



NOTICE

The 51st annual general meeting of Nesco Limited will be held at the registered office of the Company at Nesco Complex, Western Express Highway, Goregaon (E), Mumbai-400 063 on Thursday, 9 September 2010 at 03.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet as at 31 March 2010 and the profit and loss account for the year as on that date together with the report of the Board of Directors and auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Dr. Ram S Tarneja, who retires by rotation & being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. K S Srinivasa Murty, who retires by rotation & being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting & to fix their remuneration.

Mumbai, 11 August 2010

By order of the Board of Directors

Nesco Complex,
W. E. Highway, Goregaon (East),
Mumbai 400 063

Suman Patel
Chairman & Managing Director

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.
2. The instrument of proxy, duly completed, should be lodged at the registered office of the Company not less than forty-eight hours before the commencement of the annual general meeting.
3. The register of members and share transfer book of the Company will remain closed from 2 September 2010 to 9 September 2010 (both days inclusive).
4. All correspondence regarding shares of the Company should be addressed to the Company's Registrar and Transfer Agents, Sharex Dynamic (India) Pvt. Ltd. (**Unit: Nesco Limited**) at Unit No. 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072.
5. Members are requested to bring their copy of the annual report to the meeting.

ANNEXURE TO THE NOTICE

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

Name of the Director	Dr Ram S Tarneja	Mr. K S Srinivasa Murty
Date of birth	07.02.1931	04.09.1943
Date of appointment	21.04.1976	20.01.2005
Qualification	M.A., Ph.D	M.Tech IIT
Directorship held in Indian public Companies as on 31.03.2010	12	--
Committee positions held in Indian public Companies as on 31.03.2010	07	--
Number of shares held in the Company	NIL	NIL

Directors' Report

Your Directors present their 51st annual report together with the audited statement of accounts for the year ended 31 March 2010.

1. Financial Results :

	2009 - 10 <hr/> Rs.	2008 - 09 <hr/> Rs.
Income	1,198,196,927	946,913,649
Profit before tax	787,277,164	460,777,730
Provision for tax	225,000,000	145,000,000
Net Profit	550,084,657	328,030,027
Balance brought forward	5,000,000	5,000,000
Amount available for appropriations	554,767,877	333,992,292
 Appropriations:		
i) Dividend	10,568,994	8,455,195
ii) Tax on Proposed Dividend	1,755,510	1,436,960
iii) Transfer to General Reserve	537,443,373	319,100,137
Surplus carried forward to Profit & Loss Account	5,000,000	5,000,000

2. Bonus Issue:

It has been our Company's policy to enhance shareholder value. Shareholders will recollect that Company had made a 1:1 bonus issue in 2006. In view of the improved performance, the Directors had, in the 29 May 2010 Board meeting, again recommended a 1:1 bonus issue. Authorized share capital of the Company to be increased from Rs. 7,50,00,000 to Rs. 15,00,00,000. Due to recent introduction of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company was required to complete all formalities within two months from the date of passing of the board resolution. Accordingly the Company had the resolutions for issue of bonus shares and increase in authorized capital approved by postal ballot and the bonus shares were listed effective from 29 July 2010.

3. Dividend:

Your Directors, in the Board meeting held on 11 August 2010 have recommended a dividend of 15%, Rs. 1.50 per equity share (previous year 12%, Rs. 1.20 per equity share), on the increased capital of 14,091,992 equity shares of Rs. 10/- each, amounting to Rs. 21,137,988 (previous year Rs. 8,455,195). In the annual accounts, the Company has made provision for dividend amount of Rs. 10,568,994 and tax on proposed dividend of Rs. 17,55,510, the balance dividend amount of Rs.10,568,994 and the balance tax on proposed dividend of Rs. 17,55,510 will be given effect in the financial year 2010-2011.

4. Management Discussion and Analysis:

i) Overview

During the year Company achieved a turnover of Rs.1,198,196,927 as compared to Rs.946,913,649 in previous year an increase of 26%. The PBT was Rs. 787,277,164 as compared to Rs. 460,777,730 in previous year, an increase of 71%. Earnings per share amounted to Rs.79 (previous year Rs.47). The Company's reserves increased from Rs.1,038,022,585 to Rs.1,574,900,517.

ii) **Divisional Performance**

During the year 2009-10, Company's all business groups were profitable.

	Invoicing	
	<u>2009 - 10</u>	<u>2008 - 09</u>
	Rs.	Rs.
Services Group:		
Bombay Convention & Exhibition Centre, Nesco IT Park and Realty Group	769,978,340	571,375,972
Industrial Capital Goods Group:		
Indabrator	248,305,826	279,608,347
Income from Investments & Other Income	179,912,761	95,929,330
Total	1,198,196,927	946,913,649

a) **Bombay Convention & Exhibition Centre**

Bombay Convention & Exhibition Centre income was Rs.540,429,225 compared to Rs.349,615,729 in the previous year, an increase of 54%.

New organizers who hosted their convention & exhibitions at our Convention & Exhibition Centre in 2009-10 include: Messe Nurnberg; Business India Exhibitions; Orbitz Exhibitions and others. For the year 2010-11 new customers will include Messe Munich; Bangkok Exhibition Services; Diversified Communications; Arc Light Events; Electronics Today; Indian Aviation; Infomedia 18; and several others, including those focusing on power & renewable energy.

During the year, the Company spent Rs.42,869,185 (previous year Rs.53,126,909) on repairs, modernization and upgradation of the four convention & exhibition centre halls covering an area of over 4,50,000 sq. ft.

b) **Nesco IT Park and Realty Division**

Income from IT Park and Realty Division increased from Rs.221,760,243 to Rs.229,549,115.

As regards IT Building no.3 admeasuring about 800,000 sq., construction is under way. So far the Company has spent Rs.442,384,347 on this project.

c) **Indabrator - Industrial Capital Goods Group**

Income was Rs.248,305,826 as compared to Rs.279,608,347 in previous year. Large value of finished/semi finished goods could not be dispatched due to constraints faced by our customers. Due to economic slowdown, several corporates had deferred or cancelled their plans for capital investments. Now, with the economy improving, orders inflow is improving.

d) **Income from Investments**

Income from investments and other income was Rs.179,912,761 (previous year Rs.95,929,330).

iii) **Future Outlook**

2008-09 was a year in which the world went through economic upheavals, affecting growth, demand and new investments. Now the Indian economy is back on growth path.

As a result, our Convention & Exhibition Centre was the first to benefit, its revenues increasing by 54%. We expect revenues to also grow in 2010-11.

Nesco IT Park expects increase in revenues in 2011-12 once the IT building no.3 is completed.

In a slow down, capital goods are the first to be affected and last to pick up. Now, the new order inflow for Indibrator has started improving, we expect Indibrator to increase revenue this year.

Company was able to improve management of its funds, as a result there was a good increase in the investment income. As interest rates have gone down, investment income may not show significant growth.

5. Finance:

Your Company had no debt as on 31 March 2010.

Company's liquid resources (FDs, FMPs, Debt MFs, etc) increased to Rs.1,358,883,404 from Rs.1,232,004,368. General reserves increased from Rs. 1,038,022,585 to Rs.1,574,900,517.

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 collective 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 the Company and covers all the 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 goal are: no accidents, no harm to people and no damage to environment. The health and medical services are accessible to all employees through well equipped occupational health centers at all manufacturing facilities. 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. Personnel:

Employee relations during the year were cordial and stable.

The Directors appreciate the contributions, dedication and commitment of all employees of Company in achieving the 2009-2010 results.

9. **Listing:**

The Company's equity shares are traded both on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited (BSE).

10. **Directors:**

Dr. Ram S Tarneja and Mr. K. S. 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. There are no other changes in the Board of Directors of the Company.

11. **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 31.03.2010 and of the profit of the Company for the year ended on the 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.

12. **Corporate Governance:**

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

13. **CSR:**

Nesco group continued to increase its activities in the rural social sector. Schools are being assisted to expand & modernise; and students from needy families are being given scholarships. Proposals are under consideration to set up new schools in rural areas. For these activities a separate CSR group has been set up.

14. Auditors:

M/s 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.

15. Conversion of energy, technology absorption, foreign exchange earning 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.

16. Particulars of Employees :

As required under sub-section (2A) of section 217 of the Companies Act, 1956 read with Companies (particular of employees) rules, 1975, the name and other particulars are set out in the schedule 13 note 11A(a).

17. Acknowledgment:

Directors wish to express their appreciation for the assistance and co-operation received from the shareholders, employees and all other stakeholders of the Company.

For and on behalf of the Board of Directors

Mumbai, 11 August 2010

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

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, Joint Managing and Executive Directors. There are five non executive, 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 2010 are as follows:

Name of the Director	Executive/Non Executive/ Independent /Alternate	No. of outside Directorship in Public Limited Companies *	Membership held in Committee of Directors #	Chairmanship held in Committee of Directors ##
Mr. Sumant J. Patel	Promoter / Executive	---	---	---
Dr. Ram S. Tarneja	Non Executive & Independent	11	06	03
Mr. Bharat V. Patel	Non Executive & Independent	04	03	01
Mr. K. S. Srinivasa Murty	Non Executive & Independent	---	---	---
Mr. Mahendra K. Chouhan	Non Executive & Independent	---	---	---
Mrs. Sudha S. Patel	Promoter / Executive	---	---	---
Mr. Mohan Parikh	Non Executive & Independent	---	---	---
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, Shareholders / Investors Grievance Committee and Remuneration Committee of Directors only.

This does not include Membership / Chairmanship in Committee 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 01.04.2009 to 31.03.2010 as well as attendance of Directors at the Board and the last AGM are given here below:

Number of Board Meeting held during financial year 2008-2009			
Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1	27.06.2009	4	30.10.2009
2	31.07.2009	5	29.01.2010
3	14.09.2009		

Attendance of each Director at the last Annual General Meeting is as under :-

Name of Director	Number of board meeting Attended	Whether attended Last AGM held on 14.09.2009
Mr. Suman Patel	05	Yes
Dr. Ram S.Tarneja	04	Yes
Mr. Bharat V. Patel	02	Yes
Mr. K. S. Srinivasa Murty	05	Yes
Mr. Mahendra K. Chouhan	05	Yes
Mrs. Sudha S.Patel	05	Yes
Mr. Mohan Parikh	05	Yes
Mr. Krishna S Patel	05	Yes

Remuneration of Directors: Sitting fees, perquisites and commission:

(in Rs.)

Name of Directors	Designation	Sitting fees	Salary	Perquisites and allowance	Commission	Total
Mr. Sumant Patel	Chairman & Managing Director	N.A.	2,400,000	809,578	24,193,898	27,403,476
Dr Ram S Tarneja	Director	40,000	N.A	N.A	N.A	40,000
Mr. Bharat V Patel	Director	20,000	N.A	N.A	N.A	20,000
Mr. K S Srinivasa Murty	Director	50,000	N.A	N.A	N.A	50,000
Mr. Mahendra K Chouhan	Director	50,000	N.A	N.A	N.A	50,000
Mrs. Sudha S Patel	Jt. Managing Director	N.A.	N.A	N.A	N.A	N.A
Mr. Mohan P Parikh	Director	50,000	N.A	N.A	N.A	50,000
Mr. Krishna S Patel	Executive Director	N.A.	1,200,000	409,104	N.A.	1,609,104
Total		210,000	3,600,000	1,218,682	24,193,898	29,222,580

BOARD COMMITTEES:

The Board has constituted three committees i.e. Audit Committee, Shareholders/Investors Grievances Committee and Remuneration Committee.

Audit Committee:

I **Composition**

Sr. no.	Name of the Member	
A	Mr. Mohan Parikh	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
27.06.2009
31.07.2009
30.10.2009
29.01.2010

II **Scope of Audit Committee:**

The terms of 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. Mohan Parikh	Chairman
B	Dr. Ram S Tarneja	Member
C	Mr. Mahendra K. Chouhan	Member

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.

The Company has not paid any remuneration or commission to Smt Sudha Patel (Jt. Managing Director) since she has waived the same.

The sitting fees payable to the non executive Directors are Rs. 10,000 for each meeting attended by them.

Shareholders / Investors Grievance Committee:**I. Composition :**

Sr. no.	Name of the Member	
A	Mrs. Sudha S. Patel	Chairman
B	Mr. Mohan Parekh	Member
C	Mr. K. S. Srinivasa Murty	Member

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

Date of Investors Grievance Committee
27.06.2009
31.07.2009
30.10.2009
29.01.2010

II Scope of Shareholders/Investors Grievance 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.

Annual Report 2009 - 2010

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 Investors 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. However, there are 01 pending legal case, in respect of which name of the Company is included only to facilitate execution of the court order.

(III) Compliance Officer:

Mr. Suresh Kadge 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	85
b.	Average No. of Transfer per month	07
c.	Number of Share Transferred	17920

(V) Demat/Remat of Shares:

Details of shares dematerialized/rematerialized during the year under review are given below:

Particulars	
Number of demat transfer approved	164
Number of sub-committee meeting held	---
Number of shares demated	41809
Number of remat requests approved	NIL
Number of share remated	NIL

(VI) Details of complaints received and redressed during the year 2009-10:

Sr. No.	Particulars	Received	Redressed	Pending as on
1.	Non receipt of divided warrants	4	4	NIL
2.	Non receipt of share certificates	3	3	NIL
3.	Others - Non Receipt of Bonus	2	2	NIL
4.	Non receipt of annual report	7	7	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
2006-2007	48 th	Nesco Complex, W. E. Highway, Goregaon (E), Mumbai	30.07.2007	04.00 P.M.
2007-2008	49 th	Nesco Complex, W. E. Highway, Goregaon (E), Mumbai	05.09.2008	02.30 P.M.
2008-2009	50 th	Nesco Complex, W. E. Highway, Goregaon (E), Mumbai	14.09.2009	11.30 A.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 Vice President 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.nescoltd.co.in.

8. General Shareholders information :

1.	Annual General Meeting	The 51st Annual General Meeting will be held on Thursday, 09 September 2010 at 03.00 p.m. at Nesco Complex, W. E. Highway, Goregaon (E), Mumbai 400063.
2.	Financial Calendar	Financial Calendar for 2010-2011 Financial Year: 1st April, 2010 to 31st March, 2011 First Quarterly Result: On or before 14th August 2010

		<p>Second Quarterly Result: On or before 15th November 2010</p> <p>Third Quarterly Result: On or before 15th February 2011</p> <p>Fourth Quarterly Result: On or before 15th May, 2011</p>
3.	Date of Book Closure	Thursday 02, September 2010 to Thursday 09 September, 2010 (both days inclusive)
4.	Dividend Payment Date	30 September, 2010
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.</p> <p>The National Stock Exchange of India Ltd. (NSE), 5th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai: 400051.</p>
6.	Demat ISIN in NSDL and CDSL for Equity Shares	INE 317F01027

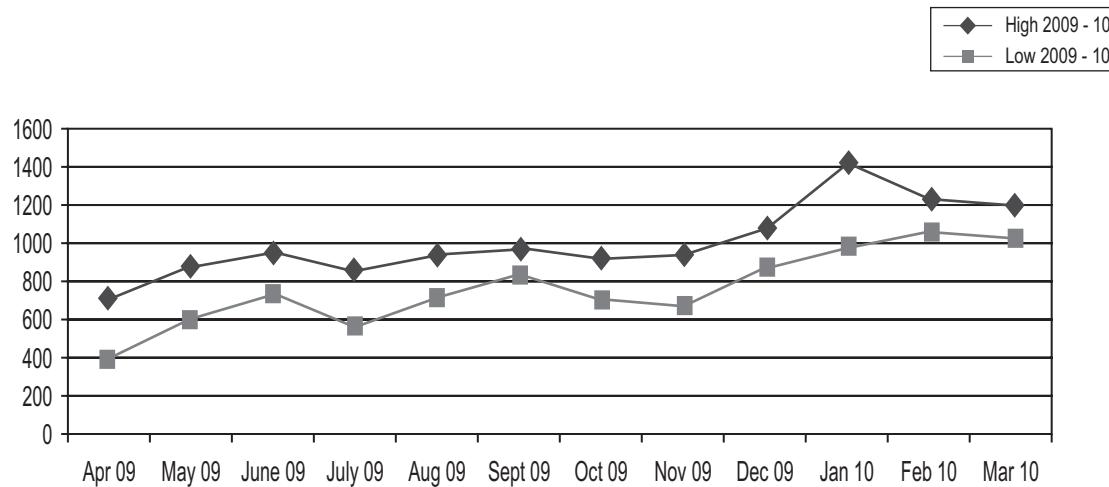
The Company hereby confirms that the Company has paid annual listing fees to both the exchanges and there is no outstanding payment towards the exchanges as on date.

8.1. Stock market data

Monthly high and low prices of equity shares of the company quoted at Bombay Stock Exchange, Mumbai during the year 2009-2010

Month	High	Low
April 2009	700.00	385.35
May 2009	865.00	590.00
June 2009	949.90	731.10
July 2009	845.00	560.00
August 2009	934.00	710.00
September 2009	970.00	828.25
October 2009	910.00	701.20
November 2009	935.00	661.00
December 2009	1070.00	870.00
January 2010	1420.00	975.05
February 2010	1222.50	1051.55
March 2010	1187.00	1020.00

The above prices are depicted in the Chart given below:



Price as on 31 May 2010 was Rs. 1300.05

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

For the convenience of investors the transfer documents and letters will also be accepted at the following branch of Sharex Dynamic (India) Pvt Ltd.

Sharex Dynamic (India) Pvt Ltd.,
17/B, Dena Bank Building,
2nd Floor,
Horniman Circle,
Fort
Mumbai- 400001
Tel: 91 22 2270 2485 / 22641349 Fax: 91 22 2264 1349

8.2 Share Transfer System

Company on receipt of share transfer/transmission/ request processes the same and returns the share certificate within a period of 15 to 20 days from the date of receipt.

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed with 20 days from the date of receipt.

8.3 Categories of shareholding as on 31 March 2010

	Category	no. of shares held	% of shareholding
A	Promoter(s) holding		
1.	Promoter(s)		
	- Indian promoters	4371558	62.043
	- Foreign promoters	—	—
	Sub-total	4371558	62.043
B	Non-promoters holding		
2.	Institutional investors	—	—
A.	Mutual funds and UTI	—	—
B.	Banks, financial inst, insurance companies (central / state govt. Inst/non-government inst)	222508	3.157
C.	FII(s)	114283	1.622
	Sub-total	336791	4.779
3.	Others		
A.	Private corporate bodies	614860	8.726
B.	Indian public	1702351	24.16
C.	NRIS / OCBS	18774	0.266
D.	Any other (foreign-companies) Clearing members	1662	0.024
	Sub-total	2337647	33.176
	Grand total	7045996	100%

Distribution of shareholding as on 31.03.2010 is as follows:

SHARE	NO OF HOLDERS	(%) OF HOLDERS	TOTAL SHARES	% OF SH/DB
UPTO TO 100	11645	80.39	300312	4.26
101 TO 200	1161	8.02	189564	2.69
201 TO 500	962	6.64	322404	4.58
501 TO 1000	380	2.62	270025	3.83
1001 TO 5000	282	1.95	588448	8.35
5001 TO 10000	15	0.10	103220	1.46
10001 TO 100000	26	0.18	691311	9.81
100001 TO ABOVE	14	0.10	4580712	65.01
TOTAL	14485	100.00	7045996	100.00

8.4 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.nescoltd.co.in.

8.5 Secretarial 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.

8.6 Plant Locations:

Nesco Limited
Nesco Complex,
W.E. Highway,
Goregaon (E), Mumbai 400 063.

Anand Sojitra Road,
Karamsad,
Gujarat.

Nadiad Khambat Road,
Vishnoli
Gujarat

8.7 Investors Correspondence

Nesco Limited
Nesco Complex
W.E.Highway, Goregaon (E),
Mumbai 400 063
Phone: 66450123

R & T Agent

Sharex Dynamic (India) Pvt. Ltd.,
Unit No.1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai-400 072
Phone No. :28515606/28515644
E-mail: sharexindia@vsnl.com

Any Query on Annual Report:

Secretarial Dept,
Nesco Limited,
Nesco Complex
W. E. Highway,
Goregaon (E),
Mumbai 400 063
Phone: 66450123

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 31st March 2010 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 Shareholders/Investors 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**

**(Hemendra N. Shah)
Partner
Membership No. 8152
FRN. 109430W**

Mumbai, 11 August 2010


Annual Report 2009 - 2010
BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	Rupees	As at 31-03-2010	As at 31-03-2009
		Rupees	Rupees	Rupees
SOURCES OF FUNDS				
1. Shareholders' Funds:				
a) Share Capital	1	70,459,960		70,459,960
b) Reserves & Surplus	2	1,574,900,517	1,645,360,477	1,038,022,585
2. Loan Funds:				
Secured	3		-	168,242,680
3. Deferred Tax liability (Refer Note No. 9 in schedule 13)			9,719,329	7,353,282
T O T A L :-			1,655,079,806	1,284,078,507
APPLICATION OF FUNDS:				
1. Fixed Assets:	4			
a. Gross Block		565,927,540		623,634,198
b. Less: Depreciation		269,711,504		304,690,431
c. Net Block			296,216,036	318,943,767
d. Capital Work in Progress			330,818,262	28,640,857
2. Investments	5		1,336,834,382	1,105,635,223
3. Current Assets, Loans & Advances	6			
a. Interest accrued on Investments		124,385		3,779,485
b. Inventories		34,061,032		51,961,385
c. Sundry Debtors		140,330,629		95,304,296
d. Other receivables		2,273,661		2,019,253
e. Cash & Bank Balances		22,049,022		126,369,145
f. Loans and Advances		750,954,924		579,140,685
		949,793,653		858,574,249
Less: Current Liabilities & Provision	7	1,258,582,527		1,037,542,045
Net Current Assets			(308,788,874)	(178,967,796)
4. Miscellaneous Expenditure (To the extent not written off or adjusted)	8			
T O T A L :-			1,655,079,806	1,284,078,507
Notes on Accounts :	13			

As per our report of even date

For Shah & Co.

Chartered Accountants

Hemendra N. Shah

Partner

Membership No.8152

FRN. 109430W

Mumbai, 29 May 2010

For and on behalf of the Board

Suman Patel Chairman & Mg. Director

Bharat Patel Director

K S Srinivasa Murty Director

Sudha Patel Jt. Mg. Director

Krishna Patel Executive Director

Mohan Parikh Director

Mumbai, 29 May 2010


Annual Report 2009 - 2010
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Rupees	As at 31-03-2010	As at 31-03-2009
		Rupees	Rupees	Rupees
INCOME:				
Sales, Services & Other Income	9		<u>1,198,196,927</u>	<u>946,913,649</u>
EXPENDITURE:				
Manufacturing & Establishment Exps	10		<u>194,395,527</u>	<u>238,950,350</u>
Administrative, Selling & General Exps	11		<u>180,854,070</u>	<u>209,784,184</u>
Interest	12		<u>12,805,216</u>	<u>16,222,837</u>
T O T A L :-			<u><u>388,054,813</u></u>	<u><u>464,957,371</u></u>
Profit before Depreciation & Taxation			<u>810,142,114</u>	<u>481,956,278</u>
Depreciation		<u>23,430,392</u>	21,803,000	
Less: Transferred from Revaluation Reserve		<u>565,442</u>	<u>22,864,950</u>	<u>624,452</u>
Profit for the year before Tax			<u>787,277,164</u>	<u>460,777,730</u>
Less: Provision for Current Tax			<u>225,000,000</u>	<u>145,000,000</u>
Provision for Deferred Tax (Refer Note No. 9 in Schedule 13)			<u>2,366,047</u>	<u>(8,128,511)</u>
Fringe Benefit Tax			<u>-</u>	<u>900,000</u>
Profit After Tax before Prior period items			<u>559,911,117</u>	<u>323,006,241</u>
Add/(Less) Prior period items				<u>14,850,247</u>
Profit after Prior period items			<u>559,911,117</u>	<u>337,856,488</u>
Less: Deferred Revenue Expenditure written off			<u>9,826,460</u>	<u>9,826,461</u>
Net Profit for the year			<u>550,084,657</u>	<u>328,030,027</u>
Add: Balance brought forward from previous year			<u>5,000,000</u>	<u>5,000,000</u>
Excess/(short) Provision of Income Tax write back			<u>(316,780)</u>	<u>962,265</u>
Profit available for Appropriation			<u>554,767,877</u>	<u>333,992,292</u>
Proposed dividend			<u>10,568,994</u>	<u>8,455,195</u>
Tax on Proposed Dividend			<u>1,755,510</u>	<u>1,436,960</u>
Transferred to General Reserve			<u>537,443,373</u>	<u>319,100,137</u>
Balance carried to Schedule			<u>5,000,000</u>	<u>5,000,000</u>
Earning per share basic and diluted (Refer note no. 10 in schedule 13)			<u>78</u>	<u>47</u>
Notes on Accounts	13			

As per our report of even date

For Shah & Co.

Chartered Accountants

Hemendra N. Shah

Partner

Membership No.8152

FRN. 109430W

Mumbai, 29 May 2010

For and on behalf of the Board

Suman Patel Chairman & Mg. Director

Bharat Patel Director

K S Srinivasa Murty Director

Sudha Patel Jt. Mg. Director

Krishna Patel Executive Director

Mohan Parikh Director

Mumbai, 29 May 2010

**SCHEDULES '1' TO '13' ANNEXED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2010**

Schedule 1	As at 31-03-2010		As at 31-03-2009	
	Rupees	Rupees	Rupees	Rupees
SHARE CAPITAL				
Authorised:				
72,50,000 Equity Shares of Rs.10/- each		72,500,000		72,500,000
250,000 11% Cumulative Redeemable Preference shares of Rs.10/- each (Free of Company's tax; but subject to deduction of tax at source)		2,500,000		2,500,000
T O T A L :-		<u>75,000,000</u>		<u>75,000,000</u>
Issued:				
70,46,186 Equity Shares of Rs.10/- each.		70,461,860		70,461,860
T O T A L :-		<u>70,461,860</u>		<u>70,461,860</u>
Subscribed & Called up :				
70,45,996 Equity Shares of Rs.10/- each, fully paid up		70,459,960		70,459,960
T O T A L :-		<u>70,459,960</u>		<u>70,459,960</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 Indibrator Ltd. respectively with the company. And 43,37,438 equity shares were issued as bonus shares, by capitalisation of reserves of Rs. 428,74,380 and share premium account Rs.500,000/-.

SCHEDULES TO THE BALANCE SHEET

Schedule 2	As at 31-03-2010		As at 31-03-2009	
	Rupees	Rupees	Rupees	Rupees
RESERVES AND SURPLUS				
Capital Reserve				
on revaluation of certain assets as per last Balance Sheet	66,023,836		66,648,288	
Less: Amount Transferred to Profit & Loss A/c	565,442		624,452	
		65,458,394		66,023,836
Preference Shares Redemption Reserve:				
As per last Balance Sheet		956,000		956,000
Cash subsidy received from Govt. of Gujarat		2,500,000		2,500,000
General Reserve				
As per last balance sheet	963,542,750		644,442,613	
Transferred from Profit &Loss Account	537,443,373	1,500,986,123	319,100,137	963,542,749
Profit & Loss Account		5,000,000		5,000,000
T O T A L :-		1,574,900,517		1,038,022,585
<hr/> Schedule 3 <hr/>				
SECURED LOANS				
FROM BANKS:				
HDFC Bank Ltd. (Over draft facility against lien over Debt Mutual Funds)		NIL		137,231,998
Axis Bank Ltd. (Cash credit facility against Hypothecation of all Current Assets both present and future except already encumbered vehicles, mortgage of immovable property situated at Goregaon, Mumbai and personal guarantees of Mg. Director, Jt. Mg. Director and Executive Director.)		NIL		31,010,682
T O T A L :-		NIL		168,242,680

SCHEDULE '4'

FIXED ASSETS		GROSS BLOCK*			DEPRECIATION			Net Block as at			
Sr No	Particulars	As at 01-04-2009	Additions	Deductions/ Transfers	As at 31-03-2010	Up to 31-03-2009	For the year	Deduction/ Transfer	Upto 31-03-2010	31-03-2010	31-3-2009
1	Land Freehold	60,136,988	-	-	60,136,988	-	-	-	-	60,136,988	60,136,988
2	Buildings	219,490,937	-	-	219,490,937	135,561,429	8,297,959	-	143,859,388	75,631,549	83,929,508
3	Buildings at Worli (under Subsidised Housing Scheme)	2,333,224	-	-	2,333,224	1,714,300	30,946	-	1,745,246	587,978	618,924
4	Plant & Machinery	265,180,846	-	58,409,318	206,771,528	122,459,400	9,065,486	58,409,319	73,115,567	133,655,961	142,721,446
5	Electrical Installations	24,557,263	-	-	24,557,263	11,042,846	1,225,067	-	12,289,350	12,289,350	13,514,417
6	Pattern & Mouldings	7,600,499	-	-	7,600,499	7,476,640	37,157	-	7,513,797	86,702	123,859
7	Furniture, Fixture & Office Equipments	22,989,645	-	-	23,692,305	15,129,154	2,177,770	-	17,306,924	6,385,381	7,860,491
8	Vehicles	18,791,632	-	-	18,791,632	8,777,422	2,592,679	-	11,370,101	7,421,531	10,014,210
9	Technical Knowhow	2,392,126	-	-	2,392,126	2,392,126	-	-	2,392,126	-	-
10	Laboratory Equipments	161,038	-	-	161,038	137,114	3,328	-	140,442	20,595	23,924
Total Rupees		623,634,198	702,660	58,409,318	565,927,540	304,690,431	23,430,392	58,409,319	269,711,504	296,216,036	318,943,767
11	Capital WIP-IT Bldg.No.3.	28,228,687	300,498,149	-	328,726,836	-	-	-	-	328,726,836	28,228,687
	Vishnoli Project	412,170	1,679,256	-	2,091,426	-	-	-	-	2,091,426	412,170
	Grand Total-Rupees	652,275,055	302,880,065	58,409,318	896,745,802	304,690,431	23,430,392	58,409,319	269,711,504	627,034,297	347,584,623
	Previous Year Rupees :-	602,356,218	80,102,029	30,183,192	652,275,055	283,504,964	21,803,001	617,532	304,690,431	347,584,623	

Notes :

1 Gross Block : Plant & Machinery and Electrical Installation at net value after deducting depreciation upto 31.3.1960 and thereafter at cost/book value (less sales) and other assets at book value.

2 Depreciation : (a) Depreciation on Plant& Machinery and Electrical Installation have been provided on straight line basis and on other assets on written down value basis.

(b) Depreciation on Technical Know how amortised @ 1/6 p.a.

(c) Assets valuing Rs. 5,000/- or less has been depreciated at 100% in respect of both divisions.

3 Land-Freehold includes Rs. 8,99,623/- in the name of Mr. Sumant J Patel for which conveyance is yet to be completed.

4 Building at Karamsad unit are on lease hold land: Lease for a period of 55 years from 12th December 1973 with no provision for renewals. The buildings are being depreciated at 10% per annum on diminishing balance on the assumption that the lease will be renewed.

Schedule 5

INVESTMENTS (AT COST)	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
I. Fixed Maturity Plans		
Fortis FTP Series 13 Plan B Inst. Growth (Nil) (Previous Year 500000) Units of Rs. 10/- Each	-	5,000,000
Fortis FTP Series 13 Plan B Regular Growth (Nil) (Previous Year 500000) Units of Rs. 10/- Each	-	5,000,000
DSP BlackRock FMP - 12 M Series 3 - Regular Growth (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
DSP BlackRock FMP - 12 M Series 2 - Institutional Growth (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
DWS Fixed Term Fund Series 54 - FMP Institutional Growth (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Franklin Templeton Fixed Horizon Fund Series IX Plan C (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Franklin Templeton F Horizon F Series XI P C 367D Tenure (Nil) (Previous Year 3000000) Units of Rs. 10/- Each	-	30,000,000
Franklin Templeton Fixed Horizon Fund Series IX Plan D (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Franklin Templeton Fixed Horizon Fund Series VIII Plan A (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
HDFC Fixed Maturity Plan 370D August 2008 (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
ICICI Prudential FMP Series 49 - 1 Year Plan B Inst. Growth (5000000) (Previous Year Nil) Units of Rs. 10/- Each	50,000,000	-
ICICI Prudential FMP Series 49 - 1 Year Plan A Inst. Growth (2000000) (Previous Year Nil) Units of Rs. 10/- Each	20,000,000	-
ICICI Prudential FMP Series 47 (1 Year) Plan B - Retail (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
ICICI Prudential FMP Series 47 (1 Year) Plan B - Institutional (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
IDFC FMP Yearly Series 26 (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Kotak FMP 12M Series 8 (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Kotak FMP 12M Series 9 Retail - Growth (Nil) (Previous Year 1500000) Units of Rs. 10/- Each	-	15,000,000
LIC FMP 36 Series 14 Months Div (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
LIC FMP 43 (13 Months) Series (Nil) (Previous Year 2000000) Units of Rs. 10/- Each	-	20,000,000
LIC FMP Series 42 - 13 Months (D) (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
LIC MF Interval Fund Series 1-Annual Growth Plan (1000000) (Previous Year 1000000) Units of Rs. 10/- Each	10,000,000	10,000,000
Religare FMP 375 Days Series XIV - Inst. Growth (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Religare FMP 375 Days Series XV - Inst. Growth (Nil) (Previous Year 500000) Units of Rs. 10/- Each	-	5,000,000
Religare FMP 375 Days Series XV - Regular Growth (Nil) (Previous Year 500000) Units of Rs. 10/- Each	-	5,000,000


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INVESTMENTS (AT COST)	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
Reliance Fixed Horizon Fund IX Series 2-15 Mths - G (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Reliance Fixed Horizon Fund - X Series 1 Growth (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Reliance Fixed Horizon Fund - X Series 2 Growth (Nil) (Previous Year 5000000) Units of Rs. 10/- Each	-	50,000,000
Reliance Fixed Horizon Fund - X Series 3 Dividend (Nil) (Previous Year 4000000) Units of Rs. 10/- Each	-	40,000,000
SBI Debt Fund Series - 13 Mths - 8 - Retail Growth (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
SBI MF DFS - 370 Days - 2 Retail Growth (Nil) (Previous Year 5000000) Units of Rs. 10/- Each	-	50,000,000
Sundaram BNP Fixed Term Plan K Inst. - Growth (Nil) (Previous Year 250000) Units of Rs. 10/- Each	-	2,500,000
Sundaram BNP Fixed Term Plan K Retail - Growth (Nil) (Previous Year 250000) Units of Rs. 10/- Each	-	2,500,000
Sundaram BNP Paribas Fixed Term Plan Series 16 Inst. Div. (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Sundaram BNP Paribas FTP - Plan P (367 Days)-Ret - Div. (2000000) (Previous Year Nil) Units of Rs. 10/- Each	20,000,000	-
TATA Fixed Horizon Fund Series 18 Scheme C (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
TATA FMP Series 25 Scheme - A - Retail Invest.Plan - G (2000000) (Previous Year Nil) Units of Rs. 10/- Each	20,000,000	-
UTI Fixed Income Interval Fund-AIP Series- I - Dividend (2000000) (Previous Year Nil) Units of Rs. 10/- Each	20,000,000	-
UTI Fixed Income Interval Fund-AIP Series - I - Growth (837647.216) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-
UTI Fixed Maturity Plan Yearly Series - Sept. 09 - Dividend (5000000) (Previous Year Nil) Units of Rs. 10/- Each	50,000,000	-
TOTAL	200,000,000	430,000,000

II. DEBT FUNDS
A. INCOME FUNDS

Birla Income Plus Fund - Dividend Qrtly (Nil) (Previous Year 1278966.844) Units of Rs. 10/- Each	-	15,000,000
Birla Sunlife Income Fund-Plan C - Div Qrtly (2147590.444) (Previous Year 3136211.14) Units of Rs. 10/- Each	25,500,000	35,500,000
Birla Sunlife Dynamic Bond Fund - Retail - Monthly Div (1933347.942) (Previous Year 1933347.942) Units of Rs. 10/- Each	20,000,000	20,000,000
Birla Sunlife Dynamic Bond Fund - Retail - Growth (Nil) (Previous Year 706444.184) Units of Rs. 10/- Each	-	10,000,000
HDFC Income Fund - Dividend (3783502.474) (Previous Year 1050888.729) Units of Rs. 10/- Each	41,627,865	11,627,865
ICICI Prudential Income Fund-Div.Qrtly-Folio-3692700/76 (5440542.102) (Previous Year 5454784.461) Units of Rs. 10/- Each	71,100,000	71,100,000
ICICI Prudential Income Fund-Div.Qrtly-Folio-876025/43 (844639.992) (Previous Year 844639.992) Units of Rs. 10/- Each	11,000,000	11,000,000
IDFC SSIF Medium Term Plan A- Monthly Divdend (2948692.746) (Previous Year Nil) Units of Rs. 10/- Each	30,000,000	-


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INVESTMENTS (AT COST)	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
IDFC SSIF Short Term-Monthly Div-Folio No.1005367/17 (5723960.088) (Previous Year Nil) Units of Rs.10/- Each	57,334,860	-
IDFC SSIF Short Term-Monthly Div.-Folio No.796554/30 (9882079.949) (Previous Year 3895120.000) Units of Rs.10/- Each	99,864,124	39,364,124
IDFC SSIF ST - Plan B - Monthly Dividend (3057668.226) (Previous Year 998233.128) Units of Rs.10/- Each	30,700,000	10,000,000
ING Income Fund - Institutional - Qty Dividend (Nil) (Previous Year 1965872.454) Units of Rs.10/- Each	-	20,000,000
ING Income Fund - Regular - Qty Dividend (Nil) (Previous Year 494969.312) Units of Rs.10/- Each	-	5,500,000
Reliance Income Fund Retail Plan Monthly Dividend (4387116.621) (Previous Year 1479435.495) Units of Rs.10/- Each	45,550,000	15,550,000
Reliance Income Fund - Retail Plan - Qrtly Div. (1394151.466) (Previous Year 1394151.466) Units of Rs.10/- Each	20,200,000	20,200,000
Reliance Regular Savings Fund Debt-Growth (4145663.127) (Previous Year Nil) Units of Rs.10/- Each	50,000,000	-
Reliance Regular Savings Fund Debt-Inst. Div. (2463088.033) (Previous Year Nil) Units of Rs.10/- Each	30,000,000	-
Reliance Regular Savings Fund Debt-Inst. Growth (1199213.316) (Previous Year Nil) Units of Rs.10/- Each	15,000,000	-
TOTAL	547,876,849	284,841,989

B. LIQUID FUNDS

DSP BlackRock Liquidity Fund - Regular Plan - Growth (Nil) (Previous Year 4568.695) Units of Rs.10/- Each	-	83,796
HDFC Cash Management Fund Saving Plan Growth (Nil) (Previous Year 7211.853) Units of Rs.10/- Each	-	113,047
TOTAL	196,843	

C. SHORT TERM FUNDS

DWS Short Maturity Fund - Inst. Div. - Weekly (980040.382) (Previous Year Nil) Units of Rs.10/- Each	10,214,456	-
Franklin Life Stage for 50's Plus (Nil) (Previous Year 207668.793) Units of Rs.10/- Each	-	2,500,000
Franklin Templeton India Short Term Income-Weekly Div. (28098.467) (Previous Year 10580.433) Units of Rs.10/- Each	30,272,190	11,448,892
Franklin Templeton India Short Term Income Plan Monthly (Nil) (Previous Year 27656.988) Units of Rs.10/- Each	-	30,000,000
HDFC Short Term Fund -Growth - Folio No.5966375/91 (908672.713) (Previous Year Nil) Units of Rs.10/- Each	16,000,000	-
HDFC Short Term Fund Growth - Folio No.5968948/35 (2327720.310) (Previous Year Nil) Units of Rs.10/- Each	41,000,000	-
HDFC Short Term Fund Div. - Folio No.5968948/35 (3069805.966) (Previous Year Nil) Units of Rs.10/- Each	31,813,286	-
ICICI Prudential Short Term Plan DF - Reinvest (4059414.111) (Previous Year 3858116.125) Units of Rs.10/- Each	47,910,469	45,536,928
ICICI Prudential Ins. STIP -DF- Folio No.876025/43 (853125.413) (Previous Year Nil) Units of Rs.10/- Each	10,267,010	-
ICICI Pru Short Term Fund-Inst.-DF-Folio No.4612185/10 (1698157.489) (Previous Year Nil) Units of Rs.10/- Each	20,482,200	-


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INVESTMENTS (AT COST)	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
Reliance Short Term Fund - Dividend Payout (1881490.205) (Previous Year Nil) Units of Rs.10/- Each	20,037,683	-
Reliance Short Term Fund Div. Qrtly (Nil) (Previous Year 1524587.790) Units of Rs.10/- Each	-	20,000,000
Reliance Short Term Fund - Retail Plan - Dividend Plan (7289095.050) (Previous Year 2823246.679) Units of Rs.10/- Each	77,500,000	30,000,000
Templeton India STIP Weekly Dividend - RE-16250082 (10675.725) (Previous Year Nil) Units of Rs.10/- Each	11,471,168	-
Templeton India STIP Weekly Dividend - RE-17191032 (31575.148) (Previous Year Nil) Units of Rs.10/- Each	33,912,567	-
Templeton India STIP Weekly Dividend - RE-17358608 (19215.412) (Previous Year Nil) Units of Rs.10/- Each	20,638,294	-
ICICI Prudential Short Term-Dividend - RE-4612183/16 (3592101.343) (Previous Year Nil) Units of Rs.10/- Each	43,406,962	-
TOTAL	414,926,283	139,485,820

Total for Debt Funds	962,803,132	424,524,652
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III. EQUITY FUNDS

A. BALANCE FUNDS

DSP BlackRock Balance Fund - Dividend (404058.791) (Previous Year 404058.791) Units of Rs.10/- Each	10,000,000	10,000,000
HDFC Prudence Fund Div. - Folio-2147186/18 (372010.901) (Previous Year 747200.097) Units of Rs.10/- Each	12,400,000	22,575,599
HDFC Prudence Fund Div. - Folio-5968948/35 (229380.345) (Previous Year Nil) Units of Rs.10/- Each	7,000,000	-
Kotak Balance Fund - Dividend (255198.656) (Previous Year 714441.132) Units of Rs.10/- Each	7,500,000	17,500,000
SBI Magnum Balance Fund - Dividend (222524.580) (Previous Year 222524.580) Units of Rs.10/- Each	7,500,000	7,500,000
SBI Magnum Balance Fund - Growth (Nil) (Previous Year 101740.635) Units of Rs.10/- Each	-	5,000,000
TATA Balance Fund (148279.367) (Previous Year 148279.367) Units of Rs.10/- Each	7,500,000	7,500,000
TOTAL	51,900,000	70,075,599

B. EQUITY FUNDS

DSP BlackRock Equity Fund - Regular Plan - Dividend (153428.793) (Previous Year 360882.023) Units of Rs.10/- Each	7,800,000	15,508,962
DSP BlackRock India TIGER Fund - Regular Plan - Div (460243.174) (Previous Year 460243.174) Units of Rs.10/- Each	11,400,000	11,400,000
DSP BlackRock India Tiger Fund - Regular Plan - Growth (Nil) (Previous Year 14132.278) Units of Rs.10/- Each	-	600,000
DSP BlackRock World Gold Fund - Regular Plan - Div (Nil) (Previous Year 174071.676) Units of Rs.10/- Each	-	2,500,000
Fidelity India Special Situations Fund - Div. (Nil) (Previous Year 147736.674) Units of Rs.10/- Each	-	2,500,000
Franklin India Templeton Bluechip Fund (83777.088) (Previous Year 165932.855) Units of Rs.10/- Each	4,111,055	6,611,055


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INVESTMENTS (AT COST)	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
Franklin India Templeton Flexi Cap Fund Folio-14237536 (203234.350) (Previous Year 274418.860) Units of Rs.10/- Each	4,000,000	5,250,000
Franklin India Templeton Flexi Cap Fund Folio-16299820 (71184.510) (Previous Year Nil) Units of Rs.10/- Each	1,250,000	-
Franklin India Templeton High Growth Companies Fund (Nil) (Previous Year 202155.789) Units of Rs.10/- Each	-	2,500,000
Franklin India Templeton Prima Fund (32225.678) (Previous Year 32225.678) Units of Rs.10/- Each	2,207,946	2,207,946
HDFC Equity Fund - Dividend (38776.222) (Previous Year 183686.897) Units of Rs.10/- Each	2,000,000	7,240,949
HDFC Top 200 Fund - Dividend (53424.446) (Previous Year 150899.795) Units of Rs.10/- Each	2,750,000	6,500,000
HSBC Equity Fund - Dividend (79606.988 units) (Previous Year 79606.988) Units of Rs.10/- Each	3,500,000	3,500,000
ICICI Prudential Infrastructure Fund (188959.124) (Previous Year 173277.869) Units of Rs.10/- Each	3,506,474	3,333,196
JM Basic Fund - Dividend (83630.780) (Previous Year 83630.780) Units of Rs.10/- Each	2,500,000	2,500,000
Reliance Banking Fund Dividend Plan - Div. (231152.029) (Previous Year 280924.708) Units of Rs.10/- Each	7,000,000	7,500,000
Reliance Diversified Power Sector Fund - Div. (95107.046) (Previous Year 163073.596) Units of Rs.10/- Each	5,000,000	7,500,000
Reliance Growth Fund Dividend (78033.174) (Previous Year 180378.419) Units of Rs.10/- Each	5,000,000	10,000,000
Reliance Vision Fund (118215.901) (Previous Year 165021.424) Units of Rs.10/- Each	6,500,000	8,500,000
SBI Magnum Global Fund (Nil) (Previous Year 151194.436) Units of Rs.10/- Each	-	5,000,000
Sundram Select Midcap Fund (309158.025) (Previous Year 309158.025) Units of Rs.10/- Each	5,500,000	5,500,000
UTI Services Industries Fund - Dividend Plan - Payout (186361.202) (Previous Year 186361.202) Units of Rs.10/- Each	6,556,634	6,556,634
TOTAL	80,582,109	122,708,742

C. MIP FUNDS

Birla Sunlife MIP II Saving 5 - Monthly Divi. (882293.257) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
Birla Sunlife MIP - Qtly.- Dividend (Nil) (Previous Year 214750.803) Units of Rs.10/- Each	-	2,500,000
Franklin Templeton India MIP (Nil) (Previous Year 211643.795) Units of Rs.10/- Each	-	2,500,000
HDFC MIP Long Term Plan Quarterly Dividend (Nil) (Previous Year 1103074.418) Units of Rs.10/- Each	-	12,734,367
HSBC MIP Savings Fund - Dividend (Nil) (Previous Year 298013.795) Units of Rs.10/- Each	-	3,500,000
ICICI Prudential Income Multiplier Fund (680886.226) (Previous Year 1117210.644) Units of Rs.10/- Each	8,250,000	13,250,000
Kotak Income Plus Dividend (839047.479) (Previous Year 839047.479) Units of Rs.10/- Each	9,000,000	9,000,000
Principal MIP - Dividend Payout Quarterly (Nil) (Previous Year 210216.523) Units of Rs.10/- Each	-	2,500,000


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INVESTMENTS (AT COST)	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
Reliance MIP - Dividend Plan (884572.177) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
TOTAL	37,250,000	45,984,367
Total for Equity Funds	169,732,109	238,768,707
IV - EQUITIES		
A - EQUITY SHARES (QUOTED)		
Nil (Previous Year 15,000) Equity Shares Of Rs.10/- Each, Fully Paid Up of Astral Poly Tech	-	2,011,471
Nil (Previous Year 3,400) Equity Shares Of Rs.10/- Each, Fully Paid Up of Bombay Dyeing & Mfg Co. Ltd	-	1,449,249
Nil (Previous Year 500) Equity Shares Of Rs.10/- Each, Fully Paid Up of HDFC Bank Ltd	-	585,627
Nil (Previous Year 500) Equity Shares Of Rs.2/- Each, Fully Paid Up of Larsen & Toubro Ltd	-	568,081
13,000 (Previous Year 13,000) Equity Shares Of Rs.10/- Each, Fully Paid Up of Phoenix Lamps Ltd (Formally known as Halonix Ltd)	1,605,323	1,605,323
7,299 (Previous Year 7,500) Equity Shares Of Rs.10/- Each, Fully Paid Up of Precision Wires India Ltd	867,472	894,756
Nil (Previous Year 500) 500 Bonus Equity Shares Of Rs.10/- Each, Fully Paid Up of Reliance Industries Ltd	-	150,062
12,500 (Previous Year 12,500) Equity Shares Of Rs.10/- Each, Fully Paid Up of Sarla Performance Fibers Ltd	1,494,388	1,494,388
Nil (Previous Year 23,500) Equity Shares Of Rs.1/- Each, Fully Paid Up of Sundram Fasteners	-	539,392
Nil (Previous Year 4,400) Equity Shares Of Rs.10/- Each, Fully Paid Up of Swaraj Engines	-	858,181
Nil (Previous Year 3,000) Equity Shares Of Rs.10/- Each, Fully Paid Up of Trent Ltd	-	1,853,375
370 (Previous Year 370 OF Rs.10/- each) Equity Shares of Rs.2/- Each, Fully Paid Up of Larsen & Toubro Ltd	148	148
59 (Previous Year 59) Equity Shares Of Rs.10/- Each, Fully Paid Up of Ultra Tech Cement Ltd	410	410
450 (Previous Year 450) Equity Shares Of Rs.10/- Each, Fully Paid Up of Greaves Cotton Ltd	3,600	3,600
TOTAL	3,971,341	12,014,063
B. EQUITY SHARES (UNQUOTED)		
2250 (Previous Year 2250) Equity Shares of face value of Rs. 100 each of NSE Housing & Investment Pvt Ltd	225,000	225,000
Total of Equity Shares (Quoted & Unquoted)	4,196,341	12,239,063


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INVESTMENTS (AT COST)	As at 31.3.2010	As at 31.3.2009
	Rupees	Rupees
V. GOVERNMENT SECURITIES (UNQUOTED)		
10.Nos. 5 1/2 years Kisan Vikas Patra of the value of Rs. 10,000 each pledge with BMC for connection (matured)	100,000	100,000
VI. IN EQUITY SHARES (UNQUOTED)		
5 Shares of The Karamsad Urban Co-op Bank of the face value of Rs. 10/- each, fully paid up	50	50
7 Shares (Including 2 bonus Shares of Charotar Nagrik Sahakari Bank Ltd. Of the face value of Rs. 50/- each fully paid up)	250	250
5 shares of Charotar Gas Sahakari Mandali of the face value of Rs. 500 each, fully paid up	2,500	2,500
TOTAL	2,800	2,800
 INVESTMENTS (AT COST)		
	As at 31.3.2010	As at 31.3.2009
	Rupees	Rupees
	COST	COST
AGGREGATE AMOUNT OF :		
(I) FMP'S	200,000,000	430,000,000
(II) DEBTS FUNDS		
A. INCOME FUNDS	547,876,849	284,841,989
B. LIQUID FUNDS	-	196,843
C. SHORT TERM FUNDS	414,926,283	962,803,132
(III) EQUITY FUNDS		
A. BALANCE FUNDS	51,900,000	70,075,599
B. EQUITY FUNDS	80,582,109	122,708,742
C. MIP FUNDS	37,250,000	169,732,109
(IV) EQUITY SHARES		
A. QUOTED	3,971,341	12,014,063
B. UNQUOTED	225,000	225,000
(V) GOVERNMENT SECURITIES (UNQUOTED)	100,000	100,000
(VI) EQUITY SHARES (UNQUOTED)	2,800	2,800
TOTAL	133,6834,382	1,105,635,223

Note :

Market Value for Quoted Investments is **Rs.40,66,321/-** (Previous year Rs.59,14,595/-) and Mutual Funds Investment is **Rs.1,31,03,21,373/-** (Previous year Rs.1,01,74,84,634/-)

Schedule 6	As at 31-03-2010		As at 31-03-2009	
	Rupees	Rupees	Rupees	Rupees
CURRENT ASSETS, LOANS & ADVANCES:				
A. CURRENT ASSETS:				
1. Interest accrued on Investments		124,385		3,779,485
2. Stores and Spares (At cost - As per inventory taken, valued & certified by the Managing Director)		1,184,726		559,965
3. Stock-in-trade (As per inventory taken, valued & certified by the Managing Director):				
a) Raw materials (At cost)	9,718,573		12,271,422	
b) Semi-finished goods (At cost)	23,157,733	32,876,306	39,129,998	51,401,420
4. Sundry debtors (unsecured) (subject to reconciliation & confirmations)				
Debts outstanding for a period exceeding six months				
a) Considered good:	29,250,478		21,216,936	
b) Considered doubtful not provided for	-		-	
	29,250,478		21,216,936	
c) Other debts:				
Considered good:	111,080,151	140,330,629	74,087,360	95,304,296
5. Other receivables		2,273,661		2,019,253
6. Cash and bank balances				
a) Cash on hand	32,123		26,898	
b) Bank balances with scheduled banks				
i) In current accounts	10,934,536		8,529,564	
ii) In fixed deposits	11,082,363	22,049,022	117,812,683	126,369,145
		198,838,729		279,433,564
TOTAL : 'A'				
B. LOANS AND ADVANCES:				
(Unsecured, considered good, unless otherwise stated)				
(Subject to reconciliation & confirmations)				
1. i) Advances recoverable in cash or in kind or for value to be received		49,347,342		33,751,877
ii) Advances against capital expenditure		172,168,992		175,045,770
iii) Balance with central excise		1,480,130		1,125,916
2. Tax deducted at source and advance tax		518,951,749		360,958,238
3. Deposits with public bodies (Subject to confirmations)		7,102,610		7,542,310
4. Other deposits (subject to confirmations)		1,904,101		716,574
		750,954,924		579,140,685
TOTAL : 'B'				
A. CURRENT ASSETS		198,838,729		279,433,564
B. LOANS AND ADVANCES		750,954,924		579,140,685
T O T A L :-		949,793,653		858,574,249


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Schedule 7	As at 31-03-2010		As at 31-03-2009	
	Rupees	Rupees	Rupees	Rupees
CURRENT LIABILITIES & PROVISIONS:				
A) Current Liabilities				
Sundry creditors (Subject to reconciliation & confirmations)				
(Refer note no. 5 in schedule 13)	70,171,612		74,846,919	
Other liabilities (include Rs.24,509,127/- due to directors)	55,572,741		35,351,920	
Advance against orders	38,085,424		17,512,025	
Advance compensation from licencees	3,659,696		3,615,348	
Advance from IT Park licencees	27,945,454		13,125,996	
Advance from Convention & Exhibitions organizers	168,284,518		165,042,417	
Security deposit from exhibitors	3,119,593		15,252,073	
Security deposit from I T Park licencees	28,198,595		10,103,135	
Security deposit from licencees	113,131,982		176,388,782	
Unclaimed dividend	3,189,229		2,601,353	
B) Provisions				
Provision for compensation	127,108,000		127,108,000	
Provision for taxation	597,331,179		376,163,922	
Proposed dividend	10,568,994		8,455,195	
Tax on proposed dividend	1,755,510		1,436,960	
Provision for gratuity	9,075,000		9,109,000	
Provision for leave encashment	1,385,000		1,429,000	
T O T A L :-	<u>1,258,582,527</u>		<u>1,037,542,045</u>	

Schedule 8

Miscellaneous expenditure (To the extent not written off or adjusted)

Deferred Revenue Expenditure

Opening Balance	9,826,456	19,652,917
Less Written off during the year	9,826,456	9,826,461
T O T A L :-		9,826,456

Schedule 9

SALES, SERVICES & OTHER INCOME:

A. Industrial Capital Goods Division:

Sales of products	254,831,321	298,370,609
Less: excise duty	20,841,801	32,032,963
Net sales	233,989,520	266,337,646
Engineering fees, services & other charges	14,316,306	13,270,701
Gross (TDS Rs. 1,18,394/-) (P.Y Rs. 87,141/-)		
TOTAL :-	<u>248,305,826</u>	<u>279,608,347</u>

Schedule 9 (contd...)	Rupees	As at 31-03-2010	As at 31-03-2009
	Rupees	Rupees	Rupees
B. Income From Convention & Exhibition			
Centre, Information Technology Park & Realty Division:			
Convention & Exhibition Centre			
Gross (TDS Rs. 9,10,14,020/-) (P.Y Rs. 9,19,39,662/-)		540,429,225	349,615,729
Information Technology Park			
Gross (TDS Rs. 1,40,74,310/-) (P.Y. Rs. 3,20,69,980/-)		137,845,524	136,838,352
Realty Division (including lease rent)			
Gross (TDS Rs. 2,06,48,880/-) (P.Y Rs. 37,07,823/-)		91,703,591	84,921,891
TOTAL :-		769,978,340	571,375,972
C. Income from Investments:			
Profit on sale of shares (LT)		2,281,921	-
Profit on sale of shares (ST)		466,844	-
Profit on redemption of mutual fund		43,734,430	-
Dividends received		56,560,705	60,765,798
TOTAL :-		103,043,900	60,765,798
D. Other Income:			
Interest received (Gross)		897,805	558,231
Interest on bank FDs		8,848,831	7,194,803
(TDS Rs. 10,64,864/- PY Rs. 17,46,609/-)			
Income tax refund		236,366	-
Sale of casting, scrap		2,238,286	3,821,622
Sundry creditors/liabilities written off		806,595	3,329
Miscellaneous receipts		556,521	5,427,727
Other income		11,643,623	2,030,957
Insurance Claim Received		12,728	-
Profit on sale of assets		50,499,998	39,682
Brokerage received		200,655	-
Bad debts w/off now recovered		920,602	16,087,181
Exchange Gain		6,851	-
TOTAL :-		76,868,861	35,163,532
A. Industrial Capital Goods Division		248,305,826	279,608,347
B. Income From Convention & Exhibition		769,978,340	571,375,972
Centre, IT Park & Realty			
C. Income from Investments		103,043,900	60,765,798
D. Other Income		76,868,861	35,163,532
TOTAL :-		1,198,196,927	946,913,649


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Schedule 10		As at 31-03-2010		As at 31-03-2009	
	Rupees	Rupees		Rupees	Rupees
MANUFACTURING & ESTABLISHMENT EXPENSES:					
A. Materials consumed and (increase)/decrease in stock :					
1. Raw materials and components consumed:					
Opening stock	12,271,422			13,704,941	
Add : purchases and expenses	102,738,668			158,579,645	
	115,010,090			172,284,586	
Less : closing stock	9,718,573		105,291,517	12,271,422	160,013,164
2. (Increase)/Decrease in Stocks:					
Opening stock:					
Finished goods	-			-	
Semi-finished goods	39,129,998			36,362,928	
	39,129,998			36,362,928	
Less : Closing stock					
Finished goods	-			-	
Semi-finished goods	23,157,733			39,129,998	
	23,157,733			39,129,998	
B. Stores and spares consumed			15,972,265		(2,767,070)
C. Power and fuel			5,500,329		11,212,904
D. Erection & fabrication			18,350,182		21,821,329
E. Employees' remuneration & benefits:			4,687,816		6,583,503
Salaries, Wages, Bonus and Allowances	38,519,044			35,853,092	
Compensation for VRS	69,508			82,661	
Contribution to Provident Fund and Family Pension Fund (including PF and Administrative charges)	2,545,870			2,197,465	
Workmen and Staff Welfare Expenses (including ESIC)	2,202,516			2,614,847	
Gratuity	1,256,480		44,593,418	1,338,455	42,086,520
T O T A L :-		194,395,527			238,950,350

Schedule 11
ADMINISTRATIVE, SELLING & GENERAL EXPENSES

Printing, stationery, postage, telegrams and telephones	4,793,368		6,740,963
Rent	312,196		314,196
Rates, taxes & water charges	38,759,843		16,377,215
Advertisement, sales promotion and subscription	2,339,171		2,271,037
Insurance (Net)	910,841		829,047
BMC permission charges	628,556		21,553,650
Repairs and maintenance of:			
Buildings & property	42,869,185		53,126,909
Plant & machinery	-		376,760
Other assets	662,276	43,531,461	593,801
			54,097,470

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Schedule 11 (contd...)	As at 31-03-2010		As at 31-03-2009	
	Rupees	Rupees	Rupees	Rupees
Freight and transport charges		26,692		5,782,031
Export expenses		28,876		841,070
Exchange loss		-		18,596
Motor car expenses		927,567		1,061,095
Travelling and conveyance expenses		7,762,233		7,600,254
Directors travelling expenses		599,058		686,313
Bank charges & guarantee commission including processing fees		2,118,758		3,633,220
Auditor's Remuneration:				
Audit fees	500,000		500,000	
Certification work	115,000		95,000	
Out of pocket expenses	5,000	620,000	5,000	600,000
Legal, professional and technical, consultation fees		9,541,057		9,162,533
Donations		18,614,707		26,262,578
Managerial Remuneration		28,831,478		19,885,487
(Refer note no. 8 in Schedule 13)				
Loss on redemption of mutual fund	-		2,765,094	
Loss on sale of shares (long term)	-		131,411	
Loss on sale of shares (short term)	-	-	276,350	3,172,855
Security transaction tax		177,870		18,658
Commission & brokerage		754,011		2,281,093
Electricity expenses		86,110		1,631,570
LD Charges		6,598,935		3,173,681
Sundry balance w/off		974,018		295,708
Bad debts w/off		6,739,741		15,810,515
Security charges		3,361,633		3,481,307
Miscellaneous expenses		1,815,890		2,202,042
T O T A L :-		<u>180,854,070</u>		<u>209,784,184</u>

Schedule 12

INTEREST

On secured loans from banks	10,400,540	13,920,130
On others	2,404,676	2,302,707
T O T A L :-	<u>12,805,216</u>	<u>16,222,837</u>

Schedule 13

Notes forming part of the accounts for the year ended 31 March 2010.

1. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 602,715,387/- (previous year Rs. 889,045,770/-) against which an advance of Rs. 442,384,347/- (previous year Rs. 175,045,770/-) has been paid.
2. Contingent liabilities not provided for in respect of (a) counter guarantees given by the company to banks in respect of Indian bank guarantees given by them on company's behalf Rs. 44,214,879/- (previous year Rs. 27,562,157/-) (b) Foreign bank guarantees given by bank on company's behalf Rs. Nil (previous year Rs. 337,544/- (US\$ 6,625/-) (c) Property tax in dispute Rs. 51,350,675/- (previous year Rs. 145,992,315/-).
3. Income tax assessment is completed up to the assessment year 2007-2008. The company does not expect any additional liability for the pending assessments.
4. Sales tax assessment is completed for Maharashtra up to the financial year 2004-2005, and for Gujarat up to the financial year 2006-2007. The company does not expect any additional liability for the pending assessments.
5. (a) According to the information and explanations given by the management there are no dues to SSI units which are outstanding for more than 30 days as on 31st March, 2010 including the interest if any, thereon.

 (b) 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 31st March, 2010 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.
6. Claims against the company contested at various courts amounting to Rs. 1,764.19 lakhs (previous year Rs. 1,764.19 lakhs) against which the company has made total provision of Rs. 1,271.08 lakhs (previous year Rs. 1,271.08 lakhs) as per management's estimation of expected liability as advised by legal opinions.
7. Provision for income tax is made after considering exemptions and deductions available under the income tax act, 1961, as advised by tax consultants.

8. A. Managerial remuneration pursuant to the provisions of section 198, 269 and 309 of the Companies Act 1956.

	2009-2010 Rs.	2008-2009 Rs.
a) Chairman & Managing Director		
i) Salary	2,400,000	2,400,000
ii) Perquisites	752,852	128,304
iii) Furnishing Allowance	56,726	1,461,736
iv) Commission	24,193,898	14,561,910
b) Executive Director		
i) Salary	1,200,000	900,000
ii) Perquisites	405,904	130,577
iii) Furnishing Allowance	3,200	12,960
iv) Commission	-	-
c) Jt. Managing Director		
i) Commission	-	-
SUB-TOTAL	29,012,580	19,595,487
d) Other Directors		
Sitting Fees	210,000	290,000
TOTAL	29,222,580	19,885,487

- B. Determination of net profit in accordance with Section 349 of the Companies Act, 1956, and the commission payable to Directors.

Profit as per Profit & Loss Account	787,277,164
Add: Managerial remuneration & commission	29,012,580
Depreciation as per books	22,864,950
Prior period income (net)	-
Less: Deduction under Sections 349 & 350	51,877,530
Depreciation under section 350	22,864,950
VRS w/off	9,826,460
Net Profit in accordance with sections	206,463,284
198 (1) and 349 of the Company's Act, 1956.	206,463,284
Commission @ 3% on net profit of	
Rs. 806,463,284/-	24,193,898
(Jt. MD has decided not to draw any commission as against Rs. 40,323,164/- to which she is entitled as per terms.)	Nil
Salary & Perquisites to Chairman and Mg. Director	27,403,476
Salary & Perquisites to Executive Director	1,609,104
Salary & Commission of Chairman and Directors	29,012,580

9. Pursuant to the Accounting Standard 22 Accounting for taxes on income issued by the Institute of Chartered Accountants of India, which is mandatory with effect from 1st April 2002, The deferred tax asset/liability has been reassessed in view of the various appeals, decisions and consequential effect on carry forward losses as well as revision in tax rate applicable. Accordingly net liability as on 31.03.2010 is worked out to Rs. 9,719,329/- as computed below. Since the company has a deferred tax liability balance of Rs. 7,353,282/- as on 31.03.2009 in the balance sheet, Rs. 2,366,047/- has been credited in the profit & loss account.



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The major components of Deferred Tax Assets and Liabilities as at **31st March 2010** are as follows:

Deferred Tax Liability (Net) as on 01.04.09	7,353,282
Less: Deferred Tax Assets	
Adjustments for the year	
a) Depreciation as per Company's Act	22,864,950
b) Depreciation as per Income Tax Act	<u>15,903,941</u>
Income Tax @ 33.99%	<u>(2,366,047)</u>
	4,987,235
Add: Deferred Tax Liability	
VRS Unamortised	98,26,460
Others	<u>40,95,558</u>
Income Tax @ 33.99%	<u>47,32,094</u>
Deferred Tax Liability (Net) as on 31.03.10	<u>9,719,329</u>

10. Earnings per share:

	2009-2010 (Rs. In Lacs)	2008-2009 (Rs. In Lacs)
a) Profit after tax and adjusting extra ordinary items	5,500.85	3,280.30
b) Number of equity shares outstanding	7,045,996	7,045,996
c) Face Value of each equity share (Rs.)	10	10
d) Basic and diluted earnings per share (Rs.)	78.07	46.56

11. b) Related Party Transactions :

Transactions	NSE Housing & Investments Pvt. Ltd	Chandler & Price (I) Pvt. Ltd	JVP Industrial Training Institute	J V Patel Charitable Trust	Jethabhai V Patel & Co	Key Management Personnel
Rendering services	-	-	-	-	-	-
Rent income	-	60,000.00	-	-	-	-
Purchases	-	-	-	-	-	-
Lease rent paid	-	-	-	-	100,000.00	-
Remuneration paid	-	-	-	-	-	3,600,000.00
Perquisites paid	-	-	-	-	-	1,218,682.00
Commission paid	-	-	-	-	-	24,193,898.00
Compensation paid	-	-	-	-	-	-
Credit balances as on 31.03.2010	-	845,035.15	-	-	45,889.37	-
Debit balances as on 31.03.2010	49,422.00		98,000.00	90,000.00	-	-

11. c) Advances recoverable in cash or kind include Rs. 49,422/- due from NSE Housing & Investment Pvt. Ltd. (Max. balance during the year Rs. 49,422/-), Rs. 98,000/- due from JVP Industrial Training Institute and Rs. 90,000/- due from J V Patel Charitable Trust.

12. Segment information for the year ended 31st March 2010:
(Rs. in Lacs.)

Revenue by Industry Segment	
Engineering Divisions	3,036.67
Bombay Exhibition Centre/Realty Division	8,945.30
Total	11,981.97

Less: Inter-Segment revenue

Net revenue from Operations	-
Segment profit before tax and Interest	
Engineering Divisions	933.53
Bombay Exhibition Centre/Realty Division	6,939.24
Total Operating Profit Before Tax	7,872.77

11. Related Party Disclosures:

a) List of Related Parties and Relationships

Party	Relation
A. NSE Housing And Investments Pvt. Ltd.	Associate
B. Chandler & Price (India) Pvt. Ltd.	Associate
C. JVP Industrial Training Institute	Associate
D. J V Patel Charitable Trust	Associate
E. Jethabhai V. Patel & Co.	Associate
F. Sudha Garments	Associate
G. i) Mr. Sumant J Patel	Key Management Personnel
ii) Mrs. Sudha S Patel	Key Management Personnel
iii) Mr. Krishna S Patel	Key Management Personnel

13. a) Disclosure required by Accounting Standard (AS 29) "Provisions, Contingent Liabilities and Contingent Assets" as on 31.03.2010.

**As on
31.03.2010** As on
31.03.2009

Particular	Rupees	Rupees
i) Provision for Compensation:		
Opening Balance as on 01-04-2009	127,108,000	131,000,000
Add: Provision for the year	-	-
Less: Adjusted on settlement	-	3,892,000
Closing balance as at 31-03-2010	127,108,000	127,108,000
ii) Provision for Gratuity :		
Opening Balance as on 01-04-2009	9,109,000	8,291,000
Add: Provision for the year	1,256,480	1,338,455
Less: Paid during the year	1,290,480	520,455
Closing balance as at 31-03-2010	9,075,000	9,109,000


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	As on 31.03.2010	As on 31.03.2009	2010
Particular	Rupees	Rupees	
iii) Provision for Leave Encashment:			II) Table Showing Change in Benefit Obligation:
Opening Balance as on 01-04-2009	1,429,000	1,217,000	Projected benefit obligations (PBO) at the beginning of the year
Add: Provision for the year	344,508	381,123	Interest cost
Less: Paid during the year	388,508	169,123	Service cost
Closing balance as at 31-03-2010	1,385,000	1,429,000	Benefit paid
13. b) Disclosure required by Accounting Standard (AS 15) "Actuarial Valuation of Gratuity Liability" as on 31.03.2010			Actuarial (gain) loss on obligations
			PBO at the end of the year
			1,385,000
I) Assumptions:			III) Tables of Fair Value of Plan Assets:
Discount rate		8.00%	Fair value of plan assets at the beginning of the year
Rate of increase in compensation levels		6.00%	Expected return on plan assets
II) Table Showing Change in Benefit Obligation:			Contributions
Projected benefit obligations (PBO) at the beginning of the year		9,109,000	Benefit paid
Interest cost		677,101	Gain/(Loss) on plan assets
Service cost		587,395	Fair value of plan assets
Benefit paid		(1,290,480)	at the end of the year
Actuarial (gain) loss on obligations		(8,016)	
PBO at the end of the year		9,075,000	
III) Tables of Fair Value of Plan Assets:			IV) The amounts to be recognized in Balance Sheet and Income Statement and the related Analysis:
Fair value of plan assets at the beginning of the year			Present value of obligation
Expected return on plan assets			1,385,000
Contributions		1,290,480	Fair value of plan assets
Benefit paid		(1,290,480)	Difference
Gain/(loss) on plan assets			1,385,000
Fair value of plan assets at the end of the year			Unrecognised actuarial gain (losses)
IV) The amounts to be recognized in Balance Sheet and Income Statement and the related Analysis:			Unrecognised transitional liability
Present value of obligation		9,075,000	
Fair value of plan assets			Liability recognised in balance sheet
Difference		9,075,000	1,385,000
Unrecognised actuarial gain (losses)			
Unrecognised transitional liability			
Liability recognised in balance sheet		9,075,000	
V) Net Periodic Cost:			V) Net Periodic Cost:
Current service cost		587,395	Current service cost
Interest cost		677,101	Interest cost
Expected return on plan assets			Expected return on plan assets
Net Actuarial (gain) loss recognized in the year		(8,016)	Net Actuarial (gain) loss recognized in the year
Expenses recognized in the income statement		1,256,480	Expenses recognized in the income statement
VI) Movements in the liability recognized in the Balance Sheet:			
Opening net liability		9,109,000	Opening net liability
Expense as above		1,256,480	Expense as above
Contributions paid		(1,290,480)	Contributions paid
Closing net liability		9,075,000	Closing net liability
13. c) Disclosure required by Accounting Standard (AS 15) "Actuarial Valuation of Leave Encashment" as on 31.03.2010			Additional information pursuant to the provision of paragraphs 3 and 4c of part II of Schedule of the Companies Act, 1956.
			14. Particulars in respect of goods manufactured: Mumbai Division
I) Assumptions:			Sr. Product Particulars Licence Capacity Installed Actual No. per annum Capacity per Production annum
Discount rate		8.00%	A FORGING MACHINERY :
Rate of increase in compensation levels		6.00%	1 a) Pneumatic Power Hammers including Double Action Hammers, Double Action Power Hammers
			60 Nos. (60 Nos.) (60 Nos.) 1 No. (2 Nos.)
			b) Friction Drop Hammers and Bridge Type Hammers
			60 Nos. (60 Nos.) (60 Nos.) - (1 No.)
			2 Wide Ram Trimming and setting presses up to 350Tones Capacity
			36 Nos. 36 Nos. (36 Nos.) (-)
			3 Opening Stock (Qty in nos.) a) Pneumatic Hammer
			Nil
			b) Friction Drop Hammer
			Nil
			4 Closing Stock (Qty in nos.) a) Pneumatic Hammer
			Nil
			b) Friction Drop Hammer



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**B MACHINERY & EQUIPMENTS,
PLANT & SYSTEMS, MACHINE
TOOLS, ETC.**

EOT Cranes up to 500 Tones capacity:

- 1 i) General purpose Cranes
- ii) Special purpose Cranes for Steel and Other Industries
- iii) Goliath Cranes; Semi-Goliath Cranes; Dock Cranes 5,000 MT/96 Nos.
-
-
- iv) Wharf Cranes; Level (5,000 MT/96 Nos.) Luffing Cranes; Container Cranes; Derrick Cranes for the above Cranes

2 Sucker Rod Pump

3 Fabricated Steel Structures 8,400 MT (8,400 MT)

NOTES : Installed capacity has been certified by the Managing Director which has been accepted by the Auditors without verification being a technical matter.

15. Particulars in respect of Sales and Material Consumed: Mumbai Division

Sr. No.	2009-10		2008-09	
	Rupees	Rupees	Rupees	Rupees
A Sales				
A. Machines	1 No.	8,650,000	3 Nos.	17,665,355
B. Spares		1,653,500		2,855,116
		<u>10,303,500</u>		<u>20,520,471</u>
B Consumption	%	2009-10	%	2008-09
(Raw Material and Components)		Rs. In Lacs		Rs. In Lacs
Imported	-	-	7.10%	7.68
Indigenous	100.00	6.28	92.90%	100.59
Misc. (Labour)	-	0.85	-	23.51
	<u>100.00%</u>	<u>7.13</u>	<u>100.00%</u>	<u>131.78</u>
(Stores, Spares & Tools)				
Imported	-	-	-	-
Indigenous	-	-	100.00%	8.13
	<u>-</u>	<u>-</u>	<u>100.00%</u>	<u>8.13</u>

16. Particulars in respect of goods manufactured : Karamsad Division

Sr. No	Product Particulars	Licence Capacity per annum	Installed Capacity per annum	Actual Production per annum
		Qty.	As at	
			31.03.2010	
A	Class of Goods manufactured- Eng Div-Karamsad			
1	Machines (Shot Blasting Equipment)	200 Nos.	400 Nos.	42 Nos. (44 Nos.)
2	Machines (Dust and fume Control Equipment)	800 Nos.	1200 Nos.	33 Nos. (32 Nos.)
3	Machines (Industrial Fans & Blowers)	800 Nos.	1200 Nos.	
4	Alloy Iron Casting/Steel Shots	420 MT	1500 MT	193 MT
	Alloy Iron Casting (For captive consumption)			
5	Opening Stock (Qty in nos.)			
	a) Shot Blasting Machine			Nil
	b) Steel Shots			Nil
6	Closing Stock (Qty in nos.)			
	a) Shot Blasting Machine			Nil
	b) Steel Shots			Nil

NOTES : Installed capacity has been certified by the Managing Director which has been accepted by the Auditors without verification being a technical matter.

17. Particulars in respect of Sales and Material Consumed: Karamsad Division

Sr. No.	2009-10	2008-09
	Qty. Rupees	Qty. Rupees
A Sales		
A. Machines (Qty in Nos.)	75 Nos. 171,127,510	76 Nos. 193,397,359
B. Spares	52,558,510	52,419,816
	<u>223,686,020</u>	<u>245,817,175</u>
	2009-10	2008-09
	(Rs. in lacs)	(Rs. in lacs)

B Raw Materials ,Components and stores & spares consumed			
Steel (Qty. in M. Tones)	1129 MT	436.32	1,170 MT 547.92
Casting (Qty. in M. Tones)	283 MT	161.62	285 MT 162.66
Electric Motors (Qty. in Nos.)	448 Nos.	66.04	434 Nos. 72.25
Bearings (Qty. in Nos.)	2,999 Nos.	40.16	5,600 Nos. 59.91
Miscellaneous		633.12	625.07
		<u>1,337.26</u>	<u>1,467.81</u>

C Consumption (Raw Material and Components)			
Imported	0.14%	1.82	0.18% 2.65
Indigenous	99.86%	1,265.86	99.82% 1,406.92
	<u>100.00%</u>	<u>1,267.68</u>	<u>100.00%</u> <u>1,409.57</u>
(Stores, Spares & Tools)			
Imported	-	-	-
Indigenous	100.00%	69.58	100.00% 58.25
	<u>100.00%</u>	<u>69.58</u>	<u>100.00%</u> <u>58.25</u>

	2009-10	2008-09
	Rupees	Rupees
A) Earning in Foreign exchange		
i) F.O.B. value of exports	173,753.00	12,465,707.00
ii) Other Income	-	110,565.00
B) Value of Imports on CIF BASIS		
Raw Materials (including Components)	181,812.00	265,422.00
C) Remittances or expenditure in foreign Currency		
i) Travelling	139,669.00	190,125.00
ii) Membership & Subscription	243,999.55	139,922.61
iii) Others	-	170,953.25

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

20. Figures in brackets related to previous year.

As per our report of even date	For and on behalf of the Board
For Shah & Co.	Suman Patel
Chartered Accountants	Chairman & Mg. Director
Hemendra N. Shah	Bharat Patel
Partner	Director
Membership No. 8152	K S Srinivasa Murty
FRN 109430W	Director
Mumbai, 29 May, 2010	Sudha Patel
	Jt. Mg. Director
	Krishna Patel
	Executive Director
	Mohan Parikh
	Director
	Mumbai, May 29, 2010

Auditors` Report

To
The Members of Nesco Limited,

We have audited the attached Balance Sheet of **Nesco Limited** as at 31 March, 2010 and the Profit and Loss Account & the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to in Paragraph 3 above, we state that :-

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our Opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- (c) The Balance Sheet ,the Profit & Loss Account and the Cash flow statement referred to in this report are in agreement with the books of accounts.
- (d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash flow statement dealt with by this report generally comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956.
- (e) On the basis of the written representations received from the Directors' as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2010 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to explanations given to us, the said Balance Sheet and the Profit & Loss Account read together with the Notes in Schedule 13 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles, generally accepted in India :
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as on 31st March 2010,
 - (ii) In the case of the Profit & Loss Account of the "**PROFIT**" of the Company for the year ended on that date.
AND
 - (iii) In the case of the Cash Flow Statement of the Cash flows for the year ended on that date.

For Shah & Company
Chartered Accountants

(Hemendra N. Shah)
Partner
M. No. 8152
FRN. 109430W

Mumbai, 29 May 2010

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date.)

- i) (a) The Company is updating records to show particulars of quantitative details and situation of its fixed Assets maintained with effect from 1.4.1970.
 - (b) We are informed that physical verification will be conducted after records are updated.
 - (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 (Auditor's 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) (e) and (f) of the Companies (Auditor's 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. 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 (Auditor's Report) order, 2003 are not applicable to the company.
- vii) In our opinion, the Company has a formal internal audit system, which needs to be strengthen, commensurate with the size and nature of its business.
- viii) We are informed that the Central Govt. has not prescribed maintenance of cost records under clause (d) of subsection (1) of section 209 of the Companies Act, 1956 for any of the products of the Company.
- 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 that the company has not deposited unclaimed Dividend of Rs. 14,835/- to Investor Education and Protection fund and 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 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us by the management, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty and excise duty which have not been deposited on account of any dispute.
- 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 explanations given to us the Company has not defaulted in repayment of dues to banks.
- xii) According to the information and explanations given to us, the Company has not granted any loans and 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 explanations given to us and on 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 investments.
- xviii) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) According to the information and explanations given to us by the management, no material fraud on or by the Company has been noticed or reported during the year.

For Shah & Company
Chartered Accountants

Mumbai, 29 May 2010

(Hemendra N. Shah)
Partner
M. No. 8152
FRN. 109430W

SIGNIFICANT ACCOUNTING POLICIES

1. General

The financial statements are generally prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956.

2. Revenue recognition

Income & expenditure are generally accounted on accrual basis.

3. 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 realized/paid are recognized as income/expense in the Profit and Loss Account.

4. Fixed assets and depreciation

- i) Fixed assets are shown at cost/revalued less accumulated depreciation.
- ii) Deferred revenue expenditure is written off over the period of activity to which the expenses relate.
- iii) Depreciation on plant & machinery and electrical installations has been provided on straight-line basis and on other assets on written down value basis at the rates specified in Schedule XIV of the Companies Act, 1956.
- iv) Assets valuing Rs. 5,000/- or less has been depreciated at 100%.

5. Investments

Long term investments are stated at cost less provision for diminution in value other than temporary if any.

6. Inventories

- i) Stores and spares are valued at cost.
- ii) Raw materials are valued at cost and components at estimated cost.
- iii) Finished goods are valued at cost or market value whichever is lower. Cost in case of semi finished and finished goods is determined on the basis of cost of manufacturing. The cost includes material cost, labour cost and all other direct and indirect overheads.

7. Retirement benefits

Provision for gratuity and leave encashment has been made as per Accounting Standard (15).

8. Income

Income from Realty 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.

9. Deferred taxes on income

Deferred tax is recognized 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.

10. Impairment of assets

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized 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.

11. Segment accounting policies

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.

- i) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.

12. Other accounting policies

These are considered with generally accepted accounting principles.



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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010
CLAUSE 32 OF THE LISTING AGREEMENT

	Year Ended 31.03.2010 (Rupees in Lacs)	Year Ended 31.03.2009 (Rupees in Lacs)
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	7872.77	4,607.78
Adjustment for :		
Depreciation	228.65	211.78
Interest (net)	30.58	84.70
Income from Investment	(1030.44)	(607.66)
Sundry debtors written off	77.14	161.06
(Profit)/Loss on sale of fixed assets (net)	(505.00)	(0.40)
Operating profit before working capital changes	<u>6,673.07</u>	<u>4,457.26</u>
Adjustment for :		
(Increase)/Decrease in Inventory	179.00	(11.05)
(Increase)/Decrease in Trade & Other Receivable	(2,134.39)	(3,386.06)
(Increase)/Decrease in Deferred Expenditure	98.26	98.26
Increase/(Decrease) in Deferred Tax Liability	23.66	(81.28)
Increase/(Decrease) in Trade Payables	<u>2,210.40</u>	<u>376.93</u>
Cash Generated from Operation	<u>7,050.63</u>	<u>704.74</u>
Interest Paid	(128.05)	(162.23)
Cash Flow before extraordinary Item	<u>6,922.58</u>	<u>1,619.64</u>
Extraordinary Item:		
Debtors written off	(77.14)	(161.06)
Provision for Taxation	(2,250.00)	(1,450.00)
Provision for Deferred Tax	(23.66)	81.28
Provision for Dividend (including tax)	(123.24)	(98.92)
Fringe Benefit Tax	-	(9.00)
Excess/(Short) Provision of IT	(3.17)	9.62
Deferred Revenue Expenditure w/off	(98.26)	(98.26)
Prior years adjustment (net)	-	148.50
Net Cash from Operating Activities - [A]	<u>4,347.11</u>	<u>41.80</u>
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(3,028.80)	(506.91)
Purchase of Investments	(2,311.99)	(1,669.76)
Sale of Fixed Assets	505.00	1.95
Interest received	97.47	77.53
Income from Investments	<u>1,030.44</u>	<u>607.66</u>
Net Cash (used in)/from Investing Activities - [B]	<u>(3,707.88)</u>	<u>(1,489.53)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Calls in Arrears		
Proceeds from Long Term & Other Borrowings	(1,682.43)	1,682.43
Net Cash Flow used in Financing Activities - [C]	<u>(1,682.43)</u>	<u>1,682.43</u>
NET INCREASE IN CASH/CASH EQUIVALENTS (A+B+C)	<u>(1,043.20)</u>	<u>234.70</u>
Cash/Cash Equivalent at the beginning of the year	1,263.69	1,028.99
Cash/Cash Equivalent at the end of the year	220.49	1,263.69
NOTES ON CASH FLOW STATEMENT :		
1 Proceeds from long term & other borrowings are shown net of repayments.		
2 Cash and cash equivalents represent Cash and Bank balance only.		
As per our report of even date	For and on behalf of the Board	
For Shah & Co.	Suman Patel	Chairman & Mg. Director
Chartered Accountants	Bharat Patel	Director
Hemendra N. Shah	K S Srinivasa Murty	Director
Partner	Sudha Patel	Jt. Mg. Director
Membership No.8152	Krishna Patel	Executive Director
FRN. 109430W	Mohan Parikh	Director
Mumbai, May 29, 2010	Mumbai, 29 May 2010	



Annual Report 2009 - 2010

Information pursuant to part IV of Schedule VI to Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I Registration details

Registration No.	4 8 8 6	State Code	1 1
Balance Sheet Date	3 1 - 0 3 - 1 0	Date Month Year	

II Capital raised during the year (Rs. In lacs)

Public Issue	Right Issue
N I L	N I L
Bonus Issue	Private Placement
N I L	N I L

III Position of Mobilisation and Deployment of Funds (Rs in Lacs)

Total Liabilities	1 6 5 5 0 . 8 0	Total Assets	1 6 5 5 0 . 8 0
Sources of Funds			
Paid up capital	7 0 4 . 6 0	Reserves & Surplus	1 5 7 4 9 . 0 1
Secured Loan	N I L	Unsecured Loan	N I L
Deferred Tax Liability	9 7 . 1 9		

Application of Funds

Net Fixed Assets	6 2 7 0 . 3 4	Investments	1 3 3 6 8 . 3 4
Net Current Assets	(3 0 8 7 . 8 8)	Misc. Expenditure	N I L
Accumulated Losses	N I L		

IV Performance of the Company (Rs. In Lacs)

Turnover (Including other income)	1 1 9 8 1 . 9 7	Total Expenditure	4 1 0 9 . 2 0
+ -	<input checked="" type="checkbox"/>	+ -	<input checked="" type="checkbox"/>
Profit/Loss Before Tax	7 8 7 2 . 7 7	Profit/Loss After Tax	5 5 0 0 . 8 5
Earning per Share in Rs.	7 8 . 0 7	Dividend Rate %	1 5

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (HS Code)	8 4 6 2
Products Description	E N G I N E E R I N G E Q U I P M E N T
Item Code No. (HS Code)	9 9 7 0
Products Description	E X H I B I T I O N C E N T R E
Item Code No. (HS Code)	9 9 4 0
Products Description	R E A L T Y

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

Hemendra N. Shah
Partner
Membership No.8152
FRN. 109430W
Mumbai, May 29, 2010

For and on behalf of the Board

Sumant Patel	Chairman & Mg. Director
Bharat Patel	Director
K S Srinivasa Murty	Director
Sudha Patel	Jt. Mg. Director
Krishna Patel	Executive Director
Mohan Parikh	Director
Mumbai, 29 May 2010	



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 51st ANNUAL GENERAL MEETING of the Company held on Thursday, 9th September, 2010 at 3.00 p.m. at Regd. Office situated at Nesco Complex, Western Express Highway, Goregaon East, 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 - 400 063.

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 51st ANNUAL GENERAL MEETING of the Company held on Thursday, 9th September, 2010 & at any
adjournment thereof. As witness my/our hand(s) this

..... day of 2010.

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 Office.

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.