

## NOTICE

The 53rd annual general meeting of Nesco Limited will be held at the registered office of the Company at Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063 on Wednesday, 8 August 2012 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31 March 2012 and the Profit and Loss Account for the year ended as on that date together with the report of the 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 and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Bharat V. Patel, who retires by rotation and 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 and to fix their remuneration.

Mumbai, 30 May 2012

By order of the Board of Directors

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

**Sumant 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 only on a poll 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 August 2012 to 8 August 2012 (both days inclusive), in term of the provisions of Section 154 of the Companies Act, 1956.
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 holding shares in physical form are requested to note that, in order to avoid any loss/interception in postal transit and also to get prompt credit to dividend through Electronic Clearing Service (ECS), they should submit their ECS details to the Company's Registrar & Transfer Agent. Alternatively, Members may provide details of their bank account quoting their folio numbers by the said date, to the Company's Registrar & Transfer Agent to enable them to print such details on the dividend warrants.
6. 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**

<b>Name of the Director</b>	Dr. Ram S. Tarneja	Mr. Bharat V. Patel
<b>Date of birth</b>	07.12.1931	25.09.1944
<b>Date of appointment</b>	21.04.1976	20.01.2005
<b>Qualification</b>	M.A., Ph. D.,	BA, MA., MBA.
<b>Directorship held in Indian public Companies as on 31.03.2012</b>	10	04
<b>Committee positions held in Indian public Companies as on 31.03.2012</b>	03	01
<b>Number of shares held in the Company</b>	NIL	NIL

## Directors' Report

Your Directors have pleasure in presenting their annual report with the audited statement of accounts for the year ended 31 March 2012.

### 1. Financial Results :

<b>PARTICULARS</b>	<b>2011 - 12 (₹ )</b>	<b>2010 - 11(₹ )</b>
Income	<b>1,394,736,879</b>	1,269,885,000
Profit before taxes	<b>968,475,397</b>	822,363,772
Provision for taxes	<b>294,890,526</b>	313,862,766
Net Profit	<b>673,584,871</b>	508,501,006
Exceptional Items	<b>231,659</b>	177,741,596
Balance brought forward	<b>5,000,000</b>	5,000,000
Amount available for appropriations	<b>678,353,212</b>	691,242,602
Appropriations:		
i) Dividend	<b>42,275,976</b>	35,229,980
ii) Tax on Proposed Dividend	<b>7,021,511</b>	5,851,347
iii) Dividend in respect of FY 2009-2010 (including taxes thereon)	-	12,324,504
iv) Transfer to General Reserve	<b>624,055,725</b>	632,836,771
iv) Surplus carried forward to Profit & Loss Account	<b>5,000,000</b>	5,000,000

### 2. Dividend:

Your Directors are pleased to recommend a dividend of ₹ 3 per equity share of ₹ 10/- each (i.e. 30%, previous year 25%) for the year ended 31 March 2012 amounting to ₹ 42,275,976 (previous year ₹ 35,229,980) subject to approval by shareholders at the 53rd annual general meeting. This would involve a cash outflow of ₹ 49,297,487. The dividend is free of tax in the hands of the shareholders.

### 3. Year in Retrospect:

It was a challenging year for the Indian economy. Due to high inflation, there was increase in cost of funds. There was decline in infrastructure, power & other projects and in industrial investment. Delay in policy decisions further adversely affected the domestic economic growth. Debt crisis in Europe and other global issues also affected the Indian economy, which slowed down reporting a growth of 6.10%, lowest during the last 9 years. These factors affected demand for IT space and for capital goods.

### 4. Performance:

During the year Company achieved a turnover of ₹ 1,394,736,879, which is an increase of 9.83% over the previous year. Profit before exceptional item and tax was ₹ 968,475,397 as compared to ₹ 822,363,772 in previous year, an increase of 17.77%. Earnings per share amounted to ₹ 48 (previous year ₹ 49). The Company's reserves increased from ₹ 2,136,765,184 to ₹ 2,760,356,908.

#### Divisional Performance:

**Bombay Convention & Exhibition Centre:** Income for the year was ₹ 762,974,607 compared to ₹ 656,229,418 in the previous year registering an increase of 16%. Over 116 conventions & exhibitions were held in our Centre, of which 48 were new clients, including Engineering Export Promotion Council, The Energy Resources Institution and Images Multimedia. Over 1,146,400 persons visited BCEC, out of which over 480,000 were from out of Mumbai / abroad. BCEC is the venue which brings more visitors to Mumbai than any other venue. During the year, the Company spent ₹ 40,089,277 (previous year ₹ 48,528,217) on repairs and upgradation of the convention & exhibition centre halls covering an area of over 450,000 sq. ft.

**Nesco IT Park:** Income for the year was ₹ 267,154,906 (previous year ₹ 337,363,875). Income was lower due to reduced demand after slowdown in India and in several Western countries. IT Building No.3 admeasuring about 800,000 sq.ft., is ready with construction work completed while internal finishing work is going on. So far the Company has incurred capital expenditure of ₹ 1,133,109,185 on this project, which was financed from internal resources.

**Indabrador - Industrial Capital Goods Group:** In the year under review, the Industrial Capital Goods Group's income increased to ₹ 249,624,321 (previous year ₹ 168,210,331), an increase of 48%. Such increase was possible despite slowdown in the capital goods segment. During the year, the Company spent ₹ 7,209,955 on capital expenditure.

**Income from Investments:** Income from investments and other income was ₹ 114,983,045 (previous year ₹ 108,081,376), an increase of 6%.

5. **Finance:**

Your Company had no debt as on 31 March 2012. Company's liquid resources (FDs, FMPs, MFs, cash & bank balances) increased by 27% to ₹ 2,144,146,612 from ₹ 1,687,436,427. General reserves increased by 31% from ₹ 2,136,765,184 to ₹ 2,760,356,908.

During the year the Company paid a total amount of ₹ 292,486,146 by way of various taxes and duties.

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

6. **Management Discussion and Analysis:**

Company is in the initial stage of considering expansion of the Bombay Convention & Exhibition Centre. We expect to finalize plans during this year.

The IT building 3 is now completed and is expected to start generating revenue from the current financial year. Company expects significant growth in revenues in 2013-14. The Company has initiated steps to secure required approvals for starting construction of IT building 4, admeasuring about 1,200,000 sq ft, which has been designed by a leading American architects firm. Cost of construction is expected to be met through internal resources.

Though uncertainty still prevails in the capital goods segment which showed negative growth last year, your Company was able to achieve significant growth. Your Company has been continuously investing in developing new products and technologies. To accelerate this process your Company is investing in construction of a new building and other capital expenditure to set up a Research and Development Centre for Indabrador, its Industrial Capital Goods Division. Construction of this new building is progressing well, besides several new equipment and facilities will also be installed.

Our Directors are of the view that Indian economy will recover in the near future, and India growth story will continue. Accordingly our Company has decided to continue without delay its investment plans in all its three divisions.

7. **Recognition:**

Forbes Asia September 2011 issue has published a list of "200 Best Under A Billion" Companies in Asia. Nesco is one of the Companies in the list. The 'Best Under A Billion' list is chosen from nearly 15,000 publicly-listed Asia-Pacific companies with actively traded shares and having annual revenues in the range of \$5 million - \$ 1 billion and are publicly traded for at least a year. The selection of the best 200 companies is based on earnings growth, sales growth, and shareholders return on equity in the past 12 months and over three years.

Nesco was included amongst top India Inc 500 Club- India's best performing mid-sized companies.

8. **Internal Control Systems:**

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

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

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

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

10. **Directors:**

Dr. Ram S Tarneja and Mr. Bharat V Patel 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, 1956, 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 applied 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 March 31, 2012 and of the profit of the Company for the year ended on that date;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the annual accounts have been prepared on a going concern basis.

12. **Corporate Governance:**

Your company is compliant with the requirement of Clause 49 of the listing agreement. Necessary disclosures have been made in this regard in the Corporate Governance Report. A certificate from the Statutory Auditors of your Company regarding compliance with the requirements of Corporate Governance as stipulated under Clause 49 of the listing agreement is attached to this report. The report on Corporate Governance is included and forms part of this report

13. **Corporate Social Responsibility:**

Nesco continued its activities in the rural social sector. A new English medium school is under construction in a village with funds provided by our Company. Students from needy families are being given scholarships. Our CSR Group is closely involved with these activities.

14. **Auditors:**

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

Recently, Mr. Hemendra N. Shah, partner of Shah & Co, passed away. Your Directors wish to place on record their appreciation of the long, constructive relationship our Company had with Mr. Shah and convey their sincere condolences to his family.

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:**

In terms of provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, names and other particulars of employees are required to be attached to this report. However, as per the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Report and Annual accounts sent to the shareholders do not contain the said annexure. Any member desirous of obtaining a copy of the said annexure may write to the Compliance Officer at the Registered Office of the Company.

17. **Acknowledgment:**

The Directors thanks for the support received from the shareholders, customers, vendors and bankers.

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

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

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

**Mumbai, 30 May 2012**