

**54th**  
**Annual Report**  
**2012 - 2013**

## Indian Green Building Council (IGBC)

hereby certifies that

### NESCO IT Building 3

Mumbai

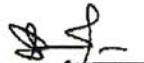
*has successfully achieved the Green Building Standards required for  
the following level of certification under the Leadership in Energy and Environment Design  
(LEED) India Green Building Rating System*

### LEED India for Core & Shell Platinum

March 2013



C N Raghavendran  
Chairman, LEED India

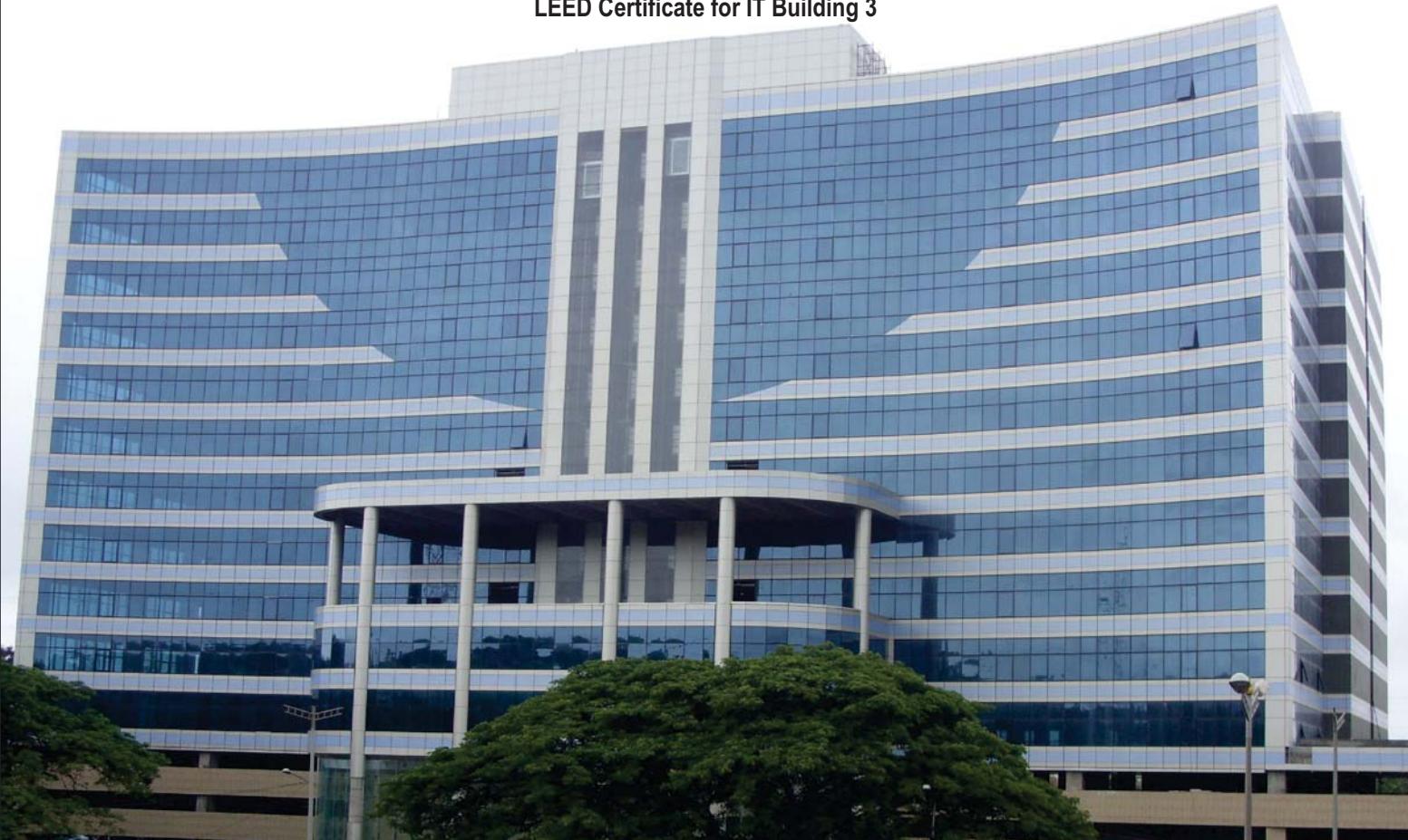


Dr Prem C Jain  
Chairman, IGBC



S Ragupathy  
Executive Director, CII-Godrej GBC

### LEED Certificate for IT Building 3



IT Building 3

### ***Board of Directors***

Mr. Suman J. Patel	Chairman & Managing Director
Dr. Ram S. Tarneja	
Mr. Bharat V. Patel	
Mr. K. S. Srinivasa Murty	
Mr. Mahendra K. Chouhan	
Mrs. Sudha S. Patel	
Mr. Jai S. Diwanji (from 3rd November 2012)	
Mr. Krishna S. Patel	Executive Director

### ***Auditors***

Shah & Company  
Chartered Accountants  
Mumbai

### ***Bankers***

HDFC Bank Limited  
Axis Bank Limited

### **Offices & Plants Locations**

#### **Registered Office :**

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

#### **New Delhi Office :**

B - 1 - 102, 10th Floor,  
Himalaya House,  
Curzon Road,  
New Delhi 110001

#### **Kolkatta Office :**

Benoy Bhavan,  
27 - B, 5th Floor,  
Camac Street,  
Kolkatta 700016

#### **Karamsad Plant :**

Anand Sojitra Road,  
Karamsad,  
Gujarat 388325

#### **Vishnoli Plant :**

Nadiad Petlad Road,  
Vishnoli,  
Gujarat 388450

#### **Chennai Office :**

Fagun Mansion,  
26, Commander-in-Chief Road,  
Chennai 600015

## NOTICE

The 54th 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 Thursday 8 August 2013 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 2013 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 Auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to fix their remuneration.
4. To appoint a director in place of Mr. K. S. Srinivasa Murty, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in place of Mr. Mahendra K. Chouhan, who retires by rotation and being eligible offers himself for re-appointment.

### Special Business

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as ordinary resolution.

"RESOLVED THAT pursuant to the provision of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Jai S. Diwanji, who was appointed as an Additional Director pursuant to the provision of section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director be and is hereby appointed as Director of the Company liable to retire by rotation."

7. 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 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Suman J. Patel be and is hereby reappointed as Managing Director of the Company for a tenure of 5 years effective from 1 April 2013 on remuneration and perquisites as set out in the explanatory statement annexed to the notice convening this meeting with liberty and powers to the Board of Directors to alter and vary the terms and conditions and remuneration in such a manner as the Board may deem fit and is acceptable to Mr. Patel, within the limits specified in Schedule XIII to the Companies Act, 1956 ('the Act') or any amendments thereof.

FURTHER RESOLVED THAT in the event of loss or inadequacy in profits in any financial year during the currency of tenure of the Managing Director, the Company will pay Mr. Patel remuneration and perquisites referred above as minimum remuneration subject to Schedule XIII of the Companies Act, 1956.

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as ordinary resolution.

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) Mr. Krishna S. Patel be and is hereby reappointed as an Executive Director of the Company, not liable to retire by rotation, for a tenure of 5 years effective from 1 July 2013 on remuneration and perquisites set out in the explanatory statement annexed to the notice convening this meeting with liberty and powers to the Board of Directors to alter and vary the terms and conditions and remuneration in such manner as the Board may deem fit and is acceptable to Mr. Krishna S. Patel, within the limits specified in Schedule XIII to the Companies Act, 1956 ('the Act') or any amendments thereto."

FURTHER RESOLVED THAT in the event of loss or inadequacy in profits in any financial year during the currency of tenure of the Executive Director, the Company will pay Mr. Krishna S. Patel remuneration and perquisites referred above as minimum remuneration subject to Schedule XIII of the Companies Act, 1956."

Mumbai, 25 May 2013

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

**By order of the Board of Directors**

Dipesh R. Singhania  
Chief Financial Officer and Compliance Officer

**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 173(2) of the Companies Act, 1956 in respect of item no. 6 to 8 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 Tuesday, 30 July 2013 to Thursday, 8 August 2013 (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 25 May, 2013 have recommended a dividend of 35% (Rs. 3.50) 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 declaration to those members, whose names are appearing in the Register of Members on 29 July 2013.
6. As per the provisions of section 205A of the Companies Act, 1956, 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 from the Company or the Fund. 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 authorising 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 related to accounts and operations of 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 Agents M/s. Sharex Dynamic (India) Pvt. Ltd. for consolidation of their folios, in case they are 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 shall be able to co-ordinate with their bankers only on receipt of necessary information. The members holding shares in electronic form may instruct their DP'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 Agents, 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 Agents, 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 Agents, 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 Agents, M/s. Sharex Dynamic (India) Private Limited for assistance in this regard.

#### ANNEXURE TO THE NOTICE:

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956.

#### Item No. 4 & 5

Details of Directors seeking reappointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement

<b>Name of the Director</b>	Mr. K. S. Srinivasa Murty	Mr. Mahendra K. Chouhan
<b>Date of Birth</b>	04.09.1943	05.12.1955
<b>Date of Appointment</b>	20.01.2005	19.04.2005
<b>Qualification</b>	M. Tech IIT	B Sc., MBA(Finance)
<b>Directorship held in Indian Public Companies as on 31.03.2013</b>	-	3
<b>Committee positions held in Indian Public Companies as on 31.03.2013</b>	-	-
<b>Number of shares held in the Company</b>	NIL	NIL

#### Item No. 6

Mr. Jai S. Diwanji was appointed as an Additional Director with effect from 3 November 2012. As per Section 260 of the Companies Act, 1956 he holds office upto the date of Annual General Meeting. Hence this resolution.

Mr. Diwanji is graduate in Law from University of Cambridge, UK; has done Legal Practice Course from College of Law, London and has also graduated in finance from USA. He is a partner in Desai & Diwanji, Solicitors.

None of the Directors except Mr. Jai S. Diwanji is concerned or interested in the above resolution.

#### Item No. 7

The Board of Directors has decided to reappoint Mr. Sumant J. Patel as Managing Director for a further period of 5 years with effect from 1.4.2013 subject to the approval of the members in the Annual General Meeting.

After graduating in Mechanical Engineering from University of Pennsylvania, Mr. Patel joined Nesco as an engineer about 5 decades ago and has been the driving force for Nesco's diversification into new areas which has enabled the Company to increase its revenues, profitability and reserves. Company's Bombay Exhibition Centre has secured wide recognition both in India and abroad. The Board has approved the following terms at its meeting held on 25 May 2013, pursuant to the recommendations of the Remuneration Committee of the Board.

i. Remuneration : upto Rs.750,000/- per month, as may be decided by the Board.

ii. Commission : upto 3% of the profit.

iii. Such benefits, perquisites and allowances as may be determined by the Board from time to time.

The Board of Directors will decide on the remuneration, perquisites and commission to be paid to Mr. Suman Patel from time to time within the outer limits specified above and overall ceiling prescribed under the Companies Act, 1956.

In the event of loss or inadequacy of profits in any financial year during the period effective from 01.04.2013, the Company will pay Mr. Suman J. Patel remuneration, perquisites, benefits and amenities including Commission not exceeding the ceiling laid down in section II of part II of Schedule XII of the Companies Act, 1956 or as may be decided by the Board of Directors.

Mr. Suman J. Patel, Mrs. Sudha S. Patel and Mr. Krishna S. Patel, are to be considered as interested in the aforesaid resolution.

The above statements may be regarded as an abstract of the terms of appointment and memorandum of interest pursuant to section 302 of the Companies Act, 1956. As Mr. Patel is over 70 years age, as per the Schedule XIII Part A clause(C), approval of shareholders by way of special resolution is required.

#### Item No.8

The Board of Directors has decided to reappoint Mr. Krishna S. Patel as Executive Director for a tenure of 5 years effective from 1 July 2013 subject to approval of the members at the Annual General Meeting.

After graduating from Pennsylvania State University in International Business and Marketing, and working for a year in USA, Mr. Krishna S. Patel joined Nesco in 2003. He has taken keen interest in the operations of Bombay Exhibition Centre and Nesco IT Park which have shown increase in revenues. Under his supervision, Bombay Exhibition Centre is being continuously modernized; besides, IT building 3 has also been completed. Mr. Patel led the efforts to secure Platinum Leeds Certification for IT building 3.

The Board has approved the following terms at its meeting held on 25 May 2013, pursuant to recommendations of the Remuneration Committee of the Board.

i. Salary : upto Rs.500,000/- per month.

ii. Commission : upto 0.30% of net profit

iii. Such benefits, perquisites and allowances as may be determined by the Board from time to time.

The Board of Directors will decide on the remuneration, commission and perquisites to be paid to Mr. Krishna Patel from time to time within the outer limits specified above and overall ceiling prescribed under the Companies Act, 1956.

In the event of loss or inadequacy in profits in any financial year during the period effective from 01.07.2013, the Company will pay Mr. Krishna S. Patel remuneration, perquisites, benefits and amenities including the Commission not exceeding the ceiling laid down in section II of part II of Schedule XII of the Companies Act, 1956 or as may be decided by the Board of Directors.

Mr. Krishna S. Patel, Mr. Suman J. Patel and Mrs. Sudha S. Patel are to be considered as interested in the aforesaid resolution.

The above statements may be regarded as an abstract of the terms of appointment and memorandum of interest pursuant to section 302 of the Companies Act, 1956.

## Directors' Report

Your Directors have pleasure in presenting their annual report with the audited statement of accounts for the year ended 31 March 2013.

### 1. Financial Results :

PARTICULARS	2012 - 13 (₹)	2011 - 12(₹)
Income	1,627,438,061	1,394,736,879
Profit before depreciation and tax	1,195,011,844	1,002,640,393
Depreciation	58,277,241	34,164,996
Profit before taxes	1,136,734,603	968,475,397
Provision for taxes	319,878,455	294,890,526
Net Profit	816,856,148	673,584,871
Exceptional Items	-	231,659
Balance brought forward	5,000,000	5,000,000
Amount available for appropriations	821,856,148	678,353,212
Appropriations:		
i) Dividend	49,321,972	42,275,976
ii) Tax on Proposed Dividend	8,382,269	7,021,511
iii) Transfer to General Reserve	759,151,907	624,055,725
iv) Surplus carried forward to P&L Account	5,000,000	5,000,000

### 2. Review of Operations:

During the year Company achieved a turnover of Rs. 1,627,438,061, an increase of 16.68 % over the previous year turnover of Rs. 1,394,736,879. PBT was Rs. 1,136,734,603 as compared to Rs. 968,475,397 in previous year, an increase of 17.37%. Earnings per share amounted to Rs. 57.97 (previous year Rs. 47.78). The Company's general reserves increased from Rs. 2,760,356,908 to Rs. 3,519,266,728.

### 3. Dividend:

Your Directors are pleased to recommend a dividend of 35% per equity share of Rs.10/- each (previous year 30%) for the year ended 31 March 2013 amounting to Rs.49,321,972 (previous year Rs. 42,275,976), subject to approval by shareholders at the 54th annual general meeting. This would involve a cash outflow of Rs. 57,704,241. 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. 905,204,037 compared to Rs. 762,974,607 in the previous year registering an increase of 18.64%. Nineteen new organizers held their exhibitions in our Centre, including Trade Association of Information Technology and Google India. Fifteen new titles/subjects exhibitions were held for the first time in our Centre, including Laser Technology; Traffic Infrastructure Technology; Tyre Technology; Chemical Mechanical, Electrical & Plumbing; and Chemical Innovations.

In all 95 exhibitions were held in our center in 2012-13. With over 1,000,000 visitors, including visitors from out of Mumbai & abroad, our Centre brings more visitors to Mumbai than any other venue.

There continues to be growing interest in India from Western and other countries. As a result foreign participation in exhibitions held in our Centre shows continued increase. Besides, Indian Companies also have increased their participation in these exhibitions to promote their products in India and abroad. Bombay Exhibition Centre is the only exhibition centre of this size in Mumbai, the commercial capital of India. We had growth in 2012-13 and expect growth to continue in this division.

Bombay Exhibition Centre, the largest exhibition centre in India in the private sector, is the most popular venue for conventions & exhibitions, with all world leading organizers holding their events in our centre. Its space utilization is better than world average. Our Company is considering to build new halls and expand the Centre from 450,000 sq. ft. to 1,000,000 sq. ft. During the year, the Company spent significant amount on repairs and upgradation of the convention & exhibition centre halls covering an area of over 4,50,000 sq. ft.

In case a large exhibition Centre is set up in Mumbai or if there were any unexpected developments, this business could have an adverse effect.

- ii) Nesco IT Park: Income for the year was Rs. 278,578,934 (previous year Rs.267,154,906). The IT building 3 has received from Indian Green Building Council Leed Platinum Certificate, one of the very few buildings in Bombay to have received such certification. Platinum certificate is the highest category, to secure this our Company took several steps including high efficiency HVAC system; LED lighting; 50% of the building area covered by native, organic grass; double glazed windows with special glass having good u-value; multiple rain harvesting pits; etc.

Slowdown in economies in USA, Europe and India has adversely affected demand for IT space in Mumbai. India's growth rate in 2012-13 was one of the lowest in last several years. Due to this slowdown, Nesco IT Park income was almost same as last year. We expect the situation to improve from Q3 and Q4 of this year.

Now that IT building 3 (area 6,60,000 sq ft) is completed and has received occupation certificate, your Company is in the process of finalizing licensing arrangements with well known Indian and multinational companies, and expects to generate revenues from the current year.

The Company has initiated steps to secure required approvals for starting construction of IT building 4 (area 1,000,000 sq ft) which has been designed by a leading American architects firm.

Our Company has recently completed setting up of an Incubation Centre in a separate building, hall 3 in Nesco IT Park. This Incubation Centre has 330 work stations and is expected to be helpful to our licensees during their fit out periods.

- iii) Indibrator - Industrial Capital Goods Group: In the year under review, Indibrator income was at Rs. 250,825,178 (previous year Rs. 249,624,321). Indibrator continued to develop new products, and has just completed construction of new facility of approx. 20,000 sq. ft. at our Vishnoli Complex, Gujarat for our Research and Development Centre. Our Research and Development Centre has developed several new systems, including wire mesh conveyor type shot blasting system; blastrack for surface /floor cleaning; ultra tumblast and internal cylinder cleaning system.

2012-13 was one of the most difficult year for the capital goods industry. A large number of projects were either cancelled or deferred; automotive and other industries faced low demand and went through difficult times. Under these circumstances, Indibrator income was almost same as previous year. Economic environment is showing improvement and we expect Indibrator to pick up from Q4.

- iv) Investments: Income from investments and other income was Rs. 192,829,911 (previous year Rs. 114,983,045), an increase of 67.70 %. Our Company expects a moderate increase in the current year.

## 5. Finance:

Your Company had no debt as on 31 March 2013. Company's liquid resources (FMPs, MFs, FD's, Cash & Bank balances) increased by 21.53 % to Rs. 2,605,714,553 from Rs. 2,144,146,612.

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

## 6. 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.

## 7. 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.

## 8. Directors:

Mr. Jai S. Diwanji was appointed as additional director with effect from 3 November 2012.

Mr. Mahendra Chouhan and Mr. K. Srinivasa Murty retire by rotation at the ensuing annual general meeting and being eligible offer themselves for reappointment. The profile of the Directors to be reappointed at the annual general meeting is given in the annexure to the notice.

Mrs. Sudha Patel has expressed her desire not to be re-appointed as Joint Managing Director. She has agreed to continue as Director.

During the year Mr. Mohan Parikh resigned from his position as Director of the Company after having served the Company for 50 years. Directors place on record their appreciation of the valuable services rendered by Mr. Parikh during his tenure as Director.

#### **9. 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 31.03.2013 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.

#### **10. 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

#### **11. Corporate Social Responsibility:**

Nesco group continued to increase its activities in the rural social sector. In the education field an English medium school in a village is being setup with our assistance which will commence its activities from academic year 2013-2014. Students from needy families are being given scholarships. Our CSR group monitors these activities. Recently, Nesco provided support to Mumbai Police department in organizing Mahila Melava 2013 in Bombay Exhibition Centre for women safety and rights wherein more than 3,000 women from different parts of the city participated. The Bombay Exhibition Centre will also be providing assistance to NGO 2013, an event for the NGOs to showcase their activities and thereby gather public support.

#### **12. Auditors:**

Shah & Co., Chartered Accountants, retire as auditors of the Company on the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The members are requested to appoint auditors for the current year and fix their remuneration.

#### **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, vendors and bankers 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**

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

**Mumbai, 25 May 2013**

## **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 eight. The Board comprises of the Managing Director, Executive Director and Six Non Executive Directors, out of which Five 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 2013 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. Suman J. Patel	Promoter / Executive	---	---	---
Dr. Ram S. Tarneja	Non Executive & Independent	10	06	02
Mr. Bharat V. Patel	Non Executive & Independent	03	03	01
Mr. K. S. Srinivasa Murty	Non Executive & Independent	---	---	---
Mr. Mahendra K. Chouhan	Non Executive & Independent	02	---	---
Mrs. Sudha S. Patel	Promoter / Executive	---	---	---
Mr. Mohan P. Parikh (up to 03.11.2012 )	Non Executive & Independent	---	---	---
Mr. Jai S. Diwanji (from 03.11.2012)	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 01.04.2012 to 31.03.2013 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	30.05.2012	3	03.11.2012
2	08.08.2012	4	07.02.2013

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 08.08.2012
Mr. Suman J. Patel	04	Yes
Dr. Ram S. Tarneja	04	Yes
Mr. Bharat V. Patel	03	Yes
Mr. K. S. Srinivasa Murthy	02	No
Mr. Mahendra K. Chouhan	04	Yes
Mrs. Sudha S. Patel	04	Yes
Mr. Mohan P. Parikh (up to 03.11.2012)	03	Yes
Mr. Jai S. Diwanji (from 03.11.2012)	01	--
Mr. Krishna S. Patel	04	Yes

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

Name of Directors	Designation	Sitting fees	Salary	Perquisites and allowance	Commission	Total
Mr. Suman J Patel	Chairman & Managing Director	N.A.	24,00,000	11,55,677	2,35,81,225	2,71,36,902
Dr Ram S Tarneja	Director	60,000	-	-	-	60,000
Mr. Bharat V Patel	Director	45,000	-	-	-	45,000
Mr. K S Srinivasa Murty	Director	30,000	-	-	-	30,000
Mr. Mahendra K Chouhan	Director	45,000	-	-	-	45,000
Mrs. Sudha S Patel	Jt. Managing Director	N.A.	-	-	-	-
Mr. Mohan P Parikh (up to 03.11.2012)	Director	45,000	-	-	-	45,000
Mr. Jai S Diwanji (from 03.11.2012)	Director	15,000	-	-	-	15,000
Mr. Krishna S Patel	Executive Director	N.A.	30,00,000	38,73,098	17,50,000	86,23,098
<b>Total</b>		<b>2,40,000</b>	<b>54,00,000</b>	<b>50,28,775</b>	<b>2,53,31,225</b>	<b>3,60,00,000</b>

#### BOARD COMMITTEES:

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

##### Audit Committee

###### I Composition

Sr. no.	Name of the Member	
a	Mr. Jai S. Diwanji	Chairman
b	Mr. K. S. Srinivasa Murthy	Member
c	Mr. Mahendra K. Chouhan	Member

During the year the Committee has met 4 times in a year as detailed below

Date of Audit Committee Meetings			
30.05.2012	08.08.2012	03.11.2012	07.02.2013

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

The terms reference are broadly as under:

- a. Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending 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 Clause 2(AA) of Section 217 of the Companies Act, 1956.
  - Changes if any, in accounting polices 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**

Sr. no.	Name of the Member	
a	Mr. Jai S. Diwanji	Chairman
b	Dr. Ram S. Tarneja	Member
c	Mr. Mahendra K. Chouhan	Member

During the year under review the committee has met once where the committee approved revised remuneration and commission of Mr. Krishna S. Patel, Executive Director of Company

Date of Remuneration Committee meeting
03.11.2012

## **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**

Sr. no.	Name of the Member	
a	Mrs. Sudha S. Patel	Chairperson
b	Mr. K. S. Srinivasa Murty	Member
c	Mr. Jai S. Diwanji	Member

The Committee has met 4 times during the year to review grievances received from the members.

Date of Investor Grievances Committee meetings			
30.05.2012	08.08.2012	03.11.2012	07.02.2013

### **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 except one case wherein the Company is pursuing the matter with the shareholder through its nominated employees.

### **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	79
b	Average No. of Transfer per month	7
c	Number of Share Transferred	33,270

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

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

Particulars	
Number of Demat requests	59
Number of Shares Demated	62,752
Number of Remat request	NIL
Number of Share Remated	NIL

## VI Details of complaints received and redressed during the year 2012-2013

Sr. no.	Particulars	Received	Redressed	Pending as on
1	Non Receipt of Bonus share certificates	1	1	NIL
2	Non Receipt of Annual Report	3	3	NIL
3	Non Receipt of Dividend	2	2	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
2009-2010	51 <sup>st</sup>	Nesco Complex, W. E. Highway, Goregaon (E), Mumbai	09.09.2010	03.00 P.M.
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.

### 5. Disclosures

There are no materially significant related party transactions i.e. transactions of the Company of a material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

The Audit Committee was briefed of the related party transactions undertaken by the Company in the ordinary course of the business, material individual transactions which were not in the normal course of business and material individual transactions with related parties or others which were not on arm's length basis together with the Management's justification for the same.

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 54th Annual General Meeting will be held on Thursday, 8 August 2013 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	<p>Financial Calendar for 2013-2014            Financial Year: 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014</p> <p>First Quarterly Result: On or before 2<sup>nd</sup> week of August 2013            Second Quarterly Result: On or before 2<sup>nd</sup> week of November 2013            Third Quarterly Result: On or before 2<sup>nd</sup> week of February 2014            Annual Accounts 2012-13: Last week of May 2014</p>
3	Date of Book Closure	Tuesday, 30 July, 2013 to Thursday 8 August, 2013 (both days inclusive)
4	Dividend Payment Date	On or before 5 September 2013
5	Listing on Stock Exchange:	<p>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.</p>

6	Demat ISIN in NSDL and CDSL for Equity Shares	INE 317F01027
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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.

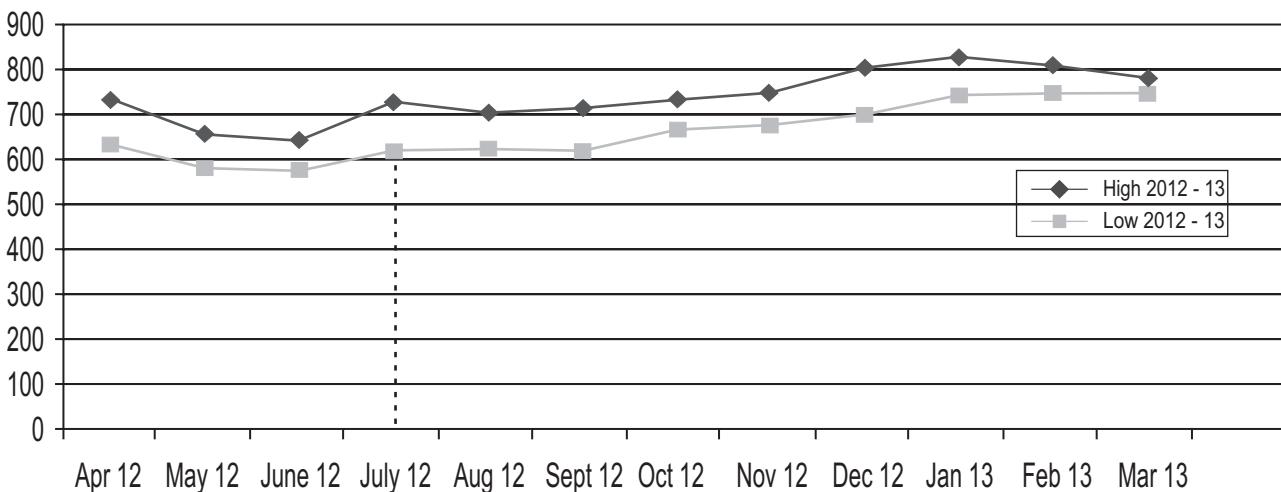
### 8.1. Stock market data

Monthly high and low prices of Equity shares of the company quoted at Stock Exchange, Mumbai during the year 2012-2013

Month	High	Low
April 2012	735.00	631.00
May 2012	657.65	580.00
June 2012	644.35	577.70
July 2012	694.30	620.00
August 2012	703.00	625.00
September 2012	716.40	621.10

Month	High	Low
October 2012	734.40	668.25
November 2012	748.95	675.60
December 2012	803.75	701.45
January 2013	827.00	743.00
February 2013	809.00	746.95
March 2013	780.00	750.00

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 2013

	Category	no. of shares held	% of share holding
A	Promoter (s) holding		
1	-Indian promoters	87,11,251	61.817
2	-Foreign promoters	-	-
	Sub-total	87,11,251	61.817
B	Non-promoters holding		
1	Institutional investors	-	-
a	Mutual funds	3,80,476	2.700
b	Banks, financial inst, insurance companies (central / state govt. Inst / non-government inst)	1,38,556	0.983

	Category	no. of shares held	% of share holding
c	Venture capital	1,100	0.008
d	FII (s)	3,49,078	2.477
	<b>Sub-total</b>	<b>8,69,210</b>	<b>6.168</b>
2	Non-Institutions		
a	Private corporate bodies	11,55,775	8.202
b	Indian public	32,78,178	23.262
c	NRIS / OCBS	58,022	0.412
d	Any other - Clearing members	19,556	0.139
	<b>Sub-total</b>	<b>45,11,531</b>	<b>32.015</b>
	<b>Grand total</b>	<b>1,40,91,992</b>	<b>100%</b>

Distribution of shareholding as on 31.03.2013 is as follows:

SHARE	NO OF HOLDERS	(%) OF HOLDERS	TOTAL SHARES	% OF SH/DB
UPTO TO 100	10,942	70.74	3,73,170	2.65
101 TO 200	1,813	11.72	2,89,577	2.05
201 TO 500	1,366	8.83	4,69,573	3.33
501 TO 1000	678	4.38	4,84,699	3.44
1001 TO 5000	589	3.81	12,56,318	8.92
5001 TO 10000	41	0.27	2,87,029	2.04
10001 TO 100000	30	0.19	8,20,706	5.82
100001 TO ABOVE	9	0.06	1,01,10,920	71.75
<b>TOTAL</b>	<b>15,468</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 March 31, 2006 and subsequent years, which remain unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on the dates mentioned in the table below. Members who have not 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 RTA M/s. Sharex Dynamic India Private Limited.

No.	Date of declaration	For the Financial year ended	Due for transfer to IEPF
1	31.07.2006	31.03.2006	04.09.2013
2	30.07.2007	31.03.2007	03.09.2014
3	29.08.2008	31.03.2008	11.10.2015
4	14.09.2009	31.03.2009	19.10.2016
5	09.09.2010	31.03.2010	16.10.2017
6	12.08.2011	31.03.2011	18.09.2018
7	08.08.2012	31.03.2012	14.09.2019

#### 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. The same is also placed before the Board of Directors.

- 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) 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
- (3) For any queries or request in regards the Annual Report - Secretarial Department, Nesco Limited, Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063. Tel: +91 22 6645 0123, Fax: +91 22 6645 0101, Email: companysecretary@nesco.in, Website: www.nesco.in

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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 conditions of corporate governance by Nesco Limited for the year ended on 31<sup>st</sup> March 2013 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 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 auditor 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 state that no investor grievances are pending for a period of exceeding one month, against the Company as per the records maintained by the Investor Grievance Committee.

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

(Ashish Shah)  
Partner  
Membership No. 103750  
FRN. 109430W

Place: Mumbai  
Date: 25 May 2013

## **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 25<sup>th</sup> May, 2013, 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"). 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 obtain 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. 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<sup>st</sup> March, 2013;
- (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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, 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 Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Shah & Company  
Chartered Accountants

Ashish Shah  
Partner  
Membership No. 103750  
FRN. 109430W

## **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 records showing particulars of quantitative details and situation of fixed Assets except for Electrical Installations, Patterns and Mouldings and Furniture, fixtures and office equipments.
- (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.
- (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, there are no transactions of purchase of goods, materials or services and sale of goods, materials or services, as per the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. Five Lakhs or more in respect of any party.
- (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, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities during the year except the delay in payment of service tax.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears as at 31<sup>st</sup> March, 2013 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	Name 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	5.84	Dy. Commissioner of income tax
		2009-2010	111.91	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.
- (xi) 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 & Company  
Chartered Accountants

Ashish Shah  
Partner  
Membership No. 103750  
FRN. 109430W

Mumbai, 25 May 2013

**BALANCE SHEET**

(₹ in lacs)

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
a. Share capital	2	1,409.20	1,409.20
b. Reserves and surplus	3	35,192.67	27,603.57
2 Non-current liabilities			
a. Deferred tax liabilities (net)	4	223.51	84.73
b. Other Long term liabilities	5	2,326.26	2,227.37
c. Long-term provisions	6	1,397.00	1,385.21
3 Current liabilities			
a. Trade payables	7	774.88	790.80
b. Other current liabilities	8	2,803.39	3,972.03
c. Short-term provisions	9	585.16	633.70
	<b>TOTAL</b>	<b>44,712.07</b>	<b>38,106.61</b>
<b>II. ASSETS</b>			
Non-current assets			
1 a. Fixed assets			
(i) Tangible assets	10	15,841.61	4,394.01
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		403.12	10,373.31
b. Non-current investments	11	3.32	3.32
d. Long-term loans and advances	12	132.89	121.00
2 Current assets			
a. Current investments	13	25,840.18	21,013.30
b. Inventories	14	483.87	441.23
c. Trade receivables	15	965.55	812.31
d. Cash and cash equivalents	16	213.65	424.84
e. Short-term loans and advances	17	801.38	519.51
f. Other current assets	18	26.50	3.78
	<b>TOTAL</b>	<b>44,712.07</b>	<b>38,106.61</b>
Significant accounting policies	1		

The notes form an integral part of these financial statements

As per our report of even date	For and on behalf of the Board	
For Shah & Co.	Mr. Suman J. Patel	Chairman & Mg. Director
Chartered Accountants	Dr. Ram S. Tarneja	Director
	Mrs. Sudha S. Patel	Director
	Mr. Jai S. Diwanji	Director
Ashish Shah	Mr. Krishna S. Patel	Executive Director
Partner		
Membership No. 103750	Mumbai, 25 May 2013	
FRN. 109430W		
Mumbai, 25 May 2013		

**STATEMENT OF PROFIT AND LOSS**

(₹ in lacs)

Particulars	Note No.	Year Ended 31 March, 2013	Year Ended 31 March, 2012
I Revenue from operations	19	<b>14,346.08</b>	12,798.26
II Other income	20	<b>1,928.30</b>	1,149.11
III Total Revenue (I + II)		<b><u>16,274.38</u></b>	<b><u>13,947.37</u></b>
IV Expenses			
Cost of materials consumed	21	<b>1,206.05</b>	1,120.41
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	<b>-94.65</b>	109.48
Employee benefits expense	23	<b>659.43</b>	617.14
Finance costs	24	<b>71.72</b>	137.15
Depreciation and amortization expense	25	<b>582.77</b>	341.65
Other expenses	26	<b>2,481.72</b>	<b>1,936.78</b>
Total expenses		<b><u>4,907.04</u></b>	<b><u>4,262.61</u></b>
V Profit before exceptional items and tax (III-IV)		<b>11,367.34</b>	9,684.76
VI Exceptional items		-	2.32
VII Profit before tax (V-VI)		<b><u>11,367.34</u></b>	<b><u>9,682.44</u></b>
VIII Tax expense:			
(1) Current tax		<b>3,060.00</b>	2,950.00
(2) Deferred tax		<b>138.78</b>	-1.09
Profit for the year		<b><u>8,168.56</u></b>	<b><u>6,733.53</u></b>
Earnings per equity share of ₹ 10 each			
Basic and Diluted (in ₹)		<b>57.97</b>	47.78
Weighted average number of shares outstanding		<b>14,091,992</b>	14,091,992
Significant accounting policies	1		

The notes form an integral part of these financial statements

As per our report of even date	For and on behalf of the Board	
For Shah & Co.	Mr. Suman J. Patel	Chairman & Mg. Director
Chartered Accountants	Dr. Ram S. Tarneja	Director
	Mrs. Sudha S. Patel	Director
	Mr. Jai S. Diwanji	Director
Ashish Shah	Mr. Krishna S. Patel	Executive Director
Partner		
Membership No. 103750	Mumbai, 25 May 2013	
FRN. 109430W		
Mumbai, 25 May 2013		

**Cash Flow Statement**

(₹ in lacs)

	<b>Year ended 31 March 2013</b>	Year ended 31 March 2012
<b>A) Cash Flow from operating activities</b>		
Net Profit before Tax and extraordinary items	<b>11,367.34</b>	9,684.76
Add / (Less):		
Depreciation	582.77	341.65
Interest (net)	40.49	79.60
Sundry debtors written off	6.78	148.67
Income from investments	(1,761.81)	(1,036.63)
Profit on sale of fixed assets (net)	(11.07)	(1,142.84)
Operating profit before working capital changes	<b>10,224.50</b>	(10.14)
		(476.85)
		9,207.90
Add / (Less):		
(Increase)/Decrease in Inventory	(42.64)	21.41
(Increase)/Decrease in Trade & other receivable	(469.72)	1,231.77
Increase/(Decrease) in Deferred tax liability	138.78	(1.09)
Increase/(Decrease) in Trade payables	(1,122.42)	516.95
Cash generated from operation	<b>8,728.50</b>	1,769.04
		10,976.94
Add / (Less):		
Interest Paid	(58.71)	(128.57)
Debts written off	(6.78)	(148.67)
Provision for taxation	(3,060.00)	(2,950.00)
Provision for deferred tax	(138.78)	1.09
Provision for dividend (including tax)	(577.04)	(492.97)
Exceptional items (net)	-	(3,841.31)
		(2.32)
Net Cash from operating activities - [A]	<b>4,887.19</b>	(3,721.44)
		7,255.50
<b>B) Cash Flow from investing activities</b>		
Purchase of fixed assets	(2,133.04)	(3,814.90)
Purchase of investments (net)	(4,826.88)	(5,158.41)
Sale of fixed assets	81.51	40.89
Interest received	18.22	48.97
Income from investments	1,761.81	(5,098.38)
Net Cash (used in)/from investing activities - [B]	<b>(5,098.38)</b>	1,036.63
		(7,846.82)
<b>C) Net Cash Flow used in financing activities - [C]</b>		
Net Increase / (Decrease in Cash / Cash Equivalents (A+B+C)	<b>(211.19)</b>	(591.31)
Cash/Cash Equivalent at the beginning of the year	424.84	1,016.15
Cash/Cash Equivalent at the end of the year	<b>213.65</b>	424.84

As per our report of even date

For and on behalf of the Board

For Shah & Co.

Mr. Suman J. Patel

Chairman & Mg. Director

Chartered Accountants

Dr. Ram S. Tarneja

Director

Ashish Shah

Mrs. Sudha S. Patel

Director

Partner

Mr. Jai S. Diwanji

Director

Membership No. 103750

Mumbai, 25 May 2013

FRN. 109430W

Mumbai, 25 May 2013

## 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, in 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 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 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 as per sales order value on the basis of percentage of work completed less 10% margin.

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. Other transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Exchange difference between the rates applicable on the date of transaction and the rate actually realised/paid are recognised as income/expense 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. Other accounting policies

These are considered with generally accepted accounting principles.

**Notes Forming part of the Financial Statements**

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
2 Share Capital		
Authorised		
14,750,000 Equity Shares of Rs. 10 each	1,475.00	1,475.00
250,000 11% Cumulative Redeemable Preference share of Rs. 10 each	25.00	25.00
	<u>1,500.00</u>	<u>1,500.00</u>
Issued		
14,091,992 Equity Shares of Rs. 10 each	<u>1,409.22</u>	<u>1,409.22</u>
Subscribed & Paid up		
14,091,992 Equity Shares of Rs. 10 each, fully paid up	1,409.20	1,409.20
Total	<u>1,409.20</u>	<u>1,409.20</u>

Of the above Shares :

247,770 and 980,088 equity shares had been issued for consideration other than cash in terms of the schemes of amalgamation of erstwhile Shree Vrajesh Textile Mills Pvt. Ltd. and Indabrator Ltd. respectively with the Company. And 7,045,996 equity shares were issued as bonus shares, by capitalisation of reserves of Rs. 70,459,960/- and share premium account Rs. 500,000/-

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>		
2.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year				
Particulars	<b>Equity Shares</b>			
	<b>Number</b>	<b>Rs.</b>		
Shares outstanding at the beginning of the year	<b>14,091,992</b>	<b>140,919,920</b>		
Shares issued during the year	-	-		
Shares bought back during the year	-	-		
Shares outstanding at the end of the year	<b>14,091,992</b>	<b>140,919,920</b>		
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.				
During the year ended 31st March 2012, the amount of dividend per share recognised as distributions to equity shareholders was Rs.3.00 per share. (31st March, 2011: Rs.2.50 per share.)				
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				
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Chandler & Price (I) Pvt.Ltd.	<b>3,885,432</b>	<b>27.57</b>	3,885,432	27.57
Suman J. Patel	<b>1,801,467</b>	<b>12.78</b>	1,831,572	13.00
Patel Consultancy Services Pvt. Ltd.	<b>1,051,600</b>	<b>7.46</b>	1,051,600	7.46
Sudha S. Patel	<b>914,944</b>	<b>6.49</b>	914,944	6.49
Engineering Imports & Exports Pvt Ltd	<b>894,400</b>	<b>6.35</b>	894,400	6.35
<b>3 RESERVE &amp; SURPLUS</b>				
a. Capital Reserves - on revaluation of certain assets				
Opening Balance	<b>644.82</b>		649.46	
Less: Transferred to statement of Profit & Loss	<b>2.42</b>	<b>642.40</b>	4.64	644.82
b. Preference Shares Redemption Reserve				
Opening Balance		9.56		9.56
c. Cash subsidy received from Govt. of Gujarat				
Opening Balance		25.00		25.00
d. General Reserve				
Opening Balance	<b>26,874.19</b>		20,633.63	
Add: Transfer from statement of Profit and Loss	<b>7,591.52</b>		6,240.56	
Closing balance		<b>34,465.71</b>		26,874.19
e. Surplus/(Deficit) in statement of Profit and Loss				
Opening balance	50.00		50.00	
Add: Profit for the year	<b>8,168.56</b>		6,733.53	
Less: Proposed dividend (Dividend per share Rs.3.50 (previous year Rs.3.00)	<b>493.22</b>		422.76	
Tax on proposed dividend	<b>83.82</b>		70.21	
Transfer to General Reserve	<b>7,591.52</b>		6,240.56	
Closing balance		<b>50.00</b>		50.00
		<b>35,192.67</b>		27,603.57

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
<b>4</b> Deferred tax		
A. Deferred tax liability (net)		
Opening Balance	84.73	85.82
Add: Impact of difference between tax depreciation and book depreciation on Fixed Assets	<u>142.26</u>	-1.09
	<u><u>226.99</u></u>	<u>84.73</u>
B. Deferred tax Asset		
Expenses allowable for tax purpose on payment basis	<u>3.48</u>	-
	<u><u>223.51</u></u>	<u>84.73</u>
<b>5</b> Other long term liabilities		
Advance from exhibition organizers	596.34	574.48
Security deposit from IT Park licencees and others	<u>1,667.67</u>	1,583.44
Security deposit from exhibition organizers	<u>62.25</u>	69.45
	<u><u>2,326.26</u></u>	<u>2,227.37</u>
<b>6</b> Long term provisions		
Provision for compensation *	1,271.08	1,271.08
Provision for gratuity	<u>109.12</u>	99.41
Provision for leave encashment	<u>16.80</u>	14.72
	<u><u>1,397.00</u></u>	<u>1,385.21</u>
* There were no addition, utilization, reversal during the year		
<b>7</b> Trade payables (Refer note no.30)	<u><u>774.88</u></u>	<u>790.80</u>
<b>8</b> Other current liabilities		
Advance against orders	328.69	482.63
Advance from IT Park licencees and others	<u>78.87</u>	78.87
Advance from exhibition organizers	<u>1,624.75</u>	2,929.39
Security deposit from exhibition organizers	<u>76.22</u>	29.06
Unclaimed dividend	<u>60.34</u>	54.75
Salary/wages payable	<u>42.43</u>	20.69
Other liabilities *	<u>592.09</u>	376.64
	<u><u>2,803.39</u></u>	<u>3,972.03</u>
* Includes statutory dues, security deposits and advances.		
<b>9</b> Short term provisions		
Provision for tax (net of advance tax and TDS)	-	131.04
Proposed dividend	<u>493.22</u>	422.76
Tax on proposed dividend	<u>83.82</u>	70.22
Provision for gratuity	<u>7.52</u>	8.98
Provision for leave encashment	<u>0.60</u>	0.70
	<u><u>585.16</u></u>	<u>633.70</u>

**Notes Forming part of the Financial Statements**

**Note 10 - Fixed Assets**

Particulars	GROSS BLOCK*			DEPRECIATION / AMORTISATION			Net Block		
	As at 01-04-2012	Additions	Deductions/ Transfers	As at 31-03-2013	Upto 31-03-2012	For the year	Deduction/ Transfer	31-03-2013	As at 31-3-2012
<b>1. Tangible assets</b>									
Land Freehold Buildings	601.37 2,194.91	11,616.06	-	601.37 13,810.97	-	-	-	601.37 <b>12,057.58</b>	601.37 614.29
Buildings (Refer note 5)	23.33	-	-	23.33	1,580.62	172.77	-	<b>1,753.39</b>	5.03 5.30
Plant and machinery	3,161.01	314.03	-	3,475.04	18.03	0.27	-	<b>18.30</b>	2,188.04
Electrical installations	1,035.50	54.06	-	1,089.56	972.97	247.75	-	<b>2,254.32</b>	814.81
Pattern and mouldings	84.00	0.54	-	84.54	220.69	115.73	-	<b>336.42</b>	6.91
Furniture, fixture & office equipment	254.33	8.25	-	262.58	77.09	2.17	-	<b>79.26</b>	
Vehicles	262.85	110.29	95.20	277.94	205.10	12.50	-	<b>217.60</b>	44.98 49.23
Laboratory equipments	1.61	-	-	1.61	148.95	33.98	24.76	<b>158.17</b>	113.90
Total Tangible assets	7,618.91	12,103.23	95.20	<b>19,626.94</b>	3,224.90	585.19	24.76	<b>3,785.33</b>	<b>0.14</b> 0.16
<b>2. Intangible assets</b>								<b>15,841.61</b>	4,394.01
Technical Knowhow	23.92	-	-	23.92	23.92	-	-	<b>23.92</b>	-
Total Intangible assets	23.92	-	-	23.92	23.92	-	-	<b>23.92</b>	-
<b>3. Capital Work-in-progress</b>									
IT Building No.3.	10,186.86	1,097.08	11,283.94	-	-	-	-	-	10,186.86
IT Building No.4.	165.54	96.93	-	262.47	-	-	-	<b>262.47</b>	165.54
Hall No.3 - Goregaon	-	27.47	-	27.47	-	-	-	<b>27.47</b>	-
Indabratr Factory - Vishnoli	20.91	-	-	20.91	-	-	-	<b>20.91</b>	20.91
Indabratr R & D - Vishnoli	-	92.27	-	92.27	-	-	-	<b>92.27</b>	-
Total Capital Work-in-progress	10,373.31	1,313.75	11,283.94	<b>403.12</b>	-	-	-	<b>403.12</b>	10,373.31
Grand Total : (1+2+3)	18,016.14	13,416.98	11,379.14	<b>20,053.98</b>	3,248.82	585.19	24.76	<b>3,809.25</b>	<b>16,244.73</b>
Previous Year :	14,257.22	4,959.15	1,200.23	<b>18,016.14</b>	2,927.77	346.29	25.24	<b>3,248.82</b>	<b>14,767.32</b>

Notes :

1 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).

2 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.

3 Land Freehold includes Rs. 899,623/- in the name of Mr. Sumant J. Patel for which conveyance is yet to be completed.

4 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.

5 Building at Worli, Mumbai and is under subsidised housing scheme.

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	<b>As at 31 March 2013</b>		<b>As at 31 March 2012</b>	
<b>11 Non-current investments</b>				
<b><u>Investment in Equity instruments (Quoted, Trade)</u></b>				
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	<u>0.04</u>	0.04	<u>0.04</u>	0.04
<b><u>Investment in Equity instruments (Unquoted, Non Trade)</u></b>				
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	<u>2.25</u>	2.28	<u>2.25</u>	2.28
<b><u>Investments in Government or Trust securities (Unquoted, Trade)</u></b>				
10.Nos. 5 1/2 years Kisan Vikas Patra of the value of Rs.10,000 each pledge with BMC for connection (matured)	<u>1.00</u>		<u>1.00</u>	
	<u>3.32</u>		<u>3.32</u>	
Aggregate of quoted investments - Book Value	0.04		0.04	
Aggregate of quoted investments - Market Value	7.58		11.41	
Aggregate of unquoted investments - Book Value	3.28		3.28	
<b>12 Long term loans and advances</b>				
Deposit with public bodies	67.29		67.32	
Other loans and advances				
Advance Service Tax	<u>65.60</u>		<u>53.68</u>	
	<u>132.89</u>		<u>121.00</u>	
<b>13 Current investments</b>	<b>Face Value of the Unit Nos.</b>			
<b>Investment in mutual funds</b>	<b>₹</b>		<b>Nos.</b>	<b>₹</b>
<b>Fixed Maturity Plans</b>				
Baroda Pioneer 370 Day FMP - Series 1 - Growth	10	<b>2,000,000</b>	<b>200.00</b>	2,000,000
Baroda Pioneer FMP - Series B Plan B (378 Days) - Growth	10	<b>1,000,000</b>	<b>100.00</b>	-
Birla Sun Life FTP - Series DQ Growth	10	-	-	1,000,000
Birla Sun Life FTP - Series DS Growth	10	-	-	1,000,000
Birla Sun Life FTP - Series DY Growth	10	-	-	1,000,000
Birla Sun Life FTP - Series EA Growth	10	-	-	1,500,000
Birla Sun Life FTP - Series DO Growth	10	-	-	1,000,000
Birla Sun Life FTP - Series FD Growth	10	<b>3,000,000</b>	<b>300.00</b>	-

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	Face Value of the Unit	As at 31 March 2013 Nos.	₹	As at 31 March 2012 Nos.	₹
Birla Sun Life FTP - Series FH Growth	10	4,000,000	400.00	-	-
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	-	-
BNP Paribas Fixed Term Fund Series 23 B Growth	10	1,995,769	199.58	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	-	-
DSP BlackRock FMP - Series 38 - 12.5 M - Growth	10	1,000,000	100.00	1,000,000	100.00
DSP BlackRock FMP - Series 34 - 12 M - Growth	10	-	-	2,000,000	200.00
DSP BlackRock FMP - Series 32 - 12 M - Growth	10	-	-	2,000,000	200.00
DSP BlackRock FMP - Series 27 - 12 M - Growth	10	-	-	2,000,000	200.00
DSP BlackRock FMP - Series 18 - 12 M - Growth	10	-	-	1,000,000	100.00
DSP BlackRock FMP - 12M Series 21 - Growth	10	-	-	6,000,000	600.00
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	-	-
DWS Fixed Term Fund - Series 83 Growth	10	-	-	3,000,000	300.00
DWS Fixed Term Fund - Series 93 Growth	10	1,000,000	100.00	1,000,000	100.00
DWS Fixed Maturity Plan - Series 1 Growth	10	-	-	2,000,000	200.00
DWS Fixed Maturity Plan - Series 3 Growth	10	-	-	2,000,000	200.00
Fidelity FMP - Series 6 Plan C - Growth (L&T FMP)	10	-	-	1,000,000	100.00
Fidelity FMP - Series 6 Plan E - Growth (L&T FMP)	10	-	-	2,000,000	200.00
Fidelity FMP - Series 6 Plan F - Growth (L&T FMP)	10	-	-	3,000,000	300.00
HDFC Quarterly Interval Fund - Plan B Wholesale Div.	10	-	-	1,997,324	200.00
HDFC FMP 370D January 2012 (2) - Growth - Series XIX	10	-	-	2,000,000	200.00
HDFC FMP 370D February 2012 (1) - Growth - Series XIX	10	-	-	2,000,000	200.00
HDFC FMP 370D February 2012 (2) - Growth - Series XXI	10	-	-	2,000,000	200.00
HDFC FMP 370D December 2011 (1) - Growth - Series XIX	10	-	-	1,000,000	100.00
HDFC FMP 370D December 2011 (2) - Growth - Series XIX	10	-	-	1,000,000	100.00
HDFC FMP 370D December 2011 (3) - Growth - Series XIX	10	-	-	1,500,000	150.00
HDFC FMP 370D June 2011 (2) - Growth - Series XVIII	10	-	-	5,000,000	500.00
HDFC FMP 370D June 2011 (3) - Growth - Series XVIII	10	-	-	4,000,000	400.00
HDFC FMP 370D May 2011 (2) - Growth - Series XVIII	10	-	-	200,000	20.00
HDFC FMP 370D June 2011 (1) - Growth - Series XVIII	10	-	-	2,000,000	200.00
HDFC FMP 370D November 2011 (1) - Growth - Series XIX	10	-	-	1,000,000	100.00
HDFC FMP 370D November 2011 (2) - Growth - Series XIX	10	-	-	2,000,000	200.00
HDFC FMP 370D October 2011 (1) - Growth - Series XIX	10	-	-	3,000,000	300.00
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	-	-
ICICI Prudential FMP Series 54 - 1 Year Plan A - Cumulative	10	-	-	5,000,000	500.00
ICICI Prudential FMP Series 55 - 13 M Plan B - Cumulative	10	-	-	5,100,398	510.04
ICICI Prudential FMP Series 54 - 1 Year Plan A - Cum	10	-	-	5,027,148	502.71
ICICI Prudential Annual Interval Plan - II Inst. - Growth	10	-	-	723,024	100.00
ICICI Prudential Annual Interval Plan - III Inst. - Growth	10	-	-	922,254	100.00
ICICI Prudential Annual Interval Plan - IV Inst. - Growth	10	-	-	791,133	100.00
ICICI Prudential FMP Series 57 - 1 Year Plan A - Growth	10	-	-	250,000	25.00
ICICI Prudential FMP Series 60 - 18 M Plan G - Growth	10	1,000,000	100.00	1,000,000	100.00
ICICI Prudential FMP Series 60 - 1 Year Plan J - Growth	10	-	-	3,000,000	300.00

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	Face Value of the Unit	As at 31 March 2013 Nos.	₹	As at 31 March 2012 Nos.	₹
ICICI Prudential FMP Series 63 - 378 Days Plan I - Growth	10	1,000,000	100.00	1,000,000	100.00
IDFC FMP - Yearly Series 43 - Growth	10	-	-	5,000,000	500.00
IDFC FMP - Yearly Series 52 - Growth	10	-	-	2,000,000	200.00
IDFC FMP - Yearly Series 53 - Growth	10	-	-	1,500,000	150.00
IDFC FMP - Yearly Series 56 - Growth	10	-	-	1,000,000	100.00
IDFC FMP - 13 Months Series 7 - Growth	10	1,000,000	100.00	1,000,000	100.00
IDFC FMP - 13 Months Series 8 - Growth	10	1,000,000	100.00	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	-	-
L&T FMP - III (June 366DA) - Growth	10	-	-	2,000,000	200.00
L&T FMP - IV (September 367DA) - Growth	10	-	-	250,000	25.00
L&T FMP - V (March 395DA) - Growth	10	1,000,000	100.00	1,000,000	100.00
L&T FMP - VI (March 371DA) - Growth	10	2,000,000	200.00	2,000,000	200.00
L&T FMP - VI (May 371DA) - Growth	10	6,000,000	600.00	-	-
Reliance Dual Advantage Fixed Tenure Fund-Plan B - Div.	10	1,000,000	100.00	1,000,000	100.00
Reliance Dual Advant Fixed Tenure Fund-Plan I - Growth	10	-	-	1,000,000	100.00
Reliance Fixed Horizon Fund - XVII Series 7 - Growth	10	-	-	3,000,000	300.00
Reliance Fixed Horizon Fund - XXIII Series 5 - Direct Plan - Growth	10	980,477	98.05	-	-
Reliance Fixed Horizon Fund - XXII Series 10 - Growth	10	5,000,000	500.00	-	-
Religare FMP - Series VI - Plan C - 13 M - Growth	10	-	-	2,000,000	200.00
Religare FMP - Series VII - Plan C - (369 Days) - Growth	10	-	-	3,000,000	300.00
Religare FMP - Series XI - Plan A - (369 Days) - Growth	10	-	-	1,000,000	100.00
Religare FMP - Series XI - Plan E - (371 Days) - Growth	10	-	-	2,000,000	200.00
Religare FMP - Series XII - Plan A - (370 Days) - Growth	10	-	-	2,000,000	200.00
Religare FMP - Series XII - Plan E - (369 Days) - Growth	10	-	-	2,000,000	200.00
Religare FMP - Series XIV - Plan E - (370 Days) - Growth	10	3,000,000	300.00	-	-
Religare FMP - Series XVII - Plan D - (399 Days) - Direct	10	1,995,240	199.52	-	-
Religare FMP - Series XVIII - Plan B - (386 Days) - Direct	10	2,000,000	200.00	-	-
SBI Debt Fund Series - 367 Days - 12 - Growth	10	-	-	1,500,000	150.00
SBI Debt Fund Series - 367 Days - 13 - Growth	10	-	-	1,000,000	100.00
SBI Debt Fund Series - 367 Days - 16 - Growth	10	-	-	2,000,000	200.00
SBI Debt Fund Series - 13 Months - 13 - Growth	10	1,000,000	100.00	1,000,000	100.00
SBI Debt Fund Series - 366 Days - 8 - Growth	10	1,000,000	100.00	-	-
Sundaram Interval Fund Qly. Plan D - Inst. Dividend	10	-	-	1,000,000	100.00
Sundaram Fixed Term Plan - BK - 366 Days.- Growth	10	-	-	1,000,000	100.00
Sundaram Fixed Term Plan - BN - 366 Days.- Growth	10	-	-	1,000,000	100.00
Sundaram Fixed Term Plan - CL - 366 Days.- Growth	10	-	-	2,000,000	200.00
Sundaram Fixed Term Plan - CC - 366 Days.- Growth	10	-	-	1,086,469	108.65
Sundaram Fixed Term Plan - CD - 366 Days.- Growth	10	-	-	1,000,000	100.00
Sundaram Fixed Term Plan - CQ - 370 Days.- Growth	10	2,000,000	200.00	2,000,000	200.00
Sundaram Fixed Term Plan - BC - 366 Days.- Growth	10	-	-	5,000,000	500.00
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	-	-
TATA FMP Series 37 Scheme - C - Div.	10	-	-	2,000,000	200.00
TATA FMP Series 37 Scheme - D - Growth	10	-	-	1,000,000	100.00
TATA FMP Series 38 Scheme - D - Growth	10	-	-	1,500,000	150.00
TATA FMP Series 38 Scheme - I - Growth	10	-	-	3,000,000	300.00
TATA FMP Series 39 Scheme - E - Growth	10	-	-	2,500,000	250.00

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	Face Value of the Unit	As at 31 March 2013 Nos.	₹	As at 31 March 2012 Nos.	₹
TATA FMP Series 39 Scheme - G - Growth	10	1,000,000	100.00	1,000,000	100.00
TATA FMP Series 39 Scheme - H - Growth	10	1,000,000	100.00	1,000,000	100.00
TATA FMP Series 40 Scheme - A - Growth	10	2,000,000	200.00	2,000,000	200.00
TATA FMP Series 42 Scheme - C - Direct Plan - Growth	10	2,000,000	200.00	-	-
TATA FMP Series 42 Scheme - H - Direct Plan - Growth	10	1,000,000	100.00	-	-
UTI Fixed Term Income Fund Series IX - VI (368 Days) Growth	10	-	-	3,000,000	300.00
UTI Fixed Term Income Fund Series X - VIII (368 Days) Growth	10	-	-	2,000,000	200.00
UTI Fixed Income Interval Fund AIP IV - Inst. Growth	10	-	-	918,535	100.00
UTI Fixed Term Income Fund Series XI - III (368 Days) Growth	10	-	-	1,000,000	100.00
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	-	-
			<u>9,697.09</u>		<u>16,390.98</u>
<b>Debt funds - floating rate funds</b>					
Templeton Floating Rate Income Fund Super Inst.-					
DDR-Folio-17358608	10	6,637,982	665.17	12,537,361	1,256.32
Templeton Floating Rate Income Fund Retail-					
DDR-Folio-17358608	10	10,616	1.15		
			<u>666.32</u>		<u>1,256.32</u>
<b>Debt Funds - income funds</b>					
Birla Sun Life Income Plus - Growth - Regular Plan	10	860,317	450.00	-	-
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- Folio-328670	10	2,593,412	500.00	-	-
BNP Paribas Flexi Debt Fund - Direct Plan - Folio-343478	10	1,087,120	212.83	-	-
Templeton India Income Builder Account Plan A - Growth	10	1,554,490	600.00	-	-
HDFC Income Fund - Growth	10	4,335,587	1,150.00	-	-
ICICI Prudential Income Opportunities Fund - Reg. Plan - Growth	10	3,198,461	500.00	-	-
ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	10	2,491,512	400.00	-	-
IDFC Dynamic Bond Fund - Growth - Regular Plan	10	4,971,892	688.00	-	-
IDFC Dynamic Bond Fund - Growth - Direct Plan	10	2,142,633	300.00	-	-
Kotak Bond Scheme Plan A - Growth	10	4,040,682	1,350.00	-	-
L&T Triple Ace Bond Fund - Growth	10	666,041	200.00	-	-
L&T Income Opportunities Fund - Growth (Flexi Debt-IP-Growth)	10	1,618,215	200.00	-	-
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	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	510,687	75.00	-	-
Sundaram Bond Saver - Regular Growth	10	810,638	275.00	-	-
TATA Income Fund Plan A - Growth	10	1,124,810	400.00	-	-
UTI Bond Fund - Growth	10	571,430	200.00	-	-
UTI Credit Opportunities Fund - Growth	10	2,974,656	300.00	-	-
			<u>12,473.91</u>		<u>-</u>

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	Face Value of the Unit	As at 31 March 2013 Nos.	₹	As at 31 March 2012 Nos.	₹
<b>Debt funds - short term funds</b>					
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	-	-
Pine Bridge India Short Term Fund Standard Growth	10	14,650	200.00	-	-
Religare Short Term Fund - Growth	10	3,456,008	525.00	-	-
UTI Short Term Income Fund - Institutional - Direct Plan - Growth	10	715,635	100.00	-	-
UTI Short Term Income Fund - Institutional - Growth	10	6,941,414	921.68	-	-
			<b>2,461.68</b>		
<b>Debt funds - ultra short term bond funds</b>					
DWS Money Plus Fund - IP - Monthly - Div.	10	-	-	938,324	100.00
DWS Treasury Fund Investment - IP - DDR	10	-	-	4,914,598	493.51
DWS Ultra Short Term Fund Inst. - DDR	10	-	-	9,334,022	935.07
Templeton India Ultra Short Bond Fund - IP - DDR	10	-	-	4,937,015	494.25
UTI Treasury Advantage Fund - IP - DDR	10	-	-	60,186	601.99
			<b>-</b>		<b>2,624.82</b>
<b>Equity funds - balanced funds (Quoted)</b>					
<b>BALANCE FUNDS</b>					
HDFC Prudence Fund Div. - Folio-2147186/18	10	372,011	<b>124.00</b>	372,011	124.00
			<b>124.00</b>		<b>124.00</b>
<b>Equity funds</b>					
DSP BlackRock India TIGER Fund - Regular Plan - Div.	10	435,007	109.00	435,007	109.00
Franklin India Bluechip Fund Div. Folio No -14237536	10	83,777	41.11	83,777	41.11
Franklin India Flexi Cap Fund Div. Folio No.-14237536	10	203,234	40.00	203,234	40.00
Franklin India Prima Fund Div. Folio No. - 14237536	10	32,226	22.08	32,226	22.08
Franklin India Flexi Cap Fund Div. Folio No.-16299820	10	71,185	12.50	71,185	12.50
HDFC Top 200 Fund - Dividend Folio No. - 3764039/41	10	53,424	27.50	53,424	27.50
Reliance Diversified Power Sector Fund - Dividend Plan	10	95,107	50.00	95,107	50.00
Reliance Growth Fund - Dividend Plan	10	78,033	50.00	78,033	50.00
Reliance Vision Fund - Dividend Plan	10	118,216	65.00	118,216	65.00
			<b>417.19</b>		<b>417.19</b>
<b>Equity funds - MIP funds</b>					
Birla Sun Life MIP II - Savings 5 Plan - Monthly Div. Regular Plan	10	-	-	882,293	100.00
Reliance MIP - Dividend Plan	10	-	-	884,572	100.00
			<b>-</b>		<b>200.00</b>
<b>Current investments</b>					
Fixed Maturity Plans			<b>9,697.09</b>		16,390.98
Debt funds - floating rate funds			<b>666.32</b>		1,256.32
Debt Funds - income funds			<b>12,473.91</b>		-
Debt funds - short term funds			<b>2,461.68</b>		-
Debt funds - ultra short term bond funds			<b>-</b>		2,624.82
Equity funds - balanced funds (Quoted)			<b>124.00</b>		124.00
Equity funds			<b>417.19</b>		417.19
Equity funds - MIP funds			<b>-</b>		200.00
		<b>Total:</b>	<b>25,840.18</b>		<b>21,013.30</b>
Aggregate of quoted investments - Market Value			<b>26,738.86</b>		<b>21,510.88</b>

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
<b>14 Inventories</b>		
Raw Materials	190.30	241.28
Work-in-progress	288.82	194.17
Stores and spares	4.75	5.78
	<u>483.87</u>	<u>441.23</u>
<b>15 Trade Receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	379.18	429.83
Less: Provision for doubtful debts	—	379.18
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	586.37	382.49
Less: Provision for doubtful debts	—	586.37
	<u>965.55</u>	<u>382.49</u>
	<u>965.55</u>	<u>812.31</u>
<b>16 Cash and Bank Balances</b>		
Cash and cash equivalents		
Balances with banks - Current Account*	187.56	328.80
- Deposits with more than 12 months maturity	25.96	95.74
Cash on hand	0.13	0.30
	<u>213.65</u>	<u>424.84</u>
* Balance with banks in current account includes Unclaimed Dividend Rs. 60.34 (previous year Rs. 54.61)		
<b>17 Short-term loans and advances</b>		
Loans and advances*	39.70	41.25
Advance against capital expenditure	—	2.42
Balance with Central Excise	3.02	14.72
Deposits	22.75	19.34
Advance Tax (Net of Provision)	87.82	0.00
Others #	648.09	441.78
	<u>801.38</u>	<u>519.51</u>
* Loans and advances includes Rs.8.68 (previous year Rs.10.74) to employees and Rs. Nil (previous year Rs.0.49) due from NSE Housing & Investment Pvt Ltd in which some of the Directors are interested as Directors		
# Includes advance to sundry creditors of Rs.456.79 Lacs and advance recoverable in cash or kind or value to be received of Rs. 191.31 Lacs		
<b>18 Other Current Assets</b>		
Other Receivable	26.50	3.78
	<u>26.50</u>	<u>3.78</u>

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	<b>Year ended 31 March 2013</b>	<b>Year ended 31 March 2012</b>
<b>19 Revenue from Operations (Gross)</b>		
A. Bombay Exhibition Centre and IT Park:		
Bombay Exhibition Centre (TDS ₹ 822.08) (P.Y. ₹ 793.66)	<b>9,052.04</b>	7,629.75
IT Park (TDS ₹ 284.23) (P.Y. ₹ 248.90)	<u>2,785.79</u>	<u>11,837.83</u>
B. Industrial Capital Goods Division:		
Sales of Machines & Spares	<b>2,549.95</b>	2,598.51
Less: Excise Duty	<u>260.89</u>	<u>232.21</u>
Net Sales	<b>2,289.06</b>	2,366.30
C. Other Operating Revenues		
Engineering Fees, services & other charges		
Gross (TDS ₹ 5.70) (P.Y. ₹ 3.18)	<b>219.19</b>	130.66
	<b><u>14,346.08</u></b>	<u>12,798.26</u>
<b>20 Other Income:</b>		
A. Interest		
Interest others	<b>12.05</b>	8.69
Interest on Bank FD (TDS ₹ 0.62) (P.Y. ₹ 5.04)	<u>6.17</u>	<u>18.22</u>
B. Income from Investments		
Dividend on current Investments	<b>382.99</b>	530.03
Profit on sale of Shares	<b>4.21</b>	-
Profit on redemption of Mutual Fund	<u>1,374.61</u>	<u>1,761.81</u>
C. Profit on sale of Assets		
	<b>11.07</b>	10.14
D. Bad Debts w/off Now Recovered		
	-	37.15
E. Sundry Creditors/liabilities written back	<b>94.83</b>	-
F. Brokerage (TDS ₹ 3.45) (P.Y. ₹ 1.05)	<b>34.48</b>	10.55
G. Other Income	<b>7.89</b>	5.67
	<b><u>1,928.30</u></b>	<u>1,149.11</u>
<b>21 Cost of Materials Consumed</b>		
Opening Stock	<b>241.28</b>	148.02
Add: Purchases and Expenses	<u>1,155.07</u>	<u>1,396.35</u>
Less: Closing Stock	<u>190.30</u>	<u>241.28</u>
	<b><u>1,206.05</u></b>	<u>1,120.41</u>
<b>22 Changes in Inventories of finished goods and work-in-progress</b>		
Opening Stock		
Finished Goods	-	-
Semi-finished Goods	<b>194.17</b>	<b>194.17</b>
Less: Closing Stock		
Finished Goods	-	-
Semi-finished Goods	<b>288.82</b>	<b>288.82</b>
	<u>-94.65</u>	<u>194.17</u>
	<b><u>288.82</u></b>	<u>109.48</u>

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	<b>Year ended 31 March 2013</b>	Year ended 31 March 2012
<b>23 Employee Benefits expenses</b>		
Salary, Wages and Allowances	<b>552.19</b>	525.35
Contribution to Provident and other funds	<b>32.73</b>	34.65
Gratuity	<b>20.84</b>	24.31
Staff welfare expenses	<b>53.67</b>	32.83
	<b>659.43</b>	617.14
<b>24 Finance Cost</b>		
Interest expense	<b>56.40</b>	124.79
Bank charges & guarantee commission	<b>13.01</b>	8.58
Interest on others	<b>2.31</b>	3.78
	<b>71.72</b>	137.15
<b>25 Depreciation and Amortisation Expense</b>		
Depreciation and Amortisation	<b>585.19</b>	346.29
Less: Transfer from Revaluation Reserve	<b>2.42</b>	4.64
	<b>582.77</b>	341.65
<b>26 Manufacturing and other expenses</b>		
<b>26.1 Manufacturing expenses</b>		
Stores and spares consumed	<b>87.98</b>	40.60
Power and fuel	<b>193.09</b>	121.49
Erection & fabrication charges	<b>290.81</b>	247.58
	<b>571.88</b>	409.67
<b>26.2 Administrative, Selling and General Expenses</b>		
Printing, Stationery, Postage, Telephones	<b>50.14</b>	61.14
Rent	<b>7.00</b>	6.04
Rates, Taxes, Water charges & Service Tax	<b>219.70</b>	125.10
Advertisement, Sales Promotion and Subscription	<b>31.84</b>	17.36
Insurance	<b>27.09</b>	11.28
BMC charges	<b>1.53</b>	5.28
Repairs and maintenance of :		
- Buildings & Property	<b>630.40</b>	400.89
- Plant & Machinery	-	0.32
- Other Assets	<b>5.67</b>	<b>636.07</b>
		<b>39.50</b>
		440.71
Export expenses	<b>7.78</b>	0.72
Exchange loss	<b>1.82</b>	1.65
Motor car expenses	<b>11.45</b>	9.94
Travelling and conveyance expenses	<b>94.08</b>	96.65
Auditor's Remuneration:		
-Audit Fees	<b>6.25</b>	6.25
-Certification work	<b>1.60</b>	1.70

**Notes Forming part of the Financial Statements**

( ₹ in lacs)

	<b>Year ended 31 March 2013</b>	<b>Year ended 31 March 2012</b>
- Out of pocket expenses	-	7.85
Legal & professional fees	177.56	164.59
Donations	198.15	76.21
Managerial remuneration	360.00	300.00
Bad debts / sundry balance written off	6.78	148.67
Security charges	45.15	35.54
Compensation	2.71	0.00
Miscellaneous expenses	23.14	18.23
	<b><u>1,909.84</u></b>	<b><u>1,527.11</u></b>
	<b><u>2,481.72</u></b>	<b><u>1,936.78</u></b>

**27 Earnings per share:**

Particulars	<b>2012-2013</b>	<b>2011-2012</b>
	₹	₹
a) Profit after tax (₹ in lacs)	8,168.56	6,733.53
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 (₹)	57.97	47.78

**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.
	(vi)	K S Patel Finance & Investments Pvt. Ltd.
Key management personnel	(i)	Mr. Suman J. Patel
	(ii)	Mrs. Sudha S. Patel
	(iii)	Mr. Krishna S. Patel

(b) Related party transactions:

Particulars	<b>2012-2013</b>	<b>2011-2012</b>
	₹	₹
Rent received		
- Chandler & Price (I) Pvt. Ltd.	60,000	60,000
Rent paid		
- J V Patel & Co.	-	24,000
Brokerage received		
- KSP Finance & Investments Pvt.Ltd.	3,447,938	1,054,655
Remuneration, perquisites, commission paid		
- Mr. Suman J Patel	27,136,902	24,955,507
- Krishna S Patel	8,623,098	4,894,493
Payable		
- Chandler & Price (I) Pvt. Ltd.	-	731,215

## Notes Forming part of the Financial Statements

Particulars	2012-2013	2011-2012
	₹	₹
- JV Patel & Co.	-	96,361
Receivable		
- NSE Housing & Invest. Pvt. Ltd.	-	49,422
- JVP Industrial Training Institute	-	98,000
- J V Patel Charitable Trust	-	90,000

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

a. Gratuity (unfunded)

	2012-2013	2011-2012
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	10,839,000	9,542,000
Interest cost	816,741	717,989
Service cost	949,366	803,685
Benefit paid	(1,259,485)	(1,134,263)
Actuarial (gain) loss on obligations	318,378	909,589
PBO at the end of the year	11,664,000	10,839,000
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	1,259,485	1,134,263
Benefit paid	(1,259,485)	(1,134,263)
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	11,664,000	10,839,000
Fair value of plan assets	-	-
Difference	11,664,000	10,839,000
Unrecognised actuarial gain (losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	11,664,000	10,839,000
V) Net periodic cost:		
Current service cost	949,366	803,685
Interest cost	816,741	717,989
Expected return on plan assets	-	-
Net actuarial (gain) loss recognised in the year	318,378	909,589
Expenses recognised in the income statement	2,084,485	2,431,263
VI) Movements in the liability recognised in the balance sheet:		
Opening net liability	10,839,000	9,542,000

## Notes Forming part of the Financial Statements

	2012-2013	2011-2012
Expense as above	2,084,485	2,431,263
Contributions paid	(1,259,485)	(1,134,263)
Closing net liability	11,664,000	10,839,000

### b. Leave Encashment (unfunded)

	2012-2013	2011-2012
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	1,542,000	1,401,000
Interest cost	112,190	99,998
Service cost	359,490	355,077
Benefit paid	(279,259)	(302,060)
Actuarial (gain) loss on obligations	5,579	(12,015)
PBO at the end of the year	1,740,000	1,542,000
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	279,259	302,060
Benefit paid	(279,259)	(302,060)
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	1,740,000	1,542,000
Fair value of plan assets	-	-
Difference	1,740,000	1,542,000
Unrecognised actuarial gain (losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	1,740,000	1,542,000
V) Net periodic cost:		
Current service cost	359,490	355,077
Interest cost	112,190	99,998
Expected return on plan assets	-	-
Net actuarial (gain) loss recognised in the year	5,579	(12,015)
Expenses recognised in the income statement	477,259	443,060
VI) Movements in the liability recognised in the balance sheet:		
Opening net liability	1,542,000	1,401,000
Expense as above	477,259	443,060
Contributions paid	279,259	302,060
Closing net liability	1,740,000	1,542,000

## Notes Forming part of the Financial Statements

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, 2013 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.

### 31 Segment information

(₹ in lacs)

<b>Revenue by industry segment</b>	<b>2012-2013</b>	<b>2011-2012</b>
Bombay Exhibition Centre/IT Park	13,652.91	11,394.50
Industrial capital goods	26,21.47	2,552.86
<b>Total</b>	<b>16,274.38</b>	<b>13,947.37</b>
Less: Inter- segment revenue	-	-
<b>Net revenue from operations</b>	<b>16,274.38</b>	<b>13,947.37</b>
<b>Segment profit before tax and finance cost</b>		
Bombay Exhibition Centre/IT Park	10,995.34	9,577.79
Industrial capital goods	443.72	244.12
<b>Total operating profit before tax</b>	<b>11,439.06</b>	<b>9,821.91</b>

### 32 Contingent Liabilities and Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 10,328,791/- (previous year - ₹ 147,131,198/-) against which an advance of ₹ 7,200,352/- (Previous year ₹ Nil) has been paid.
- Claims against the company contested at various courts amounting to ₹ 1,631.48 lakhs (previous year ₹ 1,631.48 lakhs) against which the company has provided ₹ 1,271.08 lakhs (previous year ₹ 1,271.08 lakhs) as ascertained by management and as advised by advocates and counsels.
- Income-tax demand disputed by the company ₹ 152.82 lacs
- Counter guarantees given by the company to banks in respect of:
  - Indian Bank Guarantees given by bank on company's behalf ₹ 38,766,338/- (Previous year ₹ 42,031,090/-)
  - Foreign Bank Guarantees given by bank on company's behalf US \$3,400.00 (Previous year US \$3,400.00).

### 33 Particulars in respect of Sales and Material Consumed: Karamsad/Vishnoli Division

Sr. No.	Particular	2012-2013		2011-2012	
		₹	₹	₹	₹
A	Details of major consumption items:				
	Steel	548.12		497.17	
	Casting	176.39		135.58	
	Electric Motors	85.01		80.33	
	Bearings	45.09		48.37	
	Miscellaneous	439.41		399.57	
			<u>1,294.02</u>		<u>1,161.02</u>
B	Details of consumption of imported and indigenous items:				
	Raw Material & Components				
	Imported	0.49%	5.95	-	-
	Indigenous	99.51%	1,200.09	100.00%	1,120.42
		<u>100.00%</u>	<u>1,206.04</u>	<u>100.00%</u>	<u>1,120.42</u>
	Stores, Spares & Tools				
	Imported	-	-	-	-
	Indigenous	100.00%	87.98	100.00%	40.60
		<u>100.00%</u>	<u>87.98</u>	<u>100.00%</u>	<u>40.60</u>

- 34 Income tax assessments are completed up to the assessment year 2010-2011. 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:

Sr. No.	Particular	2012-2013 ₹	2011-2012 ₹
A	Earning in Foreign exchange i) F.O.B. value of exports ii) Other income	8,627,761 4,969,467	10,226,391 -
B	Value of Imports on CIF BASIS i) Raw Materials (including Components) ii) Capital Goods	595,101 7,395,016	- 11,114,765
C	Remittances or expenditure in foreign Currency i) Travelling ii) Membership & subscription iii) Others	215,570 285,089 -	81,671 84,600 82,514

- 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

Ashish Shah  
Partner  
Membership No. 103750  
FRN. 109430W  
Mumbai, 25 May 2013

For and on behalf of the Board

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

Mumbai, 25 May 2013

# Nesco Limited

Regd. Office : Nesco Complex, Western Express Highway, Goregaon (East), Mumbai - 400 063.

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Attendance Slips on request.

NAME & ADDRESS OF THE SHAREHOLDER

REGD. FOLIO/DPID & CLIENT ID. NO. ....

### NO. OF SHARES HELD :

I hereby record my presence at the 54th ANNUAL GENERAL MEETING of the Company held on Thursday, 8 August 2013 at 3.00 pm at 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

### SIGNATURE OF THE SHAREHOLDER / PROXY \*

\* Strike out whichever is not applicable.

# Nesco Limited

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

## PROXY FORM

REGD. FOLIO/DPID & CLIENT ID. NO. ....

I/We .....  
of ..... being a member / members of Nesco Limited holding shares nos .....  
..... on the Register of the shareholders of the Company do hereby appoint  
..... of ..... or failing him / her  
..... of ..... as my/our proxy to vote for me/us and  
on my/our behalf at the 54th ANNUAL GENERAL MEETING of the Company held on Thursday, 8 August 2013 at 3.00 pm and at any adjournment thereof. As witness my/our hand(s) this .....

..... day of ..... 2013.

Affix a  
Revenue  
Stamp

Signed by the said .....

No instrument of proxy shall be valid unless in the case of an individual shareholder it is signed by him or by his attorney duly authorized in writing, or in the case of joint holders, it is signed by the shareholder's first named in the Register or his attorney duly authorized in writing, or in the case of a Company it is executed under its common seal, if any, or signed by its attorney duly authorised in writing.

Provided that an instrument of proxy shall be sufficiently signed by any shareholder, who is, for any reason, unable to write his name, if his mark is affixed thereto and attested by a Judge, Magistrate, Justice of Peace , Registrar or Sub-Registrar of Assurances, or other Government Gazetted Officer.

The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

## 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**  
**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 : \_\_\_\_\_



English Medium School at Karamsad, Gujarat built by Nesco Group



Architect elevation of proposed IT Building 4



Bombay Exhibition Centre



New Research & Development Facility At Vishnoli Complex, Gujarat

***BOOK - POST***

To,

If undelivered please return to :

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