

nesco

**55th Annual Report 2013 - 2014**



Frontage of proposed IT building no. 4 with three wings

**Board of Directors**

Mr. Sumant J. Patel

*Chairman & Managing Director*

Dr. Ram S. Tarneja

Mr. K. S. Srinivasa Murty

Mr. Mahendra K. Chouhan

Mrs. Sudha S. Patel

Mr. Jai S. Diwanji

Mr. Krishna S. Patel

*Executive Director***Auditors**

Shah &amp; Company

Chartered Accountants

Mumbai

**Bankers**

HDFC Bank Limited

Hongkong &amp; Shanghai Banking Corporation

**Registered Office:**

Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063

CIN: L17100MH1946PLC004886

Email: [contact@nesco.in](mailto:contact@nesco.in) Web: [www.nesco.in](http://www.nesco.in)

Tel.: 022 6645 0123 Fax: 022 6645 0101

**Branch Offices:****New Delhi**

B - 1 - 102, 10th Floor,

Himalaya House,

Curzon Road,

New Delhi 110001

**Kolkatta**27-B, 5<sup>th</sup> Floor,

Benoy Bhavan,

Camac Street,

Kolkatta 700016

**Chennai**

Fagun Mansion,

26, Commander-in-Chief Road,

Chennai 600105

**Plants:****Karamsad**

Anand Sojitra Road,

Karamsad,

Gujarat 388325

**Vishnoli**

Nadiad Petlad Road,

Vishnoli,

Gujarat 388450



## NOTICE

The 55<sup>th</sup> Annual General Meeting of Nesco Limited will be held in IT building 3 of Nesco IT Park at the registered office of the Company at Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063 on Wednesday, 20 August 2014 at 3.00 pm to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March 2014 and the Profit and Loss account for the year as on that date together with the report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mrs. Sudha S. Patel, who retires by rotation and being eligible offers herself for re-appointment.

### Special Business

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:  
“RESOLVED THAT pursuant to sections 149,152, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the listing agreement, Dr. Ram S. Tarneja, (DIN 00009395), in respect of whom the Company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office upto five consecutive years up to 31 March, 2019.”
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:  
“RESOLVED THAT pursuant to sections 149,152, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the listing agreement, Mr. K. S. Srinivasa Murty (DIN 00499663) in respect of whom the Company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office upto five consecutive years up to 31 March, 2019.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:  
“RESOLVED THAT pursuant to sections 149,152, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the listing agreement, Mr. Mahendra K. Chouhan, (DIN 00187253), in respect of whom the Company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office upto five consecutive years up to 31 March, 2019.”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:  
“RESOLVED THAT pursuant to sections 149, 152, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the listing agreement, Mr. Jai S. Diwanji (DIN 00910410), in respect of whom the Company has received notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office upto five consecutive years up to 31 March, 2019.”
8. To consider and if thought fit, to pass, with or without modifications, the following resolution as special resolution:  
“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions if any, of the Companies Act, 2013, M/s Manubhai & Shah, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this annual general meeting upto the conclusion of next annual general meeting in place of retiring Auditors M/s. Shah & Co., Chartered Accountants, to audit the accounts of the Company for the financial year 2014-2015 at the remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee of Directors.”
9. To consider and if thought fit, to pass, with or without modifications, the following resolution as a special resolution:  
“RESOLVED THAT pursuant to the provisions contained in section 188 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, the consent of the members be and is hereby accorded for entering into Leave and License agreement for the land with building situated at Karamsad, District Anand, Gujarat, which land is presently owned by Mr. Sumant J. Patel (Chairman & Managing Director), against payment of annual license fee to him”.  
“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate the terms and conditions of the proposed Leave and License agreement as may be deemed fit and in the best interests of the Company and to perform and execute all such acts, deeds, matters and things including delegating such authority, as may be deemed necessary, proper and expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

### By order of the Board of Directors

Dipesh R. Singhania  
Chief Financial Officer and Compliance Officer  
Mumbai, 28 May 2014

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE THE PROXY FORM, DULY COMPLETED AND STAMPED, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An explanatory statement pursuant to section 102(1) of the Companies Act, 2013 in respect of item no. 3 to 9 of the notice is annexed hereto.
3. The annual report will also be available on the website of the Company at [www.nesco.in](http://www.nesco.in) in the Investors Relations section.
4. The register of members and share transfer book of the Company will remain closed from Wednesday, 13 August 2014 to Wednesday, 20 August 2014 (both days inclusive), for the purpose of annual general meeting and determining the names of the shareholders eligible for dividend on equity shares, if declared at the meeting.
5. The Board of Directors in their Meeting held on 28 May, 2014 have recommended a dividend of 50% (Rs. 5/-) per share on equity share of Rs 10/- each, which if approved at the annual general meeting, will be paid on or before the 30th day from the date of AGM, to those shareholders whose names are appearing in the register of members on 12 August 2014.
6. As per the provisions of section 124 (5) of the Companies Act, 2013, money transferred to Unpaid Dividend Accounts of the Company and remaining unpaid / unclaimed over a period of 7 (seven) years from the date of such transfer shall be transferred to 'Investor Education and Protection Fund' and no claim will be entertained thereafter by the Company. Members are therefore requested to expeditiously put their claims for unclaimed dividends, if the dividends are not received / claimed by them.
7. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
8. All the Members are requested to:
  - i Intimate immediately any change in their address to Company's Registrar and Share Transfer Agent  
Sharex Dynamic (India) Pvt. Ltd.,  
Unit 1, Luthra Industrial Premises, Safed Pool,  
Andheri Kurla Road, Andheri (East), Mumbai 400072  
Tel: 022-28515606 / 44 Fax: 022-2851 2855  
Email: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com) Website: [www.sharexindia.com](http://www.sharexindia.com)  
Members holding shares in the electronic form are advised to inform change in address directly to their respective depository participants.
  - ii Send all correspondence relating to transfer and transmission of shares to Registrar and Transfer Agent and not to the Company.
  - iii Quote their Folio No. / Client ID No. in their correspondence with the Registrar and Share Transfer Agents.
  - iv Send their queries to the Company at least 10 days in advance so that required information can be made available at the meeting.
  - v Intimate Registrar and Share Transfer Agent M/s. Sharex Dynamic (India) Pvt. Ltd. for consolidation of folios, in case having more than one folio.
  - vi Bring their copies of annual report and attendance slip with them at the meeting.
  - vii Members /Proxies should bring entrance pass duly filled for attending the meeting.
9. The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the Electronic Clearing Services (ECS) mandate facility wherever possible for payment of dividend to the members. In view of this stipulation, the Company has implemented the ECS facility. Members holding shares in physical form are requested to provide the Company with ECS details for crediting the future dividend payment directly to their respective bank accounts. The Company will be able to co-ordinate with their bankers only on receipt of necessary information. The members holding shares in electronic form may instruct their depository participant's accordingly.
10. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their registered email id, bank details, NECS, mandates, nominations, power of attorney etc to their Depository Participants. Changes intimated to the Depository Participants will then be automatically reflected in the Company's records which will help the Company and its Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited, to provide efficient and better service to the members. Members holding shares in physical form are requested to advice such changes to the Company's Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited.
11. In order to provide protection against fraudulent encashment of the dividend warrants, shareholders holding shares in physical form are requested to intimate to the Company's Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited under the signature of the sole/first joint holder, the following information to be incorporated on the dividend warrants:

- i. Name of the sole / first joint holder and folio number
  - ii. Particulars of bank account, viz:
    - a. Name of the bank.
    - b. Name of the branch.
    - c. Complete address of the bank with pin code number.
    - d. Bank account number.
    - e. E-mail ID
12. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company's Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited for assistance in this regard.
13. Electronic copy of the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

The details and procedures for e-voting are attached with the annual report.

#### ANNEXURE TO THE NOTICE:

Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013.

#### Item No. 3

Details of Director seeking reappointment at the forthcoming annual general meeting pursuant to clause 49 of the listing agreement:

<b>Particulars</b>	Director
<b>Name of the Director</b>	Mrs. Sudha S. Patel
<b>Date of Birth</b>	25 May 1938
<b>Date of Appointment</b>	16.07.2001
<b>Qualification</b>	M. S. in Education Psychology from University of Southern California
<b>Directorship held in Indian Public Companies as on 31.03.2014</b>	NIL
<b>Committee positions held in Indian Public Companies as on 31.03.2014</b>	NIL
<b>Number of shares held in the Company</b>	914,944

#### Item no. 4 to 7

Dr. Ram S. Tarneja, Mr. K. S. Srinivasa Murty and Mr. Mahendra K. Chouhan are Independent Directors of the Company and have held said position for more than five years and Mr. Jai S. Diwanji is Independent Director of the Company and have held the said position for more than two years.

The Securities Exchange Board of India (SEBI) has amended clause 49 of the listing agreement inter alia stipulating the conditions for the appointment of Independent Directors by the listing Company.

It is proposed to appoint Dr. Ram S. Tarneja, Mr. K. S. Srinivasa Murty, Mr. Mahendra K. Chouhan and Mr. Jai S. Diwanji as Independent Directors of the Company pursuant to sections 149, 152, schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 upto five consecutive years up to 31 March, 2019.

Dr. Ram S. Tarneja, Mr. K. S. Srinivasa Murty, Mr. Mahendra K. Chouhan and Mr. Jai S. Diwanji are not disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Directors.

The Company has also received notices in writing from members along with deposits of requisites amount under Section 160 of the Act proposing the candidature of Dr. Ram S. Tarneja, Mr. K. S. Srinivasa Murty, Mr. Mahendra K. Chouhan and Mr. Jai S. Diwanji for office of Directors of the Company.

The Company has also received declaration from Dr. Ram S. Tarneja, Mr. K. S. Srinivasa Murty, Mr. Mahendra K. Chouhan and Mr. Jai S. Diwanji that they meet with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Act and under Clause 49 of the listing agreement.

Dr. Ram S. Tarneja, Mr. K. S. Srinivasa Murty, Mr. Mahendra K. Chouhan and Mr. Jai S. Diwanji are interested in the resolutions set out respectively at item no. 4 to 7 of the notice with regard to their respective appointment.

Brief profile of Dr. Ram S. Tarneja, Mr. K. S. Srinivasa Murty, Mr. Mahendra K. Chouhan and Mr. Jai S. Diwanji is as follows

<b>Name of the Director</b>	Dr. Ram S. Tarneja
<b>Date of joining the Board:</b>	21/04/1976
<b>Profile of the Director:</b>	M.A.; Ph. D.
<b>No. of shares held in the Company :</b>	NIL
<b>Directorships and Committee memberships in other companies:</b>	12

<b>Name of the Director</b>	Mr. K. S. Srinivasa Murty
<b>Date of joining the Board:</b>	30/07/2007
<b>Profile of the Director:</b>	M.Tech IIT
<b>No. of shares held in the Company :</b>	NIL
<b>Directorships and Committee memberships in other companies:</b>	NIL

<b>Name of the Director</b>	Mr. Mahendra K. Chouhan
<b>Date of joining the Board:</b>	19/04/2005
<b>Profile of the Director:</b>	B.Sc., MBA(Finance)
<b>No. of shares held in the Company :</b>	150 shares of Rs. 10/- each
<b>Directorships and Committee memberships in other companies:</b>	6

<b>Name of the Director</b>	Mr. Jai S. Diwanji
<b>Date of joining the Board:</b>	03/11/2012
<b>Profile of the Director:</b>	Graduate in law from University of Cambridge; U.K.
<b>No. of shares held in the Company :</b>	NIL
<b>Directorships and Committee memberships in other companies:</b>	5

#### Item No. 8

##### Note on appointment of M/s Manubhai & Shah, Chartered Accountants, as Statutory Auditor:

M/s. Shah & Co., Chartered Accountants, retire as auditors of the Company on the conclusion of the ensuing annual general meeting. As per the provisions of section 139(2) of the Companies Act, 2013 a firm of Chartered Accountants who have been statutory auditors of the Company for more than 10 years cannot be reappointed and hence do not seek reappointment in view of section 139(2) of the Companies Act, 2013.

Based on the recommendation of the Audit Committee, the Board of Directors, has at its meeting held on 28 May 2014, recommended the appointment of M/s. Manubhai & Shah, Chartered Accountants as statutory auditor of the Company for the financial year 2014-2015.

M/s. Manubhai & Shah have expressed their willingness to work as the Statutory Auditors of the Company, if appointed, and further confirmed that the said appointment would be in conformity with the provision of section 139 of the Companies Act, 2013.

Member's approval is being sought for the appointment of M/s. Manubhai & Shah, as the Statutory Auditors of the Company and to authorize the Board of Directors, on the recommendation of Audit Committee, to determine the remuneration payable to them.

None of the Directors are concerned or interested in this resolution. Your Directors recommend the resolution for your approval.

#### Item no. 9

##### Note on entering into Leave and License agreement with Mr. Sumant J. Patel under section 188 of the Companies Act, 2013:

Indabrator Division's one manufacturing unit at Karamsad, District Anand, Gujarat, is situated on 16,185 sq. mtr. (i.e. approx. 1,74,150 sq. ft. or 4.0 acres) land which was earlier owned by JV Patel & Co (partnership firm). Aforesaid land was leased to Indabrator Limited in 1974 at Rs. 24,000/- per annum rent. Indabrator Limited constructed factory and office building on this land. Indabrator Limited was merged with Nesco Limited in 2005. JV Patel & Co., partnership firm is now dissolved and the land is transferred to Mr. Sumant J. Patel with effect from 09 May 2012. The Company wants to continue to occupy the land for several manufacturing activities in these premises and hence proposes to execute a Leave and License agreement with Mr. Sumant J. Patel against payment of annual license fee of Rs. 20,00,000/- for a tenure of 3 years.

The value of land with building as per the ready reckoner rate is Rs. 10,725/- per sq. mtr. Recently a sale has taken place at Rs. 11,120/- per sq. mtr.. for land with building in the same location. Against the market value of around Rs. 18 crores, license fee of Rs. 20,00,00 per year for a period of 3 years with effect from 09 May 2012 is proposed.

The Audit Committee and the Board of Directors have approved the proposed Leave & License agreement. The Board of Directors accordingly recommends the resolution set out in the accompanying notice for approval by Shareholders of the Company.

Mr. Sumant J. Patel, Mrs. Sudha S. Patel & Mr. Krishna S. Patel are deemed to be concerned or interested in the resolution.

## Directors' Report

Year 2013-14 continued to be a challenging year with many projects delayed or deferred or cancelled. Growth rate was low at 4.70%, rupee depreciated and inflation continued to be a concern. Capital goods and other sectors were adversely affected. Against this background, your Company was able to achieve growth both in revenues and profits and increase in liquid resources. Directors have pleasure in presenting their annual report with the audited statement of accounts for the year ended 31 March 2014.

### 1. Financial Results :

PARTICULARS	2013 - 14 (₹ )	2012 - 13 (₹ )
Income	181,42,14,113	162,76,86,860
Profit before depreciation and tax	127,92,30,894	119,50,11,844
Depreciation	11,02,57,463	5,82,77,241
Profit before taxes	116,89,73,431	113,67,34,603
Provision for taxes	35,87,28,000	31,98,78,455
Net Profit	81,02,45,432	81,68,56,148
Balance brought forward	50,00,000	50,00,000
Amount available for appropriations	81,52,45,432	82,18,56,148
Appropriations:		
i) Dividend	7,04,59,960	4,93,21,972
ii) Tax on Proposed Dividend	1,19,74,670	83,82,228
iii) Transfer to General Reserve	72,78,10,000	75,91,51,907
iv) Surplus carried forward to P&L Account	50,00,000	50,00,000

### 2. Review of Operations:

During the year your Company achieved a turnover of Rs. 181,42,14,113, an increase of 11.46% over the previous year turnover of Rs. 162,76,86,860. PBDT was Rs. 127,92,30,894 as compared to Rs. 119,50,11,844 in previous year, an increase of 7.04%. Earnings per share amounted to Rs. 57.50 (previous year Rs. 57.97). The Company's general reserves increased from Rs. 345,15,71,000 to Rs. 417,93,81,431.

### 3. Dividend:

Your Directors are pleased to recommend a dividend of 50% per equity share of Rs.10/- each (previous year 35%) for the year ended 31 March 2014 amounting to Rs. 7,04,59,960 (previous year Rs. 49,321,972), subject to approval by shareholders at the 55th annual general meeting. This would involve a cash outflow of Rs. 8,24,34,630. The dividend is free of tax in the hands of the shareholders.

### 4. Management Discussion and Analysis:

- i) Bombay Exhibition Centre: Income for the year was Rs. 94,88,56,835 compared to Rs. 90,52,04,037 in the previous year registering an increase of 4.82%. During the year 114 exhibition were held in our centre, out of which 21 were new organizers and 16 new titles which included Sugar Technology, First Safety Technology, Occupational Health and Safety, Steel Technology, Fire Safety Technology, Maternity and Child Care Expo, Water Conversation Technology, Soilless Garden Technology, Health and Fitness Expo and Concrete Technology.

The Company has also started setting up food court services with leading international and national food brands to cater to the growing demand of quality food services of the organizers, their exhibitors and visitors.

- ii) Nesco IT Park: Income for the year was Rs. 47,83,37,595 (previous year Rs. 27,85,78,934) an increase of 71.70 %. The IT 3 Building is LEED Platinum rated by Indian Green Building Council, which is the highest standard for sustainable development. The ultra modern amenities in the building include air conditioning, food court, modern health centre, ample car parking, a golf putting green and other recreation areas.

The Company has successfully launched its 330 seater Nesco Incubation Centre. This state of the art facility is a unique feature for Nesco IT Park, wherein a licensee can opt for stop gap arrangement of a plug and play infrastructure while their fitouts are underway in the IT building 3. Such features benefits the companies to move their business in the IT building 3 with minimum outage in the operation of their respective business.



The Company has also taken steps to set up a day care centre within the campus for IT Park and has tied up with a leading national brand for this purpose. The high quality centre with trained professionals will have variety of structured programs to engage a child from infancy to toddler hood. Day care centre will benefit the companies to encourage employees and specially women employees to join work force.

Your Company is now actively pursuing to secure required approvals for starting construction of IT building 4 (built-up area approx. 14,00,000 sq ft) which has been designed by a leading American architects firm

- iii) Indabrator - Industrial Capital Goods Group: In the year under review, Indabrator income was Rs. 18,38,83,000 (previous year Rs. 25,08,25,178). 2013-14 continued to be extremely difficult year for the capital goods industry. A large number of projects were either cancelled or delayed or deferred; automotive and other industries faced low demand and went through difficult times. Under these circumstances, Indabrator income was lower compared to previous year. Economic environment is showing improvement and we expect Indabrator to pick up in the current year.

Your Company is investing in the upgradation of its Abrasives Plant to produce abrasives which has demand from customers using surface preparation equipment.

- iv) Investments: Income from investments and other income was Rs. 20,31,35,683 (previous year Rs. 19,30,78,710), an increase of 5.21%. Our Company expects a moderate increase in the current year.

## 5. Finance:

Your Company had no debt as on 31 March 2014. Company's liquid resources (fixed maturity plans, mutual funds, cash & bank balances) increased by 43.06% to Rs. 3,72,77,90,258 from Rs. 2,60,57,14,958.

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

Capital Market has recently published list of top 500 Companies in India which covers the most valuable and liquid stocks in India. Nesco is included in this list. FIIs have shown interest in your Company and their shareholding has increased to over 8%.

## 6. Corporate Social Responsibility:

Nesco group continued to increase its activities in the rural social sector. The second school set up in a village with our assistance has commenced its activities. Both schools provides modern education facilities including smart class, audio visual learning system, modern computer labs, etc. Our CSR group monitors these activities. Recently, Nesco provided support to Election Commission in organizing Counting Station for two constituencies of Mumbai in Bombay Exhibition Centre. The Bombay Exhibition Centre also provided assistance to NGO 2013, an event for the NGOs to showcase their activities and thereby gather public support.

## 7. Directors:

Mrs. Sudha S. Patel retire by rotation at the ensuing annual general meeting and being eligible offer herself for reappointment.

In terms of sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Dr. Ram S. Tarneja, Mr. K. S. Srinivasa Murty, Mr. Mahendra K. Chouhan and Mr. Jai S. Diwanji as Independent Directors of your Company and to hold office up to five consecutive years up to 31st March, 2019."

The profile of the Directors to be reappointed at the annual general meeting is given in the annexure to the notice.

During the year Mr. Bharat V. Patel resigned from his position as Director of the Company after having served the Company for several years. Directors place on record their appreciation of the valuable services rendered by Mr. Patel during his tenure as Director.

## 8. Directors' Responsibility Statement:

Pursuant to section 217 (2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that to the best of their knowledge and belief and according to the information and explanations available to them:

- i) In the preparation of the annual accounts the applicable accounting standards have been followed.
- ii) Appropriate accounting policies have been selected and supplied consistently and have made judgments that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and of the profit of the Company for the year ended on that date;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a going concern basis.

**9. Auditors:**

M/s. Shah & Co., Chartered Accountants, retire as auditors of the Company on the conclusion of the ensuing annual general meeting and do not seek reappointment in view of section 139(2) of the Companies Act, 2013. The Board of Directors recommends appointment of M/s Manubhai & Shah, Chartered Accountants as auditors for the current year and fix their remuneration. They have given their consent for appointment as Statutory Auditors.

**10. Internal Control Systems:**

Your Company has well laid out policies on financial reporting, asset management, adherence to Management policies and also on promoting compliance of ethical and well defined standards. The Company also follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor expectations and budgeted results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the Internal Auditors. The internal audit is conducted at various locations of Company and covers all key areas. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

**11. Safety, Health and Environment:**

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

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

**12. Corporate Governance:**

As required by clause 49 of the listing agreement of stock exchange, a report on corporate governance and a certificate from M/s. Shah & Co., Chartered Accountants confirming compliance with requirement of corporate governance are given in an annexure which forms part of this report.

**13. Conversion of energy, technology absorption, foreign exchange earnings and outgo:**

The Company is undertaking the necessary energy conservation activities in accordance with the provisions of section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988.

**14. Particulars of Employees:**

The information required under section 217 (2A) of the Companies Act, 1956 read with Companies (particular of employees) Rules, 1975, in respect of employees of the Company, is provided in annexure forming part of this report. In terms of section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary.

**15. Acknowledgment:**

The Directors thank the shareholders, customers and vendors for their support.

The Directors also thank all members of the Nesco team for their valuable contribution.

**For and on behalf of the Board of Directors**

**Sumant J. Patel**  
**Chairman & Managing Director**  
**Mumbai, 28 May 2014**

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance:

The Company's endeavour is to maximize shareholder value. Nesco is committed to adopt the best governance practices and its adherence in true spirit at all times. It has strong legacy of fair, transparent and ethical governance practices.

The Company has adopted a code of conduct which is applicable to all employees and is posted on the website of the Company. The Company also has in place a code for preventing insider trading.

The Company is fully compliant with the requirements of the listing agreements and applicable corporate governance norms and is committed to ensuring compliance with all modifications within the prescribed time.

### 2. Board of Directors:

The present strength of the Board of Directors is seven. The Board comprises of the Managing Director, Executive Director and five Non Executive Directors, out of which four are Independent Directors.

The day to day management is conducted by the Managing Director of the Company subject to superintendence, control and direction of the Board of Directors.

The details of composition of the Board and summary of other Directorships and Board Committee Memberships of each of the Directors as on 31 March 2014 are as follows:

Name of the Director	Executive/Non Executive/ Independent/Alternate	No. of other Directorship *	Membership held in Committee of Directors#	Chairmanship held in Committee of Directors ##
Mr. Sumant J. Patel	Promoter / Executive	----	----	----
Dr. Ram S. Tarneja	Non Executive & Independent	09	05	04
Mr. K. S. Srinivasa Murty	Non Executive & Independent	----	----	----
Mr. Mahendra K. Chouhan	Non Executive & Independent	04	05	03
Mrs. Sudha S. Patel	Promoter / Non Executive	----	----	----
Mr. Jai S. Diwanji	Non Executive & Independent	02	----	----
Mr. Krishna S Patel	Promoter / Executive	----	----	----

\* This excludes directorship held in private companies, foreign companies, companies formed under section 25 of the Companies Act, 1956 and directorship held as an alternate director.

# Committee of Directors includes Audit Committee, Investor Grievances Committee and Remuneration Committee of Directors.

## This does not include Membership / Chairmanship in Committees of Directors of Nesco Limited.

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

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

The particulars of Board Meetings held during the year 01.04.2013 to 31.03.2014 as well as attendance of Directors at the Board and the last AGM are given here below:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1	25.05.2013	3	01.11.2013
2	08.08.2013	4	29.01.2014

**Attendance of each Director at the Board meetings held during the year and at the last Annual General Meeting is as under:**

Name of Director	Number of board meetings Attended during the year	Whether attended Last AGM held on 08.08.2013
Mr. Sumant J. Patel	04	Yes
Dr. Ram S. Tarneja	04	Yes
Mr. Bharat V. Patel	01	Yes
Mr. K. S. Srinivasa Murty	03*	No
Mr. Mahendra K. Chouhan	04*	Yes
Mrs. Sudha S. Patel	04	Yes
Mr. Jai S. Diwanji	04	Yes
Mr. Krishna S. Patel	04	Yes

\* Includes meetings attended over video conference.

**Remuneration of Directors: Sitting fees, perquisites and commission: (in Rs.)**

Name of Directors	Designation	Sitting fees	Salary	Perquisites and allowance	Commission	Total
Mr. Sumant J Patel	Chairman & Managing Director	-	36,00,000	9,02,009	2,36,98,032	2,82,00,041
Dr Ram S Tarneja	Director	60,000	-	-	-	60,000
Mr. K S Srinivasa Murty	Director	15,000	-	-	-	15,000
Mr. Mahendra K Chouhan	Director	45,000	-	-	-	45,000
Mrs. Sudha S Patel	Director	60,000	-	-	-	60,000
Mr. Jai S Diwanji	Director	60,000	-	-	-	60,000
Mr. Bharat Patel	Director (till 29 Jan 2014)	15,000	-	-	-	15,000
Mr. Krishna S Patel	Executive Director	N.A.	34,50,000	19,94,959	36,00,000	90,44,959
<b>Total</b>		<b>255,000</b>	<b>70,50,000</b>	<b>28,96,968</b>	<b>2,72,98,032</b>	<b>3,75,00,000</b>

## **BOARD COMMITTEES:**

The Board has constituted three committees i.e. Audit Committee, Investor Grievances Committee and Remuneration Committee.

### **Audit Committee**

#### **I Composition**

The committee comprise of Mr. Mahendra K Chouhan as Chaiman, Mr. K S Srinivas Murty and Mr. Jai S Diwanji.

During the year the Committee met 4 times on 25.05.2013, 08.08.2013, 01.11.2013 and 29.01.2014. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	No. of Meetings Held during the year- 2013-14	No. of Meetings Attended during the year- 2013-14
a	Mr. Mahendra K. Chouhan	4	4
b	Mr. K. S. Srinivasa Murty	4	3
c	Mr. Jai S. Diwanji	4	4

#### **II Scope of Audit Committee:**

The terms reference are broadly as under:

- Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other service rendered by the Auditors.



- c. Reviewing with management the annual financial statement before submission to the board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Companies Act, 2013.
  - Changes if any, in accounting policies and practice.
  - Major accounting entries based on exercise of judgment by management.
  - Observations if any, in draft audit report.
  - Significant changes/amendments, if any, arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Qualification in the draft audit report.
  - Compliance with stock exchange and legal requirements concerning financial statement.
  - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
- d. Review of quarterly /half yearly unaudited financial results before submission to the auditors and the Board.
- e. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- f. Reviewing the adequacy of internal audit functions, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors any significant finding and follow up thereon.
- h. Reviewing the findings, if any, of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
- i. Discussions with external auditors before the audit commence nature and scope of audit as well as have post- audit discussion to ascertain any area of concern.
- j. Reviewing the company's financial and risk management policies.
- k. To look into the reasons for substantial defaults, if any, in the payment to the shareholders (in case of non –payment of declared dividends) and creditors.
- l. Financial Statements and Investments made by subsidiaries.

**The Audit Committee also reviews:**

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Chairman of the Audit Committee briefs the Board about the significant discussions held at the Audit Committee Meetings.

**REMUNERATION COMMITTEE:**

**I. Composition**

The committee comprise of Mr. Jai S Diwanji as Chaiman, Dr. Ram S Tarneja and Mr. Mahendra K Chouhan.

During the year the Committee met 2 times on 25.05.2013 and 08.08.2013. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	No. of Meetings Held during the year- 2013-14	No. of Meetings Attended during the year- 2013-14
a	Mr. Jai S. Diwanji	2	2
b	Dr. Ram S. Tarneja	2	2
c	Mr. Mahendra K. Chouhan	2	2

**II. Scope of Remuneration Committee:**

The following matters are referred to the Remuneration Committee,

- Fixing the remuneration payable to the Managing Directors/ Whole time Directors/ Executive Directors within the overall limits approved by the members.
- Determining the remuneration policy of the Company and
- Reviewing the performance of employees and their compensation.

## **INVESTOR GRIEVANCES COMMITTEE:**

### **I. Composition**

The committee comprise of Mrs. Sudha S Patel as Chairperson, Mr. K S Srinivas Murty and Mr.Jai S Diwanji.

During the year the Committee met 4 times on 25.05.2013, 08.08.2013, 01.11.2013 and 29.01.2014. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	No. of Meetings Held during the year- 2013-14	No. of Meetings Attended during the year- 2013-14
a	Mrs. Sudha S. Patel	4	4
b	Mr. K. S. Srinivasa Murty	4	3
c	Mr. Jai S. Diwanji	4	4

### **II Scope of Investor Grievances Committee:**

The Committee administers the following activities:

- Transfer of Shares
- Transmission of shares
- Issue of Duplicate share certificate
- Change of Status
- Change of Name
- Transposition of Shares
- Sub-division of Shares
- Consolidation of Folios
- Shareholders requests for Dematerialization / Rematerialization of shares

The Board has delegated the power of share transfer to registrar & share transfer agents, who process the transfers and the same is approved by the Board in their meeting as well as in the Investor Grievance Committee. The Committee also looks after redressal of investor's grievances and performance of the registrar and share transfer agents of the Company.

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

### **III Compliance Officer**

Mr. Dipesh R. Singhania is the Compliance Officer of the Company.

### **IV Share Transfer Details**

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

Sr. no.	Particulars	Equity
a	Number of transfers	35
b	Average No. of Transfer per month	2.9
c	Number of Share Transferred	12510

### **V Demat/Remat of Shares:**

Details of shares Dematerialized /Rematerialized during the year under review are given below:

Particulars	
Number of Demat requests	107
Number of Shares Demated	928440
Number of Remat request	NIL
Number of Share Remated	NIL

### **VI Details of complaints received and redressed during the year 2013-2014**

Sr. no.	Particulars	Received	Redressed	Pending as on
1	Non Receipt of Bonus share certificates	3	3	NIL
2	Non Receipt of Annual Report	1	1	NIL
3	Non Receipt of Dividend	5	5	NIL
4	Non receipt of share certificate after transfer	2	2	NIL
5	Non receipt of share certificates send for name deletion	1	1	NIL

The company is in constant touch with Sharex Dynamic (India) Pvt. Ltd., registrar and share transfer agent of the Company, and reviews periodically the outstanding complaints, if any,

#### 4. General Body Meetings:

Details of location, time and date of last three Annual General Meetings of the Company:

Year.	AGM	Location	Date	Time
2010-2011	52 <sup>nd</sup>	Nesco Complex, W. E. Highway, Goregaon (E), Mumbai	12.08.2011	03.30 P.M.
2011-2012	53 <sup>rd</sup>	Nesco Complex, W. E. Highway, Goregaon (E), Mumbai	08.08.2012	03.00 P.M.
2012-2013	54 <sup>th</sup>	Nesco Complex, W. E. Highway, Goregaon (E), Mumbai	08.08.2013	03.00 P.M.

#### 5. Disclosures

Indabrator Division's one manufacturing unit at Karamsad, District Anand, Gujarat, is situated on 16,185 sq. mtr (i.e. approx 1,74,150 sq. ft. or 4.0 acre) land which was earlier owned by JV Patel & Co (partnership firm). Aforesaid land was leased to Indabrator Limited in 1974 at Rs. 24,000/- per annum rent. Indabrator Limited constructed factory and office building on this land. Indabrator Limited was merged with Nesco Limited in 2005. JV Patel & Co. partnership firm is now dissolved and the land is transferred to Mr. Sumant J. Patel with effect from 09 May 2012. The Company wants to continue to occupy the land for several manufacturing activities in these premises and hence proposes to execute a Leave and License agreement with Mr. Sumant J. Patel against payment of annual license fee of Rs. 20,00,000/- for a tenure of 3 years.

The value of land with building as per the ready reckoner rate is Rs. 10,725/- per sq. mtr.. Recently a sale has taken place at Rs.11,120/- per sq. mtr. for land with building in the same location. Against the market value of around Rs. 18 crores, license fee of Rs. 20,00,000 per year for a period of 3 years with effect from 09 May 2012 is proposed.

The Audit Committee and the Board of Directors have approved the proposed Leave & License agreement.

There are no penalties or strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authorities for non compliance by the Company or on any other matter related to capital markets, during last three years.

#### 6. CEO/CFO Certification

The Chairman and Managing Director and Chief Financial Officer have certified to the Board of Directors compliance in respect of all matters specified in sub-clause V of the Listing Agreement.

#### 7. Means of Communication:

The Company regularly intimates unaudited as well as audited financial results to the Stock Exchange as soon as these are taken on record / approved. These financial results are published in dailies having wide circulation. The results are also displayed on the website of the Company- [www.nesco.in](http://www.nesco.in).

The Company has designated the following email-id exclusively for investor servicing for Annual Report and other queries – [companysecretary@nesco.in](mailto:companysecretary@nesco.in)

#### 8. General Shareholders information:

1	Annual General Meeting	The 55 <sup>th</sup> Annual General Meeting will be held on Wednesday, 20 August 2014 at 3.00 p.m. in IT building 3 of Nesco IT Park at the registered office of the Company at Nesco Complex, Western Express Highway, Goregaon (E), Mumbai-400 063
2	Financial Calendar	Financial Year: 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015 First Quarterly Result: On or before 2 <sup>nd</sup> week of August 2014 Second Quarterly Result: On or before 2 <sup>nd</sup> week of November 2014 Third Quarterly Result: On or before 2 <sup>nd</sup> week of February 2015 Annual Accounts 2013-14: Last week of May 2015
3	Date of Book Closure	Wednesday, 13 August, 2014 to Wednesday 20 August, 2014 (both days inclusive)
4	Dividend Payment Date	On or before 20 September 2014
5	Listing on Stock Exchange:	The Company's Equity shares are listed on : The Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. The National Stock Exchange of India Ltd. 5 <sup>th</sup> Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai: 400051.
6	Demat ISIN in NSDL and CDSL for Equity Shares	INE 317F01027

The Company hereby confirms that the Company has paid Annual Listing Fees to both the Exchanges and there is no outstanding payment towards the exchanges as on date.

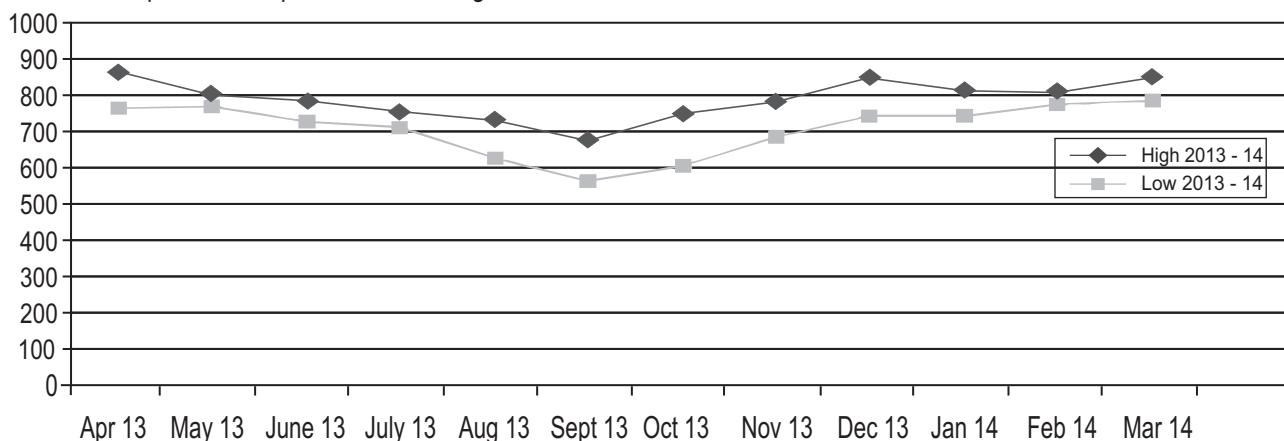
### 8.1. Stock market data

Monthly high and low prices of Equity shares of the company quoted at Stock Exchange, Mumbai during the year 2013-2014

Month	High	Low
April 2013	861.85	764.00
May 2013	797.00	765.00
June 2013	785.40	725.75
July 2013	749.95	710.00
August 2013	730.00	625.00
September 2013	670.00	560.00

Month	High	Low
October 2013	744.00	604.80
November 2013	780.00	685.00
December 2013	847.90	740.05
January 2014	807.00	742.05
February 2014	805.00	770.00
March 2014	845.00	782.00

The above prices are depicted in the Chart given below:



### Registrar and Transfer Agent :

Sharex Dynamic (India) Pvt Ltd.,

Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072

Tel : + 91 22 28515606/28515644, Fax : +91 22 28512885, Email: sharexindia@vsnl.com, Website: www.sharexindia.com

### 8.2 Share Transfer System:

The share transfer requests for shares held in physical form received by the Company are processed and the share certificates are returned within the stipulated period under the Companies Act, 1956 and the Listing agreement, provided that the documents received are in order and complete in all respects.

### 8.3 Categories of shareholding as on 31<sup>st</sup> March 2014

	Category	no. of shares held	% of share holding
A	Promoter (s) holding		
1	Indian promoters	87,11,251	61.82%
2	Foreign promoter	2,50,000	1.77%
	<b>Sub-total</b>	<b>89,61,251</b>	<b>63.59%</b>
B	Non-promoters holding		
1	Institutional investors		
a	Mutual funds	5,66,770	4.02%
b	Banks, financial inst, insurance companies (central / state govt. Inst / non-government inst)	1,35,399	0.96%
c	Venture capital	1,100	0.01%
d	FII (s)	11,59,094	8.23%
	<b>Sub-total</b>	<b>18,62,363</b>	<b>13.22%</b>



	Category	no. of shares held	% of share holding
2	Non-Institutions		
a	Private corporate bodies	2,22,117	1.58%
b	Indian public	29,93,260	21.24%
c	NRIS / OCBS	44,381	0.31%
d	Any other - Clearing members	8,620	0.06%
	<b>Sub-total</b>	<b>32,68,378</b>	<b>23.2%</b>
	<b>Grand total</b>	<b>140,91,992</b>	<b>100%</b>

Distribution of shareholding as on 31.03.2014 is as follows:

NO. OF SHARES	NO OF HOLDERS	(%) OF HOLDERS	TOTAL SHARES	% OF SH/DB
UPTO TO 100	8,962	69.06%	2,93,702	2.08%
101 TO 200	1,535	11.83%	2,53,412	1.80%
201 TO 500	1,216	9.37%	4,23,915	3.01%
501 TO 1000	639	4.92%	4,58,687	3.25%
1001 TO 5000	550	4.24%	11,85,757	8.42%
5001 TO 10000	39	0.30%	2,66,385	1.89%
10001 TO 100000	24	0.18%	6,70,102	4.76%
100001 TO ABOVE	12	0.09%	1,05,40,032	74.79%
<b>TOTAL</b>	<b>12,977</b>	<b>100.00</b>	<b>1,40,91,992</b>	<b>100.00</b>

#### 8.4 Unclaimed / unpaid dividends

Final dividend for the financial year ended 31 March 2007 and subsequent years, which remain unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund (IEPF) of the Central Government on the dates mentioned in the table below. Members who have not encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's Registrar And Share Transfer Agent M/s. Sharex Dynamic India Private Limited.

No.	Date of declaration	For the Financial year ended	Due for transfer to IEPF
1	30.07.2007	31.03.2007	03.09.2014
2	29.08.2008	31.03.2008	11.10.2015
3	14.09.2009	31.03.2009	19.10.2016
4	09.09.2010	31.03.2010	16.10.2017
5	12.08.2011	31.03.2011	18.09.2018
6	08.08.2012	31.03.2012	14.09.2019
7	08.08.2013	31.03.2013	14.09.2020

#### 8.5 Code of Conduct

Your Company has framed its own Code of Conduct though not statutorily required for the members of the Board of Directors and Senior Management personnel of the Company. The same is available for viewing at the Company's website [www.nesco.in](http://www.nesco.in)

#### 8.6 Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued capital. These audits confirm that the total issued/paid-up capital of the Company is in agreement with the total number of the shares in physical form and the total number of the dematerialized shares held with NSDL and CDSL.

#### 8.7 Plant Locations:

- (1) Anand Sojitra Road, Karamsad, Gujarat
- (2) Nadiad Petlad Road, Vishnoli, Gujarat

## **8.8 Investors Correspondence**

- (1) Secretarial Department, Nesco Limited, Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063.  
Tel: +91 22 6645 0123, Fax: +91 22 6645 0101
- (2) Registrar And Share Transfer Agent: Sharex Dynamic (India) Private Limited, Unit No. 1, Luthra Industrial Premises, Andheri Kurla road, Andheri (East), Mumbai 400072. Tel: +91 22 2851 5606, email: sharexindia@vsnl.com, Website: www.sharexindia.com

**For and on behalf of the Board of Directors**

**Mumbai, 28 May 2014**

**Sumant J. Patel**  
**Chairman & Managing Director**

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## **Auditor's report on Compliance with the Corporate Governance under clause 49 of the listing agreement**

To the Members of Nesco limited

We have examined the compliance of the conditions of corporate governance by Nesco Limited for the year ended on 31<sup>st</sup> March 2014 as stipulated in clause 49 of the listing agreement of the company with the stock exchanges.

The compliance of conditions of the corporate governance is the responsibility of the company's management. Our examination was limited to procedures and implementation thereof, adopted by the company, for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the company has complied with the conditions of the corporate governance as stipulated in the abovementioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor efficiency or effectiveness with which the management has conducted the affairs of the company.

For Shah & Co.,  
Chartered Accountants  
FRN. 109430W

(Ashish Shah)  
Partner  
Membership No. 103750  
Place: Mumbai  
Date: 28 May 2014

## **Independent Auditors' Report to the members of Nesco Limited,**

We have audited the accompanying financial statements of **NESCO LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the "**PROFIT**" of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Shah & Co.  
Chartered Accountants  
FRN. 109430W

Ashish Shah  
Partner  
Membership No. 103750

Mumbai, 28<sup>th</sup> May, 2014

### **Annexure to the Independent Auditors' Report**

(Referred to in paragraph 1 under "Report on other Legal and Regulatory Requirements" of our Report of even date)

- (i) (a) The Company has updated & maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has regular programme of physical verification of its fixed assets by which all the assets are verified in a phased manner, over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed in respect of the assets physically verified during the year.
- (c) The Company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- (ii) (a) As explained to us the Inventories have been physically verified by the Management at the end of the year.
- (b) The procedure of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) According to the information and explanations given to us the Company during the year has not granted any loans secured or unsecured to companies, firms or other parties as per the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4(iii) (b) (c) and (d) of the Companies (Auditors' Report) order, 2003 are not applicable to the Company.
- (b) The Company has not taken any loans secured or unsecured from companies, firms or other parties as per the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (iii) (f) and (g) of the companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control systems.
- (v) (a) According to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of Rs. Five Lacs in respect of any party during the year have been made at prices which are reasonable having regards to the prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposits from the public and therefore the provisions of clause (vi) of the Companies (Auditors' report) order, 2003 are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies Cost Accounting Records Rules 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.



- (ix) (a) According to the records of the Company and as per the information and explanations given to us the Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities during the year.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, value added tax, wealth tax, service tax, custom duty and excise duty were in arrears as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of the Dues	Financial Year	Amount (₹ in Lacs)	Forum where dispute is pending
The Income tax Act, 1961	Assessment Dues	2006-2007	11.59	Dy. Commissioner of income tax
		2007-2008	384.80	Dy. Commissioner of income tax
		2010-2011	54.57	Dy. Commissioner of income tax

- (x) The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current year and in the immediately preceding financial year.
- (xi) According to the information and explanation given to us the Company has not defaulted in repayment of dues to banks.
- (xii) According to the information and explanation given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the company.
- (xiv) According to the information and explanations given to us, the Company is not a dealer or trader in securities. The company has invested surplus funds in marketable securities and mutual funds, and has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company has not obtained any term loans during the year.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company there are no funds raised on short term basis which have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) According to the information and explanations given to us by the management, no material fraud on or by the Company has been noticed or reported during the year.

For Shah & Co.  
Chartered Accountants  
FRN. 109430W

Ashish Shah  
Partner  
Membership No. 103750

Mumbai, 28 May 2014

**BALANCE SHEET**

(₹ in lacs)

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
a. Share capital	2	1,409.20	1,409.20
b. Reserves and surplus	3	42,468.47	35,192.67
2 Non-current liabilities			
a. Deferred tax liabilities (net)	4	210.79	223.51
b. Other long term liabilities	5	6,082.83	2,326.26
c. Long-term provisions	6	1,357.77	1,397.00
3 Current liabilities			
a. Trade payables	7	744.52	774.88
b. Other current liabilities	8	2,899.60	2,803.39
c. Short-term provisions	9	878.46	585.16
<b>TOTAL</b>		<b>56,051.64</b>	<b>44,712.07</b>
<b>II. ASSETS</b>			
Non-current assets			
1 a. Fixed assets			
(i) Tangible assets	10	15,981.26	15,841.61
(ii) Intangible assets		0.00	0.00
(iii) Capital work-in-progress		475.09	403.12
b. Non-current investments	11	3.32	3.32
c. Long-term loans and advances	12	231.83	132.89
2 Current assets			
a. Current investments	13	36,839.49	25,840.18
b. Inventories	14	440.12	483.87
c. Trade receivables	15	1,118.13	965.55
d. Cash and cash equivalents	16	435.09	213.65
e. Short-term loans and advances	17	479.06	801.38
f. Other current assets	18	48.25	26.50
<b>TOTAL</b>		<b>56,051.64</b>	<b>44,712.07</b>
Significant accounting policies	1		
The notes form an integral part of these financial statements			

As per our report of even date

For Shah &amp; Co.

Chartered Accountants

FRN. 109430W

Ashish Shah

Partner

Membership No. 103750

Mumbai, 28 May 2014

For and on behalf of the Board

Mr. Sumant J. Patel

Dr. Ram S. Tarneja

Mr. Mahendra Chouhan

Mrs. Sudha S. Patel

Mr. Krishna S. Patel

Chairman &amp; Mg. Director

Director

Director

Director

Executive Director

Mumbai, 28 May 2014

**STATEMENT OF PROFIT AND LOSS**

(₹ in lacs)

Particulars	Note No.	Year Ended 31 March, 2014	Year Ended 31 March, 2013
I Revenue from operations	19	16,110.78	14,346.08
II Other income	20	2,031.36	1,930.79
III Total Revenue		<u>18,142.14</u>	<u>16,276.87</u>
IV Expenses			
Cost of materials consumed	21	880.19	1,213.83
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(7.96)	(94.65)
Employee benefits expense	23	680.83	659.43
Finance cost	24	10.71	71.72
Depreciation and amortization expense	25	1,102.57	582.77
Other expenses	26	3,786.07	2,476.43
Total expenses		<u>6,452.41</u>	<u>4,909.53</u>
V Profit before tax		<u>11,689.73</u>	<u>11,367.34</u>
VI Tax expense:			
(1) Current tax		3,600.00	3,060.00
(2) Deferred tax		(12.72)	138.78
Profit for the year		<u>8,102.45</u>	<u>8,168.56</u>
Earnings per equity share of ₹10 each			
Basic and Diluted (in ₹)		57.50	57.97
Significant accounting policies	1		

The notes form an integral part of these financial statements

As per our report of even date  
For Shah & Co.  
Chartered Accountants  
FRN. 109430W

Ashish Shah  
Partner  
Membership No. 103750  
Mumbai, 28 May 2014

For and on behalf of the Board

Mr. Sumant J. Patel Chairman & Mg. Director  
Dr. Ram S. Tarneja Director  
Mr. Mahendra Chouhan Director  
Mrs. Sudha S. Patel Director  
Mr. Krishna S. Patel Executive Director

Mumbai, 28 May 2014

**Cash Flow Statement**

( ₹ in lacs)

	Year ended 31 March 2014	Year ended 31 March 2013
A) Cash Flow from operating activities		
Net Profit before Tax and extraordinary items	11,689.73	11,367.34
Add / (Less):		
Depreciation	1,102.57	582.77
Interest income	(10.38)	(18.22)
Finance cost	10.71	71.72
Sundry debtors written off	176.60	6.78
Income from investments	(1,647.44)	(1,761.81)
Profit on sale of fixed assets (net)	-	(11.07)
Operating profit before working capital changes	11,321.79	10,237.51
Add / (Less):		
(Increase)/Decrease in Inventory	43.75	(42.64)
(Increase)/Decrease in Trade & other receivable	49.05	(469.72)
Increase/(Decrease) in Trade payables	4,076.49	(1,122.42)
Cash generated from operation	15,491.08	8,602.73
Add / (Less):		
Debts written off	(176.60)	(6.78)
Income Tax	(3,600.00)	(3,060.00)
Exceptional items (net)	-	-
Net Cash from operating activities - [A]	11,714.48	5,535.95
B) Cash Flow from investing activities		
Purchase of fixed assets	(1,316.50)	(2,133.04)
Purchase of investments (net)	(10,999.31)	(4,826.88)
Sale of fixed assets	-	81.51
Interest received	10.38	18.22
Income from investments	1,647.44	1,761.81
Net Cash (used in)/from investing activities - [B]	(10,657.98)	(5,098.38)
C) Net Cash Flow used in financing activities		
Finance cost	(10.71)	(71.72)
Provision for dividend (including tax)	(824.35)	(577.04)
Net Cash Flow used in financing activities - [C]	(835.06)	(648.76)
Net Increase / (Decrease in Cash / Cash Equivalents (A+B+C))	221.44	(211.19)
Cash/Cash Equivalent at the beginning of the year	213.65	424.84
Cash/Cash Equivalent at the end of the year	435.09	213.65

As per our report of even date

For Shah &amp; Co.

Chartered Accountants

FRN. 109430W

Ashish Shah

Partner

Membership No. 103750

Mumbai, 28 May 2014

For and on behalf of the Board

Mr. Sumant J. Patel

Dr. Ram S. Tarneja

Mr. Mahendra Chouhan

Mrs. Sudha S. Patel

Mr. Krishna S. Patel

Chairman &amp; Mg. Director

Director

Director

Director

Executive Director

Mumbai, 28 May 2014

## Note 1

### Statement of significant accounting policies and practices

#### A. Basis of preparation

The financial statements have been prepared on accrual basis under historical cost convention and in compliance, for all material aspects with the applicable accounting principles in India, the applicable accounting standards notified by the companies (Accounting standards) Rules, 2006 and are in accordance with the requirements of the Companies Act, 1956.

#### B. Revenue recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations include sale of goods, engineering fees, services and other charges, sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods net of excise, Vat and other taxes, if any.

Revenue from IT Park division is considered on accrual basis except in the case of rent of building at Worli under subsidised Housing Scheme on account of uncertainties of its recovery.

Dividend income is recognised when the right to receive the payment is established.

Interest income is recognised on accrual basis.

#### C. Fixed assets and Depreciation

i. Fixed assets are stated at cost/revalued less accumulated depreciation.

ii. Depreciation on plant & machinery and electrical installations in respect of Bombay Exhibition Centre division has been provided on straight-line basis and for Manufacturing and machinery/equipments in IT Park divisions on written down value basis at the rates specified in Schedule XIV of the Companies Act, 1956.

iii. Assets valuing ₹ 5,000/- or less has been depreciated at 100%.

#### D. Investments

Non-current Investments are stated at cost. Provision for diminution in value of long term investments is made only if such a decline is other than temporary. Current Investments are stated at lower of cost and quoted/fair value.

#### E. Inventories

i. Raw materials are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.

ii. Semi-finished goods are valued at cost with appropriate share of manufacturing overheads and on the basis of percentage of work completed.

iii. Finished goods are valued at cost or market value whichever is lower.

iv. Stores and spares are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.

#### F. Foreign currency transactions

i. Fixed Assets are translated into rupees at the rates prevailing on the date of purchase/acquisition.

ii. Foreign currency liabilities for acquisition of fixed assets are stated at the rate prevailing on the date of purchase/acquisition.

iii. Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of Profit and Loss.

#### G. Employee benefits

i. Short term employee benefits payable within twelve months of rendering the service are classified as short term employee benefits and they are recognised as an expense in the statement of profit and loss.

ii. Post employment and other long term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss.

#### H. Deferred taxes on income

Deferred tax is recognised for all timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

#### I. Impairment of assets

The Company reviews the carrying values of tangible assets for any possible impairment at each balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value based on appropriate discount rates.



**J. Borrowing cost**

Borrowing cost that are attributable to the acquisition or construction of qualifying asset are capitalised as part of the cost of such asset. All other borrowing cost are charged to statement of profit and loss.

**K. Segment**

- i. Segment accounting policies are in line with the accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting.
- ii. Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- iii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.

**L. Trade receivables**

Trade receivables are stated after writing off debts considered as bad.

**M. Provisions and contingencies**

The company creates a provision when there exists a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources, when there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

**N. Earnings per share**

The basic and diluted earnings per share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**O. Proposed Dividend**

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the annual general meeting.

**P. Cash and cash equivalents**

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

**Q. Other accounting policies**

These are considered with generally accepted accounting principles.

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	As at 31 March 2014	As at 31 March 2013
<b>2 Share Capital</b>		
Authorised		
14,750,000 Equity Shares of Rs. 10 each	<b>1,475.00</b>	1,475.00
250,000 11% Cumulative Redeemable Preference share of Rs. 10 each	<b>25.00</b>	25.00
	<b><u>1,500.00</u></b>	<b><u>1,500.00</u></b>
Issued, Subscribed & Paid up		
14,091,992 Equity Shares of Rs. 10 each, fully paid up	<b>1,409.20</b>	1,409.20
Total	<b><u>1,409.20</u></b>	<b><u>1,409.20</u></b>

Of the above Shares :

7,045,996 equity shares were issued as bonus shares, by capitalisation of reserves of Rs. 70,459,960/-.

As at 31 March 2014			As at 31 March 2013	
2.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year				
Particulars	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
Outstanding at the beginning of the year	14,091,992	140,919,920	14,091,992	140,919,920
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	14,091,992	140,919,920	14,091,992	140,919,920

## 2.2 Terms / Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting.

The Board of Directors has recommended a final dividend of Rs. 5 per equity share at its meeting held on 28.05.2014 subject to the approval of the shareholders at the ensuing annual general meeting. Rs. 3.50 per equity share was paid as dividend for the previous year. The dividend appropriation for the year ended 31.3.2014 amounts to Rs. 824.35 Lacs including corporate dividend tax of Rs. 119.75 Lacs (Previous year Rs. 577.04 Lacs including corporate tax of Rs. 83.82 Lacs)

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

2.3 Details of Shareholders holding more than 5% Equity Shares	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Chandler & Price (I) Pvt. Ltd.	3,885,432	27.57	3,885,432	27.57
Sumant J. Patel	1,802,147	12.78	1,801,467	12.78
Patel Consultancy Services Pvt. Ltd.	1,051,600	7.46	1,051,600	7.46
Sudha S. Patel	914,944	6.49	914,944	6.49

## 3 RESERVE &amp; SURPLUS

## Capital Reserves

## a. On revaluation of certain assets

Opening Balance	642.40		644.82	
Less: Transferred to statement of Profit & Loss	2.30	640.10	2.42	642.40

## b. Preference Shares Redemption Reserve

Opening Balance	9.56		9.56	
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## c. Cash subsidy received from Govt. of Gujarat

Opening Balance	25.00		25.00	
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## General Reserve

Opening Balance	34,465.71		26,874.19	
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Add: Transfer from statement of Profit and Loss	7,278.10		7,591.52	
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Closing balance		41,743.81		34,465.71
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## Surplus/(Deficit) in statement of Profit and Loss

Opening balance	50.00		50.00	
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Add: Profit for the year	8,102.45		8,168.56	
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Less: Proposed dividend (Dividend per share	704.60		493.22	
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Rs. 5.00 (previous year Rs. 3.50)

Tax on proposed dividend	119.75		83.82	
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Transfer to General Reserve	7,278.10		7,591.52	
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Closing balance		50.00		50.00
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		42,468.47		35,192.67
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	As at 31 March 2014	As at 31 March 2013
4 Deferred tax		
A. Deferred tax liability (net)		
Opening Balance	223.51	84.73
Add: Impact of difference between tax depreciation and book depreciation on Fixed Assets	0.00	142.26
	<u>223.51</u>	<u>226.99</u>
B. Deferred tax Asset		
Impact of difference between book depreciation and tax depreciation on Fixed Assets	6.62	0.00
Expenses allowable for tax purpose on payment basis and others	6.10	3.48
	<u>210.79</u>	<u>223.51</u>
5 Other long term liabilities		
Advance from exhibitors	751.73	596.34
Security deposit from exhibitors & licencees	5,331.10	1,729.92
	<u>6,082.83</u>	<u>2,326.26</u>
6 Long term provisions		
Provision for compensation	1,224.12	1,271.08
Provision for gratuity	115.90	109.12
Provision for leave encashment	17.75	16.80
	<u>1,357.77</u>	<u>1,397.00</u>
7 Trade payables (Refer note no.30)	<u>744.52</u>	<u>774.88</u>
8 Other current liabilities		
Advance against orders and others	2,024.92	2,032.31
Security deposits	224.23	89.49
Unclaimed dividend	78.64	60.34
Salary/wages payable	42.25	42.43
Statutory dues	61.43	185.89
Other payable	468.13	392.93
	<u>2,899.60</u>	<u>2,803.39</u>
9 Short term provisions		
Provision for tax (net of advance tax and TDS)	39.62	0.00
Proposed dividend	704.60	493.22
Tax on proposed dividend	119.75	83.82
Provision for gratuity	12.63	7.52
Provision for leave encashment	1.86	0.60
	<u>878.46</u>	<u>585.16</u>

**Notes Forming part of the Financial Statements**

**Note 10 - Fixed Assets**

(₹ in lacs)

	GROSS BLOCK				DEPRECIATION / AMORTISATION				Net Block	
Particulars	As at 01-04-2013	Additions	Deductions/ Transfers	As at 31-03-2014	Up to 31-03-2013	For the year	Deduction/ Transfer	Up to 31-03-2014	As at 31-03-2014	As at 31-3-2013
1. <u>Tangible assets</u>										
Land Freehold	601.37	0.00	0.00	601.37	0.00	0.00	0.00	0.00	601.37	601.37
Buildings	13,834.30	480.41	34.73*	14,279.97	1,771.69	643.55	0.00	2,415.24	11,864.73	12,062.61
Plant and machinery	3,475.04	307.78*	0.00	3,782.82	1,220.72	269.57	0.00	1,490.29	2,292.52	2,254.32
Electrical installations	1,089.56	184.94	0.00	1,274.50	336.42	115.37	0.00	451.79	822.71	753.14
Pattern and mouldings	84.54	0.44	0.00	84.98	79.26	1.65	0.00	80.91	4.07	5.28
Furniture, fixture &										
office equipment	262.58	155.50	0.00	418.08	217.60	37.42	0.00	255.02	163.06	44.98
Vehicles	277.94	150.20	0.00	428.14	158.17	37.29	0.00	195.46	232.68	119.77
Laboratory equipments	1.61	0.00	0.00	1.61	1.47	0.02	0.00	1.49	0.12	0.14
Total tangible assets	19,626.94	1,279.26	34.73	20,871.46	3,785.33	1,104.87	0.00	4,890.20	15,981.26	15,841.61
2. <u>Intangible assets</u>										
Technical Knowhow	23.92	0.00	0.00	23.92	23.92	0.00	0.00	23.92	0.00	0.00
Total Intangible assets	23.92	0.00	0.00	23.92	23.92	0.00	0.00	23.92	0.00	0.00
3. <u>Capital Work-in-progres</u>										
IT Building No.4.	262.47	132.73	0.00	395.20	0.00	0.00	0.00	0.00	395.20	262.47
Hall No.3 - Goregaon	27.47	0.00	27.47	0.00	0.00	0.00	0.00	0.00	0.00	27.47
Indabrator Factory - Vishnoli	20.91	0.00	0.00	20.91	0.00	0.00	0.00	0.00	20.91	20.91
Indabrator R & D - Vishnoli	92.27	0.00	92.27	0.00	0.00	0.00	0.00	0.00	0.00	92.27
Vishnoli - Compound Wall	0.00	58.98	0.00	58.98	0.00	0.00	0.00	0.00	58.98	0.00
Total Capital Work-in-progress	403.12	191.71	119.74	475.09	0.00	0.00	0.00	0.00	475.09	403.12
Grand Total : (1 + 2 + 3)	20,053.98	1,470.96	154.47	21,370.47	3,809.25	1,104.87	0.00	4,914.12	16,456.35	16,244.73
Previous Year :	18,016.14	13,416.98	11,379.14	20,053.98	3,248.82	585.19	24.76	3,809.25	16,244.73	

Notes :

- Gross Block of Plant & Machinery and Electrical Installation at net value after deducting depreciation upto 31.3.1960 and thereafter at cost/book value (less sales).
- Depreciation on Plant& Machinery and Electrical Installations of Bombay Exhibition Centre (BEC) have been provided on straight line basis and of manufacturing and on IT Building 3 on written down value method basis.
- Freehold Land includes Rs. 899,623/- in the name of Mr. Sumant J. Patel for which conveyance is yet to be completed.
- Buildings include Karamsad unit which is on leasehold land. The lease period is 55 years from 12 December 1973 with no provision for renewals. The Factory buildings are being depreciated at 10% per annum on diminishing balance on the assumption that the lease will be renewed. And other Buildings depreciated at 5% per annum.

\* includes Rs.34.73 lacs transfer from building to plant and machinery

	As at 31 March 2014		As at 31 March 2013		
11 Non-current investments					
Investment in Equity instruments (Quoted, Trade)					
370 (Previous Year 370) Equity Shares of Rs. 2/- each, fully paid up of Larsen & Toubro Limited	0.00		0.00		
59 (Previous Year 59) Equity Shares of Rs. 10/- each, Fully Paid Up of Ultra Tech Cement Ltd	0.00		0.00		
2250(Previous Year 2250) Equity Shares of Rs.2/- Each, Fully Paid Up of Greaves Cotton Ltd	0.04	0.04	0.04	0.04	
Investment in Equity instruments (Unquoted, Non Trade)					
5 Shares of The Karamsad Urban Co-op Bank of the face value of Rs. 10/- each, fully paid up	0.00		0.00		
7 Shares (Including 2 bonus Shares) of Charotar Nagrik Sah. Bank Ltd. of the face value of Rs. 50/- each fully paid up	0.00		0.00		
5 Shares of Charotar Gas Sahakari Mandali of the face value of Rs. 500 each, fully paid up	0.03		0.03		
2250 (Previous Year 2250) Equity Shares of face value of Rs. 100 each of NSE Housing & Investment Pvt Ltd	2.25	2.28	2.25	2.28	
Investments in Government or Trust securities (Unquoted, Trade)					
10.Nos. 5 1/2 years Kisan Vikas Patra of the value of Rs.10,000 each pledge with BMC for connection (matured)		1.00		1.00	
		3.32		3.32	
Aggregate of quoted investments - Book Value		0.04		0.04	
Aggregate of quoted investments - Market Value		8.58		7.58	
Aggregate of unquoted investments - Book Value		3.28		3.28	
12 Long term loans and advances - Unsecured considered good					
Advances and deposit with public bodies		164.45		132.89	
Capital Advances		67.38		0.00	
		231.83		132.89	
13 Current investments	Face Value				
Investment in mutual funds	of the Unit	Nos.	₹	Nos.	₹
A Fixed Maturity Plans					
Axis Fixed Term Plan - Series 62 (383 Days) Direct Growth	10	2,000,000	200.00	-	-
Axis Fixed Term Plan - Series 63 (91 Days) Direct Growth	10	2,000,000	200.00	-	-
Axis Fixed Term Plan - Series 56 (370 Days) Direct Growth	10	3,000,000	300.00	-	-
Axis Fixed Term Plan - Series 57 (397 Days) Direct Growth	10	4,103,584	410.36	-	-
Axis Fixed Term Plan - Series 47 (483 Days) Direct Growth	10	1,000,000	100.00	-	-
Baroda Pioneer 370 Day FMP - Series 1 - Growth	10	-	-	2,000,000	200.00
Baroda Pioneer FMP - Series B Plan B (378 Days) - Growth	10	1,000,000	100.00	1,000,000	100.00
Birla Sun Life FTP - Series FD Growth	10	-	-	3,000,000	300.00
Birla Sun Life FTP - Series FH Growth	10	-	-	4,000,000	400.00



	Face Value of the Unit	As at 31 March 2014 Nos.	₹	As at 31 March 2013 Nos.	₹
Birla Sun Life FTP - Series FQ Growth	10	-	-	1,500,000	150.00
Birla Sun Life FTP - Series FR Growth	10	-	-	2,000,000	200.00
Birla Sun Life Interval Income Fund Annual Plan - Series X - Direct - Growth	10	1,200,000	120.00	-	-
Birla Sun Life Fixed Term Plan - Series HM (366 Days) - Direct - Growth	10	800,000	80.00	-	-
Birla Sun Life Fixed Term Plan - Series JO (367 Days) - Direct - Growth	10	1,000,000	100.00	-	-
Birla Sun Life Fixed Term Plan - Series JP (490 Days) - Direct - Growth	10	1,037,688	103.77	-	-
Birla Sun Life Fixed Term Plan - Series KW (374 Days) - Direct - Growth	10	2,500,000	250.00	-	-
BNP Paribas Fixed Term Fund Series 23 B Growth	10	-	-	1,995,769	199.58
BNP Paribas Fixed Term Fund Series 23 D Growth	10	-	-	4,000,000	400.00
BNP Paribas Fixed Term Fund Series 24 A Direct	10	1,000,000	100.00	1,000,000	100.00
BNP Paribas Fixed Term Fund Series 26 A Direct - Growth	10	1,000,000	100.00	-	-
BOIAXA Fixed Maturity Plan - Series 6 (370 Days) - Direct Plan - Growth	10	2,000,000	200.00	-	-
BOIAXA Fixed Maturity Plan - Series 13 (380 Days) - Direct Plan - Growth	10	1,500,000	150.00	-	-
DSP BlackRock FMP - Series 38 - 12.5 M - Growth	10	-	-	1,000,000	100.00
DSP BlackRock FMP - Series 59 - 12 M - Growth	10	-	-	2,000,000	200.00
DSP BlackRock FMP - Series 57 - 12 M - Growth	10	-	-	2,000,000	200.00
DSP BlackRock FMP - Series 55 - 12 M - Growth	10	-	-	1,500,000	150.00
DSP BlackRock FMP - Series 155 - 12 M - Direct - Growth	10	3,091,748	309.17	-	-
DSP BlackRock FMP - Series 151 - 12 M - Direct - Growth	10	2,250,000	225.00	-	-
DSP BlackRock FMP - Series 146 - 12 M - Direct - Growth	10	5,000,000	500.00	-	-
DSP BlackRock FTP - Series 36 - 15 M - Direct - Growth	10	1,500,000	150.00	-	-
DSP BlackRock FMP - Series 115 - 12 M - Direct - Growth	10	2,000,000	200.00	-	-
DSP BlackRock FMP - Series 104 - 12 M - Direct - Growth	10	1,500,000	150.00	-	-
DWS Fixed Term Fund - Series 93 Growth	10	-	-	1,000,000	100.00
DWS Fixed Maturity Plan Series 49 - Direct Plan - Growth	10	1,500,000	150.00	-	-
DWS Fixed Maturity Plan Series 49 - Regular Plan - Growth	10	1,500,000	150.00	-	-
DWS Fixed Maturity Plan Series 54 - Direct Plan - Growth	10	1,500,000	150.00	-	-
DWS Fixed Maturity Plan Series 57 - Direct Plan - Growth	10	1,500,000	150.00	-	-
HDFC FMP 370D April 2012 ( 1 ) - Growth - Series XXI	10	-	-	5,000,000	500.00
HDFC FMP 371D June 2012 ( 1 ) - Growth - Series 22	10	-	-	2,000,000	200.00
HDFC FMP 371D July 2012 ( 1 ) - Growth - Series 22	10	-	-	1,999,400	199.94
HDFC FMP 447D February 2014 ( 1 ) Series 29 - Direct - Growth	10	1,700,000	170.00	-	-
HDFC FMP 369D February 2014 ( 2 ) Series 29 - Direct - Growth	10	5,000,000	500.00	-	-
HDFC FMP 370D March 2014 ( 1 ) Series 29 - Direct - Growth	10	4,640,562	464.07	-	-
HDFC FMP 371D January 2014 ( 1 ) Series 29 - Direct - Growth	10	2,084,431	208.44	-	-
HDFC FMP 478D January 2014 ( 1 ) Series 29 - Direct - Growth	10	1,000,000	100.00	-	-
HDFC FMP 370D August 2013 ( 3 ) Series 27 - Direct - Growth	10	2,000,000	200.00	-	-
HDFC FMP 370D July 2013 ( 2 ) Series 26 - Direct - Growth	10	1,150,000	115.00	-	-
ICICI Prudential FMP Series 60 - 18 M Plan G - Growth	10	-	-	1,000,000	100.00
ICICI Prudential FMP Series 63 - 378 Days Plan I - Growth	10	-	-	1,000,000	100.00
ICICI Prudential FMP Series 68 - 368 Days Plan G - Direct Growth	10	2,000,000	200.00	-	-
ICICI Prudential FMP Series 69 - 366 Days Plan G - Direct Growth	10	2,000,000	200.00	-	-
ICICI Prudential FMP Series 72 - 366 Days Plan T - Direct Growth	10	1,000,000	100.00	-	-
IDFC FMP - 13 Months Series 7 - Growth	10	-	-	1,000,000	100.00
IDFC FMP - 13 Months Series 8 - Growth	10	-	-	1,000,000	100.00
IDFC FMP 366 Days Series 71 - Growth	10	-	-	2,000,000	200.00
IDFC FMP 366 Days Series 74 - Growth	10	-	-	3,000,000	300.00
IDFC Yearly Series Interval Fund Direct Plan - Series 3 - Growth	10	4,566,377	500.00	-	-
IDFC Fixed Term Plan Series 78 Direct Plan - Growth (366 Days)	10	2,250,000	225.00	-	-
IDFC Fixed Term Plan Series 88 Direct Plan - Growth (372 Days)	10	2,000,000	200.00	-	-
Kotak FMP Series 139 Direct - Growth	10	5,000,000	500.00	-	-
Kotak FMP Series 142 Direct - Growth	10	1,003,316	100.33	-	-

	Face Value of the Unit	As at 31 March 2014		As at 31 March 2013	
		Nos.	₹	Nos.	₹
Kotak FMP Series 144 Direct - Growth	10	2,250,000	225.00	-	-
L&T FMP - V (March 395D A) - Growth	10	-	-	1,000,000	100.00
L&T FMP - VI (March 371D A) - Growth	10	-	-	2,000,000	200.00
L&T FMP - VI (May 371D A) - Growth	10	-	-	6,000,000	600.00
L&T FMP Series 10 - Plan M - Direct Growth	10	2,000,000	200.00	-	-
L&T FMP Series 10 - Plan N - Direct Growth	10	2,026,348	202.63	-	-
L&T FMP Series 10 - Plan R - Direct Growth	10	2,000,000	200.00	-	-
L&T FMP Series 8 - Plan F - Direct Growth	10	2,000,000	200.00	-	-
Principal Pnb FMP - Series B12-368 Days - Direct Plan - Growth	10	1,007,678	100.77	-	-
Principal Pnb FMP - Series B15-377 Days - Direct Plan - Growth	10	1,000,000	100.00	-	-
Reliance Dual Advantage Fixed Tenure Fund-Plan B - Div.	10	-	-	1,000,000	100.00
Reliance Fixed Horizon Fund - XXIII Series 5 - Direct Plan - Growth	10	980,477	98.05	980,477	98.05
Reliance Fixed Horizon Fund - XXII Series 10 - Growth	10	-	-	5,000,000	500.00
Reliance Fixed Horizon Fund - XXV Series 22 - Direct Plan Growth	10	2,000,000	200.00	-	-
Religare FMP - Series XIV - Plan E - (370 Days) - Growth	10	-	-	3,000,000	300.00
Religare Invesco FMP - Series XVII - Plan D - (399 Days) - Direct Plan Growth	10	1,995,240	199.52	1,995,240	199.52
Religare Invesco FMP - Series XVIII - Plan B - (386 Days) - Direct Plan Growth	10	2,000,000	200.00	2,000,000	200.00
Religare Invesco FMP - Series 22 - Plan F (15 Months) - Direct Plan Growth	10	1,000,000	100.00	-	-
Religare Invesco FMP - Series 22 - Plan K (367 Days) - Direct Plan Growth	10	2,000,000	200.00	-	-
Religare Invesco FMP - Series 22 - Plan L (14 Months) - Direct Plan Growth	10	1,030,442	103.04	-	-
Religare Invesco FMP - Series 22 - Plan O (370 Days) - Direct Plan Growth	10	1,000,000	100.00	-	-
Religare Invesco FMP - Series XX - Plan C (369 Days) - Direct Plan Growth	10	2,000,000	200.00	-	-
SBI Debt Fund Series - 13 Months - 13 - Growth	10	-	-	1,000,000	100.00
SBI Debt Fund Series - 366 Days - 8 - Growth	10	-	-	1,000,000	100.00
SBI Debt Fund Series - 366 Days - 37 - Direct Plan - Growth	10	2,000,000	200.00	-	-
SBI Debt Fund Series - 366 Days - 39 - Direct Plan - Growth	10	1,000,000	100.00	-	-
SBI Debt Fund Series - 16 Months - 1 - Direct Plan - Growth	10	500,000	50.00	-	-
SBI Debt Fund Series - A1 - 15 Months - Direct Plan - Growth	10	750,000	75.00	-	-
SBI Debt Fund Series - A2 - 15 Months - Direct Plan - Growth	10	1,400,000	140.00	-	-
SBI Debt Fund Series - A5 - 411 Days - Direct Plan - Growth	10	5,000,000	500.00	-	-
SBI Debt Fund Series - 366 Days 53- Direct Plan - Growth	10	1,017,408	101.74	-	-
SBI Debt Fund Series - A11 - 385 Days - Direct Plan - Growth	10	771,954	77.20	-	-
SBI Debt Fund Series - 90 Days 85- Direct Plan - Growth	10	2,000,000	200.00	-	-
SBI Debt Fund Series - A14 - 380 Days - Direct Plan - Growth	10	2,500,000	250.00	-	-
Sundaram Fixed Term Plan - CQ - 370 Days - Growth	10	-	-	2,000,000	200.00
Sundaram Fixed Term Plan - CV - 367 Days - Growth	10	-	-	4,000,000	400.00
Sundaram Fixed Term Plan - CW - 367 Days - Growth	10	-	-	1,000,000	100.00
Sundaram Fixed Term Plan - DS - 367 Days - Direct Growth	10	2,000,000	200.00	-	-
Sundaram Fixed Term Plan - EU - 446 Days - Direct Growth	10	750,000	75.00	-	-
Sundaram Fixed Term Plan - FA - 406 Days - Regular Growth	10	5,000,000	500.00	-	-
Sundaram Fixed Term Plan - FB - 369 Days - Direct Growth	10	5,000,000	500.00	-	-
Sundaram Fixed Term Plan - FD - 397 Days - Direct Growth	10	2,267,582	226.76	-	-
Sundaram Fixed Term Plan - FF - 366 Days - Regular Growth	10	2,500,000	250.00	-	-
Sundaram Fixed Term Plan - FI - 383 Days - Regular Growth	10	2,000,000	200.00	-	-
TATAFMP Series 39 Scheme - G - Growth	10	-	-	1,000,000	100.00
TATAFMP Series 39 Scheme - H - Growth	10	-	-	1,000,000	100.00
TATAFMP Series 40 Scheme - A - Growth	10	-	-	2,000,000	200.00
TATAFMP Series 42 Scheme - C - Direct Plan - Growth	10	2,000,000	200.00	2,000,000	200.00
TATAFMP Series 42 Scheme - H - Direct Plan - Growth	10	1,000,000	100.00	1,000,000	100.00
TATAFMP Series 43 Scheme - C - Direct Plan - Growth	10	2,000,000	200.00	-	-
TATAFMP Series 45 Scheme - D - Direct Plan - Growth	10	1,000,000	100.00	-	-
TATAFMP Series 46 Scheme - P - Direct Plan - Growth	10	1,500,000	150.00	-	-

	Face Value of the Unit	As at 31 March 2014 Nos.	₹	As at 31 March 2013 Nos.	₹
TATAFMP Series 47 Scheme - C - Direct Plan - Growth	10	2,000,000	200.00	-	-
UTI Fixed Term Income Fund Series XI - VIII (366 Days) Growth	10	-	-	2,000,000	200.00
UTI Fixed Term Income Fund Series XI - IX (368 Days) Growth	10	-	-	5,000,000	500.00
UTI Fixed Term Income Fund Series XII - IV (369 Days) Growth	10	-	-	5,000,000	500.00
UTI Fixed Maturity Plan - Yearly FMP Series - MAR 2014:YFMP(03/14) - Growth Plan	10	6,245,245	624.52	-	-
UTI Fixed Term Income Fund Series XV - VIII (368 Days) Growth Plan	10	2,000,000	200.00	-	-
UTI Fixed Term Income Fund Series XV - IX (366 Days) Growth Plan	10	2,500,000	250.00	-	-
UTI Fixed Term Income Fund Series XVI - I (366 Days) Growth Plan	10	2,000,000	200.00	-	-
UTI Fixed Term Income Fund Series XVII - VII (465 Days) Growth Plan	10	1,000,000	100.00	-	-
UTI Fixed Term Income Fund Series XVII - XIV (423 Days) - Direct Growth Plan	10	3,000,000	300.00	-	-
UTI Fixed Term Income Fund Series XVII - XX (369 Days) - Direct Growth Plan	10	2,250,000	225.00	-	-
			<u>17,555.37</u>		<u>9,697.09</u>

**B Debt Funds - income funds**

Axis Dynamic Bond Fund - Growth	10	4,039,947	500.00	-	-
Birla Sun Life Income Plus - Growth - Regular Plan	10	1,631,250	900.00	860,317	450.00
Birla Sun Life Income Plus - Growth - Direct Plan	10	185,308	100.00	-	-
Birla Sun Life Short Term Fund - Growth-Regular Plan	10	-	-	1,230,772	504.91
Birla Sun Life Dynamic Bond Fund - Retail - Growth-Regular Plan	10	-	-	1,045,708	200.00
BNP Paribas Flexi Debt Fund - Growth	10	979,144	200.00	2,593,412	500.00
BNP Paribas Flexi Debt Fund - Direct Plan	10	-	-	1,087,120	212.83
Canara Robeco Dynamic Bond Fund - Direct Growth	10	732,773	100.00	-	-
Canara Robeco Dynamic Bond Fund - Regular Growth	10	1,469,318	200.00	-	-
Canara Robeco Medium Term Opportunities Fund - Regular Growth	10	3,951,952	400.00	-	-
Templeton India Income Builder Account Plan A - Growth	10	-	-	1,554,490	600.00
HDFC Income Fund - Growth	10	3,136,437	850.00	4,335,587	1,150.00
HDFC High Interest Fund - Dynamic Plan - Growth	10	1,733,895	700.00	-	-
ICICI Prudential Income Opportunities Fund - Regular Plan - Growth	10	1,231,133	200.00	3,198,461	500.00
ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	10	4,235,518	700.00	2,491,512	400.00
ICICI Prudential Income Regular Plan - Growth	10	777,924	300.00	-	-
IDFC Dynamic Bond Fund - Growth - Regular Plan	10	70,881	10.00	4,971,892	688.00
IDFC Dynamic Bond Fund - Growth - Direct Plan	10	-	-	2,142,633	300.00
IDFC Super Saver Income Fund - Investment Plan - Growth - (Direct Plan)	10	343,626	100.00	-	-
Kotak Bond Scheme Plan A - Growth	10	578,826	200.00	4,040,682	1,350.00
Kotak Bond Scheme Plan A - Direct Plan - Growth	10	290,469	100.00	-	-
L&T Triple Ace Bond Fund - Growth	10	666,041	200.00	666,041	200.00
L&T Income Opportunities Fund - Growth (Flexi Debt-IP-Growth)	10	-	-	1,618,215	200.00
L&T Flexi Bond Fund - Growth	10	3,120,032	400.00	-	-
Reliance Income Fund - Growth Plan - Bonus Option	10	-	-	2,708,187	300.00
Reliance Income Fund - Growth Plan	10	-	-	1,700,606	650.00
Reliance Dynamic Bond Fund - Growth Plan	10	-	-	5,283,180	813.16
Religare Active Income Fund - Direct Plan Growth	10	-	-	1,072,384	150.00
SBI Magnum Income Fund - Regular Plan - Growth	10	1,442,627	430.00	4,754,343	1,355.00
SBI Dynamic Bond Fund - Regular Plan - Growth	10	-	-	4,929,999	700.00
SBI Dynamic Bond Fund - Direct Plan - Growth	10	1,606,929	245.00	510,687	75.00
Sundaram Bond Saver - Regular Growth	10	852,710	300.00	810,638	275.00
TATA Income Fund Plan A - Growth	10	551,580	200.00	1,124,810	400.00
TATA Dynamic Bond Fund Plan A - Growth	10	1,104,747	200.00	-	-

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	Face Value of the Unit	As at 31 March 2014 Nos.	₹	As at 31 March 2013 Nos.	₹
TATA Income Plus Fund Plan A - Growth	10	1,057,546	200.00	-	-
TATA Income Fund - Direct Plan - Growth	10	689,691	250.00	-	-
UTI Bond Fund - Growth	10	4,744,581	1,700.00	571,430	200.00
UTI Income (Credit) Opportunities Fund - Growth	10	5,705,796	600.00	2,974,656	300.00
UTI Dynamic Bond Fund - Growth	10	682,401	94.00	-	-
			<b>10,379.00</b>		<b>12,473.90</b>
<b>C Debt funds - ultra short term bond funds</b>					
Birla Sun Life Treasury Optimizer Plan - Growth - Direct Plan	100	193,383	298.00	-	-
Templeton India Ultra Short Bond Fund - Super Inst. Plan - DDR	10	1,019,043	102.28	-	-
IDFC Ultra Short Term Fund - DDR - (Direct Plan)	10	4,016,816	403.53	-	-
L&T Ultra Short Term Fund - Direct Plan - DDR	10	7,443,827	768.23	-	-
Reliance Medium Term Fund - Direct Plan - DDR	10	598,873	102.38	-	-
Religare Invesco Credit Opportunities Fund - Direct Plan - DDR	1000	51,251	512.66	-	-
Religare Invesco Credit Opportunities Fund - DDR	1000	50,731	507.45	-	-
Sundaram Ultra Short Term Fund - Regular DDR	10	12,230,001	1,227.53	-	-
UTI Treasury Advantage Fund - Institutional Plan - DDR	1000	44,358	444.61	-	-
			<b>4,366.67</b>		<b>-</b>
<b>D Debt funds - short term funds</b>					
Birla Sun Life Dynamic Bond Fund - Retail - Growth-Direct Plan	10	2,917,091	600.00	-	-
Birla Sun Life Short Term Opportunities Fund - Growth-Direct Plan	10	1,429,565	275.00	-	-
Templeton India Short Term Income Retail Plan - Growth	1000	12,388	300.00	-	-
ICICI Prudential Short Term - Regular Plan - Growth	10	408,142	100.00	-	-
IDFC SSIF- Medium Term Plan - Growth - Regular Plan	10	-	-	1,249,120	250.00
IDFC SSIF- Short Term Plan - Growth - Regular Plan	10	-	-	209,969	50.00
L&T Short Term Opportunities Fund - Growth	10	-	-	3,851,758	415.00
Peerless Short Term Fund - Growth Plan	10	3,214,890	450.00	-	-
Pine Bridge India Short Term Fund Standard Growth	10	-	-	14,650	200.00
Religare Short Term Fund - Growth	10	-	-	3,456,008	525.00
Sundaram Select Debt Short Term Asset Plan - Regular Growth	10	2,426,515	500.00	-	-
UTI Short Term Income Fund - Institutional - Direct Plan - Growth	10	-	-	715,635	100.00
UTI Short Term Income Fund - Institutional - Growth	10	3,961,756	600.00	6,941,414	921.68
			<b>2,825.00</b>		<b>2,461.68</b>
<b>E Debts funds - floating rate funds</b>					
Birla Sun Life Floating Rate Long Term - DDR - Regular Plan	100	101,769	102.17	-	-
Canara Robeco Floating Rate - Direct Growth	10	1,503,134	300.00	-	-
Templeton Floating Rate Income Fund Super Inst. - DDR	10	-	-	6,637,982	665.17
Templeton Floating Rate Income Fund Retail- DDR	10	-	-	10,616	1.15
UTI Floating Rate Fund - STP - Regular Plan - DDR	1000	110,252	1,187.28	-	-
			<b>1,589.45</b>		<b>666.32</b>
<b>F Equity funds - balanced funds (Quoted)</b>					
<b>BALANCE FUNDS</b>					
HDFC Prudence Fund Div.	10	372,011	124.00	372,011	124.00
			<b>124.00</b>		<b>124.00</b>
<b>G Equity funds</b>					
DSP BlackRock India TIGER Fund - Regular Plan - Div.	10	-	-	435,007	109.00
Franklin India Bluechip Fund Div.	10	-	-	83,777	41.11
Franklin India Flexi Cap Fund Div.	10	-	-	203,234	40.00
Franklin India Prima Fund Div.	10	-	-	32,226	22.08

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	Face Value of the Unit	As at 31 March 2014 Nos.	₹	As at 31 March 2013 Nos.	₹
Franklin India Flexi Cap Fund Div.	10	-	-	71,185	12.50
HDFC Top 200 Fund - Dividend	10	-	-	53,424	27.50
Reliance Diversified Power Sector Fund - Dividend Plan	10	-	-	95,107	50.00
Reliance Growth Fund - Dividend Plan	10	-	-	78,033	50.00
Reliance Vision Fund - Dividend Plan	10	-	-	118,216	65.00
			-		417.19
<b>Current investments</b>					
A Fixed Maturity Plans			17,555.37		9,697.09
B Debt Funds - income funds			10,379.00		12,473.90
C Debt funds - ultra short term bond funds			4,366.67		-
D Debt funds - short term funds			2,825.00		2,461.68
E Debts funds - floating rate funds			1,589.45		666.32
F Equity funds - balanced funds (Quoted)			124.00		124.00
G Equity funds			-		417.19
<b>Total:</b>			<b>36,839.49</b>		<b>25,840.18</b>
Aggregate of quoted investments - Market Value			<b>37,520.16</b>		<b>26,738.86</b>

	Year ended 31 March 2014	Year ended 31 March 2013
14 Inventories		
Raw Materials	136.87	190.30
Work-in-progress	296.78	288.82
Stores and spares	6.47	4.75
	<b>440.12</b>	<b>483.87</b>
15 Trade Receivables (unsecured, considered good) outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	484.74	379.18
Other debts	633.39	586.37
	<b>1,118.13</b>	<b>965.55</b>
16 Cash and Bank Balances		
Cash and cash equivalents		
Cash on hand	0.07	0.13
Balances with banks - Current Accounts *	403.55	187.56
- Deposits with more than 12 months maturity	31.47	25.96
	<b>435.09</b>	<b>213.65</b>
* Balance with banks in current account includes Unclaimed Dividend Rs. 78.64 (previous year Rs. 60.34)		
17 Short-term loans and advances - unsecured, considered good		
Loans and advances *	29.98	39.70
Balance with Central Excise	13.10	3.02
Deposits	11.87	22.75
Advance Tax (Net of Provision)	0.00	87.82
Others #	424.11	648.09
	<b>479.06</b>	<b>801.38</b>

\* Loans and advances includes Rs.7.35 (previous year Rs.8.68) to employees.

# Includes advance to sundry creditors of Rs.282.61 Lacs and advance recoverable in cash or kind or value to be received of Rs. 141.50 Lacs



	Year ended 31 March 2014	Year ended 31 March 2013
18 Other Current Assets		
Property tax receivable	32.35	0.00
Brokerage receivable	13.12	6.27
Rent receivable	2.78	20.23
	<u>48.25</u>	<u>26.50</u>
19 Revenue from Operations (Gross)		
A. Bombay Exhibition Centre :		
Rent and service charges	9,488.57	9,052.04
(TDS ₹ 1023.30) (P.Y. ₹ 822.08)		
B. IT Park :		
Licence fees and service charges	4,783.38	2,785.79
(TDS ₹ 413.81) (P.Y. ₹ 284.23)		
	14,271.95	11,837.83
C. Industrial Capital Goods :		
Sales of Machines & Spares	1,846.62	2,549.95
Less: Excise Duty	163.97	260.89
Net Sales	1,682.65	2,289.06
Engineering Fees, services & other charges	156.18	219.19
(TDS ₹ 1.49) (P.Y. ₹ 5.70)		
	<u>1,838.83</u>	<u>2,508.25</u>
	<u>16,110.78</u>	<u>14,346.09</u>
20 Other Income:		
A. Interest on Bank FD (TDS ₹ 0.22) (P.Y. ₹ 0.62)	2.24	6.17
Interest from others (TDS ₹ 0.81) (P.Y. ₹ 1.20)	8.14	12.05
	10.38	18.22
B. Income from Investments		
Dividend on current Investments	178.75	382.99
Profit on sale of Shares	-	4.21
Profit on redemption of Mutual Fund	1,674.16	1,377.10
	1,852.91	1,764.30
C. Profit on sale of Assets	-	11.07
D. Property Tax Refund	66.27	-
E. Sundry Creditors/liabilities written back	-	94.83
F. Brokerage (TDS ₹ 8.54) (P.Y. ₹ 3.45)	85.36	34.48
G. Other receipts	16.44	7.89
	<u>2,031.36</u>	<u>1,930.79</u>
21 Cost of Materials Consumed		
Opening Stock	190.30	241.28
Add : Purchases and Expenses	826.76	1,162.85
Less: Closing Stock	136.87	190.30
	<u>880.19</u>	<u>1,213.83</u>

		Year ended 31 March 2014	Year ended 31 March 2013
22	Changes in Inventories of finished goods and work-in-progress		
	Opening Stock		
	Finished Goods	-	-
	Semi-finished Goods	<u>288.82</u>	<u>194.17</u>
	Less: Closing Stock		
	Finished Goods	-	-
	Semi-finished Goods	<u>296.78</u>	<u>288.82</u>
		<u>(7.96)</u>	<u>(94.65)</u>
23	Employee Benefits expenses		
	Salary, Wages and Allowances	579.65	552.19
	Contribution to Provident and other funds	34.60	32.73
	Gratuity	20.06	20.84
	Staff welfare expenses	46.52	53.67
		<u>680.83</u>	<u>659.43</u>
24	Finance Cost		
	Interest on borrowings	6.11	56.40
	Bank charges & guarantee commission	3.92	13.01
	Interest to others	0.68	2.31
		<u>10.71</u>	<u>71.72</u>
25	Depreciation and Amortisation Expense		
	Depreciation and Amortisation	1,104.87	585.19
	Less: Transfer from Revaluation Reserve	2.30	2.42
		<u>1,102.57</u>	<u>582.77</u>
26	Manufacturing and other expenses		
26.1	Manufacturing expenses		
	Stores and spares consumed	68.14	87.98
	Power and fuel	361.18	193.09
	Erection & fabrication charges	212.08	290.81
		<u>641.40</u>	<u>571.88</u>
26.2	Administrative, Selling and General Expenses		
	Printing, Stationery, Postage, Telephones	42.10	50.14
	Rent	44.48	7.00
	Rates, Taxes, Water charges & Service Tax	115.93	221.23
	Advertisement, Sales Promotion and Subscription	17.86	31.84
	Insurance	30.73	27.09
	Repairs and maintenance of :		
	- Buildings & Property	365.21	630.40
	- Plant & Machinery	96.48	-
	- Other Assets	<u>144.68</u>	<u>5.67</u>
		606.37	636.07
	Loss on sale of investment	205.47	2.49
	Exchange loss on foreign currency transactions and translations (other than finance cost)	1.26	1.82
	Travelling, conveyance and vehicle expenses	122.03	105.53
	Auditor's remuneration:		
	- Audit fees	7.50	6.25
	- Certification work	2.00	1.60
	- Out of pocket expenses	<u>0.05</u>	<u>-</u>
		9.55	7.85

	Year ended 31 March 2014	Year ended 31 March 2013
Legal & professional fees	1,234.91	177.56
Donations	75.19	198.15
Managerial remuneration	375.00	360.00
Security charges	69.00	45.15
Bad debts/sundry balance written off	176.60	6.78
Miscellaneous expenses	18.19	25.85
	<u>3,144.67</u>	<u>1,904.55</u>
	<u>3,786.07</u>	<u>2,476.43</u>

## 27 Earnings per share:

Particulars	2013-2014 ₹	2012-2013 ₹
a) Profit after tax (₹ in lacs)	8,102.45	8,168.56
b) Number of equity shares outstanding	14,091,992	14,091,992
c) Face value of each equity share (₹)	10	10
d) Basic and diluted earnings per share (₹)	57.50	57.97

## 28 Related party disclosures:

- (a) List of related parties and relationships  
Associate

- (i) NSE Housing and Investments Pvt. Ltd.  
(ii) Chandler & Price (India) Pvt. Ltd.  
(iii) JVP Industrial Training Institute  
(iv) J V Patel Charitable Trust  
(v) J V Patel & Co.

- Key management personnel  
(vi) KSP Finance & Investments Pvt. Ltd.  
(i) Mr. Sumant J. Patel Chairman & Managing Director  
(ii) Mrs. Sudha S. Patel Director  
(iii) Mr. Krishna S. Patel Executive Director

## (b) Related party transactions:

Particulars	2013-2014 ₹	2012-2013 ₹
Rent received		
- Chandler & Price (India) Pvt. Ltd.	60,000	60,000
Rent paid		
- Sumant J. Patel	4,260,445	-
Brokerage received		
- KSP Finance & Investments Pvt. Ltd.	8,536,014	3,447,938
Remuneration, perquisites, commission paid		
- Mr. Sumant J. Patel	28,200,041	27,136,902
- Krishna S. Patel	9,044,959	8,623,098
Director sitting fees		
- Sudha S. Patel	60,000	-
Amount payable to Sumant J. Patel	27,958,477	23,581,225
Amount payable to Krishna S. Patel	3,600,000	1,750,000

## Notes Forming part of the Financial Statements

### 29 Disclosure as defined by Accounting Standard (AS 15) (Revised) on Employee benefits

#### a. Gratuity (unfunded)

	2013-2014	2012-2013
I) Assumptions:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%
II) Table showing change in benefit obligation:		
Projected benefit obligations (PBO)		
at the beginning of the year	11,664,000	10,839,000
Interest cost	879,878	816,741
Service cost	1,013,587	949,366
Benefit paid	(1,331,055)	(1,259,485)
Actuarial (gain) loss on obligations	626,590	318,378
PBO at the end of the year	12,853,000	11,664,000
III) Tables of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	1,331,055	1,259,485
Benefit paid	(1,331,055)	(1,259,485)
Gain/(Loss) on plan assets	-	-
Fair value of plan assets at the end of the year	-	-
IV) The amounts to be recognised in balance sheet and income statement and the related analysis:		
Present value of obligation	12,853,000	11,664,000
Fair value of plan assets	-	-
Difference	12,853,000	11,664,000
Unrecognised actuarial gain (losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	12,853,000	11,664,000
V) Net periodic cost:		
Current service cost	1,013,587	949,366
Interest cost	879,878	816,741
Expected return on plan assets	-	-
Net actuarial (gain) loss recognised in the year	626,590	318,378
Expenses recognised in the income statement	2,520,055	2,084,485
VI) Movements in the liability recognised in the balance sheet:		
Opening net liability	11,664,000	10,839,000
Expense as above	2,250,055	2,084,485
Contributions paid	(1,331,055)	(1,259,485)
Closing net liability	12,853,000	11,664,000

## Notes Forming part of the Financial Statements

### b. Leave Encashment (unfunded)

	2013-2014	2012-2013
I) Assumptions:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%
II) Table showing change in benefit obligation:		
Projected benefit obligations (PBO)		
at the beginning of the year	1,740,000	1,542,000
Interest cost	131,118	112,190
Service cost	376,736	359,490
Benefit paid	(202,043)	(279,259)
Actuarial (gain) loss on obligations	(84,811)	(12,015)
PBO at the end of the year	1,961,000	1,740,000
III) Tables of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	202,043	279,259
Benefit paid	(202,043)	(279,259)
Gain/(Loss) on plan assets	-	-
Fair value of plan assets at the end of the year	-	-
IV) The amounts to be recognised in balance sheet and income statement and the related analysis:		
Present value of obligation	1,961,000	1,740,000
Fair value of plan assets	-	-
Difference	1,961,000	1,740,000
Unrecognised actuarial gain (losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	1,961,000	1,740,000
V) Net periodic cost:		
Current service cost	376,736	359,490
Interest cost	131,118	112,190
Expected return on plan assets	-	-
Net actuarial (gain) loss recognised in the year	(84,811)	5,579
Expenses recognised in the income statement	423,043	477,259
VI) Movements in the liability recognised in the balance sheet:		
Opening net liability	1,740,000	1,542,000
Expense as above	423,043	477,259
Contributions paid	(202,043)	279,259
Closing net liability	1,961,000	1,740,000

30 The company is in process of identifying enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such micro, small and medium enterprises as on 31<sup>st</sup> March, 2014 has not been given in the financial statements. However, in the opinion of the management, the impact of interest if any, that may be payable in accordance with the provisions of the act is not expected to be material.



## Notes Forming part of the Financial Statements

### 31 Segment information

(₹ in lacs)

Revenue by industry segment	2013-2014	2012-2013
Bombay Exhibition Centre/IT Park	14,271.95	11,837.83
Industrial capital goods	1,838.83	2,508.25
Investment and other income	2,031.36	1,924.01
<b>Total</b>	<b>18,142.14</b>	<b>16,270.09</b>
Less: Inter- segment revenue	-	-
<b>Net revenue from operations</b>	<b>18,142.14</b>	<b>16,270.09</b>
<b>Segment profit before tax and finance cost</b>		
Bombay Exhibition Centre/IT Park	11,764.76	10,995.34
Industrial capital goods	(64.32)	443.72
<b>Total operating profit before tax</b>	<b>11,700.44</b>	<b>11,439.06</b>

### 32 Contingent Liabilities and Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 7,639,262/- (previous year- ₹ 10,328,791/-) against which an advance of ₹ 6,737,618/- (previous year – ₹ 7,200,352/-) has been paid.
- Claims against the company contested at various courts amounting to ₹ 1,631.48 lacs (previous year ₹ 1,631.48 lacs) against which the company has provided ₹ 1,224.12 lacs (previous year ₹ 1,271.08 lacs) as ascertained by management and as advised by advocates and counsels.
- Income-tax demand disputed by the company ₹ 460.14 lacs
- Counter guarantees given by the company to banks in respect of:
  - Indian Bank Guarantees given by bank on company's behalf ₹ 35,997,446/- (previous year ₹ 38,766,338/-)
  - Foreign Bank Guarantees given by bank on company's behalf US \$8,877.00 (previous year US \$3,400.00).

### 33 Particulars in respect of Sales and Material Consumed: Indabrator Division

Sr. No.	Particular	2013-2014 ₹		2012-2013 ₹	
A	Details of major consumption items:				
	Steel		316.53		548.12
	Casting		119.79		176.39
	Electric Motors		52.04		85.01
	Bearings		36.76		45.09
	Miscellaneous		423.22		447.20
			<u>948.33</u>		<u>1,301.81</u>
B	Details of consumption of imported and indigenous items:				
	Raw Material & Components				
	Imported	-	-	0.49%	5.95
	Indigenous	100.00%	880.19	99.51%	1,207.88
		<u>100.00%</u>	<u>880.19</u>	<u>100.00%</u>	<u>1,213.83</u>
	Stores, Spares & Tools				
	Imported	-	-	-	-
	Indigenous	100.00%	68.14	100.00%	87.98
		<u>100.00%</u>	<u>68.14</u>	<u>100.00%</u>	<u>87.98</u>

- 34 Income tax assessments are completed up to the assessment year 2011-2012. The company does not expect any additional liability for the pending assessments.
- 35 Provision for income tax is made after considering exemptions and deductions available under the Income Tax Act, 1961.
- 36 Sales tax assessments are completed for Maharashtra up to the financial year 2004-2005, and for Gujarat up to the financial year 2009-2010. The company does not expect any additional liability for the pending assessments.
- 37 Particulars in respect of Foreign currency transactions:

<b>Sr. No.</b>	<b>Particular</b>	<b>2013-2014 ₹</b>	<b>2012-2013 ₹</b>
A	Earning in Foreign exchange i) F.O.B. value of exports ii) Other income	<b>7,346,549</b> <b>8,953,610</b>	8,627,761 4,969,467
B	Value of Imports on CIF basis i) Raw Materials (including Components) ii) Capital Goods	- <b>2,314,724</b>	595,101 7,395,016
C	Remittances or expenditure in foreign Currency i) Travelling ii) Membership & subscription iii) Others	<b>734,418</b> <b>452,303</b> -	215,570 285,089 -

- 38 Figures of the previous year have been re-arranged and re-grouped wherever necessary to confirm to the classification adopted for the current year.

As per our report of even date  
For Shah & Co.  
Chartered Accountants  
FRN. 109430W

Ashish Shah  
Partner  
Membership No. 103750  
Mumbai, 28 May 2014

For and on behalf of the Board  
Mr. Sumant J. Patel Chairman & Mg. Director  
Dr. Ram S. Tarneja Director  
Mr. Mahendra Chouhan Director  
Mrs. Sudha S. Patel Director  
Mr. Krishna S. Patel Executive Director

Mumbai, 28 May 2014

## Procedure for e-voting

### Voting through electronic means

In compliance with provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the 55<sup>th</sup> AGM by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

The instructions for e-voting are as under:

In case of members receiving email:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li><li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li></ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"><li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same through email to [nesco.scrutinizer@gmail.com](mailto:nesco.scrutinizer@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

## NOTES

- (1) The e-voting period commences on 11<sup>th</sup> August 2014 (9:00 am) and ends on 12<sup>th</sup> August 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12<sup>th</sup> August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (2) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (3) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (4) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date(record date) of 12<sup>th</sup> August 2014.
- (5) Mr. Dipesh R. Singhania, the Chief Financial Officer and Compliance Officer, of Nesco Limited has been appointed as the scrutinizer to Scrutinize the e-voting process in a fair and transparent manner.
- (6) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unlock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizers Report of the Votes cast in favour or against, if any, forthwith to the Chairman of the Company.

**Nesco Limited**

CIN: L17100MH1946PLC004886

Registered Office: Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063

Phone: 022-66450123; Fax: 022-66450101 Email: Contact@nesco.in Website: www.nesco.in

**ATTENDANCE SLIP**

(To be presented at the entrance)

55<sup>th</sup> ANNUAL GENERAL MEETING ON WEDNESDAY, AUGUST 20, 2014 AT 3.00 P.M.

at Nesco Complex, Western Express Highway, Goregaon (East), Mumbai- 400 063

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxyholder can attend the Meeting.

2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

**Nesco Limited**

CIN: L17100MH1946PLC004886

Registered Office: Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063

Phone: 022-66450123; Fax: 022-66450101 Email: Contact@nesco.in Website: www.nesco.in

**Form No. MGT-11****Proxy Form****(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)**

Name of the Member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Folio No. /Client ID No. \_\_\_\_\_ DP ID No. \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Shares of Nesco Limited, hereby appoint

1. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_ Signature: \_\_\_\_\_  
or failing him

2. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_ Signature: \_\_\_\_\_  
or failing him

3. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the fifty fifth Annual General Meeting of the Company to be held on Wednesday, 20 August, 2014 at 3.00 P.m. at Nesco Complex, Western Express Highway, Goregaon (East), Mumbai- 400 063 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Annual Accounts and Reports thereon for the Financial year ended 31<sup>st</sup> March, 2014.

2. Declaration of Dividend.

3. Reappointment of Mrs. Sudha S. Patel as Director of the Company.

4. Appointment of Dr. Ram S. Tarneja as an Independent Director of the Company for the term of upto five years.

5. Appointment of Mr. K.S. Srinivasa Murty as an Independent Director of the Company for the term of upto five years.

6. Appointment of Mr. Mahendra K. Chouhan as an Independent Director of the Company for the term of upto five years.

7. Appointment of Mr. Jai S. Diwanji as an Independent Director of the Company for the term of upto five years.

8. Appointment of M/s. Manubhai & Shah, Chartered Accountants as Statutory Auditor of the Company and to fix their remuneration for the financial year ending 31<sup>st</sup> March, 2015.

9. To enter in to Leave and License agreement with Mr. Sumant J. Patel under section 188 of the Companies Act, 2013

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature of share holder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

**Affix a  
Revenue  
Stamp**

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.



## IMPORTANT COMMUNICATION TO SHAREHOLDERS

Dear Shareholder,

There is growing awareness and concern on the need to protect our environment around the globe. Nesco Limited has always been a company that has taken the lead in its efforts to protect the environment, with a strong focus on eco-sustainability in our operations. Taking this further, we now propose to send documents such as the Annual Report, Notices and other documents to the shareholders through electronic, paperless mode.

This is also in line with the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) permitting listed entities to send soft copies of the Annual Report, Notices and other documents to those shareholders who have registered their email addresses for the said purpose.

We request you to join us in this noble initiative and look forward to your consent for receiving communication through the electronic mode.

To do this, you are requested to take the following steps:

**For shares held in physical mode:** Please fill in the enclosed form and mail it to us on the registered office address of the Company.

**For shares held in dematerialized mode:** Please update/register your e-mail address with your Depository Participant

The Annual Report of your Company would also be available on the Company's website [www.nesco.in](http://www.nesco.in). Further, you will be entitled to get a hard copy of the Annual Report of the Company, upon receipt of a requisition from you, any time, as a member of the Company.

**Nesco Limited**  
**CIN: L17100MH1946PLC004886**  
**Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063.**

Dear Sirs,

**Sub: Service of Annual Report, Notice and other documents in electronic mode**

I hereby give my consent to receive the above mentioned documents through the electronic mode.

Name of sole/first shareholder : \_\_\_\_\_

DP ID and Client ID/Folio No : \_\_\_\_\_

E-mail address : \_\_\_\_\_

Signature of sole/first shareholder : \_\_\_\_\_

Date : \_\_\_\_\_









At reception of IT building no. 3



Entrance Lobby of IT building no. 3



## NESCO IT PARK Building number 3

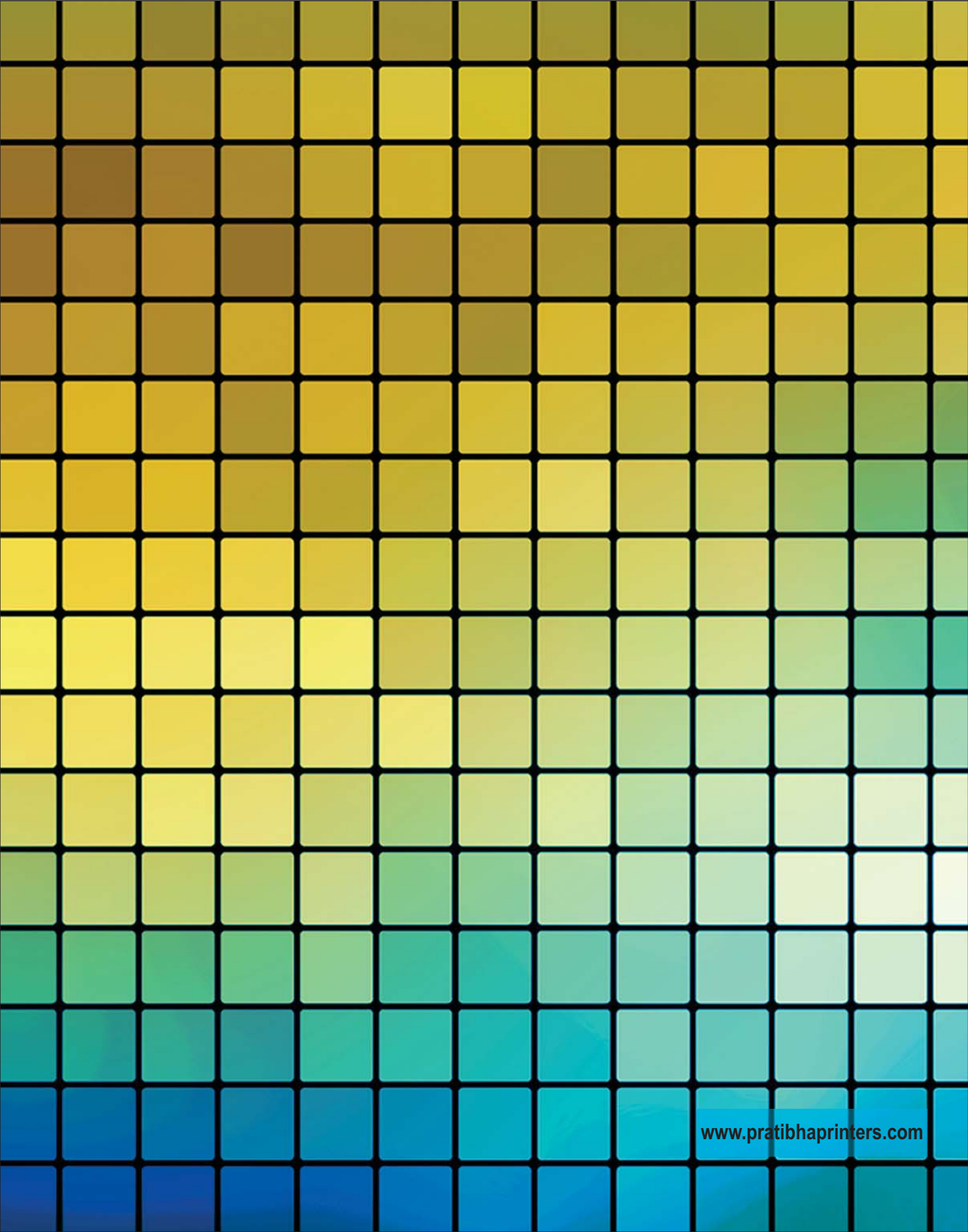
View from W. E. Highway



Food court

Gymnasium









## FORM A

### Covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	Nesco Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by- <ul style="list-style-type: none"> <li>Managing Director</li> <li>CFO</li> <li>Auditor of the company</li> <li>Audit Committee Chairman</li> </ul>	<p><b>For Nesco Limited</b></p> <p><i>S. D. Patel</i> Chairman &amp; Mg. Director</p> <p><b>For Nesco Limited</b></p> <p><i>Dipesh R. Singhania</i> <b>Dipesh R. Singhania</b> Chief Financial Officer &amp; Compliance Officer</p> <p><i>[Signature]</i> <b>For SHAH &amp; CO</b> Chartered Accountants FRN. 109430W</p> <p>(ASHISH H. SHAH) PARTNER Membership No. 103750 <b>For NESCO LIMITED</b></p> <p><i>[Signature]</i> <b>Director</b></p>

Nesco Limited

Western Express Highway, Goregaon (E), Mumbai - 400 063. INDIA CIN:L17100M111946PLC004886

Phone: +91-22-6645 0123 Fax: +91-22-6645 0101 URL: www.nesco.in Email: contact@nesco.in

BOMBAY CONVENTION & EXHIBITION CENTRE - NESCO PARK - INDAUR