u>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.



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	As at 31 March 2021	As at 31 March 2020
13 Cash and cash equivalents		
Balances with banks:		
On current accounts	5,857	4,497
Fixed deposits with maturity of less than 3 months	426	287
Cash on hand	16	34
	<u>6,299</u>	<u>4,818</u>

Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Balances with banks:		
On current accounts	5,857	4,497
Fixed deposits with maturity of less than 3 months	426	287
Cash on hand	16	34
	<u>6,299</u>	<u>4,818</u>
Less: Bank overdrafts (Refer note 21)	63	4
	<u>6,236</u>	<u>4,814</u>

	31 March 2021	31 March 2020
14 Bank balances other than Cash and cash equivalent		
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	1,462	387
Restricted Cash**	1,063	921
	<u>2,525</u>	<u>1,308</u>

**The Group has restricted cash consisting of Margin money on letter of credit and bank guarantees

	As at 31 March 2021	As at 31 March 2020
15 Other financial assets (at amortised cost)		
<u>Unsecured, considered good</u>		
Unbilled Revenue	120	1,541
Security Deposit	1,983	1,456
	<u>2,103</u>	<u>2,997</u>

	As at 31 March 2021	As at 31 March 2020
16 Other current assets		
<u>Unsecured, considered good</u>		
Advance to Supplier	5,002	5,352
Advances to Employees	123	138
Balance with Government Authority	3,347	4,060
Prepaid Expenses	257	269
MEIS Incentive Receivable	2,308	2,966
Script for Customs	526	526
Duty Drawback Receivable	2	2
Prepaid Rent	3	72
Total	<u>11,568</u>	<u>13,385</u>



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17 Share capital

Equity shares Capital	As at 31 March 2021	As at 31 March 2020
<u>Authorized shares:</u>		
32,50,000 (March 31, 2020: 32,50,000) Ordinary equity shares of ₹100/- each	3,520	3,520
1,000 (March 31, 2020: 1,000) Series A equity shares of ₹100/- each	1	1
	<u>3,521</u>	<u>3,521</u>
<u>Issued, subscribed and paid up shares:</u>		
9,15,589 (March 31, 2020: 9,15,589) equity shares of ₹100/- each	916	916
Total	<u>916</u>	<u>916</u>

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

	31-Mar-2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	9,15,589	916	9,15,589	916
Add: Issued / (redemmed) during the year	-	-	-	-
Outstanding at the end of the year	<u>9,15,589</u>	<u>916</u>	<u>9,15,589</u>	<u>916</u>

(b) Rights, preferences and restrictions attached to shares :-

The Holding Company had issued two classes of equity shares, viz., Ordinary equity share and Series A equity share, both having face value of ₹ 100 per share. The holder of Ordinary equity share is entitled to one vote per share. The holder of Series A equity share is entitled to voting rights equivalent to such percentage of the total voting capital of the Company as is represented by the Compulsorily Convertible Debentures in the fully diluted share capital of the Holding Company. The Holding Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors has to be approved by the shareholders in the Annual General Meeting.

In the event of liquidation of the Group, the holders of Ordinary and Series A equity shares will be entitled to receive remaining assets of the Group, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company

Name of the shareholder	31 March 2021		31 March 2020	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Ordinary equity shares of ₹ 100 each fully paid				
Mr. Javad K. Hassan	4,65,950	51	4,65,950	51
Mr. N. Jehangir	2,50,141	27	2,50,141	27
Ms. Nishi Jehangir	1,39,860	15	1,39,860	15
Mr. Althaf Jehangir	58,498	6	58,498	6

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) No class of shares have been bought back by the Holding Company during the period of five years immediately preceding the current year end.

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2018	Year ended 31 March, 2017
Ordinary equity shares of ₹ 100 each fully paid					
Shares bought back	-	-	-	-	65,013

Consequent to the approval of the Board of Directors vide meeting dated 24 August, 2016, the Holding Company offered for buy back of equity shares from its shareholders. On closure of buy back 65,013 equity shares were bought back by the Holding Company at the offer price of Rs.10,082.58 per share.

18 Other equity

A. Reserves on Amalgamation
Opening Balance
Add: Addition during the year
Closing balance

	As at 31 March 2021	As at 31 March 2020
Opening Balance	21,606	21,606
Add: Addition during the year	-	-
Closing balance	<u>21,606</u>	<u>21,606</u>

B. Capital Redemption Reserve

Opening balance
Add: Addition during the year
Closing balance

	31 March 2021	31 March 2020
Opening balance	132	132
Add: Addition during the year	-	-
Closing balance	<u>132</u>	<u>132</u>



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C. Capital Reserve	31 March 2021	31 March 2020
Opening Balance	7,986	7,986
Add: Addition during the year	-	-
Closing balance	7986	7,986
D. Capital Subsidy	31 March 2021	31 March 2020
Opening Balance	249	249
Add: Addition during the year	-	-
Closing balance	249	249
E. Capital Investment Subsidy	31 March 2021	31 March 2020
Opening Balance	20	20
Add: Addition during the year	-	-
Closing balance	20	20
F. Securities Premium	31 March 2021	31 March 2020
Opening Balance	1,178	1,178
Add: Addition during the year	(0)	-
Closing balance	1,178	1,178
G. Surplus/(deficit) in the Statement of Profit and Loss	31 March 2021	31 March 2020
Opening balance	24,334	17,869
Add: Profit for the year	3,734	7,590
Add: Forex Gain/ (loss) on translation of foreign currency for integral operations	42	(755)
Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	(10)	(370)
Closing balance	28,100	24,334
H. Investments FVTOCI Reserve on equity instruments	31 March 2021	31 March 2020
Opening balance	260	345
- Fair valuation changes for the year (Net of tax affect)	50	(85)
Closing balance	310	260
I. Foreign Currency Translation Reserve	31 March 2021	31 March 2020
Opening balance	-(0)	(287)
- Movement during the year	(84)	(468)
- Reversal on Losing Controlling Interest	-	755
Closing balance	(84)	(0)
J. Capital Reserve on Consolidation	31 March 2021	31 March 2020
Opening balance	126	958
- Movement during the year	(0)	(832)
Closing balance	126	126
Total other equity(A+B+C+D+E+F+G+H+I+J)	59,623	55,891
K. Non-Controlling Interests	As at	As at
Balance as per last financial statements	31 March 2021	31 March 2020
Add: Share of profit for the year (Including OCI)	-	9
Less: Adjustments to non controlling interest	-	(9)
	-	-



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	As at 31 March 2021	As at 31 March 2020
19 Non-current borrowings		
<u>Secured</u>		
Term loan		
From Bank		
INR bank loan*	7,531	3,365
AED bank loan^^	8	15
	<u>7,539</u>	<u>3,380</u>
Less: Amount disclosed under the head "Other financial liabilities" (Refer note 23)	1,936	869
Total non current maturities of long term borrowings	<u><u>5,603</u></u>	<u><u>2,511</u></u>

Terms of repayment

* Includes Indian Rupee loans of Rs. 6,089.05 lakhs (March 31, 2020: Rs.1,982.65 lakhs) borrowed from banks carrying interest in the range of 8.90% - 10.25% p.a (March 31, 2020: 10.37% - 13.01% p.a). Foreign currency loan of Rs. 847.81 lakhs (March 31, 2020: Rs.1,162.03 lakhs) borrowed from bank carrying interest at the rate of LIBOR + 3.25%. Vehicle loans are repayable in monthly instalments, each ranging from Rs. 0.02 lakhs to Rs. 4.09 lakhs (March 31, 2020: Rs 0.02 lakhs to 2.91 lakhs) along with interest. The loans are secured by hypothecation of the vehicles financed. The term loans availed other than for vehicle loans are repayable in quarterly instalments.

* Includes Indian Rupee loans of Rs. 210 lakhs (March 31, 2020: Rs.270 lakhs) borrowed from M/s Tata Capital Financial Services Private Limited carrying interest in the range of 12.50% p.a (March 31, 2020: 12.50% p.a). The loans are secured by hypothecation of the fixed assets and current assets of the company. The term loans availed are repayable in quarterly instalments.

* Includes Indian Rupee loan of Rs.8.30 lakhs (March 31, 2020: Rs.10.27 lakhs) borrowed from banks carrying interest in the range of 10.50 % p.a (March 31, 2020: 10.50% p.a). The loans are repayable in 60 monthly instalments, of Rs. 0.24 lakhs (March 31, 2020: Rs 0.24 lakhs;) along with interest. The loans are secured by hypothecation of the vehicles financed.

^^ Includes loan of AED 42,750 (March 31, 2020: AED 74,588) borrowed from banks. The loans are repayable in 36 monthly instalments, of AED 2,976 (March 31, 2020: AED 2,976) along with interest. The loans are secured by hypothecation of the vehicles financed.

20 Employee benefit obligations

	Long term		Short term	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Provision for employee benefits (Refer note 40)				
Provision for gratuity (funded)	568	517	34	32
Provision for leave encashment (unfunded)	1,480	1,239	38	31
Total Employee benefit obligations	2,048	1,756	72	64

21 Short-term borrowings

	31 March 2021	31 March 2020
<u>Secured, from bank, term loan</u>		
Working Capital Loans-INR [Refer Note (i) and (i)]	19,520	16,545
Working Capital Loans-USD	8,354	13,603
Working Capital Loans-EURO [Refer Note (iii)]	335	178
Bank Overdraft	63	4
Total short-term borrowings	<u><u>28,272</u></u>	<u><u>30,330</u></u>

Terms and conditions of loans

(i) The Holding Company has availed working capital and Packing Credit Facilities from banks which are secured by hypothecation by way of pari passu first charge on all current assets of the Company, both present and future, including stock of goods, book debts and all other movable assets including document of title to goods, and second pari passu charge on all fixed assets of the Company, including immovable properties. The same is also secured by the personal guarantee of the Managing Director. The loans are repayable on demand. The interest rates on the said loan varies from 5.90 % to 11.85 % p.a (31-03-2020 :5.90 % to 11.85 % p.a)

(ii) The Loan availed also includes a working capital demand loan availed from ICICI Bank Limited Secured by hypothecation by way of exclusive charge on the current assets of the project related to manufacturing of secure link Fiber Intrusion Proof System, both present and future and third pari passu charge on all movable fixed assets of the Holding Company (excluding vehicle). The same is also secured by the personal guarantee of the Managing Director. The interest rate on the said loan is 9.85 % per annum.

(iii) Hypothecation by way of first charge of the entire goods, movables and other assets, both present and future and other assets including book debts, outstanding monies, receivables including receivables by way of cash assistance and/or cash incentives under Cash Incentive Scheme or any other Scheme, claims including claims by way of refund of customs/excise duties under Duty Drawback Credit Scheme or any other Scheme, bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights on uncalled capital and all machinery present and future of such form satisfactory to the Bank and second charge on fixed assets of the Group. Rate of Interest for INR loan :- 2.50% above SBI Base Rate effectively 12.90% p.a. with monthly rests for the EPC Limits and Rate of Interest for EURO loan :-6 months LIBOR plus 200 bps for the PCFC Limits



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22 Trade payables	31 March 2021	31 March 2020
Total outstanding dues of micro enterprises and small enterprises (Refer Note : 42)	2,206	3,411
Total outstanding dues of creditors other than micro enterprises and small enterprises*	35,223	40,072
Total trade payables	37,429	43,483
23 Other financial liabilities	31 March 2021	31 March 2020
Current maturity of long term loans	1,936	869
Other Payable	111	117
Payable to Employees	1,995	2,055
Interest payable	45	77
Liabilities for capital goods	678	185
Total other financial liabilities	4,765	3,303
24 Other current liabilities	31 March 2021	31 March 2020
Statutory due payable	526	330
Advance from customer	3,634	1,406
Bank Overdraft in Current Account with Banks	-	36
Total other current liabilities	4,160	1,772
25 Current tax liabilities	31 March 2021	31 March 2020
Current tax payable (net of Advance tax Rs.52 lakhs, March 31, 2020 Rs.50.07 lakhs)	3,253	1,608
Total current tax liabilities	3,253	1,608



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	For the Year ended	
	31 March 2021	31 March 2020
26 Revenue from operations		
Revenue from Contract with Customer		
Sale of goods	1,52,178	1,63,782
Sale of services	7,859	7,972
Other operating revenue	5,897	7,143
Total revenue from operations	1,65,934	1,78,897
Disaggregated revenue information		
<u>Sale of products</u>		
<u>Manufactured Goods</u>		
Electronic, Radio Frequency & Sheet metal products	1,32,365	1,40,394
Fibre Optic Products	5,990	7,962
Wire Harness and Cable Assemblies	7,726	9,336
Machining and Assembly	4,080	4,184
Tools & Moulds	2,017	1,906
	1,52,178	1,63,782
<u>Sale of services</u>		
- Software Maintenance and Development Services	7,859	7,972
	7,859	7,972
27 Other income	31 March 2021	31 March 2020
Dividend Income	-	9
Interest Income		
- on fixed deposits designated as amortized cost	101	102
- on loan to director	137	138
- on Others	577	692
Other non operating income	377	542
Interest Income on security deposits	161	261
Gain on sale / disposal of property, plant and equipment (net)	6	2
Liabilities written back	4	51
Total other income	1,363	1,797
28 Cost of material consumed	31 March 2021	31 March 2020
Inventory at the beginning of the year	39,137	31,680
Add: Purchases, freight inward and other charges	90,957	1,22,747
Less: Inventory at the end of the year	29,097	39,137
Total cost of raw materials consumed	1,00,997	1,15,290
29 Changes in inventories of finished goods and work-in-progress	31 March 2021	31 March 2020
Inventories at the beginning of the year		
- Finished goods	4,222	2,660
- Work-in-progress	6,725	7,928
	10,947	10,588
Less: Inventories at the end of the year		
- Finished goods	2,952	4,222
- Work-in-progress	6,459	6,725
	9,411	10,947
Net decrease/ (Increase)	1,536	(359)
30 Employee benefits expense	31 March 2021	31 March 2020
Salaries, wages, bonus and other allowances	23,979	26,364
Contribution to Provident Fund and ESI [Refer note 40 (a)]	841	871
Gratuity and compensated absences expenses [Refer note 40 (b)]	251	17
Staff welfare expenses	524	581
Total employee benefits expense	25,595	27,833



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	31 March 2021	31 March 2020
31 Finance costs		
Interest on borrowing	4,053	4,871
Interest on others	634	649
Interest on delay in payment of taxes	47	1
Interest on delay in payment to MSME Units	30	14
Other Borrowing Cost	154	280
Interest Expense on lease liability	605	693
Net Loss on Foreign Currency Transactions and Translation considered as Finance Cost	909	708
Total finance costs	6,432	7,216
32 Depreciation and amortization expense		
Depreciation of property, plant and equipment	2,254	3,033
Amortization of Intangibles	400	406
Amortisation of right of use assets	1,593	1,534
Less: Amortisation on intangible assets capitalised	(5)	(12)
Total depreciation and amortization expense	4,242	4,961
33 Other expenses		
Consumption of Stores and Spares	3,840	2,873
Consumption of Packing Materials	280	336
Water and Electricity	1,661	1,773
Freight Charges	1,607	1,328
Factory Expense	969	1,986
Rates and Taxes	504	265
Lease Rent	75	319
Rent-Others	22	874
Bad Debts	290	9
Bank Charges	499	473
Donation	8	20
<u>Repairs and maintenance :</u>		
(a) Building	203	166
(b) Plant and Machinery	713	728
(c) Others	627	591
Engineering Support Charges	525	209
CSR Expense** (refer note below)	34	36
Factoring Charges	-	106
Insurance Charges	204	423
Travel and conveyance	533	1,308
Discount	13	108
Selling Expense	111	106
Printing & Stationery	55	53
Communication, broadband and internet expenses	151	270
Office expenses	113	549
Legal and professional charges* (refer note below)	8,392	3,198
Advertisement	182	328
Software Expense	348	517
Foreign exchange fluctuation (net)	(1,350)	300
Provision for Doubtful Debtors	365	-
Miscellaneous expenses	1,204	1,093
Total other expenses	22,178	20,345

*Note : Legal and Professional Charges includes auditors remuneration:

	31 March 2021	31 March 2020
As auditor:		
Statutory audit	14	14
Total	14	14

**Note: Group has spend on CSR expense in following manner:

Activity	31 March 2021	31 March 2020
Measures for reducing inequalities faced by socially and economically backward groups	34	36



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34 Deferred tax liability

(A) Deferred tax relates to the following:

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Deferred tax assets		
On amortisation of security deposits	(109)	106
On amortisation of lease liability	1,614	1,699
On remeasurement of defined benefit obligation	664	381
On provision for doubtful debts	128	-
	<u>2,297</u>	<u>2,186</u>
Deferred tax liabilities		
On property, plant and equipment	1,380	1,475
On Right of Use assets	1,755	1,633
On Goodwill	1,355	726
On Other Intangible Assets	78	265
On accrued Interest	60	3
	<u>4,628</u>	<u>4,102</u>
Deferred tax expense / (income)	415	824
Add: Opening Deferred tax liability	1,916	1,092
Less: Deferred tax asset not recognized	-	-
Deferred tax Liability	<u>2,331</u>	<u>1,916</u>

(B) Recognition of deferred tax asset to the extent of deferred tax liability

	As on March 31, 2021	As on March 31, 2020
Balance sheet		
Deferred tax asset	-	-
Deferred tax liabilities	(2,330)	(1,916)
Deferred tax assets / (liabilities), net	<u>(2,330)</u>	<u>(1,916)</u>

(C) Reconciliation of deferred tax assets / (liabilities) (net):

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Opening balance as of April 1	(1,916)	(1,092)
Tax liability recognized in Statement of Profit and Loss	(414)	(824)
Closing balance as at March 31	<u>(2,330)</u>	<u>(1,916)</u>

(D) Deferred tax income / (expense) to be recognized in Statement of Profit and Loss

	(414)	(824)
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(E) Income tax expense

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
- Current tax charge	2,307	1,465
- Deferred tax charge / (income)	414	824
Income tax expense reported in the statement of profit or loss	<u>2,721</u>	<u>2,289</u>

(F) Income tax expense charged to OCI

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Unrealised gain on FVTOCI equity securities	25	(46)
Net gain on remeasurements of defined benefit plans	(5)	(199)
Income tax charged to OCI	<u>20</u>	<u>(245)</u>

(G) Reconciliation of tax charge

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Profit before tax	6,455	9,869
Income tax expense at tax rates applicable	2,256	3,448
Tax effects of:		
- Tax Effect on Non Deductible Expenses	268	787
- Tax Effect on Weighted Deduction for Research and Development	0	(522)
- Tax Effect on Exemption u/s 10AA of the Income Tax Act	(5)	(52)
- Tax Effect corresponding to loss entities	0	(452)
- Others	222	(1,165)
Income tax expense	<u>2,741</u>	<u>2,044</u>



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35 Earnings/ Loss per share

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the Year ended	For the Year ended March 31, 2020
Net profit for calculation of basic/diluted EPS	3,734	7,580
Weighted average number of equity shares in calculating basic/diluted EPS	9,15,589	9,15,589
Basic Earning per share (INR)	408	828
Diluted Earning per share (INR)	408	828

36 Segment Reporting

The Group's operations predominantly relates to one business segment, viz, Manufacture of Electronic Goods and Services. Accordingly, no further disclosures, other than those already included in the standalone Ind AS financial statements, are required. The information about geographical areas is as below:

	For the Year ended	For the Year ended March 31, 2020
(A) Revenue from operations	Amount (INR)	Amount (INR)
India	90,826	72,543
United States of America	43,793	69,743
Europe	16,117	20,224
Middle East	2,600	6,243
Others	12,598	10,145
	1,65,934	1,78,897
(B) Capital Expenditure	Amount (INR)	Amount (INR)
India	2,885	2,357
United States of America	115	478
Europe	22	9
Middle East	-	19
Others	77	114
	3,100	2,977
(C) Non-current asset	Amount (INR)	Amount (INR)
India	32,715	36,248
Outside India (specify names, if material)	4,013	796

37 Contingent Liabilities

	As at March 31, 2021	As at March 31, 2020
(a) Guarantees		
Corporate Guarantee issued to secure the term loan and working capital outstanding sanctioned by M/s Tata Capital Financial Services Private Limited to the Group.	740	870
(b) Claims against the Group not acknowledged as debts*		
(i) Service tax demands pending in appeals [Including interest of as on 31st March 2021 ₹645.15 Lakhs (31-03-2020: 645.15 Lakhs) and excluding penalty Rs.348.10 Lakhs (31-03-2020: Rs.348.10 Lakhs)].	1,697	1,697
(ii) VAT Demands, pending in appeals.	56	238
(iii) Income Tax Demands, pending in appeals before the Commissioner of Income Tax (Appeals)	152	152
(iv) Pending Litigation with M/s IVRCL Limited in connection with the contract for construction of building at Nest Hi-Tek Park SEZ.	367	367

-Service Tax demand paid under Protest as on March 31, 2021 is Rs. 1,696.86 lakhs (March 31, 2020- Rs.1,696.86 lakhs)

-VAT demand paid under Protest as on March 31, 2021 is Rs. 73.10 lakhs (March 31, 2020 - Rs. 73.10 lakhs)

*Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

38 The expenses for the year includes research and development cost of Rs. 2,068.45 lakhs (March 31, 2020 - Rs. 2,770.97 lakhs)



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39 Leases

Operating leases

(i) Non-cancellable operating leases

The Group has entered into operating lease. The leases are non-cancellable and renewable after the primary lease period based on mutual agreement between the parties. The details of the lease arrangement are as follows:

Future minimum lease payments:

	As at March 31, 2021	As at March 31, 2020
Rental expense relating to operating leases	136	338

Pursuant to the adoption of Ind AS 116, leased assets are presented as a separate line item in the balance sheet as at March 31, 2020 see Note 4B

40 Employee benefits

(A) Defined Contribution Plans

During the year, the Group has recognized the following amounts in the Statement of Profit and Loss -

	As at March 31, 2021	As at March 31, 2020
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 32)	841	871

(B) Defined benefit plans

a) Gratuity payable to employees, which is funded with Life Insurance Corporation of India

b) Long Term Compensated Absence

Actuarial assumptions

	As at March 31, 2021	As at March 31, 2020
i) Discount rate (per annum)	6.20%	6.40%
Rate of increase in Salary	5.00%	5.00%
Expected average remaining working lives of employees (years)	Indian Assured Lives Mortality	Indian Assured Lives Mortality [2006-08]
Attrition rate	10.00%	10.00%

ii) Changes in the present value of defined benefit obligation

	Employee's gratuity fund As at March 31, 2021	As at March 31, 2020
Present value of obligation at the beginning of the year	549	249
Interest cost	110	7
Current service cost	139	166
Benefits paid	(130)	(351)
Actuarial (gain)/ loss on obligations	(67)	478
Present value of obligation at the end of the year*	602	549

*Included in provision for employee benefits (Refer note 20)

iii) Expense recognized in the Statement of Profit and Loss

	Employee's gratuity fund As at March 31, 2021	As at March 31, 2020
Current service cost	139	166
Interest cost	110	7
Actuarial (gain) / loss on obligations	(67)	477
Total expenses recognized in the Statement Profit and Loss*	183	650

*Included in Employee benefits expense (Refer Note 30) and Finance cost (Refer Note 31). Actuarial loss of Rs. 15 Lakhs (March 31, 2020: 370 Lakhs) is included in other comprehensive income.

iv) Assets and liabilities recognized in the Balance Sheet:

	Employee's gratuity fund As at March 31, 2021	As at March 31, 2020
Present value of funded obligation as at the end of the year	602	549
Unrecognized actuarial (gains)/losses	-	-
Unfunded net asset / (liability) recognized in Balance Sheet*	602	549

*Included in provision for employee benefits (Refer note 26)

v) Expected contribution to the fund in the next year

	As at March 31, 2021	As at March 31, 2020
Gratuity	382	373

vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

	Employee's gratuity fund As at March 31, 2021	As at March 31, 2020
Impact on defined benefit obligation		
Discount rate		
0.5% increase	(75)	(72)
0.5% decrease	78	75
Rate of increase in salary		
0.5% increase	78	76
0.5% decrease	(75)	31



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vii) Maturity profile of defined benefit obligation

Year	Employee's gratuity fund	
	As at March 31, 2021	As at March 31, 2020
Apr 2019- Mar 2020	-	-
Apr 2020- Mar 2021	89	419
Apr 2021- Mar 2022	447	312
Apr 2022- Mar 2023	373	346
Apr 2023 onwards	3,466	3,023

41 Related Party Disclosures

A Details of related parties (As identified by Management and relied upon by Auditors):

Person controlling the Group: Mr. Javad K. Hassan

Key Management Personnel - Managing Director: Mr. N. Jehangir

Enterprises under the control of the Person controlling the Group:

Nest Technologies Corporation, USA
Nestrides, Japan
JKH Associates LLC, USA
SFO Tech Inc. USA (Subsidiary of the company till 30.03.2020)
Qual-Pro Corporation (Enterprise under indirect control of company till 30.03.2020)
E Cell Technologies, USA
NTC Softech India Private Limited
Javad K Hassan Consultancy Private Limited
Javad K Hassan Associates FZ Co.
JAVAD K HASSAN ASSOCIATES LLC
Saba Powderdex Private Limited
Pamitha Holdings
ECell Healthcare Private Limited
Allied Network Solutions India Private Limited

Enterprises under the control of Managing Director:

NeST Technology Enabled Services Private Limited
NeST Infra Soft Limited
Nest Realities India Private Limited
NJ Business Corporation
NeST Foods & Beverages Corporation
Nenmany Agro Mills Private Limited
NeST Research & Development Centre (Registered Society)
Naz Rice and Foods Private Limited
Q Life Consumer Products Private Limited
Royal Malabar Foods Private Limited
NeST Agro Foods (Proprietorship)
N J Enterprises (Proprietorship)
Nest Institute of Fibre Optics Technologies Private Limited
SFO Technologies Solutions Private Limited
Nest Connectivity Corporation
Nest Connectivity Solutions Private Limited
Nest Connectivity Solutions Pte Limited
SFO Technologies Pte, Singapore
Ray-Hans Cables and Magnetics Private Limited
Ray-hans Technologies Private Limited
Ray-Hans Luminaries Private Limited
Photon Data Links Private Limited
Green House Cardamom Marketing India Private Limited
NEID Engineering & Infrastructure Development Private Limited

Relatives of Key Management Personnel:

Mrs. Nishi Jehangir, Wife of Mr. N. Jehangir
Mrs. Nazneen Jehangir, Daughter of N. Jehangir
Mr. Althaaf Jehangir, Son of Mr. N. Jehangir

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	As at March 31, 2021	As at March 31, 2020
(i) Enterprises under the control of the Person controlling the Group		
Purchase of goods/services	139	136
Sale of goods/services	1,368	3,581
(ii) Key Management Personnel - Managing Director		
Loans given	2,669	2,979
Loans repaid	2,565	3,349
Remuneration paid	600	600



SFO Technologies Private Limited
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(Amount in INR Lakhs, unless otherwise stated)

(v) Enterprises under the control of Managing Director		
Purchase of goods/services	592	635
Sale of goods/services	3,053	3,564
(vi) Relative of Key Management Personnel		
Purchase of goods/services	6	6
Remuneration paid	72	26

(C) Amount due to/from related party as on:

	As at March 31, 2021	As at March 31, 2020
(i) Enterprises under the control of the Person controlling the Group		
Trade receivables	597	560
Loans and advances	1,855	-
Trade payables	46	41
Advance to Supplier	-	-
(ii) Key Management Personnel - Managing Director		
Loans and advances	2,201	2,247
(iii) Enterprises under the control of Managing Director		
Trade receivables	2,480	3,183
Trade payables	1,323	1,254
Advance to Supplier	71	53
(iv) Relative of Key Management Personnel		
Advance to Supplier	17	17

Terms and conditions of transactions with related parties

Loans and Advances by the Group are repayable on or before March 31, 2023. All transactions with related parties have been carried out on arms length basis.

42 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at end of each accounting year		
- Principal amount due to micro and small enterprises	2,176	3,400
- Interest due	30	11
	<u>2,206</u>	<u>3,411</u>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	30	4
The amount of interest accrued and remaining unpaid at the end of each accounting year (current year charge)	50	20
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	50	9

The information given above is to the extent such parties have been identified by the Group on the basis of information disclosed by the suppliers.



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43 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments. The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets. Carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

	As at March 31, 2021	As at March 31, 2020
Non-current financial assets		
Investments	4,267	4,349
Loans	4,057	3,662
Other financial asset	1,836	961
Current Financial Assets		
Investments	61	49
Trade receivables	41,467	29,086
Cash and cash equivalents	6,299	4,817
Bank balances other than cash and cash equivalent	2,525	1,308
Other financial assets	2,103	2,998
Non-current financial liabilities		
Borrowings	5,603	2,511
Lease liabilities	3,469	3,436
Other financial liabilities		-
Current financial liabilities		
Borrowings	28,272	30,330
Lease liabilities	1,313	1,336
Trade payables	37,430	43,483
Other financial liabilities	4,765	3,303

44 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - 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).
 - Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
- No financial assets/liabilities have been valued using level 1 fair value measurements.

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

Fair value measurement hierarchy of assets

	As at March 31, 2021	As at March 31, 2020
(a) Financial assets measured at FVTOCI		
Level 1 (Quoted price in active markets)		
Investments in bonds FVTOCI	61	49
Investments in equity instruments FVTOCI	134	77
Level 2 (Valuation techniques with observable inputs)		
Investments in equity instruments at FVTOCI	213	211
Level 3		
Investment in Other affiliates	3,919	3,782
Investment in in unsecured loan of Other affiliates	-	279
Trade receivables	41,467	29,086
Loans	4,057	3,662
Cash and cash equivalents	6,299	4,818
Bank balances other than cash and cash equivalents	2,525	1,308
Fixed deposit accounts with maturity for more than 12 months from balance sheet date.	706	-
Security Deposits	3,112	2,417

Fair value measurement hierarchy for liabilities:

	As at March 31, 2021	As at March 31, 2020
Level 3		
Borrowings (non-current)	5,603	2,511
Borrowings (current)	28,272	30,330
Current maturity of long term loans	1,936	869
Trade payables	37,430	43,483
Other financial liabilities	4,765	3,303

The carrying amount of cash and cash equivalents, trade receivables, fixed deposits, trade payables, other payables and short-term borrowings are considered to be the same as their fair values. The fair values of borrowings, liability component of convertible preference shares and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.



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45 Financial risk management objectives and policies

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	% increase	% decrease	% increase	% decrease
Impact on profit/(loss) before tax	(352)	352	(335)	335

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency payable, receivable and advances. The Group does not have foreign currency hedge in respect of its foreign currency EEFC balance as on March 31, 2021 Rs. 534.76 lakhs (March 31, 2020- Rs. 534.76 lakhs), Receivable Rs. 20,892.58 lakhs as on March 31, 2021 (March 31, 2020- Rs. 20,892.58 lakhs), Advances to supplier Rs. 4,118.47 lakhs March 31, 2021 (March 31, 2020- Rs. 4,118.47 lakhs), Loans Rs. 14,918.75 lakhs as on March 31, 2021 (March 31, 2020- Rs. 14,918.75 lakhs), Advances to Related Party Rs. 533.26 as on March 31, 2021 (March 31, 2020 - Rs. 533.26 lakhs), Payables Rs. 25,064.03 lakhs as on March 31, 2021 (March 31, 2020 Rs. 25,064.03 lakhs), Capital Advances Rs. 54.67 lakhs as on March 31, 2021 (March 31, 2020- Rs.54.67 lakhs), Advances from Customer Rs. 476.40 lakhs as on March 31, 2021 (March 31, 2020- Rs. 476.40 lakhs). The sensitivity to a reasonably possible change in foreign exchange rate on profit or loss of the Group is as below:

	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	% increase	% decrease	% increase	% decrease
Impact on profit/(loss) before tax	(164)	164	(141)	141

(B) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Group's exposure to credit risk arises majority from trade receivables and loans to related party. The Group does not expect any credit risk with respect to other financial assets i.e. security deposits, bank deposits, etc. The management reviews trade receivables and loans to subsidiaries on a periodic basis and take necessary mitigations, wherever required. The Group creates allowance for all unsecured trade receivables based on lifetime expected credit loss. The summary of changes in allowance for receivables / loans is as below:

	Trade receivables		Loan to a related party	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	-	-	-	-
Allowance recognised during the year	365	-	-	-
Balance at the end of the year	365	-	-	-

(C) Liquidity risk

The Group determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs. The Group manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

The table below summarizes the maturity profile of the Group's financial liabilities:

	Maturities			
	Upto 1 year	1-2 years	Above 3 years	Total
31st March, 2021				
Non-current borrowings	-	2,339	2,205	5,603
Current borrowings	28,272	-	-	28,272
Trade payables	37,430	-	-	37,430
Other financial liability	4,765	-	-	4,765
Total	70,467	2,339	2,205	77,070



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31st March, 2020					
Non-current borrowings	-	710	883	918	2,511
Current borrowings	30,330	-	-	-	30,330
Trade payables	43,483	-	-	-	43,483
Other financial liability	3,303	-	-	-	3,303
Total	77,116	710	883	918	79,627

46 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Group has not distributed any dividend to its shareholders. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	As at March 31, 2021	As at March 31, 2020
Non-current borrowings & lease liabilities	9,072	5,947
Current maturities of non-current borrowings and lease liabilities	3,248	2,205
Current borrowings	28,272	30,330
Less: Cash and cash equivalents	(6,299)	(4,817)
Less: Other bank balances (including non-current fixed deposit balances and other than restricted cash)	(2,168)	(387)
Net debt	32,126	33,278
Equity share capital	916	916
Other equity	59,623	55,893
Total capital	60,538	56,808
Gearing ratio	53.07%	58.58%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.



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Note -47 Additional Information required by Schedule III

Summary of net assets, share in consolidated profit or loss and share in other comprehensive income

March 31, 2021

	Net assets i.e. total assets minus total liabilities		Share in consolidated profit or loss		Share in consolidated other comprehensive income		Share in consolidated total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit	Amount	consolidated other comprehensive income	Amount	consolidated total comprehensive income	Amount
Parent company								
SFO Technologies Private Limited	98%	59,433	95%	3,557	-91%	(39)	97%	3,596
Subsidiaries - Indian								
Nest Hi-Tek Park Private Limited	4%	2,223	-10%	(357)	0%	-	-10%	(357)
Nest Digital Private Limited (Formerly, Nest Information Technologies Private Ltd)	4%	2,472	22%	810	-2%	(1)	22%	811
Ray-hans Precision Tools Private Limited	1%	862	-15%	(555)	0%	-	-15%	(555)
ICAM Solution Private Limited	2%	1,289	3%	117	0%	-	3%	117
Subsidiary - Foreign								
SFO Technologies Corporation, USA	1%	850	0%	8	0%	-	0%	8
Nest Information Technologies (Aus) Pty. Limited, Australia	0%	3	0%	(0)	0%	-	0%	(0)
Adjustment arising out of consolidation	-11%	(6,593)	0%	15	0%	84	-2%	(68)
Associates - Foreign								
Nest Information Technologies LLC, UAE	0%	-	4%	138	0%	-	4%	138
Total	100%	60,539	100%	3,733	-94%	43	100%	3,690



SFO Technologies Private Limited
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
Amount in INR Lakhs, unless otherwise stated

Note -47 Additional Information required by Schedule III

Summary of net assets, share in consolidated profit or loss and share in other comprehensive income

March 31, 2020

	Net assets i.e. total assets minus total liabilities		Share in consolidated profit or loss		Share in consolidated other comprehensive income		Share in consolidated total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit	Amount	As a % of consolidated other comprehensive	Amount	As a % of consolidated total comprehensive	Amount
Parent company								
SFO Technologies Private Limited	98%	55,838	90%	3,013	40%	(371)	109%	2,642
Subsidiaries - Indian								
Nest Hi-Tek Park Private Limited	4%	2,175	-15%	(519)	0%	-	-21%	(519)
Nest Digital Private Limited (Formerly, Nest Information Technologies Private Ltd)	3%	1,660	10%	324	4%	(35)	12%	289
Ray-hans Precision Tools Private Limited	2%	1,325	-15%	(516)	3%	(29)	-22%	(545)
ICAM Solution Private Limited	2%	1,148	9%	305	2%	(19)	12%	285
Subsidiary - Foreign								
SFO Technologies Corporation, USA	1%	800	24%	798	1%	(7)	33%	791
Nest Information Technologies (Aus) Pty. Limited, Australia	0%	(1)	0%	(1)	0%	(0)	0%	(1)
Nest Technologies LLC, Oman	0%	(32)	-1%	(32)	0%	1	-1%	(32)
SFO Tech Inc, USA (with subsidiaries till 31-03-2020)	0%	35	-8%	(278)	50%	(462)	-30%	(739)
Adjustment arising out of consolidation	-10%	(6,142)	0%	15	0%	-	0%	15
Non controlling Interest in all subsidiaries	0%	-	0%	10	0%	-	0%	10
Associates - Foreign								
Nest Information Technologies LLC, UAE	0%		7%	232	0%	-	10%	232
Total	101%	56,807	100%	3,351	100%	(924)	100%	2,427



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48 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been further extended till August 31, 2020. Also most of the regions in India have suffered second wave of coronavirus infections in the year 2021 followed by regional lockdowns across the country to contain the spread of virus. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements (March 31, 2020: Rs Nil).

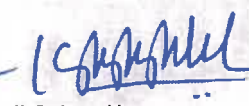
49 Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's disclosure

For and on behalf of the Board of Directors
SFO Technologies Private Limited
CIN: U72900KL1990PTC005620




N. Jehangir
Managing Director
DIN: 00004483


Althaaf Jehangir
Director
DIN: 00006080


K. Padmanabhan
Company Secretary
Membership No: F6985

Place: Kochi
Date: February 28, 2022

