

# nesco

56th Annual Report 2014-2015

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**Board of Directors**

Mr. Sumant J. Patel	Chairman & Managing Director
Dr. Ram S. Tarneja	Director
Mr. K. S. Srinivasa Murty	Director
Mr. Mahendra K. Chouhan	Director
Mrs. Sudha S. Patel	Director
Mr. Jai S. Diwanji	Director
Mr. Krishna S. Patel	Joint Managing Director

**Auditors**

Manubhai & Shah  
Chartered Accountants  
Mumbai

**Bankers**

HDFC Bank Limited  
Hongkong & Shanghai Banking Corporation

**Registered Office**

Nesco Complex,  
Western Express Highway, Goregaon (East),  
Mumbai 400063  
CIN: L17100MH1946PLC004886  
Email: [contact@nesco.in](mailto:contact@nesco.in) Web: [www.nesco.in](http://www.nesco.in)  
Tel: 022 66450123 Fax: 022 66450101

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

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

**Kolkatta**

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

**Chennai**

Fagun Mansion  
26, Commander-in-  
Chief Road,  
Chennai 600105

**Plants****Karamsad**

Anand Sojitra Road,  
Karamsad  
Gujarat 388325

**Vishnoli**

Nadiad Petlad Road,  
Vishnoli  
Gujarat 388450

## BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting 56th annual report of your Company for the year ended 31 March 2015.

### 1. Financial Results ( ₹ in lakhs):

Particulars	2014-2015	2013-2014
Income	22,306.88	18,142.14
Profit before depreciation and tax	16,647.56	12,792.30
Depreciation	670.09	1,102.57
Profit before taxes	15,977.47	11,689.73
Provision for taxes	4,814.02	3,587.28
Net profit	11,163.45	8,102.45
Balance brought forward	50.00	50.00
Amount available for appropriations:		
- Proposed dividend	915.98	704.60
- Tax on proposed dividend	155.67	119.75
- Transfer to general reserve	10,091.80	7,278.10
- Surplus carried forward to profit & loss account	50.00	50.00

### 2. Review of Operations:

During the year your Company achieved a consolidated turnover of ₹ 22,312.98 lakhs, an increase of 22.99% over the previous year turnover of ₹ 18,142.14 lakhs. Consolidated PBDT was ₹ 16,634.54 as compared to ₹ 12,792.30 in previous year, an increase of 30.04%. Consolidated Earnings per share amounted to ₹ 79.13 (previous year ₹ 57.50). The Company's general reserves increased from ₹ 42,468.47 lakhs to ₹ 52,560.27 lakhs.

### 3. Dividend:

Your Directors are pleased to recommend a dividend of 65% per equity share of ₹ 10/- each (previous year 50%) for the year ended 31 March 2015 amounting to ₹ 6.50/- (previous year ₹ 5.00/-) per share, subject to approval by shareholders at the 56th annual general meeting. This would involve a cash outflow of ₹ 915.98 lakhs as compared to ₹ 704.59 lakhs in previous year. The dividend is free of tax in the hands of the shareholders.

### 4. Management Discussion and Analysis:

#### i) Nesco IT Park:

Income for the year was ₹ 9,067.36 Lakhs (previous year ₹ 4,783.37 Lakhs) an increase of 89.56%. The IT building 3 is LEED Platinum rated by Indian Green Building Council, which is the highest standard for sustainable development. The ultra modern amenities in the building include air conditioning, futsal, food court, modern health centre, ample car parking, a golf putting green and other recreation areas. The Company expects to start construction of IT building 4 in quarter 2 of 2015-16. Built up area of the building will be approx. 17,20,000 sq.ft.

#### ii) Bombay Exhibition Centre:

Income for the year was ₹ 8,586.28 Lakhs compared to ₹ 9,488.56 Lakhs in the previous year. During the year 130 exhibitions were held in our Centre, out of which 37 were new organizers including new titles like LED Technology (LED Expo 2014), Sustainable Construction Technology (Ecobuild India 2014), Wellness, Fitness Health Supplements (India International Wellness Expo 2014), Ice-Cream Technology & Processing (Ice-Cream Congress 2014), Cold Chain Warehousing (India Cold Chain Show 2014), Intelligent Electronics (Intellect 2015), Financial Technology & Services (Fintech 2015) and Ink & Coating Technology (AISA Coat + Ink Show 2015). Our Centre continued to bring large number of visitors to Mumbai city.

iii) **Nesco Hospitality Private Limited:**

Your Company has recently incorporated a wholly owned subsidiary to provide hospitality services. Income for the period was ₹ 6.10 lakhs. The Company has also started food court services with leading international and national food brands who will cater to the growing demand of quality food services from Nesco IT Park and from the organizers, their exhibitors and visitors.

iv) **Indabrator:**

In the year under review, Indabrator income was ₹ 1,790.91 lakhs (previous year ₹ 1,838.83 lakhs). Year 2014-15 continued to be a difficult year for the capital goods industry. A large number of projects were either cancelled or delayed or deferred; steel, automotive and other industries faced low demand and went through difficult times. Economic environment is showing improvement and we expect Indabrator to pick up in the current year.

v) **Investments:**

Income from investments and other income was ₹ 2,862.33 lakhs (previous year ₹ 2,031.35 lakhs), an increase of 40.90%.

**5. Finance:**

Your Company had no debt as on 31 March 2015. Company's liquid resources (fixed maturity plans, mutual funds, cash & bank balances) increased by 4.31% to ₹ 38,883.96 lakhs from ₹ 37,277.90 lakhs. Your Company has neither accepted any deposits from the public during the year nor are any deposits outstanding for repayment.

**6. Corporate Social Responsibility:**

Even before the introduction of Section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility (CSR), your Company had already initiated these activities. In the rural areas, your Company has supported setting up of a industrial training institute and two English medium schools. The third English Medium School is under construction. Students from needy families are being given scholarships. Your Company had provided support to Election Commission in organizing Counting Station for two constituencies of Mumbai in Bombay Exhibition Centre in the last financial year.

The second school set up is registered under CBSE Board, with your Company's assistance and has commenced its activities. Both schools provide modern education facilities including smart class / audio visual learning system, modern computer labs, etc.

Your Company has also taken initiatives under "Swachh Bharat Abhiyan" and has already built 12 toilets for the needy families in a village and is also planning to construct more toilets in rural areas. The construction of an overhead water tank with a storage capacity of 9 lakh litres in a village has also commenced.

The Company is evaluating and will take up more CSR activities. The Annual Report on CSR activities is annexed herewith as 'Annexure A'.

**7. Directors:**

Mrs. Sudha S. Patel, retires by rotation at the ensuing annual general meeting and being eligible offer herself for reappointment. Her profile is given in the annexure to the notice.

**8. Board Evaluation:**

Clause 49 of the Listing agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report section in this Annual Report.

**9. Training of Independent Directors:**

Your Company's Independent Directors are highly qualified and have been associated with corporate and business organizations. They have been associated with your Company since last several years, hence they all understand Company's business and activities very well, however, pursuant to the provisions of Clause 49 of the Listing agreement, the Board has shown all the Independent Director Company's business and manufacturing activities

and were also introduced to Company's staff. They were also introduced to new activities of the Company namely, Day Care Centre, Food Court area and the new Hospitality subsidiary Company.

**10. Declaration by Independent Directors:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**11. Board Meetings:**

Pursuant to Section 134(3)(b), details of Board meeting held in the year is mentioned in the Report of the Corporate Governance. During the year 4 (four) Board Meetings and 4 (four) Audit Committee meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. A separate meeting of Independent Directors, pursuant to Section 149(7) read with Schedule VI of the Companies Act, 2013 and Clause 49 was held on 10 February 2015.

**12. Policy on Directors' appointment and Remuneration and other details:**

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in Corporate Governance Report, which forms part of Annual Report.

**13. Directors' Responsibility Statement as required under Section 134(3)(c) of the Companies Act, 2013:**

The Directors state that: -

- a) in the preparation of the annual accounts for the financial year ended 31 March, 2015, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31 March, 2015 and of the profit and loss of the Company for the financial year ended 31 March, 2015;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**14. A. Auditors and Auditors Report:**

The Board of Directors in their meeting held on 28 May, 2014, on the recommendation of the Audit Committee, in accordance with the provisions of Section 139 of the Companies Act, 2013 had appointed M/s Manubhai & Shah, Chartered Accountants, to act as the Auditors of your Company till the conclusion of the 56th Annual General Meeting.

The Board of Directors in their meeting held on 23 May, 2015, on the recommendations of the Audit Committee, in accordance with the provisions of Section 141 of the Companies Act, 2013, recommended M/s Manubhai & Shah, Chartered Accountants as the Auditors of your Company till the conclusion of the 60th Annual General Meeting. The Company has received a certificate from the Auditors to the effect that the proposed appointment, if made, will be in accordance with the limits specified under Section 139(9) of the Companies Act, 2013.

The Auditors Report for the financial year 2014-15, does not contain any qualification, reservation or adverse remark.

**B. Secretarial Audit and Secretarial Audit Report:**

The Board of Directors in their meeting held on 10 February, 2015, on the recommendations of the Audit Committee, in accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s ND & Associates to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is attached as 'Annexure B'. The Secretarial Auditors Report for the financial year 2014-15, does not contain any qualification, reservation or adverse remark.

**C. Cost Audit:**

The Board of Directors had appointed M/s. Y. S. Thakkar & Co., Cost Accountants, as the Cost Auditor of your Company for the financial year 2014-15 to conduct the audit of the cost records of your Company.

Cost Audit is not applicable to your Company for the financial year 2015-16.

**15. Internal Financial 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 follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor expectations and budgeted results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the internal auditors. The internal audit is conducted at various locations of Company and covers all key areas. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

**16. Particulars of Loans, Guarantees and Investments:**

The particulars of loans, guarantees and investments have been disclosed in the financial statement.

**17. Vigil Mechanism/Whistle Blower Policy:**

The Company has a vigil mechanism to deal with fraud and mismanagement, if any. The policy is on the website of the Company.

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

Your Company recognizes its role in health and safety, as well as its responsibility towards environment and society. 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.

**19. 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 Manubhai & Shah, Chartered Accountants confirming compliance with requirement of corporate governance are given as a separate report, which forms part of this annual report.

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

The Company is undertaking the necessary energy conservation activities in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

**21. Extract of Annual Return:**

Pursuant to Section 134(3)(a), extract of Annual Return in Form MGT-9 has been annexed herewith as 'Annexure C'.

**22. Particulars of Employees:**

The information required under section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company has been annexed herewith as 'Annexure D'.

**23. Subsidiary Company:**

During the year under review your Company has entered into the business of food catering and related services within the Nesco Complex. The Company has incorporated a wholly owned subsidiary named 'Nesco Hospitality Private Limited' to set up world class kitchen facilities to cater to the needs of Nesco IT Park and visitors to exhibitions and conventions.

**24. Related Party Transactions:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

During the year under review the Company entered into Leave and License agreement for the land which is situated at Karamsad, District Anand, Gujarat, owned by Mr. Sumant Patel, Chairman of the Company, against payment of monthly license fees to Mr. Sumant Patel after taking prior permission by passing special resolution as per section 188 of the Companies Act, 2013.

Except this there are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as 'Annexure E' to this Report.

**25. Deposit from Public:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**26. Consolidated Financial Statement:**

The consolidated financial statement of your Company for the financial year 2014-15, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its subsidiary, as approved by their respective Board of Directors.

**27. Acknowledgment:**

The Board of Directors wish to place on record their appreciation for the support extended by the clients, shareholders, bankers and the employees of the Company for their continued co-operation and support.

For and on behalf of the Board of Directors

Sumant J. Patel  
Chairman & Managing Director  
Mumbai, 23 May 2015



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## NESCO AT A GLANCE

Nesco is a diversified, multi-location, public limited Company, established in 1939, quoted on the Bombay Stock Exchange and National Stock Exchange. Nesco has four business groups: Nesco IT Park; Bombay Convention & Exhibition Centre; Indabrator, the Industrial Capital Goods Division and the newly started Hospitality Division.

### 1. **Nesco IT Park**

Nesco IT Park, located at Goregaon East on the Western Express Highway, is registered as a Private IT Park by the Govt. of Maharashtra. Recently constructed IT Building No. 3 is a state-of-art IT building which caters to companies engaged in software, BPO, call centers and other IT and ITES activities; banks, financial institutions and insurance companies. Leed India has given the building a Platinum Rating. World class amenities in the IT Building No. 3 include Gymnasium, Futsal, Golf Putting & Open Sky Lounge.



IT Building No. 3



Futsal Turf on the Terrace of IT Building No. 3

To look after the needs of young parents who work in the Nesco IT Park, Nesco has recently commissioned a Child Care Centre. Children of the young parents are looked after by trained staff in this Child Care Centre.



Open Area of the Child Care Centre





Kids & Teacher in the Classroom of the Child Care Centre



Kids enjoying a dip in the pool at our new Child Care Centre

Nesco has also commissioned an Incubation Centre in its Hall 3 with 300 seats capacity, primarily to cater to the need of immediate plug and play space for companies in Nesco IT Park.



## 2. **Bombay Convention & Exhibition Centre**

Bombay Exhibition Centre, the largest Exhibition Centre in the private sector in India, has four halls which occupy an area of about 450,000 sq. ft. besides available space for restaurants, seminars, parking, etc. It has hosted over 2,000 national & international trade fairs, exhibitions & events since it was established in 1992. It is the only exhibition centre of this size in Mumbai. Nesco has initiated process to secure approvals to expand the halls area from 450,000 sq. ft. to 1,000,000 sq. ft. of new world class halls.



## 3. **Hospitality Division**

Nesco Hospitality Private Limited, a wholly owned subsidiary, is set up to provide 'Hospitality Solutions' for various events and other daily activities that take place in the Nesco Complex which will focus on making the venue a Meeting Place and develop it to nurture the best environment for such meets. The Hospitality Group will include food & beverages, and other related services.



Cafeteria in IT Building No. 3



Food Court in Hall No. 2

## 4. **Indabrator**

The Industrial Capital Goods Group, known as Indabrator, is a market leader in its segment: Surface Preparation Equipment. It has three units in Gujarat, which manufacture surface preparation systems including shot blasting and peening systems; painting systems; alloy iron spares; and abrasives. It is a fully integrated division. Indabrator is the market leader in India in this segment. Indabrator was merged with Nesco in 2005. Indabrator Complex is located on about 20 acres of land near Anand, Gujarat, with a strong manufacturing set up.



Manufacturing Facility at Vishnoli, Gujarat



Fully Automated  
Shot Peening Machine  
for Clutch Plates



4 Axis CNC Operated  
Fully Automated  
Shot Peening Machine  
for Gears & Pinions

## 5. **Corporate Social Responsibility**

Nesco continues to expand its CSR activities. The third school [an English Medium School] in a village is now near completion. Our schools have latest imported, computerized programs and labs, etc. Nesco has built toilets in villages where there were none and given scholarships to children. Nesco is helping to build a 9 lakh litre capacity water tank in a village.



Web-Enabled Training with Computerized Technology



Under Construction School at Tarapur Village in Gujarat



Recently Completed English Medium School

Nesco Complex, in Mumbai has a well-designed compound wall and gates; over 1000 trees, lots of greenery; ample open spaces; wide roads; and plenty of car parking. The Complex also has facilities of restaurants and cafeterias. It is very strategically located on the Western Express Highway at Goregaon in Mumbai City.



Overhead Water Tank at a Village in Gujarat.

**BALANCE SHEET AS AT 31ST MARCH, 2015**

(₹ in lakhs)

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
a. Share capital	2	1,409.20	1,409.20
b. Reserves and surplus	3	52,560.27	42,468.47
2 Non-current liabilities			
a. Deferred tax liabilities (net)	4	219.81	210.79
b. Other long term liabilities	5	7,323.28	6,082.83
c. Long-term provisions	6	1,376.01	1,357.77
3 Current liabilities			
a. Trade payables	7	509.43	744.52
b. Other current liabilities	8	3,128.81	2,899.60
c. Short-term provisions	9	1,098.39	878.46
<b>TOTAL</b>		<b>67,625.20</b>	<b>56,051.64</b>
<b>II. ASSETS</b>			
1 Non-current assets			
a. Fixed assets			
(i) Tangible assets	10	15,917.52	15,981.26
(ii) Capital work-in-progress		9,978.50	475.09
b. Non-current investments	11	28.31	3.32
c. Long-term loans and advances	12	173.09	231.83
2 Current assets			
a. Current investments	13	38,379.63	36,839.49
b. Inventories	14	770.41	440.12
c. Trade receivables	15	1,073.23	1,118.13
d. Cash and cash equivalents	16	476.02	435.09
e. Short-term loans and advances	17	824.00	479.06
f. Other current assets	18	4.49	48.25
<b>TOTAL</b>		<b>67,625.20</b>	<b>56,051.64</b>
Significant accounting policies	1		
The notes form an integral part of these financial statements			

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

Kshijit M. Patel  
Partner  
Membership No. 045740  
FRN. 106041W  
Mumbai, 23 May 2015

Mr. Dipesh R. Singhania  
Chief Financial Officer  
& Compliance Officer

For and on behalf of the Board

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

Mumbai, 23 May 2015



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ in lakhs)

Particulars	Note No.	Year Ended 31 March, 2015	Year Ended 31 March, 2014
I Revenue from operations	19	19,444.55	16,110.78
II Other income	20	2,862.33	2,031.36
III Total Revenue (I + II)		<b>22,306.88</b>	<b>18,142.14</b>
IV Expenses			
Cost of materials consumed	21	1,081.59	880.19
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(175.78)	(7.96)
Employee benefits expense	23	710.56	680.83
Finance cost	24	13.33	10.71
Depreciation and amortization expense	25	670.09	1,102.57
Other expenses	26	4,029.62	3,786.07
Total expenses		<b>6,329.41</b>	<b>6,452.41</b>
V Profit before exceptional items and tax (III-IV)		15,977.47	11,689.73
VI Exceptional items		-	-
VII Profit before tax (V-VI)		<b>15,977.47</b>	<b>11,689.73</b>
VIII Tax expense:			
(1) Current tax		4,805.00	3,600.00
(2) Deferred tax		9.02	(12.72)
Profit for the year		<b>11,163.45</b>	<b>8,102.45</b>
Earnings per equity share of ₹ 10 each Basic and Diluted (in ₹)		79.22	57.50
Weighted average number of shares outstanding		14,091,992	14,091,992
Significant accounting policies	1		
The notes form an integral part of these financial statements			

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

Kshijit M. Patel  
Partner  
Membership No. 045740  
FRN. 106041W  
Mumbai, 23 May 2015

Mr. Dipesh R. Singhanian  
Chief Financial Officer  
& Compliance Officer

For and on behalf of the Board

Mr. Sumant J. Patel  
Dr. Ram S. Tarneja  
Mr. Mahendra Chouhan  
Mrs. Sudha S. Patel  
Mr. Krishna S. Patel

Chairman & Managing Director  
Director  
Director  
Director  
Joint Managing Director

Mumbai, 23 May 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

(₹ in lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>A) Cash Flow from operating activities</b>		
Net Profit before Tax and extraordinary items	15,977.47	11,689.73
Add / (Less):		
Depreciation	670.09	1,102.57
Interest income	(8.20)	(10.38)
Finance cost	13.33	10.71
Sundry debtors written off	103.76	176.60
Income from investments	(2,529.24)	(1,647.44)
Profit on sale of fixed assets (net)	(0.15)	-
Operating profit before working capital changes	14,227.07	11,321.79
Add / (Less):		
(Increase)/Decrease in Inventory	(330.29)	43.75
(Increase)/Decrease in Trade & other receivable	(197.54)	49.05
Increase/(Decrease) in Trade payables	1,472.74	944.91
Cash generated from operation	15,171.98	15,491.08
Add / (Less):		
Debts written off	(103.76)	(176.60)
Income Tax	(4,805.00)	(3,600.00)
Exceptional items (net)	-	(3,776.60)
Net Cash from operating activities - [A]	10,263.22	11,714.48
<b>B) Cash Flow from investing activities</b>		
Purchase of fixed assets	(10,109.75)	(1,316.50)
Purchase of investments (net)	(1,565.13)	(10,999.31)
Sale of fixed assets	0.15	-
Interest received	8.20	10.38
Income from investments	2,529.24	1,647.44
Net Cash (used in)/from investing activities - [B]	(9,137.30)	(10,657.99)
<b>C) Net Cash Flow used in financing activities</b>		
Finance cost	(13.33)	(10.71)
Provision for dividend (including tax)	(1,071.65)	(824.35)
Net Cash Flow used in financing activities - [C]	(1,084.98)	(835.06)
Net Increase / (Decrease in Cash / Cash Equivalents (A+B+C))	40.94	221.43
Cash/Cash Equivalent at the beginning of the year	435.08	213.65
Cash/Cash Equivalent at the end of the year	476.02	435.08

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

Kshijit M. Patel  
Partner  
Membership No. 045740  
FRN. 106041W  
Mumbai, 23 May 2015

Mr. Dipesh R. Singhania  
Chief Financial Officer  
& Compliance Officer

For and on behalf of the Board

Mr. Sumant J. Patel  
Dr. Ram S. Tarneja  
Mr. Mahendra Chouhan  
Mrs. Sudha S. Patel  
Mr. Krishna S. Patel

Chairman & Managing Director  
Director  
Director  
Director  
Joint Managing Director

Mumbai, 23 May 2015

## Note 1

### Statement of significant accounting policies and practices

#### A. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, to the extent applicable.

#### B. Revenue recognition

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

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

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

Interest income is recognised on accrual basis.

#### C. Fixed assets and Depreciation

- i. Fixed assets are stated at cost/revalued less accumulated depreciation.
- ii. Depreciation on Tangible Assets has been provided as per the revised useful life of these assets as per Schedule II of the Companies Act, 2013.

#### D. Investments

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

#### E. Inventories

- i. Raw materials are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.
- ii. Semi-finished goods are valued at cost with appropriate share of manufacturing overheads and on the basis of percentage of work completed.
- iii. Finished goods are valued at cost or market value whichever is lower.
- iv. Stores and spares are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.

#### F. Foreign currency transactions

- i. Fixed Assets are translated into rupees at the rates prevailing on the date of purchase/acquisition.
- ii. Foreign currency liabilities for acquisition of fixed assets are stated at the rate prevailing on the date of purchase/acquisition.
- iii. Transactions in foreign currencies are entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of Profit and Loss.

## G. Employee benefits

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

## H. Deferred taxes on income

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

## I. Impairment of assets

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

## J. Borrowing cost

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

## K. Segment Reporting

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

## L. Trade receivables

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

## M. Provisions and contingencies

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

## N. Earnings per share

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

## O. Proposed Dividend

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

## P. Other accounting policies

These are considered with generally accepted accounting principles.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>2 Share Capital</b>		
Authorised		
14,750,000 (Previous year 14,750,000)	1,475.00	1,475.00
Equity Shares of Rs. 10 each		
250,000 (Previous year 250,000)		
11% Cumulative Redeemable		
Preference share of Rs. 10 each	25.00	25.00
	1,500.00	1,500.00
Issued, Subscribed and Fully Paid up		
14,091,992 (Previous year 14,091,992)		
Equity Shares of Rs. 10 each	1,409.20	1,409.20
Total	1,409.20	1,409.20

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

**2.1 Reconciliation of shares outstanding at the beginning and at the end of the year**

Equity Shares	2014 - 15		2013 - 14	
	Number	Rs.	Number	Rs.
At the beginning of the year	14,091,992	140,919,920	14,091,992	140,919,920
Add: Issued during the year	-	-	-	-
At the end of the year	14,091,992	140,919,920	14,091,992	140,919,920

**2.2 Terms / Rights attached to Equity Shares**

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

The Board of Directors has recommended a final dividend of ₹ 6.50 per equity share at its meeting held on 23.05.2015, subject to the approval of the shareholders at the ensuing Annual General Meeting. ₹ 5 per equity share was paid as dividend for the previous year. The dividend appropriation for the year ended 31.3.2015 amounts to ₹ 915.98 lacs and corporate dividend tax of ₹ 155.67 Lacs (Previous year ₹ 824.35 Lacs including corporate dividend tax of ₹ 119.75 Lacs)

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

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Chandler & Price (I) Pvt. Ltd.	3,886,112	27.58	3,885,432	27.57
Sumant J. Patel	1,801,467	12.78	1,802,147	12.78
Patel Consultancy Services Pvt. Ltd.	1,051,600	7.46	1,051,600	7.46
Sudha S. Patel	914,944	6.49	914,944	6.49

		(₹ in lakhs)	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
<b>3 RESERVES &amp; SURPLUS</b>			
Capital Reserve			
a. on Revaluation of certain assets			
Opening Balance	640.10	642.40	
Less: Transferred to statement of Profit & Loss	-	2.30	640.10
b. Preference Shares Redemption Reserve	9.56		9.56
c. Cash subsidy received from Govt. of Gujarat	25.00		25.00
General Reserve			
Opening Balance	41,743.81	34,465.71	
Add: Transfer from statement of Profit and Loss	10,091.80	7,278.10	
Closing balance	51,835.61		41,743.81
Surplus/(Deficit) in statement of Profit and Loss			
Opening balance	50.00	50.00	
Add: Profit for the year	11,163.45	8,102.45	
Less: Proposed dividend (₹ 6.50 per share)	915.98	704.60	
(previous year ₹ 5.00)			
Tax on proposed dividend	155.67	119.75	
Transfer to General Reserve	10,091.80	7,278.10	
Closing balance	50.00		50.00
	52,560.27		42,468.47
<b>4 Deferred tax</b>			
<b>A. Deferred tax liability (net)</b>			
Opening Balance	210.79		223.51
Add: Impact of difference between tax depreciation and book depreciation on Fixed Assets	11.25		-
Expenses allowable for tax purpose on payment basis and others	1.02		-
	223.06		223.51
<b>B. Deferred tax Asset</b>			
Impact of difference between book depreciation and tax depreciation on Fixed Assets	-		6.62
Expenses allowable for tax purpose on payment basis and others	3.25		6.10
	219.81		210.79
<b>5 Other long term liabilities</b>			
Advance from exhibition organizers	634.39		751.73
Security deposit from IT Park licencees and others	6,632.52		5,322.57
Security deposit from exhibition organizers	56.37		8.53
	7,323.28		6,082.83

(₹ in lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>6 Long term provisions</b>		
Provision for compensation	1,245.03	1,224.12
Provision for gratuity	112.81	115.90
Provision for leave encashment	18.17	17.75
	<u>1,376.01</u>	<u>1,357.77</u>
<b>7 Trade payables (Refer note no. 30)</b>	<u>509.43</u>	<u>744.52</u>
<b>8 Other current liabilities</b>		
Advance against orders and others	2,018.43	2,024.92
Security deposit from exhibition organizers	109.88	212.21
Unclaimed dividend	83.13	78.64
Salary/wages payable	24.27	42.25
Statutory dues	279.11	61.43
Security deposits from trainees	1.68	12.02
Other payables	612.31	468.13
	<u>3,128.81</u>	<u>2,899.60</u>
<b>9 Short term provisions</b>		
Provision for tax (net of advance tax and TDS)	-	39.62
Proposed dividend	915.98	704.60
Tax on proposed dividend	155.67	119.75
Provision for gratuity	24.89	12.63
Provision for leave encashment	1.85	1.86
	<u>1,098.39</u>	<u>878.46</u>

**Nesco Limited**

Notes Forming part of the Financial Statements

(₹ in lakhs)

**Note 10 - Fixed Assets**

Particulars	Gross Block			Depreciation / Amortisation				Net Block		
	As at 1-Apr-14	Additions	Deductions/ Transfers	As at 31-Mar-15	Up to 31-Mar-14	For the year	Adjustment a/c of Schedule II Part C	Up to 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
<b>1. <u>Tangible assets</u></b>										
Freehold land	601.37	-	-	601.37	-	-	-	-	601.37	601.37
Buildings	14,279.97	338.74	-	14,618.71	2,415.24	200.28	-	2,615.52	12,003.19	11,864.73
Plant and machinery	3,782.81	134.89	-	3,917.70	1,490.29	250.43	-	1,740.72	2,176.98	2,292.52
Electrical installations	1,274.50	35.73	-	1,310.23	451.79	105.63	37.05	594.47	715.76	822.71
Pattern and mouldings	84.98	1.56	-	86.54	80.91	0.68	-	81.59	4.95	4.07
Furniture, fixture & office equipment	418.08	95.43	-	513.51	255.02	39.99	11.65	306.66	206.85	163.06
Vehicles	428.14	-	-	428.14	195.46	24.35	-	219.81	208.33	232.68
Laboratory equipments	1.61	-	-	1.61	1.49	-	0.03	1.52	0.09	0.12
Total tangible assets	20,871.46	606.35	-	21,477.81	4,890.20	621.36	48.73	5,560.29	15,917.52	15,981.26
<b>2. <u>Intangible assets</u></b>										
Technical Knowhow	23.92	-	-	23.92	23.92	-	-	23.92	-	0.00
Total Intangible assets	23.92	-	-	23.92	23.92	-	-	23.92	-	0.00
<b>3. <u>Capital Work-in-progress</u></b>										
IT Building No.4	395.20	9,583.30	-	9,978.50	-	-	-	-	9,978.50	395.20
Indabrator Factory - Vishnoli	20.91	-	20.91	-	-	-	-	-	-	20.91
Vishnoli - Compound Wall	58.98	77.85	136.83	-	-	-	-	-	-	58.98
Total Capital Work-in-progress	475.09	9,661.15	157.74	9,978.50	-	-	-	-	9,978.50	475.09
<b>Grand Total : (1 + 2 + 3)</b>										
Previous Year :	21,370.47	10,267.50	157.74	31,480.23	4,914.12	621.36	48.73	5,584.21	25,896.02	16,456.35
	20,053.98	1,470.96	154.47	21,370.47	3,809.25	1,104.87	-	4,914.12	16,456.35	

**Notes :**

- Gross Block of Plant & Machinery and Electrical Installation at net value after deducting depreciation upto 31.3.1960 and thereafter at cost/book value (less sales).
- Depreciation on Tangible Assets has been provided as per the revised useful life of these assets as per Schedule II of the Companies Act, 2013.
- Freehold Land includes Rs. 899,623/- in the name of Mr. Sumant J. Patel for which conveyance is yet to be completed.
- Buildings include Karamsad unit which is on leasehold land. The lease period is 55 years from 12 December 1973 with no provision for renewals.



(₹ in lakhs)

Particulars	As at 31 March, 2015		As at 31 March, 2014	
<b>11 Non-Current Investments</b>				
Investment in Equity instruments (Quoted, Trade)				
369 (Previous Year 369) Equity Shares of Face value of ₹ 2/- each, fully paid up of Larsen & Toubro Limited - ₹ 148/-	0.00		0.00	
79 (Previous Year 79) Equity Shares Of ₹ 10/- Each, Fully Paid Up of Ultra Tech Cement Ltd. - ₹ 410/-	0.00		0.00	
2,250 (Previous Year 2,250) Equity Shares Of ₹ 2/- Each, Fully Paid Up of Greaves Cotton Ltd	0.04	0.04	0.04	0.04
<u>Investment in Equity instruments (Unquoted, Non Trade)</u>				
5 Shares of Charotar Gas Sahakari Mandali of the face value of ₹ 500 each, fully paid up	0.03		0.03	
2,250 (Previous Year 2,250) Equity Shares of face value of ₹ 100 each of NSE Housing & Investment Pvt Ltd	2.25		2.25	
249,900 (Previous Year Nil) Equity Shares of face value of ₹ 10 each of Nesco Hospitality Pvt Ltd. (a Subsidiary Co.)	24.99		-	
		27.27		2.28
<u>Investments in Government or Trust securities (Unquoted, Trade)</u>				
10. Nos. 5 1/2 years Kisan Vikas Patra of the value of ₹ 10,000 each, pledge with BMC for connection (matured)		1.00		1.00
		28.31		3.32
Aggregate of quoted investments - Book Value		0.04		0.04
Aggregate of quoted investments - Market Value		12.36		8.58
Aggregate of unquoted investments - Book Value		28.27		3.28
<b>12 Long term loans and advances - Unsecured considered good</b>				
Advances and deposit with public bodies		96.07		164.45
Capital Advances		77.02		67.38
		173.09		231.83

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

( ₹ in lakhs)

Particulars	Face Value of the Unit	As at 31 March, 2015		As at 31 March, 2014	
		No.	₹	No.	₹
<b>13 Current investments</b>					
Investment in mutual funds					
<b>A Fixed Maturity Plans</b>					
Axis Fixed Term Plan - Series 62 (383 Days) Direct Growth	10	2,000,000	200.00	2,000,000	200.00
Axis Fixed Term Plan - Series 63 (91 Days) Direct Growth	10	-	-	2,000,000	200.00
Axis Fixed Term Plan - Series 56 (370 Days) Direct Growth	10	-	-	3,000,000	300.00
Axis Fixed Term Plan - Series 57 (397 Days) Direct Growth	10	4,103,584	410.36	4,103,584	410.36
Axis Fixed Term Plan - Series 47 (483 Days) Direct Growth	10	1,000,000	100.00	1,000,000	100.00
Baroda Pioneer FMP - Series B Plan B (378 Days) - Growth	10	-	-	1,000,000	100.00
Birla Sun Life Interval Income Fund Annual Plan - Series X - Direct - Growth	10	1,200,000	120.00	1,200,000	120.00
Birla Sun Life Fixed Term Plan - Series HM (1099 Days - Old 366 Days ) - Direct - Growth	10	800,000	80.00	800,000	80.00
Birla Sun Life Fixed Term Plan - Series JO (367 Days) - Direct - Growth	10	-	-	1,000,000	100.00
Birla Sun Life Fixed Term Plan - Series JP (490 Days) - Direct - Growth	10	1,037,688	103.77	1,037,688	103.77
Birla Sun Life Fixed Term Plan - Series KW (374 Days) - Direct - Growth	10	2,500,000	250.00	2,500,000	250.00
BNP Paribas Fixed Term Fund Series 24 A Direct - Folio No.368597	10	-	-	1,000,000	100.00
BNP Paribas Fixed Term Fund Series 26 A Direct - Growth	10	-	-	1,000,000	100.00
BOI AXA Fixed Maturity Plan - Series 6 (370 Days) - Direct Plan - Growth	10	-	-	2,000,000	200.00
BOI AXA Fixed Maturity Plan - Series 13 (380 Days) - Direct Plan - Growth	10	1,500,000	150.00	1,500,000	150.00
DSP BlackRock FMP - Series 155 - 12 M - Direct - Growth	10	3,091,748	309.17	3,091,748	309.17
DSP BlackRock FMP - Series 151 - 12 M - Direct - Growth	10	-	-	2,250,000	225.00
DSP BlackRock FMP - Series 146 - 12 M - Direct - Growth	10	-	-	5,000,000	500.00
DSP BlackRock FTP - Series 36 - 15 M - Direct - Growth	10	1,500,000	150.00	1,500,000	150.00
DSP BlackRock FMP - Series 115 - 12 M - Direct - Growth	10	-	-	2,000,000	200.00
DSP BlackRock FMP - Series 104 - 12 M - Direct - Growth	10	-	-	1,500,000	150.00
DWS Fixed Maturity Plan Series 49 - Direct Plan - Growth	10	1,500,000	150.00	1,500,000	150.00
DWS Fixed Maturity Plan Series 49 - Regular Plan - Growth	10	1,500,000	150.00	1,500,000	150.00
DWS Fixed Maturity Plan Series 54 - Direct Plan - Growth	10	1,500,000	150.00	1,500,000	150.00
DWS Fixed Maturity Plan Series 57 - Direct Plan - Growth	10	1,500,000	150.00	1,500,000	150.00
HDFC FMP 447D February 2014 ( 1 ) Series 29 - Direct - Growth	10	1,700,000	170.00	1,700,000	170.00
HDFC FMP 369D February 2014 ( 2 ) Series 29 - Direct - Growth	10	-	-	5,000,000	500.00
HDFC FMP 370D March 2014 ( 1 ) Series 29 - Direct - Growth	10	-	-	4,640,562	464.06
HDFC FMP 371D January 2014 ( 1 ) Series 29 - Direct - Growth	10	-	-	2,084,431	208.44
HDFC FMP 478D January 2014 ( 1 ) Series 29 - Direct - Growth	10	1,000,000	100.00	1,000,000	100.00
HDFC FMP 370D August 2013 ( 3 ) Series 27 - Direct - Growth	10	2,000,000	200.00	2,000,000	200.00
HDFC FMP 370D July 2013 ( 2 ) Series 26 - Direct - Growth	10	-	-	1,150,000	115.00
HDFC FMP 371D June 2014 ( 2 ) Series 31 - Direct - Growth	10	1,070,000	107.00	-	-
ICICI Prudential FMP Series 68 - 368 Days Plan G - Direct Growth	10	-	-	2,000,000	200.00
ICICI Prudential FMP Series 69 - 366 Days Plan G - Direct Growth	10	2,000,000	200.00	2,000,000	200.00
ICICI Prudential FMP Series 72 - 366 Days Plan T - Direct Growth	10	-	-	1,000,000	100.00
ICICI Prudential FMP Series 74 - 369 Days Plan F - Direct Growth	10	2,000,000	200.00	-	-

Particulars	Face Value of the Unit	As at 31 March, 2015		As at 31 March, 2014	
		No.	₹	No.	₹
IDFC Yearly Series Interval Fund Direct Plan - Series 3 - Growth	10	-	-	4,566,377	500.00
IDFC Fixed Term Plan Series 78 Direct Plan - Growth (366 Days)	10	-	-	2,250,000	225.00
IDFC Fixed Term Plan Series 88 Direct Plan - Growth (372 Days)	10	2,000,000	200.00	2,000,000	200.00
Kotak FMP Series 139 Direct - Growth	10	-	-	5,000,000	500.00
Kotak FMP Series 142 Direct - Growth	10	1,003,316	100.33	1,003,316	100.33
Kotak FMP Series 144 Direct - Growth	10	-	-	2,250,000	225.00
L&T FMP Series 10 - Plan M - Direct Growth	10	2,000,000	200.00	2,000,000	200.00
L&T FMP Series 10 - Plan N - Direct Growth	10	-	-	2,026,348	202.63
L&T FMP Series 10 - Plan R - Direct Growth	10	2,000,000	200.00	2,000,000	200.00
L&T FMP Series 8 - Plan F - Direct Growth	10	2,000,000	200.00	2,000,000	200.00
Principal Pnb FMP - Series B12-368 Days - Direct Plan - Growth	10	-	-	1,007,678	100.77
Principal Pnb FMP - Series B15-377 Days - Direct Plan - Growth	10	1,000,000	100.00	1,000,000	100.00
Reliance Fixed Horizon Fund - XXIII Series 5 - Direct Plan - Growth	10	-	-	980,477	98.05
Reliance Fixed Horizon Fund - XXV Series 22 - Direct Plan Growth	10	2,000,000	200.00	2,000,000	200.00
Reliance Fixed Horizon Fund - XXVI Series 13 - Direct Plan Growth	10	1,026,354	102.64	-	-
Religare Invesco FMP - Series XVII - Plan D - (399 Days) - Direct Plan Growth	10	-	-	1,995,240	199.52
Religare Invesco FMP - Series XVIII - Plan B - (386 Days) - Direct Plan Growth	10	-	-	2,000,000	200.00
Religare Invesco FMP - Series 22 - Plan F (15 Months) - Direct Plan Growth	10	1,000,000	100.00	1,000,000	100.00
Religare Invesco FMP - Series 22 - Plan K (367 Days) - Direct Plan Growth	10	-	-	2,000,000	200.00
Religare Invesco FMP - Series 22 - Plan L (14 Months) - Direct Plan Growth	10	1,030,442	103.04	1,030,442	103.04
Religare Invesco FMP - Series 22 - Plan O (370 Days) - Direct Plan Growth	10	-	-	1,000,000	100.00
Religare Invesco FMP - Series XX - Plan C (369 Days) - Direct Plan Growth	10	-	-	2,000,000	200.00
SBI Debt Fund Series - 366 Days - 37 - Direct Plan - Growth	10	2,000,000	200.00	2,000,000	200.00
SBI Debt Fund Series - 366 Days - 39 - Direct Plan - Growth	10	1,000,000	100.00	1,000,000	100.00
SBI Debt Fund Series - 16 Months - 1 - Direct Plan - Growth	10	500,000	50.00	500,000	50.00
SBI Debt Fund Series - A1 - 15 Months - Direct Plan - Growth	10	750,000	75.00	750,000	75.00
SBI Debt Fund Series - A2 - 15 Months - Direct Plan - Growth	10	1,400,000	140.00	1,400,000	140.00
SBI Debt Fund Series - A5 - 411 Days - Direct Plan - Growth	10	5,000,000	500.00	5,000,000	500.00
SBI Debt Fund Series - 366 Days 53- Direct Plan - Growth	10	-	-	1,017,408	101.74
SBI Debt Fund Series - A11 - 385 Days - Direct Plan - Growth	10	771,954	77.20	771,954	77.20
SBI Debt Fund Series - 90 Days 85- Direct Plan - Growth	10	-	-	2,000,000	200.00
SBI Debt Fund Series - A14 - 380 Days - Direct Plan - Growth	10	2,500,000	250.00	2,500,000	250.00
SBI Debt Fund Series - A18 - 366 Days - Direct Plan - Growth	10	1,335,551	133.56	-	-
SBI Debt Fund Series - A 32 - 367 Days - Direct Plan - Growth	10	2,000,000	200.00	-	-
Sundaram Fixed Term Plan - DS - 367 Days - Direct Growth	10	2,000,000	200.00	2,000,000	200.00
Sundaram Fixed Term Plan - EU - 446 Days - Direct Growth	10	750,000	75.00	750,000	75.00
Sundaram Fixed Term Plan - FA - 406 Days - Regular Growth	10	5,000,000	500.00	5,000,000	500.00
Sundaram Fixed Term Plan - FB - 369 Days - Direct Growth	10	-	-	5,000,000	500.00
Sundaram Fixed Term Plan - FD - 397 Days - Direct Growth	10	2,267,582	226.76	2,267,582	226.76
Sundaram Fixed Term Plan - FF - 366 Days - Regular Growth	10	-	-	2,500,000	250.00

Particulars	Face Value	As at 31 March, 2015		As at 31 March, 2014	
		No.	₹	No.	₹
Sundaram Fixed Term Plan - FI - 383 Days - Regular Growth	10	2,000,000	200.00	2,000,000	200.00
TATA FMP Series 42 Scheme - C - Direct Plan - Growth	10	-	-	2,000,000	200.00
TATA FMP Series 42 Scheme - H - Direct Plan - Growth	10	-	-	1,000,000	100.00
TATA FMP Series 43 Scheme - C - Direct Plan - Growth	10	2,000,000	200.00	2,000,000	200.00
TATA FMP Series 45 Scheme - D - Direct Plan - Growth	10	-	-	1,000,000	100.00
TATA FMP Series 46 Scheme - P - Direct Plan - Growth	10	-	-	1,500,000	150.00
TATA FMP Series 47 Scheme - C - Direct Plan - Growth	10	2,000,000	200.00	2,000,000	200.00
TATA FMP Series 47 Scheme - F - Direct Plan - Growth	10	2,126,842	212.68	-	-
TATA FMP Series 47 Scheme - H - Direct Plan - Growth	10	2,300,000	230.00	-	-
UTI Fixed Maturity Plan - Yearly FMP Series - MAR 2014: YFMP(03/14) - Growth Plan	10	6,245,245	624.52	6,245,245	624.52
UTI Fixed Term Income Fund Series XV - VIII (368 Days) Growth Plan	10	-	-	2,000,000	200.00
UTI Fixed Term Income Fund Series XV - IX (366 Days) Growth Plan	10	-	-	2,500,000	250.00
UTI Fixed Term Income Fund Series XVI - I (366 Days) Growth Plan	10	2,000,000	200.00	2,000,000	200.00
UTI Fixed Term Income Fund Series XVII - VII (465 Days) Growth Plan	10	1,000,000	100.00	1,000,000	100.00
UTI Fixed Term Income Fund Series XVII - XIV (423 Days) - Direct Growth Plan	10	3,000,000	300.00	3,000,000	300.00
UTI Fixed Term Income Fund Series XVII - XX (369 Days) - Direct Growth Plan	10	-	-	2,250,000	225.00
			<u>9,951.03</u>		<u>17,555.37</u>
<b>B Debt Funds - income funds</b>					
Axis Dynamic Bond Fund - Growth	10	-	-	4,039,947	500.00
Axis Income Fund - Direct Plan - Growth	10	1,477,541	200.00	-	-
Axis Income Fund - Growth	10	2,255,385	300.00	-	-
Birla Sun Life Income Plus - Growth - Regular Plan	10	-	-	1,631,250	900.00
Birla Sun Life Income Plus - Growth - Direct Plan	10	-	-	185,308	100.00
BNP Paribas Flexi Debt Fund - Growth- Folio-328670	10	2,075,050	500.00	979,144	200.00
BNP Paribas Flexi Debt Fund - Direct Plan - Growth- Folio-328670	10	412,298	100.00	-	-
Canara Robeco Dynamic Bond Fund - Direct Growth	10	1,255,934	200.00	732,773	100.00
Canara Robeco Dynamic Bond Fund - Regular Growth	10	1,895,507	300.00	1,469,318	200.00
Canara Robeco Medium Term Opportunities Fund - Regular Growth	10	12,337,098	1,307.58	3,951,952	400.00
DSP BlackRock Strategic Bond Fund - Inst.Plan - Growth	1000	30,016	500.00	-	-
DWS Medium Term Income Fund - Direct Plan - Growth	10	1,828,116	212.18	-	-
HDFC Income Fund - Growth	10	-	-	3,136,437	850.00
HDFC High Interest Fund - Dynamic Plan - Growth	10	625,691	300.00	1,733,895	700.00
HDFC Medium Term Opportunities Fund - Direct Plan - Growth	10	1,319,340	200.00	-	-
ICICI Prudential Income Opportunities Fund - Regular Plan - Growth	10	-	-	1,231,133	200.00
ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	10	-	-	4,235,518	700.00
ICICI Prudential Income Regular Plan - Growth	10	690,926	302.53	777,924	300.00
ICICI Prudential Dynamic Bond Fund - Regular Plan - Growth	10	668,518	104.10	-	-
ICICI Prudential Dynamic Bond Fund - Direct Plan - Growth	10	2,709,545	425.00	-	-
IDFC Dynamic Bond Fund - Growth - Regular Plan	10	-	-	70,881	10.00
IDFC Dynamic Bond Fund - Growth - Direct Plan	10	2,895,221	500.00	-	-

Particulars	Face Value	As at 31 March, 2015		As at 31 March, 2014	
		No.	₹	No.	₹
IDFC Super Saver Income Fund - Investment Plan - Growth - (Direct Plan)	10	-	-	343,626	100.00
Kotak Bond Scheme Plan A - Growth	10	4,408,624	1,680.51	578,826	200.00
Kotak Bond Scheme Plan A - Direct Plan - Growth	10	-	-	290,469	100.00
L&T Triple Ace Bond Fund - Growth	10	1,403,734	512.84	666,041	200.00
L&T Flexi Bond Fund - Growth	10	-	-	3,120,032	400.00
Religare Invesco Active Income Fund - Growth	1000	22,870	375.00	-	-
SBI Magnum Income Fund - Regular Plan - Growth	10	444,883	150.00	1,442,627	430.00
SBI Magnum Income Fund - Direct Plan - Growth	10	1,175,288	400.00	-	-
SBI Dynamic Bond Fund - Regular Plan - Growth	10	876,532	150.00	-	-
SBI Dynamic Bond Fund - Direct Plan - Growth	10	2,296,712	400.00	1,606,929	245.00
Sundaram Bond Saver - Regular Growth	10	753,048	300.00	852,710	300.00
TATA Income Fund Plan A - Growth	10	-	-	551,580	200.00
TATA Dynamic Bond Fund Plan A - Growth	10	3,563,000	768.03	1,104,747	200.00
TATA Income Plus Fund Plan A - Growth	10	-	-	1,057,546	200.00
TATA Income Fund - Direct Plan - Growth	10	-	-	689,691	250.00
UTI Bond Fund - Growth	10	480,094	200.00	4,744,581	1,700.00
UTI Income (Credit) Opportunities Fund - Growth	10	5,705,796	600.00	5,705,796	600.00
UTI Dynamic Bond Fund - Growth	10	7,859,298	1,188.89	682,401	94.00
			12,176.66		10,379.00
<b>C Debt funds - ultra short term bond funds</b>					
Birla Sun Life Treasury Optimizer Plan - Growth - Direct Plan	100	1,777,001	3,070.40	193,383	298.00
Templeton India Ultra Short Bond Fund - Super Inst. Plan - DDR	10	-	-	1,019,043	102.28
IDFC Ultra Short Term Fund - DDR - (Direct Plan)	10	-	-	4,016,816	403.53
L&T Ultra Short Term Fund - Direct Plan - DDR	10	-	-	7,443,827	768.23
Reliance Medium Term Fund - Direct Plan - DDR	10	-	-	598,873	102.38
Religare Invesco Credit Opportunities Fund - Direct Plan - DDR	1000	-	-	51,251	512.66
Religare Invesco Credit Opportunities Fund - DDR	1000	-	-	50,731	507.45
Religare Invesco Ultra Short Term Fund - Direct Plan Bonus	1000	20,137	200.00	-	-
Sundaram Ultra Short Term Fund - Regular DDR	10	22,557,181	2,264.06	12,230,001	1,227.53
UTI Treasury Advantage Fund - Institutional Plan - DDR	1000	-	-	44,358	444.61
			5,534.47		4,366.67
<b>D Debt funds - short term funds</b>					
Birla Sun Life Dynamic Bond Fund - Retail - Growth-Direct Plan	10	-	-	2,917,091	600.00
Birla Sun Life Short Term Opportunities Fund - Growth-Direct Plan	10	2,467,089	525.00	1,429,565	275.00
BNP Paribas Short Term Income Fund - Growth - Folio No.328670	1000	944,537	150.00	-	-
DSP BlackRock Short Term Fund - Regular Plan - Growth	10	2,785,292	658.64	-	-
DSP BlackRock Banking & PSU Debt Fund - Regular - Growth	10	1,295,829	150.00	-	-
DWS Short Maturity Fund - Direct Plan - Growth	10	1,810,861	450.00	-	-
Templeton(Franklin) India Short Term Income Retail Plan - Growth	10	24,580	660.00	12,388	300.00
HDFC Short Term Plan - Growth	10	742,366	200.00	-	-
HDFC Short Term Opportunities Fund - Direct - Growth	10	8,612,979	1,308.62	-	-
ICICI Prudential Short Term - Regular Plan - Growth	10	3,599,275	1,014.31	408,142	100.00
ICICI Prudential Banking & PSU Debt Fund - Regular Plan - Growth	10	2,695,935	416.65	-	-
IDFC SSIF- Medium Term Plan - Growth - Regular Plan	10	439,646	102.87	-	-

Particulars	Face Value of the Unit	As at 31 March, 2015		As at 31 March, 2014	
		No.	₹	No.	₹
L&T Short Term Opportunities Fund - Growth	10	1,543,460	200.55	-	-
L&T Short Term Opportunities Fund - Direct Plan - Growth	10	9,982,798	1,335.87	-	-
Peerless Short Term Fund - Growth Plan	10	1,442,546	215.00	3,214,890	450.00
Religare Invesco Short Term Fund - Growth	10	33,936	630.27	-	-
SBI Short Term Debt Fund - Regular Plan - Growth	10	1,252,717	200.00	-	-
Sundaram Select Debt Short Term Asset Plan - Regular Growth	10	830,006	200.00	2,426,515	500.00
TATA Short Term Bond Fund Plan A - Growth	10	782,032	202.73	-	-
UTI Short Term Income Fund - Institutional - Growth	10	8,360,865	1,362.95	3,961,756	600.00
			<u>9,983.47</u>		<u>2,825.00</u>
<b>E Debts funds - floating rate funds</b>					
Birla Sun Life Floating Rate Long Term - DDR - Regular Plan	100	-	-	101,769	102.17
Canara Robeco Floating Rate (Saving Plus Fund) - Direct Growth	10	3,026,180	610.00	1,503,134	300.00
UTI Floating Rate Fund - STP - Regular Plan - DDR	1000	-	-	110,252	1,187.28
			<u>610.00</u>		<u>1,589.45</u>
<b>F Equity funds - balanced funds (Quoted)</b>					
BALANCE FUNDS					
HDFC Prudence Fund Div. - Folio-2147186/18	10	372,011	124.00	372,011	124.00
			<u>124.00</u>		<u>124.00</u>
<b><u>Current investments</u></b>					
A Fixed Maturity Plans			9,951.03		17,555.37
B Debt Funds - income funds			12,176.66		10,379.00
C Debt funds - ultra short term bond funds			5,534.47		4,366.67
D Debt funds - short term funds			9,983.47		2,825.00
E Debts funds - floating rate funds			610.00		1,589.45
F Equity funds - balanced funds (Quoted)			124.00		124.00
Total:			<u>38,379.63</u>		<u>36,839.49</u>
Aggregate of quoted investments - Market Value			<u>40,156.56</u>		<u>37,520.16</u>
<b>14 Inventories</b>					
Raw Materials			284.84		136.87
Work-in-progress			472.56		296.78
Stores and spares			13.01		6.47
			<u>770.41</u>		<u>440.12</u>
<b>15 Trade Receivables - unsecured, considered good</b>					
outstanding for a period exceeding six months from the date they are due for payment			498.48		484.74
Other debts			574.75		633.39
			<u>1,073.23</u>		<u>1,118.13</u>

(₹ in lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>16 Cash and cash equivalents</b>		
a. Cash and Bank Balances		
Balances with banks in Current Accounts	358.08	324.91
in Unclaimed Dividend Accounts	83.14	78.64
Cash on hand	0.02	0.07
b. Others		
Deposits with more than 12 months maturity	34.78	31.47
	<u>476.02</u>	<u>435.09</u>
<b>17 Short-term loans and advances - unsecured, considered good</b>		
Loans and advances *	45.55	29.98
Balance with Central Excise	14.98	13.10
Deposits (Others)	13.97	11.87
Advance Tax (Net of Provision)	184.17	0.00
Others #	565.33	424.11
	<u>824.00</u>	<u>479.06</u>
* Loans and advances includes Rs. 8.51 (previous year ₹7.35) to employees.		
# Includes advance to sundry creditors of ₹283.10 Lacs (Previous year ₹282.61 Lacs) and advance recoverable in cash or kind or value to be received of ₹282.23 Lacs (Previous year ₹141.50 Lacs)		
<b>18 Other Current Assets</b>		
Property tax receivable	-	32.35
Brokerage receivable	1.71	13.12
Rent receivable	2.78	2.78
	<u>4.49</u>	<u>48.25</u>

Particulars	Year Ended 31 March, 2015	Year Ended 31 March, 2014
<b>19 Revenue from Operations (Gross)</b>		
A. Bombay Exhibition Centre :		
Fee and service charges (TDS ₹ 856.21) (P.Y. ₹ 1023.30)	8,586.27	9,488.57
B. IT Park - Licence fees and service charges (TDS ₹ 835.25) (P. Y. ₹ 413.81)	<u>9,067.36</u>	<u>4,783.38</u>
	17,653.63	14,271.95
C. Industrial Capital Goods Division:		
Sales of Machines & Spares	1,843.28	1,846.62
Less: Excise Duty	<u>152.97</u>	<u>163.97</u>
Net Sales	1,690.31	1,682.65
Engineering Fees, services & other charges	<u>100.61</u>	<u>156.18</u>
Gross (TDS ₹ 1.16) (P. Y. ₹ 1.49)	1,790.92	1,838.83
	<u>19,444.55</u>	<u>16,110.78</u>

Particulars	Year Ended 31 March, 2015		Year Ended 31 March, 2014	
<b>20 Other Income:</b>				
A. Interest on Bank FD (TDS ₹ 0.21) (P.Y. ₹ 0.22)	2.52		2.24	
Interest from other source	5.68	8.20	8.14	10.38
B. Income from Investments				
Dividend on current Investments	500.42		178.75	
Profit on redemption of Mutual Fund	2,029.06	2,529.48	1,674.16	1,852.91
C. Profit on sale of Assets		0.15		-
D. Property Tax Refund (including Rs.8.70 lacs relating to previous year)		35.00		66.27
E. Sundry Creditors/liabilities written back (net)		230.37		-
F. Brokerage (TDS ₹ 4.29) (P.Y. ₹ 8.54)		42.92		85.36
G. Other receipts		16.21		16.44
		<u>2,862.33</u>		<u>2,031.36</u>
<b>21 Cost of Materials Consumed</b>				
Opening Stock	136.87		190.30	
Add : Purchases and Expenses	1,229.56	1,366.43	826.76	1,017.06
Less: Closing Stock		284.84		136.87
		<u>1,081.59</u>		<u>880.19</u>
<b>22 Changes in Inventories of finished goods and work-in-progress</b>				
Opening Stock				
- Finished Goods	-		-	
- Semi-finished Goods	296.78	296.78	288.82	288.82
Less: Closing Stock				
- Finished Goods	-		-	
- Semi-finished Goods	472.56	472.56	296.78	296.78
		<u>(175.78)</u>		<u>(7.96)</u>
<b>23 Employee Benefits expenses</b>				
Salary, Wages and Allowances		596.54		579.65
Contribution to Provident and other funds		35.67		34.60
Gratuity		21.50		20.06
Staff welfare expenses		56.85		46.52
		<u>710.56</u>		<u>680.83</u>
<b>24 Finance Cost</b>				
Interest on borrowings		0.02		6.11
Bank charges & guarantee commission		5.90		3.92
Interest to others		7.41		0.68
		<u>13.33</u>		<u>10.71</u>
<b>25 Depreciation and Amortisation Expense</b>				
Depreciation and Amortisation		670.09		1,104.87
Less: Transfer from Revaluation Reserve		-		2.30
		<u>670.09</u>		<u>1,102.57</u>



Particulars	Year Ended 31 March, 2015	Year Ended 31 March, 2014
<b>26 Manufacturing and other expenses</b>		
<b>26.1 Manufacturing expenses</b>		
Stores and spares consumed	72.48	68.14
Power and fuel	297.78	361.18
Erection & fabrication charges	195.94	212.08
	<u>566.20</u>	<u>641.40</u>
<b>26.2 Administrative, Selling and General Expenses</b>		
Printing, Stationery, Postage, Telephones	66.72	42.10
Rent	27.41	44.48
Rates, Taxes, Water charges & Service Tax	812.99	115.93
Advertisement, Sales Promotion and Subscription	35.66	17.86
Insurance	22.82	30.73
Repairs and maintenance of :		
- Buildings & Property	306.84	365.21
- Plant & Machinery	31.68	96.48
- Other Assets	19.70	144.68
	<u>358.22</u>	<u>606.37</u>
Loss on Redemption of Mutual Fund	0.24	205.47
Exchange loss on foreign current transactions and translations (other than finance cost)	0.32	1.26
Travelling, conveyance and Vehicle expenses	189.27	122.03
Auditor's Remuneration:		
- Audit Fees	9.00	7.50
- Certification work	1.50	2.00
- Out of pocket expenses	0.16	0.05
	<u>10.66</u>	<u>9.55</u>
Legal & professional fees	735.52	1,234.91
Contribution to political parties	260.00	-
Corporate Social Responsibility expenses	218.29	-
Donations	63.98	75.19
Managerial remuneration	459.93	375.00
Security charges	74.19	69.00
Bad debts/sundry balance written off	103.76	176.60
Miscellaneous expenses	23.44	18.19
	<u>3,463.42</u>	<u>3,144.67</u>
	<u>4,029.62</u>	<u>3,786.07</u>

## NOTES TO FINANCIAL STATEMENTS

### 27) Earnings per share:

Particulars	2014-2015	2013-2014
a) Profit after tax (₹ in lacs)	11,163.45	8,102.45
b) Number of equity shares outstanding	14,091,992	14,091,992
c) Face value of each equity share (₹)	10	10
d) Basic and diluted earnings per share (₹)	79.22	57.50

### 28) Related party disclosures:

#### (a) List of related parties and relationships

Associate / Subsidiary	(i) NSE Housing and Investments Pvt. Ltd.
	(ii) Chandler & Price (India) Pvt. Ltd.
	(iii) JVP Industrial Training Institute
	(iv) J V Patel Charitable Trust
	(v) J V Patel & Co.
	(vi) KSP Finance & Investments Pvt. Ltd.
	(vii) Nesco Hospitality Private Limited
Key management personnel	(i) Mr. Sumant J. Patel – Chairman & Managing Director
	(ii) Mrs. Sudha S. Patel – Director
	(iii) Mr. Krishna S. Patel – Joint Managing Director
	(iv) Mr. Dipesh R Singhania – Chief Financial Officer & Compliance Officer

#### (b) Related party transactions:

(₹ in lakhs)

Particulars	2014-2015	2013-2014
Rent received		
- Chandler & Price (I) Pvt. Ltd.	60,000	60,000
Rent paid		
- Sumant J. Patel	2,247,200	4,260,445
Brokerage received		
- KSP Finance & Investments Pvt.Ltd.	4,291,637	8,536,014
Remuneration, perquisites, commission paid		
- Mr. Sumant J. Patel	36,365,398	28,200,041
- Krishna S. Patel	9,036,246	9,044,959
- Dipesh R. Singhania	4,893,276	4,255,020
Director sitting fees		
- Sudha S. Patel	120,000	60,000
- Other Directors	360,000	195,000
Share Capital Invested in Nesco Hospitality Private Limited		
249,900 Shares @ 10/- each	2,499,000	-
Amount payable to Sumant J. Patel	32,500,000	27,958,477
Amount payable to Krishna S. Patel	4,930,707	3,600,000
Amount receivable from Nesco Hospitality Private Limited	255,866	-

**29) Disclosure as defined by Accounting Standard (AS 15) (Revised) on Employee benefits**
**a. Gratuity (unfunded)**

	<b>2014-2015</b>	<b>2013-2014</b>
I) Assumptions:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%
II) Table showing change in benefit obligation:	₹	₹
Projected benefit obligations (PBO)		
at the beginning of the year	12,853,000	11,664,000
Interest cost	1,028,240	879,878
Service cost	1,020,042	1,013,587
Benefit paid	(1,233,179)	(1,331,055)
Actuarial (gain) loss on obligations	101,897	626,590
PBO at the end of the year	13,770,000	12,853,000
III) Tables of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	1,233,179	1,331,055
Benefit paid	(1,233,179)	(1,331,055)
Gain/(Loss) on plan assets	-	-
Fair value of plan assets at the end of the year	-	-
IV) The amounts to be recognised in balance sheet and income statement and the related analysis:		
Present value of obligation	13,770,000	12,853,000
Fair value of plan assets	-	-
Difference	13,770,000	12,853,000
Unrecognised actuarial gain (losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	13,770,000	12,853,000
V) Net periodic cost:		
Current service cost	1,020,042	1,013,587
Interest cost	1,028,240	879,878
Expected return on plan assets	-	-
Net actuarial (gain) loss recognised in the year	101,897	626,590
Expenses recognised in the income statement	2,150,179	2,520,055
VI) Movements in the liability recognised in the balance sheet:		
Opening net liability	12,853,000	11,664,000
Expense as above	2,150,179	2,520,055
Contributions paid	(1,233,179)	(1,331,055)
Closing net liability	13,770,000	12,853,000

(b) Leave Encashment (unfunded)

	2014-2015	2013-2014
I) Assumptions:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%
II) Table showing change in benefit obligation:	₹	₹
Projected benefit obligations (PBO)		
at the beginning of the year	1,961,000	1,740,000
Interest cost	156,880	131,118
Service cost	354,682	376,736
Benefit paid	(187,218)	(202,043)
Actuarial (gain) loss on obligations	(283,344)	(84,811)
PBO at the end of the year	2,002,000	1,961,000
III) Tables of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	187,218	202,043
Benefit paid	(187,218)	(202,043)
Gain/(Loss) on plan assets	-	-
Fair value of plan assets at the end of the year	-	-
IV) The amounts to be recognised in balance sheet and income statement and the related analysis:		
Present value of obligation	2,002,000	1,961,000
Fair value of plan assets	-	-
Difference	2,002,000	1,961,000
Unrecognised actuarial gain (losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	2,002,000	1,961,000
V) Net periodic cost:		
Current service cost	354,682	376,736
Interest cost	156,880	131,118
Expected return on plan assets	-	-
Net actuarial (gain) loss recognised in the year	(283,344)	(84,811)
Expenses recognised in the income statement	228,218	423,043
VI) Movements in the liability recognised in the balance sheet:		
Opening net liability	1,961,000	1,740,000
Expense as above	228,218	423,043
Contributions paid	(187,218)	(202,043)
Closing net liability	2,002,000	1,961,000

- 30) The company is in process of identifying enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such micro, small and medium enterprises as on 31 March, 2015 has not been given in the financial statements. However, in the opinion of the management, the impact of interest if any, that may be payable in accordance with the provisions of the act is not expected to be material.

31) Segment Reporting

(₹ in lakhs)

<b>Revenue by industry segment</b>	<b>2014-2015</b>	<b>2013-2014</b>
Bombay Exhibition Centre and IT Park	17,653.63	14,271.95
Industrial capital goods	1,790.92	1,838.83
Investment and other income	2,862.33	2,031.36
<b>Total</b>	<b>22,306.88</b>	<b>18,142.14</b>
Less: Inter- segment revenue	-	-
<b>Net revenue from operations</b>	<b>22,306.88</b>	<b>18,142.14</b>
<b>Segment profit before tax and finance cost</b>		
Bombay Exhibition Centre and IT Park	16,029.82	11,764.76
Industrial capital goods	(39.02)	(64.32)
<b>Total operating profit before tax</b>	<b>15,990.80</b>	<b>11,700.44</b>

32) Contingent Liabilities and Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 17,010,150/- (previous year - ₹ 7,639,262/-) against which an advance of ₹ 7,701,802/- (Previous year – ₹ 6,737,618/-) has been paid.
- Claims against the company contested at various courts amounting to ₹ 1,631.48 lakhs (previous year ₹ 1,631.48 lakhs) against which the company has provided ₹ 1,245.03 lakhs (previous year ₹ 1,224.12 lakhs) as ascertained by management and as advised by advocates and counsels.
- Income-tax demand disputed by the company ₹ 93.34 lacs (Previous year ₹ 460.14 lacs)
- Value added Tax demand disputed by the company ₹ 33.27 lacs for F.Y.2008-2009.
- Dy. Collector of Anand, Gujarat has raised a demand for Stamp duty payable in respect of equitable mortgage bond dated 18.06.2003 which is already released, demand disputed by the company ₹ 10.07 lacs order dated 29.12.2014.
- Counter guarantees given by the company to banks in respect of:
  - Indian Bank Guarantees given by bank on company's behalf ₹ 37,550,059/- (Previous year – ₹ 35,997,446/-)
  - Foreign Bank Guarantees given by bank on company's behalf US \$3,400.00 (Previous year – US \$8,877.00).

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

Sr. No.	Particular		2014-2015 ₹		2013-2014 ₹
A	Details of major consumption items:				
	Steel		296.65		316.53
	Casting		116.56		119.79
	Electric Motors		58.35		52.04
	Bearings		33.16		36.76
	Miscellaneous		805.9		423.22
			<b>1310.62</b>		<b>948.33</b>
B	Details of consumption of imported and indigenous items:				
	Raw Material & Components				
	Imported	0.72%	8.93	-	-
	Indigenous	99.28%	1229.2	100.00%	880.19
		100.00%	<b>1238.13</b>	100.00%	<b>880.19</b>
	Stores, Spares & Tools				
	Imported	-	-	-	-
	Indigenous	100.00%	72.48	100.00%	68.14
		100.00%	<b>72.48</b>	100.00%	<b>68.14</b>

- 34) Income tax assessments are completed up to the assessment year 2012-2013. The company does not expect any additional liability for the pending assessments.
- 35) Provision for income tax is made after considering exemptions and deductions availed under the Income Tax Act, 1961.
- 36) Sales tax assessments are completed for Maharashtra up to the financial year 2008-2009, and for Gujarat up to the financial year 2010-2011. The company does not expect any additional liability for the pending assessments.
- 37) Particulars in respect of Foreign currency transactions:

Sr. No.	Particular	2014-2015	2013-2014
A	Earning in Foreign exchange		
	i) F.O.B. value of exports	5,043,358	7,346,549
	ii) Exhibition	11,122,622	8,953,610
B	Value of Imports on CIF BASIS		
	i) Raw Materials (including Components)	892,570	-
	ii) Capital Goods	345,809	2,314,724
C	Remittances or expenditure in foreign Currency		
	i) Travelling	1,930,821	734,418
	ii) Membership & subscription	133,390	452,303
	iii) Others	76,956	-

- 38) As required by Companies Act 2013 under the provision of section 135 contributions towards Corporate Social Responsibility (CSR). Company has contributed ₹ 218.29 lacs towards activities prescribed under Schedule 7 of the said act. CSR liability is determined as per Section 198 of the said Act.
- 39) Figures of the previous year have been re-arranged and re-grouped wherever necessary to confirm to the classification adopted for the current year.

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

Kshijit M. Patel  
Partner  
Membership No. 045740  
FRN. 106041W  
Mumbai, 23 May 2015

Mr. Dipesh R. Singhanian  
Chief Financial Officer  
& Compliance Officer

For and on behalf of the Board

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

Mumbai, 23 May 2015

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF NESCO LIMITED Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of NESCO LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under:

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditors Report) order, 2015 issued by the Ministry of Corporate affairs Government of India in terms of sub section (11) of section 143 of the Act ("the Order") and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanations given to us. We give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.
- 2 As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note 32(b)(c)(d) and (e) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR MANUBHAI & SHAH**  
**CHARTERED ACCOUNTANTS**  
FRN: 106041W

**KSHITIJ M. PATEL**  
**PARTNER**  
Membership No: 045740  
Mumbai, 23 May 2015

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1 under 'Report on the other Legal and Regulatory Requirements' of our Report of even date)

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has regular program of physical verification of its fixed assets by which all the assets are verified in a phased manner, over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed in respect of the assets physically verified during the year.
2. a) The inventory have been physically verified by the management during the year.
- b) The procedure of physical verification of inventory 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.
3. 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 covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of paragraph 3(iii) of the order is not applicable.
4. In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control systems.
5. The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 and rules framed there under.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. 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, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, employees state insurance, income tax, sales tax, value added tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they become payable.

- b) According to the information and explanation given to us, the following dues have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of the Dues	Financial Year	Amount (in Lacs )	Forum where dispute is pending
The Income tax Act, 1961	Assessment Dues	2006-07	11.59	Dy.Commissioner of income tax
		2007-08	4.86	Dy.Commissioner of income tax
		2008-09	9.18	ITAT
		2010-11	54.57	ITO
		2011-12	13.14	ITO
Value Added Tax	Assessment Dues	2008-09	33.27	Tribunal
Govt.of Gujarat	Stamp duty Dues	2003-04	10.07	Dy.Collector of Anand

- c) According to the information and explanation given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules there under has been transferred to such fund within time.
8. 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.
9. According to the information and explanations given to us, the company has not defaulted in repayment of dues to Banks.
10. 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.
11. The company has not obtained any term loans during the year.
12. According to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR MANUBHAI & SHAH**  
**CHARTERED ACCOUNTANTS**  
FRN: 106041W

**KSHITIJ M. PATEL**  
**PARTNER**  
Membership No: 045740  
Mumbai, 23 May 2015

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

(₹ in lakhs)

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
a. Share capital	2	1,409.20	1,409.20
b. Reserves and surplus	3	52,547.26	42,468.47
2 Non-current liabilities			
a. Deferred tax liabilities (net)	4	219.81	210.79
b. Other long term liabilities	5	7,323.28	6,082.83
c. Long-term provisions	6	1,376.01	1,357.77
3 Current liabilities			
a. Trade payables	7	517.71	744.52
b. Other current liabilities	8	3,133.48	2,899.60
c. Short-term provisions	9	1,098.39	878.46
<b>TOTAL</b>		<b>67,625.14</b>	<b>56,051.64</b>
<b>II. ASSETS</b>			
1 Non-current assets			
a. Fixed assets			
(i) Tangible assets	10	15,917.52	15,981.26
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		9,978.50	475.09
b. Non-current investments	11	3.32	3.32
c. Long-term loans and advances	12	173.09	231.83
2 Current assets			
a. Current investments	13	38,379.63	36,839.49
b. Inventories	14	772.70	440.12
c. Trade receivables	15	1,079.33	1,118.13
d. Cash and cash equivalents	16	495.12	435.09
e. Short-term loans and advances	17	821.44	479.06
f. Other current assets	18	4.49	48.25
<b>TOTAL</b>		<b>67,625.14</b>	<b>56,051.64</b>
Significant accounting policies	1		
The notes form an integral part of these financial statements			

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

Kshijit M. Patel  
Partner  
Membership No. 045740  
FRN. 106041W  
Mumbai, 23 May 2015

Mr. Dipesh R. Singhania  
Chief Financial Officer  
& Compliance Officer

For and on behalf of the Board

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

Mumbai, 23 May 2015

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ in lakhs)

Particulars	Note No.	Year Ended 31 March, 2015	Year Ended 31 March, 2014
I Revenue from operations	19	19,450.65	16,110.78
II Other income	20	2,862.33	2,031.36
III Total Revenue (I + II)		<b>22,312.98</b>	<b>18,142.14</b>
IV Expenses			
Cost of materials consumed	21	1,087.31	880.19
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(175.78)	(7.96)
Employee benefits expense	23	720.90	680.83
Finance cost	24	13.33	10.71
Depreciation and amortization expense	25	670.09	1,102.57
Other expenses	26	4,032.67	3,786.07
Total expenses		<b>6,348.52</b>	<b>6,452.41</b>
V Profit before exceptional items and tax (III-IV)		15,964.46	11,689.73
VI Exceptional items		-	-
VII Profit before tax (V-VI)		15,964.46	11,689.73
VIII Tax expense:			
(1) Current Tax		4,805.00	3,600.00
(2) Deferred Tax		9.02	-12.72
Profit for the year		<b>11,150.44</b>	<b>8,102.45</b>
Earnings per equity share of ₹ 10 each			
Basic and Diluted (in ₹)		79.13	57.50
Weighted average number of shares outstanding		14,091,992	14,091,992
Significant accounting policies	1		
The notes form an integral part of these financial statements			

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

Kshijit M. Patel  
Partner  
Membership No. 045740  
FRN. 106041W  
Mumbai, 23 May 2015

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Mr. Krishna S. Patel  
Chairman & Managing Director  
Director  
Director  
Director  
Joint Managing Director

Mumbai, 23 May 2015

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

(₹ in lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
A) Cash Flow from operating activities		
Net Profit before Tax and extraordinary items	15,964.46	11,689.73
Add / (Less):		
Depreciation	670.09	1,102.57
Interest income	(8.20)	(10.38)
Finance cost	13.33	10.71
Sundry debtors written off	103.76	176.60
Income from investments	(2,529.24)	(1,647.44)
Profit on sale of fixed assets (net)	(0.15) (1,750.40)	- (367.94)
Operating profit before working capital changes	14,214.06	11,321.79
Add / (Less):		
(Increase)/Decrease in Inventory	(332.58)	43.75
(Increase)/Decrease in Trade & other receivable	(201.08)	49.05
Increase/(Decrease) in Trade payables	1,485.69 952.03	4,076.49 4,169.29
Cash generated from operation	15,166.09	15,491.08
Add / (Less):		
Debts written off	(103.76)	(176.60)
Income Tax	(4,805.00)	(3,600.00)
Exceptional items (net)	- (4,908.76)	- (3,776.60)
Net Cash from operating activities - [A]	10,257.33	11,714.48
B) Cash Flow from investing activities		
Purchase of fixed assets	(10,109.75)	(1,316.50)
Purchase of investments (net)	(1,540.14)	(10,999.31)
Sale of fixed assets	0.15	-
Interest received	8.20	10.38
Income from investments	2,529.24 (9,112.31)	1,647.44 (10,657.99)
Net Cash (used in)/from investing activities - [B]	(9,112.31)	(10,657.99)
C) Net Cash Flow used in financing activities		
Finance cost	(13.33)	(10.71)
Provision for dividend (including tax)	(1,071.65)	(824.35)
	(1,084.98)	(835.06)
Net Cash Flow used in financing activities - [C]	(1,084.98)	(835.06)
Net Increase / (Decrease in Cash / Cash Equivalents (A+B+C)	60.04	221.43
Cash/Cash Equivalent at the beginning of the year	435.08	213.65
Cash/Cash Equivalent at the end of the year	495.11	435.08

Note: The parent company invested sum of ₹24.99 lac on 26 December 2014 in subsidiary company Nesco Hospitality Private Limited towards its equity stake of 99.96%. In view of the above, the results for the year ended 31.3.2015 are not comparable with the corresponding previous year.

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

Kshijit M. Patel  
Partner  
Membership No. 045740  
FRN. 106041W  
Mumbai, 23 May 2015

Mr. Dipesh R. Singhania  
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Mr. Sumant J. Patel  
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Mrs. Sudha S. Patel  
Mr. Krishna S. Patel  
Chairman & Managing Director  
Director  
Director  
Director  
Joint Managing Director

Mumbai, 23 May 2015

## Note 1

### I. Statement of significant accounting policies and practices

#### A. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, to the extent applicable.

#### B. Use of Estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

#### C. Current / Non Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- It is expected to be realized or settled or is intended for sale or consumption in the normal operating cycle.
- It is expected to be realized or settled within twelve months from the reporting date

All other assets and liabilities are classified as non-current.

#### D. Revenue recognition

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

Revenue from Bombay Exhibition Centre and IT Park division is considered on accrual basis. Rent of building at Worli under subsidised Housing Scheme on account of uncertainties of its recovery.

Revenue from Hospitality and catering services is recognized only when reliably measured and it is reasonable to expect ultimate collection.

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

Interest income is recognized on accrual basis.

#### E. Fixed assets and Depreciation

- i. Fixed assets are stated at cost/revalued less accumulated depreciation.
- ii. Depreciation on Tangible Assets has been provided as per the revised useful life of these assets as per Schedule II of the Companies Act, 2013.

#### F. Investments

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

#### G. Inventories

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

- ii. Semi-finished goods are valued at cost with appropriate share of manufacturing overheads and on the basis of percentage of work completed.
- iii. Finished goods are valued at cost or market value whichever is lower.
- iv. Stores and spares are valued at lower of cost or net realizable value. Cost is determined on weighted average basis.
- v. Hospitality and catering services Stock of food and beverages and stores and operating supplies are valued at the lower of cost (computed on a weighted average basis) or net realizable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase.

**H. Foreign currency transactions**

- i. Fixed Assets are translated into rupees at the rates prevailing on the date of purchase/acquisition.
- ii. Foreign currency liabilities for acquisition of fixed assets are stated at the rate prevailing on the date of purchase/acquisition.
- iii. Transactions in foreign currencies are entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of Profit and Loss.

**I. Employee benefits**

- i. Short term employee benefits payable within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense in the statement of profit and loss.
- ii. Post employment and other long term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss.

**J. Deferred taxes on income**

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

**K. Impairment of assets**

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

**L. Borrowing cost**

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

**M. Segment Reporting**

- i. Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure and segments have been identified on their relationship to the business activity of the segment.
- ii. Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- iii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.
- iv. In respect of subsidiary Nesco Hospitality Private Limited (the company) is primarily engaged in the business of providing hospitality services.



**N. Trade receivables**

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

**O. Capital work in progress & capital advances**

Cost of assets not ready for intended use as on the balance sheet date is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as long term loans & advances.

**P. Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash and cheques on hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is twelve months or less.

**Q. Provisions and contingencies**

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

**R. Earnings per share**

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

**S. Proposed Dividend**

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

**T. Principles of Consolidation**

The consolidated financial statements have been prepared to comply in all material respect with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and which continue to apply under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956 to the extent applicable.

The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the parent company's financial statements. Further audited financial statement of subsidiary company have been combined to the extent possible on line by line basis by adding together like assets, liability, income and expenses. All significant intra group balances and transaction has been eliminated on consolidation.

**U. Other accounting policies**

These are considered with generally accepted accounting principles.

**II. Details of Subsidiary considered in the consolidated financial statement.**

Nesco Hospitality Private Limited

Incorporated on

26 December 2014.

Percentage of holding as on 31 March 2015

99.96% (previous year Nil)

Accounting period

26 December 2015 to 31 March 2015.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>2 Share Capital</b>		
Authorised		
14,750,000 (Previous year 14,750,000) Equity Shares of Rs. 10 each	1,475.00	1,475.00
250,000 (Previous year 250,000) 11% Cumulative Redeemable Preference share of Rs. 10 each	25.00	25.00
	<u>1,500.00</u>	<u>1,500.00</u>
Issued, Subscribed and Fully Paid up 14,091,992 (Previous year 14,091,992) Equity Shares of Rs. 10 each	1,409.20	1,409.20
Total	<u>1,409.20</u>	<u>1,409.20</u>

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

**2.1 Reconciliation of shares outstanding at the beginning and at the end of the year**

	2014-15		2013-14	
Equity Shares	Number	₹	Number	₹
At the beginning of the year	14,091,992	140,919,920	14,091,992	140,919,920
Add: Issued during the year	-	-	-	-
At the end of the year	14,091,992	140,919,920	14,091,992	140,919,920

**2.2 Terms / Rights Attached to Equity Shares**

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

The Board of Directors has recommended a final dividend of ₹ 6.50 per equity share at its meeting held on 23.05.2015, subject to the approval of the shareholders at the ensuing Annual General Meeting. ₹ 5 per equity share was paid as dividend for the previous year. The dividend appropriation for the year ended 31.3.2015 amounts to ₹ 915.98 Lacs and corporate dividend tax of ₹ 155.67 Lacs (Previous year ₹ 824.35 Lacs including corporate dividend tax of ₹ 119.75 Lacs)

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

	As at 31st March 2015		As at 31st March 2014	
Name of Shareholder	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Chandler & Price (I) Pvt.Ltd.	3,886,112	27.58	3,885,432	27.57
Sumant J. Patel	1,801,467	12.78	1,802,147	12.78
Patel Consultancy Services Pvt. Ltd.	1,051,600	7.46	1,051,600	7.46
Sudha S. Patel	914,944	6.49	914,944	6.49

\* As per the records of the parent company including its registered members as at 31 March 2015.

		As at 31 March, 2015	As at 31 March, 2014
<b>3 Reserves &amp; Surplus</b>			
Capital Reserve			
a. on revaluation of certain assets			
Opening Balance	640.10	642.40	
Less: Transferred to statement of Profit & Loss	0.00	2.30	640.10
b. Preference Shares Redemption Reserve		9.56	9.56
c. Cash subsidy received from Govt. of Gujarat		25.00	25.00
General Reserve			
Opening Balance	41,743.81	34,465.71	
Add: Transfer from statement of Profit and Loss	10,078.79	7,278.10	
Closing balance		51,822.60	41,743.81
Surplus/(Deficit) in statement of Profit and Loss			
Opening balance	50.00	50.00	
Add: Profit for the year	11,150.44	8,102.45	
Less: Proposed dividend (₹ 6.50 per share (previous year ₹5.00)	915.98	704.60	
Tax on proposed dividend	155.67	119.75	
Transfer to General Reserve	10,078.79	7,278.10	
Closing balance		50.00	50.00
		52,547.26	42,468.47
<b>4 Deferred tax</b>			
A. Deferred tax liability (net)			
Opening Balance		210.79	223.51
Add: Impact of difference between tax depreciation and book depreciation on Fixed Assets		11.25	0.00
Expenses allowable for tax purpose on payment basis and others		1.02	0.00
b) Depreciation as per Income Tax Act		223.06	223.51
B. Deferred tax Asset			
Impact of difference between book depreciation and tax depreciation on Fixed Assets		0.00	6.62
Expenses allowable for tax purpose on payment basis and others		3.25	6.10
		219.81	210.79

	As at 31 March, 2015	As at 31 March, 2014
<b>5 Other long term liabilities</b>		
Advance from exhibition organizers	634.39	751.73
Security deposit from IT Park licencees and others	6,632.52	5,322.57
Security deposit from exhibition organizers	56.37	8.53
	<u>7,323.28</u>	<u>6,082.83</u>
<b>6 Long term provisions</b>		
Provision for compensation	1,245.03	1,224.12
Provision for gratuity	112.81	115.90
Provision for leave encashment	18.17	17.75
	<u>1,376.01</u>	<u>1,357.77</u>
<b>7 Trade payables (Refer note no.30)</b>	<u>517.71</u>	<u>744.52</u>
<b>8 Other current liabilities</b>		
Advance against orders and others	2,018.43	2,024.92
Security deposit from exhibition organizers	109.88	212.21
Unclaimed dividend	83.13	78.64
Salary/wages payable	27.85	42.25
Statutory dues	279.88	61.43
Security deposits from Trainees	1.68	12.02
Other payables	612.63	468.13
	<u>3,133.48</u>	<u>2,899.60</u>
<b>9 Short term provisions</b>		
Provision for tax (net of advance tax and TDS)	0.00	39.62
Proposed dividend	915.98	704.60
Tax on proposed dividend	155.67	119.75
Provision for gratuity	24.89	12.63
Provision for leave encashment	1.85	1.86
	<u>1,098.39</u>	<u>878.46</u>

**Nesco Limited**

Notes to Consolidated Financial Statements

( ₹ in lacs)

**Note 10 - Fixed Assets**

	Gross Block			Depreciation / Amortisation			Net Block	
	As at	Deductions/	As at	Up to	For the	Adjustment	Up to	As at
	1-Apr-14	Additions	Transfers	31-Mar-15	31-Mar-14	on year	31-Mar-15	31-Mar-14
						a/c of Schedule II Part C		
1. <u>Tangible assets</u>								
Freehold land	601.37	0.00	0.00	601.37	0.00	0.00	0.00	601.37
Buildings	14,279.97	338.74	0.00	14,618.71	2,415.24	200.28	2,615.52	11,864.73
Plant and machinery	3,782.81	134.89	0.00	3,917.70	1,490.29	250.43	1,740.72	2,292.52
Electrical installations	1,274.50	35.73	0.00	1,310.23	451.79	105.63	594.47	822.71
Pattern and mouldings	84.98	1.56	0.00	86.54	80.91	0.68	81.59	4.07
Furniture, fixture & office equipment	418.08	95.43	0.00	513.51	255.02	39.99	306.66	163.06
Vehicles	428.14	0.00	0.00	428.14	195.46	24.35	219.81	232.68
Laboratory equipments	1.61	0.00	0.00	1.61	1.49	0.00	1.52	0.12
Total tangible assets	20,871.46	606.35	0.00	21,477.81	4,890.20	621.36	48.73	15,917.52
2. <u>Intangible assets</u>								
Technical Knowhow	23.92	0.00	0.00	23.92	23.92	0.00	23.92	0.00
Total Intangible assets	23.92	0.00	0.00	23.92	23.92	0.00	23.92	0.00
3. <u>Capital Work-in-progress</u>								
IT Building No.4.	395.20	9,583.30	0.00	9,978.50	0.00	0.00	0.00	395.20
Indabrator Factory - Vishnoli	20.91	0.00	20.91	0.00	0.00	0.00	0.00	20.91
Vishnoli - Compound Wall	58.98	77.85	136.83	0.00	0.00	0.00	0.00	58.98
Total Capital Work-in-progress	475.09	9,661.15	157.74	9,978.50	0.00	0.00	0.00	475.09
Grand Total : (1 + 2 + 3)	21,370.47	10,267.50	157.74	31,480.23	4,914.12	621.36	48.73	25,896.02
Previous Year :	20,053.98	1,470.96	154.47	21,370.47	3,809.25	1,104.87	0.00	16,456.35

**Notes :**

- Gross Block of Plant & Machinery and Electrical Installation at net value after deducting depreciation upto 31.3.1960 and thereafter at cost/book value (less sales).
- Depreciation on Tangible Assets has been provided as per the revised useful life of these assets as per Schedule II of the Companies Act, 2013.
- Freehold Land includes ₹ 899,623/- in the name of Mr. Sumant J. Patel for which conveyance is yet to be completed.
- Buildings include Karamsad unit which is on leasehold land. The lease period is 55 years from 12 December 1973 with no provision for renewals.

	As at 31 March, 2015		As at 31 March, 2014	
<b>11 Non-current Investments</b>				
<u>Investment in Equity instruments (Quoted, Trade)</u>				
369 (Previous Year 369) Equity Shares of Face value ₹ 2/- each, fully paid up of Larsen & Toubro Limited - ₹ 148/-	0.00		0.00	
79 (Previous Year 79) Equity Shares Of ₹ 10/- Each, Fully Paid Up of Ultra Tech Cement Ltd. - ₹ 410/-	0.00		0.00	
2,250 (Previous Year 2,250) Equity Shares Of ₹ 2/- Each, Fully Paid Up of Greaves Cotton Ltd	0.04	0.04	0.04	0.04
<u>Investment in Equity instruments (Unquoted, Non Trade)</u>				
5 Shares of Charotar Gas Sahakari Mandali of the face value of ₹ 500 each, fully paid up	0.03		0.03	
2,250 (Previous Year 2,250) Equity Shares of face value of ₹ 100 each of NSE Housing & Investment Pvt Ltd	2.25		2.25	
249,900 (Previous Year Nil) Equity Shares of face value of ₹ 10 each of Nesco Hospitality Pvt Ltd. (a Subsidiary Co.)	-		-	
	2.28		2.28	
<u>Investments in Government or Trust securities (Unquoted, Trade)</u>				
10. Nos. 5 1/2 years Kisan Vikas Patra of the value of ₹10,000 each pledge with BMC for connection (matured)	1.00		1.00	
	3.32		3.32	
Aggregate of quoted investments - Book Value	0.04		0.04	
Aggregate of quoted investments - Market Value	12.36		8.58	
Aggregate of unquoted investments - Book Value	3.28		3.28	
<b>12 Long term loans and advances -Unsecured considered good</b>				
Advances and deposit with public bodies	96.07		164.45	
Capital Advances	77.02		67.38	
	173.09		231.83	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in lacs)

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Face Value of the Unit	No.	₹	No.	₹	
<b>13 Current investments</b>						
<u>Investment in mutual funds</u>						
<b>A Fixed Maturity Plans</b>						
Axis Fixed Term Plan - Series 62 (383 Days) Direct Growth	10	2,000,000	200.00	2,000,000	200.00	
Axis Fixed Term Plan - Series 63 (91 Days) Direct Growth	10	-	-	2,000,000	200.00	
Axis Fixed Term Plan - Series 56 (370 Days) Direct Growth	10	-	-	3,000,000	300.00	
Axis Fixed Term Plan - Series 57 (397 Days) Direct Growth	10	4,103,584	410.36	4,103,584	410.36	
Axis Fixed Term Plan - Series 47 (483 Days) Direct Growth	10	1,000,000	100.00	1,000,000	100.00	
Baroda Pioneer FMP - Series B Plan B (378 Days) - Growth	10	-	-	1,000,000	100.00	
Birla Sun Life Interval Income Fund Annual Plan - Series X - Direct - Growth	10	1,200,000	120.00	1,200,000	120.00	
Birla Sun Life Fixed Term Plan - Series HM (1099 Days - Old 366 Days) - Direct - Growth	10	800,000	80.00	800,000	80.00	
Birla Sun Life Fixed Term Plan - Series JO (367 Days) - Direct - Growth	10	-	-	1,000,000	100.00	
Birla Sun Life Fixed Term Plan - Series JP (490 Days) - Direct - Growth	10	1,037,688	103.77	1,037,688	103.77	
Birla Sun Life Fixed Term Plan - Series KW (374 Days) - Direct - Growth	10	2,500,000	250.00	2,500,000	250.00	
BNP Paribas Fixed Term Fund Series 24 A Direct - Folio No.368597	10	-	-	1,000,000	100.00	
BNP Paribas Fixed Term Fund Series 26 A Direct - Growth	10	-	-	1,000,000	100.00	
BOI AXA Fixed Maturity Plan - Series 6 (370 Days) - Direct Plan - Growth	10	-	-	2,000,000	200.00	
BOI AXA Fixed Maturity Plan - Series 13 (380 Days) - Direct Plan - Growth	10	1,500,000	150.00	1,500,000	150.00	
DSP BlackRock FMP - Series 155 - 12 M - Direct - Growth	10	3,091,748	309.17	3,091,748	309.17	
DSP BlackRock FMP - Series 151 - 12 M - Direct - Growth	10	-	-	2,250,000	225.00	
DSP BlackRock FMP - Series 146 - 12 M - Direct - Growth	10	-	-	5,000,000	500.00	
DSP BlackRock FTP - Series 36 - 15 M - Direct - Growth	10	1,500,000	150.00	1,500,000	150.00	
DSP BlackRock FMP - Series 115 - 12 M - Direct - Growth	10	-	-	2,000,000	200.00	
DSP BlackRock FMP - Series 104 - 12 M - Direct - Growth	10	-	-	1,500,000	150.00	
DWS Fixed Maturity Plan Series 49 - Direct Plan - Growth	10	1,500,000	150.00	1,500,000	150.00	
DWS Fixed Maturity Plan Series 49 - Regular Plan - Growth	10	1,500,000	150.00	1,500,000	150.00	
DWS Fixed Maturity Plan Series 54 - Direct Plan - Growth	10	1,500,000	150.00	1,500,000	150.00	
DWS Fixed Maturity Plan Series 57 - Direct Plan - Growth	10	1,500,000	150.00	1,500,000	150.00	
HDFC FMP 447D February 2014 ( 1 ) Series 29 - Direct - Growth	10	1,700,000	170.00	1,700,000	170.00	
HDFC FMP 369D February 2014 ( 2 ) Series 29 - Direct - Growth	10	-	-	5,000,000	500.00	
HDFC FMP 370D March 2014 ( 1 ) Series 29 - Direct - Growth	10	-	-	4,640,562	464.06	
HDFC FMP 371D January 2014 ( 1 ) Series 29 - Direct - Growth	10	-	-	2,084,431	208.44	
HDFC FMP 478D January 2014 ( 1 ) Series 29 - Direct - Growth	10	1,000,000	100.00	1,000,000	100.00	
HDFC FMP 370D August 2013 ( 3 ) Series 27 - Direct - Growth	10	2,000,000	200.00	2,000,000	200.00	
HDFC FMP 370D July 2013 ( 2 ) Series 26 - Direct - Growth	10	-	-	1,150,000	115.00	
HDFC FMP 371D June 2014 ( 2 ) Series 31 - Direct - Growth	10	1,070,000	107.00	-	-	
ICICI Prudential FMP Series 68 - 368 Days Plan G - Direct Growth	10	-	-	2,000,000	200.00	
ICICI Prudential FMP Series 69 - 366 Days Plan G - Direct Growth	10	2,000,000	200.00	2,000,000	200.00	
ICICI Prudential FMP Series 72 - 366 Days Plan T - Direct Growth	10	-	-	1,000,000	100.00	
ICICI Prudential FMP Series 74 - 369 Days Plan F - Direct Growth	10	2,000,000	200.00	-	-	
IDFC Yearly Series Interval Fund Direct Plan - Series 3 - Growth	10	-	-	4,566,377	500.00	
IDFC Fixed Term Plan Series 78 Direct Plan - Growth (366 Days)	10	-	-	2,250,000	225.00	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in lacs)

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Face Value of the Unit	No.	₹	No.	₹	
IDFC Fixed Term Plan Series 88 Direct Plan - Growth (372 Days)	10	2,000,000	200.00	2,000,000	200.00	
Kotak FMP Series 139 Direct - Growth	10	-	-	5,000,000	500.00	
Kotak FMP Series 142 Direct - Growth	10	1,003,316	100.33	1,003,316	100.33	
Kotak FMP Series 144 Direct - Growth	10	-	-	2,250,000	225.00	
L&T FMP Series 10 - Plan M - Direct Growth	10	2,000,000	200.00	2,000,000	200.00	
L&T FMP Series 10 - Plan N - Direct Growth	10	-	-	2,026,348	202.63	
L&T FMP Series 10 - Plan R - Direct Growth	10	2,000,000	200.00	2,000,000	200.00	
L&T FMP Series 8 - Plan F - Direct Growth	10	2,000,000	200.00	2,000,000	200.00	
Principal Pnb FMP - Series B12-368 Days - Direct Plan - Growth	10	-	-	1,007,678	100.77	
Principal Pnb FMP - Series B15-377 Days - Direct Plan - Growth	10	1,000,000	100.00	1,000,000	100.00	
Reliance Fixed Horizon Fund - XXIII Series 5 - Direct Plan - Growth	10	-	-	980,477	98.05	
Reliance Fixed Horizon Fund - XXV Series 22 - Direct Plan Growth	10	2,000,000	200.00	2,000,000	200.00	
Reliance Fixed Horizon Fund - XXVI Series 13 - Direct Plan Growth	10	1,026,354	102.64	-	-	
Religare Invesco FMP - Series XVII - Plan D - (399 Days) - Direct Plan Growth	10	-	-	1,995,240	199.52	
Religare Invesco FMP - Series XVIII - Plan B - (386 Days) - Direct Plan Growth	10	-	-	2,000,000	200.00	
Religare Invesco FMP - Series 22 - Plan F (15 Months) - Direct Plan Growth	10	1,000,000	100.00	1,000,000	100.00	
Religare Invesco FMP - Series 22 - Plan K (367 Days) - Direct Plan Growth	10	-	-	2,000,000	200.00	
Religare Invesco FMP - Series 22 - Plan L (14 Months) - Direct Plan Growth	10	1,030,442	103.04	1,030,442	103.04	
Religare Invesco FMP - Series 22 - Plan O (370 Days) - Direct Plan Growth	10	-	-	1,000,000	100.00	
Religare Invesco FMP - Series XX - Plan C (369 Days) - Direct Plan Growth	10	-	-	2,000,000	200.00	
SBI Debt Fund Series - 366 Days - 37 - Direct Plan - Growth	10	2,000,000	200.00	2,000,000	200.00	
SBI Debt Fund Series - 366 Days - 39 - Direct Plan - Growth	10	1,000,000	100.00	1,000,000	100.00	
SBI Debt Fund Series - 16 Months - 1 - Direct Plan - Growth	10	500,000	50.00	500,000	50.00	
SBI Debt Fund Series - A1 - 15 Months - Direct Plan - Growth	10	750,000	75.00	750,000	75.00	
SBI Debt Fund Series - A2 - 15 Months - Direct Plan - Growth	10	1,400,000	140.00	1,400,000	140.00	
SBI Debt Fund Series - A5 - 411 Days - Direct Plan - Growth	10	5,000,000	500.00	5,000,000	500.00	
SBI Debt Fund Series - 366 Days 53- Direct Plan - Growth	10	-	-	1,017,408	101.74	
SBI Debt Fund Series - A11 - 385 Days - Direct Plan - Growth	10	771,954	77.20	771,954	77.20	
SBI Debt Fund Series - 90 Days 85- Direct Plan - Growth	10	-	-	2,000,000	200.00	
SBI Debt Fund Series - A14 - 380 Days - Direct Plan - Growth	10	2,500,000	250.00	2,500,000	250.00	
SBI Debt Fund Series - A18 - 366 Days - Direct Plan - Growth	10	1,335,551	133.56	-	-	
SBI Debt Fund Series - A 32 - 367 Days - Direct Plan - Growth	10	2,000,000	200.00	-	-	
Sundaram Fixed Term Plan - DS - 367 Days - Direct Growth	10	2,000,000	200.00	2,000,000	200.00	
Sundaram Fixed Term Plan - EU - 446 Days - Direct Growth	10	750,000	75.00	750,000	75.00	
Sundaram Fixed Term Plan - FA - 406 Days - Regular Growth	10	5,000,000	500.00	5,000,000	500.00	
Sundaram Fixed Term Plan - FB - 369 Days - Direct Growth	10	-	-	5,000,000	500.00	
Sundaram Fixed Term Plan - FD - 397 Days - Direct Growth	10	2,267,582	226.76	2,267,582	226.76	
Sundaram Fixed Term Plan - FF - 366 Days - Regular Growth	10	-	-	2,500,000	250.00	
Sundaram Fixed Term Plan - FI - 383 Days - Regular Growth	10	2,000,000	200.00	2,000,000	200.00	
TATA FMP Series 42 Scheme - C - Direct Plan - Growth	10 -	-	-	2,000,000	200.00	



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in lacs)

Particulars	As at 31 March, 2015			As at 31 March, 2014	
	Face Value of the Unit	No.	₹	No.	₹
TATA FMP Series 42 Scheme - H - Direct Plan - Growth	10	-	-	1,000,000	100.00
TATA FMP Series 43 Scheme - C - Direct Plan - Growth	10	2,000,000	200.00	2,000,000	200.00
TATA FMP Series 45 Scheme - D - Direct Plan - Growth	10	-	-	1,000,000	100.00
TATA FMP Series 46 Scheme - P - Direct Plan - Growth	10	-	-	1,500,000	150.00
TATA FMP Series 47 Scheme - C - Direct Plan - Growth	10	2,000,000	200.00	2,000,000	200.00
TATA FMP Series 47 Scheme - F - Direct Plan - Growth	10	2,126,842	212.68	-	-
TATA FMP Series 47 Scheme - H - Direct Plan - Growth	10	2,300,000	230.00	-	-
UTI Fixed Maturity Plan - Yearly FMP Series - MAR 2014: YFMP(03/14) - Growth Plan	10	6,245,245	624.52	6,245,245	624.52
UTI Fixed Term Income Fund Series XV - VIII (368 Days) Growth Plan	10	-	-	2,000,000	200.00
UTI Fixed Term Income Fund Series XV - IX (366 Days) Growth Plan	10	-	-	2,500,000	250.00
UTI Fixed Term Income Fund Series XVI - I (366 Days) Growth Plan	10	2,000,000	200.00	2,000,000	200.00
UTI Fixed Term Income Fund Series XVII - VII (465 Days) Growth Plan	10	1,000,000	100.00	1,000,000	100.00
UTI Fixed Term Income Fund Series XVII - XIV (423 Days) - Direct Growth Plan	10	3,000,000	300.00	3,000,000	300.00
UTI Fixed Term Income Fund Series XVII - XX (369 Days) - Direct Growth Plan	10	-	-	2,250,000	225.00
			<u>9,951.03</u>		<u>17,555.37</u>
<b>B Debt Funds - income funds</b>					
Axis Dynamic Bond Fund - Growth	10	-	-	4,039,947	500.00
Axis Income Fund - Direct Plan - Growth	10	1,477,541	200.00	-	-
Axis Income Fund - Growth	10	2,255,385	300.00	-	-
Birla Sun Life Income Plus - Growth - Regular Plan	10	-	-	1,631,250	900.00
Birla Sun Life Income Plus - Growth - Direct Plan	10	-	-	185,308	100.00
BNP Paribas Flexi Debt Fund - Growth- Folio-328670	10	2,075,050	500.00	979,144	200.00
BNP Paribas Flexi Debt Fund - Direct Plan - Growth- Folio-328670	10	412,298	100.00	-	-
Canara Robeco Dynamic Bond Fund - Direct Growth	10	1,255,934	200.00	732,773	100.00
Canara Robeco Dynamic Bond Fund - Regular Growth	10	1,895,507	300.00	1,469,318	200.00
Canara Robeco Medium Term Opportunities Fund - Regular Growth	10	12,337,098	1,307.58	3,951,952	400.00
DSP BlackRock Strategic Bond Fund - Inst.Plan - Growth	1000	30,016	500.00	-	-
DWS Medium Term Income Fund - Direct Plan - Growth	10	1,828,116	212.18	-	-
HDFC Income Fund - Growth	10	-	-	3,136,437	850.00
HDFC High Interest Fund - Dynamic Plan - Growth	10	625,691	300.00	1,733,895	700.00
HDFC Medium Term Opportunities Fund - Direct Plan - Growth	10	1,319,340	200.00	-	-
ICICI Prudential Income Opportunities Fund - Regular Plan - Growth	10	-	-	1,231,133	200.00
ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	10	-	-	4,235,518	700.00
ICICI Prudential Income Regular Plan - Growth	10	690,926	302.53	777,924	300.00
ICICI Prudential Dynamic Bond Fund - Regular Plan - Growth	10	668,518	104.10	-	-
ICICI Prudential Dynamic Bond Fund - Direct Plan - Growth	10	2,709,545	425.00	-	-
IDFC Dynamic Bond Fund - Growth - Regular Plan	10	-	-	70,881	10.00
IDFC Dynamic Bond Fund - Growth - Direct Plan	10	2,895,221	500.00	-	-
IDFC Super Saver Income Fund - Investment Plan - Growth - (Direct Plan)	10	-	-	343,626	100.00
Kotak Bond Scheme Plan A - Growth	10	4,408,624	1,680.51	578,826	200.00

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	As at 31 March, 2015			As at 31 March, 2014	
	Face Value of the Unit	No.	₹	No.	₹
Kotak Bond Scheme Plan A - Direct Plan - Growth	10	-	-	290,469	100.00
L&T Triple Ace Bond Fund - Growth	10	1,403,734	512.84	666,041	200.00
L&T Flexi Bond Fund - Growth	10	-	-	3,120,032	400.00
Religare Invesco Active Income Fund - Growth	1000	22,870	375.00	-	-
SBI Magnum Income Fund - Regular Plan - Growth	10	444,883	150.00	1,442,627	430.00
SBI Magnum Income Fund - Direct Plan - Growth	10	1,175,288	400.00	-	-
SBI Dynamic Bond Fund - Regular Plan - Growth	10	876,532	150.00	-	-
SBI Dynamic Bond Fund - Direct Plan - Growth	10	2,296,712	400.00	1,606,929	245.00
Sundaram Bond Saver - Regular Growth	10	753,048	300.00	852,710	300.00
TATA Income Fund Plan A - Growth	10	-	-	551,580	200.00
TATA Dynamic Bond Fund Plan A - Growth	10	3,563,000	768.03	1,104,747	200.00
TATA Income Plus Fund Plan A - Growth	10	-	-	1,057,546	200.00
TATA Income Fund - Direct Plan - Growth	10	-	-	689,691	250.00
UTI Bond Fund - Growth	10	480,094	200.00	4,744,581	1,700.00
UTI Income (Credit) Opportunities Fund - Growth	10	5,705,796	600.00	5,705,796	600.00
UTI Dynamic Bond Fund - Growth	10	7,859,298	1,188.89	682,401	94.00
			<u>12,176.66</u>		<u>10,379.00</u>
<b>C Debt funds - ultra short term bond funds</b>					
Birla Sun Life Treasury Optimizer Plan - Growth - Direct Plan	100	1,777,001	3,070.40	193,383	298.00
Templeton India Ultra Short Bond Fund - Super Inst. Plan - DDR	10	-	-	1,019,043	102.28
IDFC Ultra Short Term Fund - DDR - (Direct Plan)	10	-	-	4,016,816	403.53
L&T Ultra Short Term Fund - Direct Plan - DDR	10	-	-	7,443,827	768.23
Reliance Medium Term Fund - Direct Plan - DDR	10	-	-	598,873	102.38
Religare Invesco Credit Opportunities Fund - Direct Plan - DDR	1000	-	-	51,251	512.66
Religare Invesco Credit Opportunities Fund - DDR	1000	-	-	50,731	507.45
Religare Invesco Ultra Short Term Fund - Direct Plan Bonus	1000	20,137	200.00	-	-
Sundaram Ultra Short Term Fund - Regular DDR	10	22,557,181	2,264.06	12,230,001	1,227.53
UTI Treasury Advantage Fund - Institutional Plan - DDR	1000	-	-	44,358	444.61
			<u>5,534.47</u>		<u>4,366.67</u>
<b>D Debt funds - short term funds</b>					
Birla Sun Life Dynamic Bond Fund - Retail - Growth-Direct Plan	10	-	-	2,917,091	600.00
Birla Sun Life Short Term Opportunities Fund - Growth-Direct Plan	10	2,467,089	525.00	1,429,565	275.00
BNP Paribas Short Term Income Fund - Growth - Folio No.328670	1000	944,537	150.00	-	-
DSP BlackRock Short Term Fund - Regular Plan - Growth	10	2,785,292	658.64	-	-
DSP BlackRock Banking & PSU Debt Fund - Regular - Growth	10	1,295,829	150.00	-	-
DWS Short Maturity Fund - Direct Plan - Growth	10	1,810,861	450.00	-	-
Templeton(Franklin) India Short Term Income Retail Plan - Growth	10	24,580	660.00	12,388	300.00
HDFC Short Term Plan - Growth	10	742,366	200.00	-	-
HDFC Short Term Opportunities Fund - Direct - Growth	10	8,612,979	1,308.62	-	-
ICICI Prudential Short Term - Regular Plan - Growth	10	3,599,275	1,014.31	408,142	100.00
ICICI Prudential Banking & PSU Debt Fund - Regular Plan - Growth	10	2,695,935	416.65	-	-
IDFC SSIF- Medium Term Plan - Growth - Regular Plan	10	439,646	102.87	-	-
L&T Short Term Opportunities Fund - Growth	10	1,543,460	200.55	-	-
L&T Short Term Opportunities Fund - Direct Plan - Growth	10	9,982,798	1,335.87	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	As at 31 March, 2015			As at 31 March, 2014	
	Face Value of the Unit	No.	₹	No.	₹
Peerless Short Term Fund - Growth Plan	10	1,442,546	215.00	3,214,890	450.00
Religare Invesco Short Term Fund - Growth	10	33,936	630.27	-	-
SBI Short Term Debt Fund - Regular Plan - Growth	10	1,252,717	200.00	-	-
Sundaram Select Debt Short Term Asset Plan - Regular Growth	10	830,006	200.00	2,426,515	500.00
TATA Short Term Bond Fund Plan A - Growth	10	782,032	202.73	-	-
UTI Short Term Income Fund - Institutional - Growth	10	8,360,865	1,362.95	3,961,756	600.00
			<u>9,983.47</u>		<u>2,825.00</u>
<b>E Debts funds - floating rate funds</b>					
Birla Sun Life Floating Rate Long Term - DDR - Regular Plan	100	-	-	101,769	102.17
Canara Robeco Floating Rate (Saving Plus Fund) - Direct Growth	10	3,026,180	610.00	1,503,134	300.00
UTI Floating Rate Fund - STP - Regular Plan - DDR	1000	-	-	110,252	1,187.28
			<u>610.00</u>		<u>1,589.45</u>
<b>F Equity funds - balanced funds (Quoted)</b>					
<b>BALANCE FUNDS</b>					
HDFC Prudence Fund Div. - Folio-2147186/18	10	372,011	124.00	372,011	124.00
			<u>124.00</u>		<u>124.00</u>
<b><u>Current investments</u></b>					
A Fixed Maturity Plans			9,951.03		17,555.37
B Debt Funds - income funds			12,176.66		10,379.00
C Debt funds - ultra short term bond funds			5,534.47		4,366.67
D Debt funds - short term funds			9,983.47		2,825.00
E Debts funds - floating rate funds			610.00		1,589.45
F Equity funds - balanced funds (Quoted)			124.00		124.00
			<u>38,379.63</u>		<u>36,839.49</u>
<b>Total:</b>			<u>40,156.56</u>		<u>37,520.16</u>
Aggregate of quoted investments - Market Value					

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>14 Inventories</b>		
Raw Materials	284.84	136.87
Work-in-progress	472.56	296.78
Stores and spares	13.01	6.47
Food & Beverages	2.29	-
	<u>772.70</u>	<u>440.12</u>
<b>15 Trade Receivables - unsecured, considered good</b>		
outstanding for a period exceeding six months from the date they are due for payment	498.48	484.74
Other debts	580.85	633.39
	<u>1,079.33</u>	<u>1,118.13</u>
<b>16 Cash and cash equivalents</b>		
a. Cash and Bank Balances		
Balances with banks in Current Accounts	377.18	324.91
in Unclaimed Dividend Accounts	83.14	78.64
Cash on hand	0.02	0.07
b. Others		
Deposits with more than 12 months maturity	34.78	31.47
	<u>495.12</u>	<u>435.09</u>
<b>17 Short-term loans and advances - unsecured, considered good</b>		
Loans and advances *	42.99	29.98
Balance with Central Excise	14.98	13.10
Deposits (Others)	13.97	11.87
Advance Tax (Net of Provision)	184.17	0.00
Others #	565.33	424.11
	<u>821.44</u>	<u>479.06</u>
* Loans and advances includes ₹ 8.51 (previous year ₹ 7.35) to employees.		
# Includes advance to sundry creditors of ₹ 283.10 Lacs (Previous year ₹ 282.61 Lacs) and advance recoverable in cash or kind or value to be received of ₹ 282.23 Lacs (Previous year ₹ 141.50 Lacs)		
<b>18 Other Current Assets</b>		
Property tax receivable	0.00	32.35
Brokerage receivable	1.71	13.12
Rent receivable	2.78	2.78
	<u>4.49</u>	<u>48.25</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in lakhs)

Particulars	As at 31 March, 2015		As at 31 March, 2014	
<b>19 Revenue from Operations (Gross)</b>				
A. Bombay Exhibition Centre :				
Fee and service charges (TDS ₹ 856.21) (P.Y. ₹ 1023.30)	8,586.27		9,488.57	
B. IT Park - Licence fees and service charges (TDS ₹ 835.25) (P. Y. ₹ 413.81)	9,067.36	17,653.63	4,783.38	14,271.95
C. Industrial Capital Goods Division:				
Sales of Machines & Spares	1,843.28		1,846.62	
Less: Excise Duty	152.97		163.97	
Net Sales	1,690.31		1,682.65	
Engineering Fees, services & other charges Gross (TDS ₹ 1.16) (P. Y. ₹ 1.49)	100.61	1,790.92	156.18	1,838.83
D. Hospitality Division:		6.10		-
Hospitality and catering services				
		19,450.65		16,110.78
<b>20 Other Income:</b>				
A. Interest on Bank FD (TDS ₹ 0.21) (P.Y. ₹ 0.22)	2.52		2.24	
Interest from other source	5.68		8.14	
		8.20		10.38
B. Income form Investments				
Dividend on current Investments	500.42		178.75	
Profit on redemption of Mutual Fund	2,029.06	2,529.48	1,674.16	1,852.91
C. Profit on sale of Assets		0.15		-
D. Property Tax Refund (including ₹ 8.70 lacs relating to previous year)		35.00		66.27
E. Sundry Creditors/liabilities written back (net)		230.37		-
F. Brokerage (TDS ₹ 4.29) (P.Y. ₹ 8.54)		42.92		85.36
G. Other receipts		16.21		16.44
		2,862.33		2,031.36

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in lakhs)

Particulars	As at 31 March, 2015		As at 31 March, 2014	
<b>21 Cost of Materials Consumed</b>				
Opening Stock	136.87		190.30	
Add : Purchases and Expenses	<u>1,237.57</u>	1,374.44	<u>826.76</u>	1,017.06
Less: Closing Stock		<u>287.13</u>		<u>136.87</u>
		<u><u>1,087.31</u></u>		<u><u>880.19</u></u>
<b>22 Changes in Inventories of finished goods and work-in-progress</b>				
Opening Stock				
- Finished Goods	-		-	
- Semi-finished Goods	<u>296.78</u>	296.78	<u>288.82</u>	288.82
Less: Closing Stock				
- Finished Goods	-		-	
- Semi-finished Goods	<u>472.56</u>	472.56	<u>296.78</u>	296.78
		<u><u>(175.78)</u></u>		<u><u>(7.96)</u></u>
<b>23 Employee Benefits expenses</b>				
Salary, Wages and Allowances		606.47		579.65
Contribution to Provident and other funds		36.08		34.60
Gratuity		21.50		20.06
Staff welfare expenses		<u>56.85</u>		<u>46.52</u>
		<u><u>720.90</u></u>		<u><u>680.83</u></u>
<b>24 Finance Cost</b>				
Interest on borrowings		0.02		6.11
Bank charges & guarantee commission		5.90		3.92
Interest to others		<u>7.41</u>		<u>0.68</u>
		<u><u>13.33</u></u>		<u><u>10.71</u></u>
<b>25 Depreciation and Amortisation Expense</b>				
Depreciation and Amortisation		670.09		1,104.87
Less: Transfer from Revaluation Reserve		<u>0.00</u>		<u>2.30</u>
		<u><u>670.09</u></u>		<u><u>1,102.57</u></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>26 Manufacturing and other expenses</b>		
26.1 Manufacturing expenses		
Stores and spares consumed	72.48	68.14
Power and fuel	297.78	361.18
Erection & fabrication charges	195.94	212.08
	<u>566.20</u>	<u>641.40</u>
26.2 Administrative, Selling and General Expenses		
Printing, Stationery, Postage, Telephones	66.72	42.10
Rent	27.41	44.48
Rates, Taxes, Water charges & Service Tax	815.40	115.93
Advertisement, Sales Promotion and Subscription	35.66	17.86
Insurance	22.82	30.73
Repairs and maintenance of :		
- Buildings & Property	306.84	365.21
- Plant & Machinery	31.68	96.48
- Other Assets	<u>19.70</u>	<u>144.68</u>
Loss on Redemption of Mutual Fund	0.24	606.37
Exchange loss on foreign current transactions and transalations (other than finance cost)	0.32	205.47
Travelling, conveyance and Vehicle expenses	189.27	1.26
Auditor's Remuneration:		
- Audit Fees	9.35	7.50
- Certification work	1.50	2.00
- Out of pocket expenses	<u>0.16</u>	<u>0.05</u>
Legal & professional fees	11.01	9.55
Contribution to Political Parties	735.32	1,234.91
CSR Expenses	260.00	-
Donations	218.29	-
Managerial remuneration	63.98	75.19
Security charges	459.93	375.00
Bad debts/sundry balance written off	74.19	69.00
Miscellaneous expenses	103.76	176.60
	<u>23.93</u>	<u>18.19</u>
	<u>3,466.47</u>	<u>3,144.67</u>
	<u>4,032.67</u>	<u>3,786.07</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 27) Earnings per share:

Particulars	2014-2015	2013-2014
a) Profit after tax (₹ in lacs)	11,150.44	8,102.45
b) Number of equity shares outstanding	14,091,992	14,091,992
c) Face value of each equity share (₹)	10	10
d) Basic and diluted earnings per share (₹)	79.13	57.50

### 28) Related party disclosures:

#### (a) List of related parties and relationships

Associate / Subsidiary	(i) NSE Housing and Investments Pvt. Ltd.
	(ii) Chandler & Price (India) Pvt. Ltd.
	(iii) JVP Industrial Training Institute
	(iv) J V Patel Charitable Trust
	(v) J V Patel & Co.
	(vi) KSP Finance & Investments Pvt.Ltd.
	(vii) Nesco Hospitality Private Limited
Key management personnel	(i) Mr. Sumant J. Patel – Chairman & Managing Director
	(ii) Mrs. Sudha S. Patel – Director
	(iii) Mr. Krishna S. Patel – Joint Managing Director
	(iv) Mr. Dipesh R Singhania – Chief Financial Officer

#### (b) Related party transactions:

(₹ in lakhs)

Particulars	2014-2015	2013-2014
Rent received		
- Chandler & Price (I) Pvt. Ltd.	60,000	60,000
Rent paid		
- Sumant J Patel	2,247,200	4,260,445
Brokerage received		
- KSP Finance & Investments Pvt.Ltd.	4,291,637	8,536,014
Remuneration, perquisites, commission paid		
- Mr. Sumant J Patel	36,365,398	28,200,041
- Krishna S Patel	9,036,246	9,044,959
- Dipesh R Singhania	4,893,276	4,255,020
Director sitting fees		
- Sudha S Patel	120,000	60,000
- Other Directors	360,000	195,000
Share Capital Invested in Nesco Hospitality Private Limited		
249,900 Shares @ 10/- each	2,499,000	-
Amount payable to Sumant J Patel	32,500,000	27,958,477
Amount payable to Krishna S Patel	4,930,707	3,600,000
Amount receivable from Nesco Hospitality Private Limited	255,866	-



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

a. Gratuity (unfunded)

	2014-2015	2013-2014
I) Assumptions:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%
II) Table showing change in benefit obligation:	₹	₹
Projected benefit obligations (PBO)		
at the beginning of the year	12,853,000	11,664,000
Interest cost	1,028,240	879,878
Service cost	1,020,042	1,013,587
Benefit paid	(1,233,179)	(1,331,055)
Actuarial (gain) loss on obligations	101,897	626,590
PBO at the end of the year	13,770,000	12,853,000
III) Tables of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	1,233,179	1,331,055
Benefit paid	(1,233,179)	(1,331,055)
Gain/(Loss) on plan assets	-	-
Fair value of plan assets at the end of the year	-	-
IV) The amounts to be recognised in balance sheet and income statement and the related analysis:		
Present value of obligation	13,770,000	12,853,000
Fair value of plan assets	-	-
Difference	13,770,000	12,853,000
Unrecognised actuarial gain (losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	13,770,000	12,853,000
V) Net periodic cost:		
Current service cost	1,020,042	1,013,587
Interest cost	1,028,240	879,878
Expected return on plan assets	-	-
Net actuarial (gain) loss recognised in the year	101,897	626,590
Expenses recognised in the income statement	2,150,179	2,520,055
VI) Movements in the liability recognised in the balance sheet:		
Opening net liability	12,853,000	11,664,000
Expense as above	2,150,179	2,250,055
Contributions paid	(1,233,179)	(1,331,055)
Closing net liability	13,770,000	12,853,000

(b) Leave Encashment (unfunded)

	2014-2015	2013-2014
I) Assumptions:		
Discount rate	8.00%	8.00%
Rate of increase in compensation levels	6.00%	6.00%
II) Table showing change in benefit obligation:	₹	₹
Projected benefit obligations (PBO)		
at the beginning of the year	1,961,000	1,740,000
Interest cost	156,880	131,118
Service cost	354,682	376,736
Benefit paid	(187,218)	(202,043)
Actuarial (gain) loss on obligations	(283,344)	(84,811)
PBO at the end of the year	2,002,000	1,961,000
III) Tables of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	187,218	202,043
Benefit paid	(187,218)	(202,043)
Gain/(Loss) on plan assets	-	-
Fair value of plan assets at the end of the year	-	-
IV) The amounts to be recognised in balance sheet and income statement and the related analysis:		
Present value of obligation	2,002,000	1,961,000
Fair value of plan assets	-	-
Difference	2,002,000	1,961,000
Unrecognised actuarial gain (losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	2,002,000	1,961,000
V) Net periodic cost:		
Current service cost	354,682	376,736
Interest cost	156,880	131,118
Expected return on plan assets	-	-
Net actuarial (gain) loss recognised in the year	(283,344)	(84,811)
Expenses recognised in the income statement	228,218	423,043
VI) Movements in the liability recognised in the balance sheet:		
Opening net liability	1,961,000	1,740,000
Expense as above	228,218	423,043
Contributions paid	(187,218)	(202,043)
Closing net liability	2,002,000	1,961,000

- 30) The company is in process of identifying enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such micro, small and medium enterprises as on 31st March, 2015 has not been given in the financial statements. However, in the opinion of the management, the impact of interest if any, that may be payable in accordance with the provisions of the act is not expected to be material.

- 31) Segment reporting

(₹ in lakhs)

<b>Revenue by industry segment</b>	<b>2014-2015</b>	<b>2013-2014</b>
Bombay Exhibition Centre and IT Park	17,653.63	14,271.95
Industrial capital goods	1,790.92	1,838.83
Investment and other income	2,862.33	2,031.36
Hospitality and catering services	6.10	-
<b>Total</b>	<b>22,312.98</b>	<b>18,142.14</b>
Less: Inter- segment revenue	-	-
<b>Net revenue from operations</b>	<b>22,312.98</b>	<b>18,142.14</b>
<b>Segment profit before tax and finance cost</b>		
Bombay Exhibition Centre and IT Park	16,029.82	11,764.76
Industrial capital goods	(39.02)	(64.32)
Hospitality and catering services	(13.01)	-
<b>Total operating profit before tax</b>	<b>15,977.79</b>	<b>11,700.44</b>

### 32) Contingent Liabilities and Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 17,010,150/- (previous year - ₹ 7,639,262/-) against which an advance of ₹ 7,701,802/- (Previous year – ₹ 6,737,618/-) has been paid.
- Claims against the company contested at various courts amounting to ₹ 1,631.48 lakhs (previous year ₹ 1,631.48 lakhs) against which the company has provided ₹ 1,245.03 lakhs (previous year ₹ 1,224.12 lakhs) as ascertained by management and as advised by advocates and counsels.
- Income-tax demand disputed by the company ₹ 93.34 lakhs (Previous year 460.14 lacs)
- Value added Tax demand disputed by the company ₹ 33.27 lakhs for F.Y. 2008-2009.
- Dy. Collector of Anand, Gujarat has raised a demand for Stamp duty payable in respect of equitable mortgage bond dated 18.06.2003 which is already been released, demand disputed by the company ₹ 10.07 lakhs order dated 29.12.2014.
- Counter guarantees given by the company to banks in respect of:
  - Indian Bank Guarantees given by bank on company's behalf ₹ 37,550,059/- (Previous year – ₹ 35,997,446/-)
  - Foreign Bank Guarantees given by bank on company's behalf US \$3,400.00 (Previous year – US \$8,877.00).

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

Sr. No.	Particular		2014-2015 ₹		2013-2014 ₹
A	Details of major consumption items:				
	Steel		296.65		316.53
	Casting		116.56		119.79
	Electric Motors		58.35		52.04
	Bearings		33.16		36.76
	Miscellaneous		805.90		423.22
	Food & Beverages		5.72		-
			<b>1316.34</b>		<b>948.33</b>
B	Details of consumption of imported and indigenous items:				
	Raw Material & Components				
	Imported	0.72%	8.93	-	-
	Indigenous	99.28%	1234.92	100.00%	880.19
		100.00%	<b>1243.85</b>	100.00%	<b>880.19</b>
	Stores, Spares & Tools				
	Imported	-	-	-	-
	Indigenous	100.00%	72.48	100.00%	68.14
		100.00%	<b>72.48</b>	100.00%	<b>68.14</b>

- 34) Income tax assessments are completed up to the assessment year 2012-2013. The company does not expect any additional liability for the pending assessments.

Details of Subsidiary considered in the consolidated financial statement.

Nesco Hospitality Private Limited was incorporated on 26 December 2014. Financial statements for the period from 26.12.2014 to 31.03.2015 have been considered for consolidation. Percentage of holding as on 31 March 2015 99.99% (previous year Nil).

- 35) Provision for income tax is made after considering exemptions and deductions availed under the Income Tax Act, 1961.
- 36) Sales tax assessments are completed for Maharashtra up to the financial year 2008-2009, and for Gujarat up to the financial year 2010-2011. The company does not expect any additional liability for the pending assessments.
- 37) Particulars in respect of Foreign currency transactions:

(₹)

Sr. No.	Particular	2014-2015	2013-2014
A	Earning in Foreign exchange		
	i) F.O.B. value of exports	5,043,358	7,346,549
	ii) Exhibition	11,122,622	8,953,610
B	Value of Imports on CIF BASIS		
	i) Raw Materials (including Components)	892,570	-
	ii) Capital Goods	345,809	2,314,724
C	Remittances or expenditure in foreign Currency		
	i) Travelling	1,930,821	734,418
	ii) Membership & subscription	133,390	452,303
	iii) Others	76,956	-

- 38) As required by Companies Act 2013 under the provision of section 135 contributions towards Corporate Social Responsibility (CSR). Company has contributed ₹ 218.29 lacs towards activities prescribed under Schedule 7 of the said act. CSR liability is determined as per Section 198 of the said Act.
- 39) Figures of the previous year have been re-arranged and re-grouped wherever necessary to confirm to the classification adopted for the current year.

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

Kshijit M. Patel  
Partner  
Membership No. 045740  
FRN. 106041W  
Mumbai, 23 May 2015

Mr. Dipesh R. Singhania  
Chief Financial Officer  
& Compliance Officer

For and on behalf of the Board

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

Mumbai, 23 May 2015.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF NESCO LIMITED  
Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of NESCO LIMITED ("the Holding Company") and its subsidiary (the Holding Company and the subsidiary together referred to as "the group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year / period then ended and a summary of the significant accounting policies and other explanatory information.

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year / period ended on that date.



## Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 27.49 lacs as at March 31, 2015, total revenues of ₹ 6.10 lacs and net cash inflows amounting to ₹ 19.10 lacs for the period ended from December 26, 2014 to March 31, 2015, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

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

## Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditors Report) Order, 2015 issued by the Ministry of Corporate affairs Government of India in terms of sub section (11) of section 143 of the Act ("the Order") and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the said order to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiary company incorporated in India, none of the directors of the Holding Company and the subsidiary company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 32(b)(c)(d) and (e) to the consolidated financial statements.
    - (ii) The Group does not have any material foreseeable losses on longterm contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

**FOR MANUBHAI & SHAH**  
**CHARTERED ACCOUNTANTS**  
**FRN: 106041W**

**KSHITIJ M. PATEL**  
**PARTNER**  
**Membership No: 045740**  
**Mumbai, 23 May 2015**

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**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1 under 'Report on the other Legal and Regulatory Requirements' of our Report of even date)

Our reporting on the order includes subsidiary company incorporated in India on which its auditor has reported in accordance with the order. Our report in respect of this subsidiary is based solely on the report of its auditor.

1. (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Holding Company has a regular programme of physical verification of fixed assets by which all the assets are verified in a phased manner over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Holding Company and the nature of its assets. We are informed that no material discrepancies were noticed in respect of the assets physically verified during the year.
- (c) The Subsidiary Company does not have any fixed assets and accordingly clause 3(i) (a) and (b) are not applicable.
2. (a) The inventories of the Holding Company and its subsidiary were physically verified during the year/period by the management of respective entities.
- (b) The procedures of physical verification of inventory followed by the Management of respective entities are reasonable and adequate in relation to the size of the Holding Company and its Subsidiary and the nature of their business.
- (c) The Company and its Subsidiary are maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material.
3. The Company and its Subsidiary have not granted secured or unsecured loans, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion, and according to the information and explanations given to us and based on the auditors' report issued in accordance with the order of the aforesaid subsidiary, there is an adequate internal control system commensurate with the size of the Company and its Subsidiary and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services. Further during the course of our audit we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. The Company and its subsidiary have not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 and rules framed thereunder.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section (1) of Section 148 of the Act, and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.  
  
The provisions of clause 3(vi) of the order is not applicable to the aforesaid Subsidiary Company as the respective Company is not covered by Companies (Cost Records and Audit) Rules, 2014.
7. (a) According to the information and explanations given to us and the records of the Company examined by us and based on the auditors' report issued in accordance with the order of the aforesaid subsidiary, the Company and its Subsidiary are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us and based on the Auditors' report issued in accordance with the order of the aforesaid subsidiary, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues, as applicable were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues have not been deposited by the Holding Company on account of disputes.

Name of the Statute	Nature of the Dues	F.Y.	Amount (₹ in lakhs)	Forum where dispute is pending
The Income tax Act, 1961	Assessment Dues	2006-07	11.59	Dy.Commissioner of income tax
		2007-08	4.86	Dy.Commissioner of income tax
		2008-09	9.18	ITAT
		2010-11	54.57	ITO
		2011-12	13.14	ITO
Value Added Tax	Assessment Dues	2008-09	33.27	Tribunal
Govt.of Gujarat	Stamp duty Dues	2003-04	10.07	Dy.Collector of Anand Gujarat State

- (c) According to the information and explanations given to us and based on the auditors' report issued in accordance with the order of the aforesaid subsidiary, the amounts that were required to be transferred to Investor Education and Protection Fund by the Company and its Subsidiary have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.

8. The Company does not have accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

The Subsidiary Company was incorporated on December 26, 2014 and it has incurred cash loss during the period ended on March 31, 2015.

9. According to the information and explanations given to us the Holding Company has not defaulted in repayment of dues to Banks. The subsidiary Company has not obtained any loans and accordingly clause 3(ix) is not applicable.
10. According to the information and explanations given to us and based on the auditors' report issued in accordance with the order of the aforesaid subsidiary, the Company and its Subsidiary have not given any guarantees for loans taken by others from banks or financial institutions during the year.
11. According to the information and explanations given to us and based on the auditors' report issued in accordance with the order of the aforesaid subsidiary, the respective entities did not avail any term loan during the year.
12. According to the information and explanations given to us and based on the auditors' report issued in accordance with the order of the aforesaid subsidiary, no material fraud on or by the Company and its Subsidiary have been noticed or reported during the year.

**FOR MANUBHAI & SHAH**  
**CHARTERED ACCOUNTANTS**  
**FRN: 106041W**

**KSHITIJ M. PATEL**  
**PARTNER**  
**Membership No: 045740**  
**Mumbai, 23 May 2015**

**Form AOC - 1**

**(Pursuant to first proviso to sub-section (3) of section 129 read  
with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement  
of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

**(Information in respect of each subsidiary to be presented with amounts in ₹)**

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Nesco Hospitality Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 March, 2015
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR (₹)
4.	Share capital	Authorised Capital : 1,00,00,000 Paid up Capital : 25,00,000
5.	Reserves & surplus	(10,45,940)
6.	Total assets	27,48,775
7.	Total Liabilities	12,94,715
8.	Investments	NIL
9.	Turnover	6,09,938
10.	Loss before taxation	(1,301,806)
11.	Provision for taxation	NIL
12.	Loss after taxation	(1,301,806)
13.	Proposed Dividend	NIL
14.	% of shareholding	99.96%

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

Kshijit M. Patel  
Partner  
Membership No. 045740  
FRN. 106041W  
Mumbai, 23 May 2015

Mr. Dipesh R. Singhania  
Chief Financial Officer  
& Compliance Officer

For and on behalf of the Board

Mr. Sumant J. Patel  
Dr. Ram S. Tarneja  
Mr. Mahendra Chouhan  
Mrs. Sudha S. Patel  
Mr. Krishna S. Patel

Chairman & Managing Director  
Director  
Director  
Director  
Joint Managing Director

Mumbai, 23 May 2015

## REPORT ON CORPORATE GOVERNANCE

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

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

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

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

### 2. Board of Directors:

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

The day to day management is conducted by the Chairman and Managing Director along-with the Joint 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 2015 are as follows:

Name of the Directors	Executive / Non Executive / Independent / Alternate	No. of other Directorship *	Membership held in Committee of Directors#	Chairmanship held in Committee of Directors ##
Mr. Sumant J. Patel	Promoter Executive	---	---	---
Dr. Ram S. Tarneja	Non Executive Independent	9	04	06
Mr. K. S. Srinivasa Murty	Non Executive Independent	---	---	---
Mr. Mahendra K. Chouhan	Non Executive Independent	04	05	03
Mrs. Sudha S. Patel	Promoter Non Executive	---	---	---
Mr. Jai S. Diwanji	Non Executive Independent	02	---	---
Mr. Krishna S. Patel	Promoter, Executive	---	---	---

\* excludes directorship held in private companies, foreign companies, companies formed under section 8 of the Companies Act, 2013 and directorship held as an alternate director.

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

##excludes Membership / Chairmanship in Committees of Directors of Nesco Limited.

### 3. Training of Board Members:

All the non executive Directors are associated with the Company for several years, besides a presentation was made to all non executive Independent Directors to give an overview of Company's operations, including new activities such as Day Care Centre, Food Court and Company's Hospitality subsidiary.

### 4. Mechanism for evaluating Board Members:

One of the key functions of the Board is to monitor and review the Board evaluation framework. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvements.

Each Board member is requested to evaluate the effectiveness of Board dynamics and relationships, information flow, decision making of Directors, relationship to stakeholders, Company performance, Company strategy, and the effectiveness of the whole Board and its various committees.

Independent Directors have three key roles i.e. governance, control and guidance. The performance indicators on which the independent directors are evaluated include:

- Ability to contribute to and monitor our corporate governance practice
- Ability to contribute by introducing international best practices to address top- management issues
- Active participation in long-term strategic planning
- Commitment to the fulfillment of Directors' obligations and fiduciary responsibilities, these include participation in Board and committee meetings.

## 5. 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. During the year, the Board Meetings were held 4 times i.e. on 28.05.2014, 06.08.2014, 10.11.2014 and on 10.02.2015.

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

Name of Director	Number of board meetings attended during the year	Whether attended Last AGM held on 20.08.2014
Mr. Sumant J. Patel	04	Yes
Dr. Ram S. Tarneja	03	Yes
Mr. K. S. Srinivasa Murty	04 *	Yes
Mr. Mahendra K. Chouhan	04	Yes
Mrs. Sudha S. Patel	04	Yes
Mr. Jai S. Diwanji	02	Yes
Mr. Krishna S. Patel	03 *	Yes

\* Includes meetings attended over video conference.

## Remuneration of Directors - Sitting fees, perquisites and commission:

(₹ in lakhs per annum)

Name of Directors	Designation	Sitting fees	Salary	Perquisites and allowance	Comm- ission	Provident Fund	Total
Mr. Sumant J. Patel	Chairman & Managing Director	--	36.00	2.65	325.00	--	363.65
Dr Ram S. Tarneja	Director	0.60	--	--	--	--	0.60
Mr. K. S. Srinivasa Murty	Director	1.80	--	--	--	--	1.80
Mr. Mahendra K. Chouhan	Director	1.40	--	--	--	--	1.40
Mrs. Sudha S. Patel	Director	1.20	--	--	--	--	1.20
Mr. Jai S. Diwanji	Director	0.90	--	--	--	--	0.90
Mr. Krishna S. Patel	Joint Managing Director	--	36.00	5.05	55.83	4.32	101.20
<b>Total</b>		<b>5.90</b>	<b>72.00</b>	<b>7.70</b>	<b>380.83</b>	<b>4.32</b>	<b>470.75</b>



## 6. Vigil Mechanism/Whistle Blower Policy:

The Company has a vigil mechanism to deal with fraud and mismanagement, if any. The policy is on the website of the Company.

## 7. Board Committees:

The Board has constituted four committees i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholder Grievances Committee and Corporate Social Responsibility Committee.

### **Audit Committee**

#### Composition:

The committee comprises of Mr. Mahendra K. Chouhan as Chairman, Mr. K.S. Srinivasa Murty and Mr. Jai S. Diwanji.

During the year the Committee met 4 times on 28.05.2014, 06.08.2014, 10.11.2014 and 10.02.2015. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	No. of meetings held during the year 2014-15	No. of Meetings Attended during the year 2014-15
a.	Mr. Mahendra K. Chouhan	4	4
b.	Mr. K. S. Srinivasa Murty	4	4*
c.	Mr. Jai S. Diwanji	4	2

\* Includes meetings attended over video conference.

#### Scope of Audit Committee:

The terms reference are broadly as under:

- Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other service rendered by the Auditors.
- Reviewing with management the annual financial statement before submission to the board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Companies Act, 2013.
  - Changes if any, in accounting policies and practice.
  - Major accounting entries based on exercise of judgment by management.
  - Observations if any, in draft audit report.
  - Significant changes/amendments, if any, arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Qualification in the draft audit report.
  - Compliance with stock exchange and legal requirements concerning financial statement.
  - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
- Review of quarterly /half yearly unaudited financial results before submission to the auditors and the Board.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- 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.
- Discussion with internal auditors any significant finding and follow up thereon.
- 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.
- m. 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.

### **Nomination and Remuneration Committee**

#### **Composition:**

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

During the year under review the committee has not met, however there was nominal increase in the remuneration paid to Mr. Krishna S. Patel compared to previous year, but it was within the upper limit decided by the remuneration committee and Board in their meeting held on 25 May 2013.

#### **Scope of Nomination and Remuneration Committee:**

The following matters are referred to the Nomination and 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.

#### **Remuneration Policy:**

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results.

Company pays remuneration by ways of salary, benefits, perquisites and allowances (fixed components) and commission (variable components) to its Managing Directors and executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members of the Company. Nomination and Remuneration Committee decides on the commission payable to the managing directors and executive directors as a percentage of profits for the financial year and within the ceiling limits prescribed under the Act based on the performance of the Company as well as that of the managing director and executive directors.

### **Stakeholders Grievances Committee**

#### **Composition:**

The committee comprises of Mrs. Sudha S. Patel as Chairperson, Mr. K. S. Srinivasa Murty and Mr. Jai S. Diwanji. During the year the Committee met 4 times on 28.05.2014, 06.08.2014, 10.11.2014 and 10.02.2015. The attendance of each director at the meeting was as follows:

<b>Sr. no.</b>	<b>Name of the Member</b>	<b>No. of meetings held during the year 2014-15</b>	<b>No. of meetings attended during the year 2014-15</b>
a.	Mr. Mahendra K. Chouhan	4	4
b.	Mr. K. S. Srinivasa Murty	4	4*
c.	Mr. Jai S. Diwanji	4	2

\* Includes meetings attended over video conference.

#### Scope of Stakeholders Grievances Committee:

The Committee administers the following activities:

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

The Board has delegated the power of share transfer to registrar & share transfer agents, who process the transfers and the same is approved by the Board in their meeting as well as in the Stakeholders' 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.

#### **Corporate Social Responsibility Committee**

##### Composition:

The committee comprises of Mr. Sumant J. Patel as Chairman, Mr. Mahendra K. Chouhan and Mr. Krishna S. Patel. During the year the Committee met 2 times on 10.11.2014 and 10.02.2015. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	No. of meetings held during the year 2014-15	No. of meetings attended during the year 2014-15
a.	Mr. Sumant J. Patel	2	2
b.	Mr. Mahendra K. Chouhan	2	2
c.	Mr. Krishna S. Patel	2	1*

\* Includes meetings attended over video conference.

##### Scope of Corporate Social Responsibility Committee:

The Committee administers the following activities:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
3. Monitor the Corporate Social Responsibility Policy of the Company time to time.

#### **8. Independent Directors Meeting:**

During the year under review, a meeting of the Independent Directors of the Company was held on 10 February 2015 in accordance with provisions of Schedule IV (Code of Independent Directors), without the attendance of non-independent directors and members of management inter-alia to discuss:

- To review the performance of non-independent directors and the Board as a whole.
- To review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors.
- To assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- All the Independent Directors were present in the meeting.

## 9. **Subsidiary Company:**

The Company has incorporated a wholly owned subsidiary, Nesco Hospitality Private Limited, on 26 December 2014.

The audited Annual Financial Statements and the copies of minutes of the board Meetings of the Subsidiary Company are tabled at the Audit Committee and Board Meetings.

## 10. **Related Party Transactions:**

All the transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreements during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by Accounting Standard (AS 18) have been made in the notes to the Financial Statements.

## 11. **Compliance with Accounting Standard:**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 and the general circulars issued by the Ministry of Corporate Affairs from time to time. The significant accounting policies which are consistently applied have been set out in the notes to the Financial Statements.

## 12. **Compliance Officer:**

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

## 13. **Details of complaints received and redressed during the year 2014-2015:**

No.	Particulars	Received	Redressed	Pending on 31.03.2015
1	Non Receipt of Bonus share certificates	6	2	4*
2	Non receipt of Annual Report	4	3	1#
3	Non receipt of Dividend	Nil	Nil	Nil
4	Non Receipt of share certificate after transfer	1	1	Nil
5	Non receipt of share certificate after transmission	1	1	Nil

\* all were resolved on 1 April 2015

# was resolved on 3 April 2015.

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.

## 14. **Secretarial Audit:**

Pursuant to Section 204 of the Companies Act, 2013 and Rules there under, the Board of Directors of the Company appointed M/s ND & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 2013, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI), as applicable to the Company. Report on Secretarial Audit is annexed and forms part of this Report as 'Annexure B'.

## 15. **Code of Practices and procedures for fair disclosures of unpublished price sensitive information:**

As per the requirements of Regulation 8(1) of Securities and Exchange of Board India (Prohibition of Insider Trading) Regulation, 2015, the Company is in the process of formulating code of fair disclosures of unpublished price sensitive information and will soon upload the same on the official website of the Company. The Company's Code of Conduct to regulate, monitor and report trading by employees and other connected persons is already in place.

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**16. Disclosures:**

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

Your Company has complied with all the requirements of the Stock Exchange(s) and Securities Exchange Board of India (SEBI) on matters related to Capital Markets. There are no penalties or strictures passed against the Company by the statutory authorities in this regard.

**17. CEO/CFO Certification:**

The Chairman and Managing Director and Chief Financial Officer have certified to the Board of Directors, compliance in respect of all matters pursuant to Clause 49 of the Listing Agreement, is annexed and forms part of this Report as an 'Annexure G'

**18. Means of Communication:**

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

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

For and on behalf of the Board of Directors

Sumant J. Patel  
Chairman & Managing Director  
Mumbai, 23 May 2015

## GENERAL SHAREHOLDERS' INFORMATION

### 1. Annual General Meeting and Financial Calendar

1	Annual General Meeting	The 56th Annual General Meeting will be held on Monday, 3 August 2015 at 3.30 p.m. in the International Lounge of hall I of Bombay Exhibition Centre at the registered office of the Company at Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063
2	Financial Calendar	Financial Year: 1 April, 2015 to 31 March, 2016 First Quarterly Result: On or before 2nd week of August 2015 Second Quarterly Result: On or before 2nd week of November 2015 Third Quarterly Result: On or before 2nd week of February 2016 Annual Accounts 2015-16: Last week of May 2016
3	Date of Book Closure	27 July 2015 to 03 August 2015 (both days inclusive)
4	Dividend Payment Date	On or before 02 September 2015
5	Listing on Stock Exchange	The Company's Equity shares are listed on : • The Bombay Stock Exchange Limited (BSE), • Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. The National Stock Exchange of India Limited, 5th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
6	Demat ISIN	INE 317F01027 (in both NSDL and CDSL)

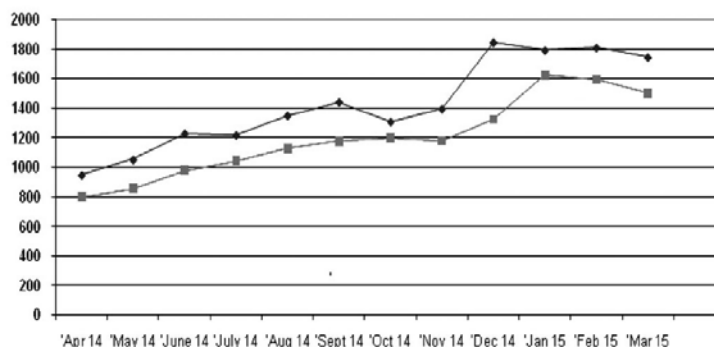
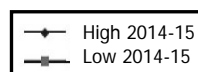
The Company hereby confirms that the Company has paid Annual Listing Fees to both the Stock Exchanges and there is no outstanding payment towards the exchanges as on date.

### 2. Stock market data

Monthly high and low prices of Equity shares of the company quoted at Stock Exchange, Mumbai during the year 2014-2015

Month	High	Low	Month	High	Low
Apr-14	947.00	797.00	Oct-14	1308.00	1195.00
May-14	1050.00	855.50	Nov-14	1395.00	1175.00
Jun-14	1228.95	976.05	Dec-14	1844.00	1322.10
Jul-14	1216.25	1042.70	Jan-15	1792.00	1620.60
Aug-14	1350.00	1124.85	Feb-15	1810.00	1589.80
Sep-14	1440.00	1174.00	Mar-15	1744.00	1496.15

The above prices are depicted in the Chart





### 3. Categories of shareholding as on 31 March 2015

No	Category	Number of shares held	% of share holding
A	Promoter(s) holding		
1	- Indian	87,11,931	61.82%
2	- Foreign	7,50,000	5.32%
	<b>Sub-total</b>	<b>94,61,931</b>	<b>67.14%</b>
B	Non-promoters holding		
1	Institutional investors		
a.	Mutual funds	4,05,818	2.88%
b.	Banks, FI's, Insurance companies, Central / State Govt. Inst, Non-government Inst	1,38,989	0.99%
c.	Venture capital	4,050	0.03%
d.	FII (s)	8,56,270	6.08%
	<b>Sub-total</b>	<b>14,05,127</b>	<b>9.97%</b>
2	Non-Institutions		
a.	Private corporate bodies	3,32,648	2.36%
b.	Indian public	28,49,467	20.22%
c.	NRIs / OCBs	39,967	0.28%
d.	Government	-	0.00%
d.	Any other - Clearing members	2,852	0.02%
	<b>Sub-total</b>	<b>32,24,934</b>	<b>22.89%</b>
	<b>Grand total</b>	<b>1,40,91,992</b>	<b>100.00%</b>

#### Distribution of shareholding as on 31.03.2015 is as follows

SHARE	Number of holders	% of total	Total Shares	% of total
UPTO TO 100	8,702	69.36	<b>2,73,724</b>	1.94
101 TO 200	1,494	11.91	<b>2,44,657</b>	1.74
201 TO 500	1,196	9.53	<b>4,13,108</b>	2.93
501 TO 1000	612	4.88	<b>4,39,408</b>	3.12
1001 TO 5000	469	3.74	<b>9,11,647</b>	6.47
5001 TO 10000	33	0.26	<b>2,23,189</b>	1.58
10001 TO 100000	26	0.21	<b>8,93,963</b>	6.34
100001 TO ABOVE	15	0.12	<b>1,06,92,296</b>	75.87
<b>TOTAL</b>	<b>12,547</b>	<b>100.00%</b>	<b>1,40,91,992</b>	<b>100.00%</b>

#### 4. Unclaimed / unpaid dividends

Final dividend for the financial year ended 31 March 2008 and subsequent years, which remain unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on the dates mentioned in the table below. Members who have not encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's Registrar and Transfer Agent M/s. Sharex Dynamic India Private Limited.

No.	Date of declaration	For the Financial year ended	Due for transfer to IEPF
1	29.08.2008	31.03.2008	11.10.2015
2	14.09.2009	31.03.2009	19.10.2016
3	09.09.2010	31.03.2010	16.10.2017
4	12.08.2011	31.03.2011	18.09.2018
5	08.08.2012	31.03.2012	14.09.2019
6	08.08.2013	31.03.2013	14.09.2020
7	20.08.2014	31.03.2014	26.09.2021

#### 5. Share Transfer System

The share transfer requests for shares held in physical form received by the Company are processed and the share certificates are returned within the stipulated period under the Companies Act, 2013 and the Listing agreement, provided that the documents received are in order and complete in all respects.

#### 6. Share Transfer Details

The number of shares transferred during the year are as follows:

Sr. No.	Particulars	Equity
a.	Number of transfers	53
b.	Average No. of Transfer per month	4.41
c.	Number of Share Transferred	12,890

#### 7. Demat / Remat of Shares

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

Particulars	Nos.
Number of Demat requests	122
Number of Shares Demated	36,482
Number of Remat requests	NIL
Number of Share Remated	NIL

#### 8. Code of Conduct

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

## 9. Reconciliation of Share Capital Audit

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

## 10. General Body Meetings

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

Year	AGM	Location	Date	Time
2011-2012	53rd	Nesco Complex, Western Express Highway, Goregaon (E), Mumbai	08.08.2012	3.00 P.M.
2012-2013	54th	Nesco Complex, Western Express Highway, Goregaon (E), Mumbai	08.08.2013	3.00 P.M.
2013-2014	55th	Nesco Complex, Western Express Highway, Goregaon (E), Mumbai	20.08.2014	3.00 P.M.

## 11. Secretarial Department

Nesco Limited,

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

Tel: 022 66450123, Email: [companysecretary@nesco.in](mailto:companysecretary@nesco.in), Website: [www.nesco.in](http://www.nesco.in)

## 12. Registrar & Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.

Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Andheri (East), Mumbai 400072.

Tel: 022 28515606 / 28515644, Fax : +91 22 28512885,

Email: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com), Website: [www.sharexindia.com](http://www.sharexindia.com)

For and on behalf of the Board of Directors

Sumant J. Patel

Chairman & Managing Director

Mumbai, 23 May 2015

## ANNEXURE

### ANNEXURE A

#### REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Nesco's Corporate Social Responsibility (CSR) policy is aimed at demonstrating care for the community through its focus on education & skill development and health & wellness. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

#### Composition of CSR Committee:

Mr. Sumant J. Patel  
Mr. Mahendra Chouhan  
Mr. Krishna S. Patel

#### Average net profit of the Company for last three financial years:

Average Net Profit:

₹ 10,913.17 lakhs

#### Prescribed CSR Expenditure (two percent of the amount as in item above)

Amount required to be spent:

₹ 218.26 lakhs

#### Details of CSR spend for the financial year:

i) Total amount spent:

₹ 218.29 lakhs

ii) Amount unspent, if any:

NIL

#### Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects/Activity	Sector	Amount Outlay Project wise	Amount Spent on the Project	Cumulative Expenditure upto reporting period	Amount Spent
			₹	₹	₹	₹
1	Shri Santram Samaj Seva Trust	Promotion of Education	4,00,000	3,21,800	3,21,800	3,21,800
2	Tarapur Kelvani Mandal	Promotion of Education	1,50,00,000	1,39,66,473	1,39,66,473	1,39,66,473
3	Prince Aly Khan Hospital	Combating human immunodeficiency Virus, acquired immune deficiency syndrome, malaria and other diseases	75,00,000	75,00,000	75,00,000	75,00,000
4	Lokhit Education & Charitable Trust	Promotion of Education	50,000	41,080	41,080	41,080
	<b>Total</b>		<b>2,29,50,000</b>	<b>2,18,29,353</b>	<b>2,18,29,353</b>	<b>2,18,29,353</b>

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

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

To,  
The Members,  
Nesco Limited  
Nesco Complex, Western Express Highway,  
Goregaon (East), Mumbai 400063

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Nesco Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s. Nesco Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;  
**(Not applicable to the Company during the Audit period)**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**

(vi) Other laws as follows;

- Factories Act, 1948
- Industrial Disputes Act, 1947
- Payment of Wages Act, 1936
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Environment Protection Act, 1986
- Indian Contracts Act, 1872
- Income Tax Act, 1961 and Indirect Tax Laws
- Pollution Control Laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (not notified hence not applicable to the Company during audit period).
- (ii) The Listing Agreements entered into by the Company with Mumbai Stock Exchange Stock and National Stock Exchange(s), if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, laws and regulations to the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instance of:

- (i) Public/Right/Preference issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Further, our report of even dated to be read along with the following clarifications:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide as reasonable basis of my opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws and regulations and happening
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Signature : Sd/-  
ND & Associates  
FCS No. 3262  
C P No.: 4741

Place : Mumbai  
Date : 21 May 2015



**EXTRACT OF ANNUAL RETRUN**

As on the financial year ended 31.03.2015 (till date of the meeting)

[Pursuant to Section 92 (3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT-9**
**I. Registration and Other Details:**

i) CIN:	L17100MH1946PLC004886
i) Registration Date:	15/04/1946
iii) Name of the Company:	NESCO LIMITED
iv) Category / Sub-Category of the Company:	Company Limited by Shares/ Indian Non- Government Company
v) Address of the registered office and contact details:	Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063.
vi) Whether listed company Yes / No:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	Sharex Dynamic (India) Private limited Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Andheri (East), Mumbai 400 072 Tel: 022 28515606 / 28515644 Fax: +91 22 28512885 Email: sharexindia@vsnl.com Website: www.sharexindia.com

**II. Principal Business Activities of The Company:**

All the business activities contributing 10 % or more of the total turnover of the company

SL. NO.	Name and Description of Main Products/ Services	NIC Code of the Products/ Services	% of total turnover of the Company
1	IT Park ( to build private IT park and to provide space on rental basis)	99531223 office Buildings	40.64%
2	Convention and Exhibition Centre (provide space to international trade fairs, exhibitions, conventions and conferences)	99831222 Exhibition Centre	38.48%
3	Manufacture of machinery, equipments and capital goods (in the surface preparation and allied segments)	3255099 Engineering Equipment 4111701 Granules of alloy steel and angular grift	8.03%
4	Investments (Invest funds in Mutual Funds and securities)	---	12.83%

**III. Particulars Of Holding, Subsidiary and Associate Companies**

SL. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associates	% of shares held	Applicable Section
1	Nesco Hospitality Private Limited	U55204MH2014PTC260414	Wholly owned Subsidiary	99.96%	186

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

- i) Category-wise Share Holding: As per 'Annexure F'  
ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the holding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1	Chandler & Price (I) Pvt. Ltd.	38,85,432	27.57%	---	38,86,112	27.57%	---	(+) 0.005%
2	S. J. Patel	18,02,147	12.78%	---	18,01,467	12.78%	---	(-) 0.005%
3	Patel Consultancy Services Private Limited	10,51,600	7.46%	---	10,51,600	7.46%	---	---
4	Sudhaben Sumant Patel	9,14,944	6.49%	---	9,14,944	6.49%	---	---
5	Engineering Global PTE Limited	2,50,000	1.77%	---	7,50,000	5.32%	---	(+) 3.548%
6	S J Patel (HUF)	6,32,728	4.49%	---	6,32,728	4.49%	---	---
7	Krishna Sumant Patel	4,25,080	3.01%	---	4,25,080	3.01%	---	---

#### (iii) Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	89,61,931	63.59%	89,61,931	63.59%
Date wise Increase in Promoters Shareholding during the year:				
<b>Transfer</b>				
1. 23/09/2014	250,000	1.77%	92,11,931	65.36%
2. 23/12/2014	250,000	1.77%	94,61,931	67.14%
At the end of the year	94,61,931	67.14%	94,91,931	67.14%

**(iv) Shareholding Pattern of top ten Shareholders**

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the Year		Shareholding at the end of the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	ICICI Prudential Dividend Yield Equity Fund	---	---	2,35,464	1.67%
2.	ICICI Prudential Tax Plan	3,19,758	2.27%	1,80,390	1.28%
3.	ICICI Prudential Value Fund Series	82,430	0.58%	---	---
4.	ICICI Prudential Balanced Fund	65,000	0.46%	---	---
5.	ICICI Prudential Child Care Plan	91,551	0.33%	17,000	0.12%
6.	Pari Washington Company Pvt. Ltd	1,79,963	1.28%	2,55,920	1.82%
7.	The New India Assurance Company Limited	1,34,400	0.95%	1,34,400	0.95%
8.	Catamaran Management Services Private Limited	---	---	1,32,672	0.94%
9.	Franklin India Smaller Companies Fund	---	---	1,12,487	0.80%
10.	East Sail	75,365	0.52%	1,09,443	0.78%
11.	NEWEDGE Group A/C Malabar India Fund	1,05,279	0.75%	1,05,579	0.75%
12.	Amiral Gestion SA A/c Sextant Autou	---	---	56,474	0.40%
13.	Progressive India Fund	50,569	0.35%	50,569	0.35%
14.	Kamal Wadkar	---	---	2,71,922	1.92%
15.	Engineering Imports & Exports Private Limited	6,44,400	4.57%	1,44,400	1.02%
16.	Sharad Kanayalal Shah	53,735	0.38%	53,735	0.38%

\* As per the management the changes of top ten shareholders are below 2% of the total paid up capital of the Company effected vide General Circular No. 17/2014 dated 11/06/2014

**(v) Shareholding of Directors and Key Managerial Personnel:**

**(₹ per annum)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
For each of the Directors and KMPs	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	31,42,321	22.30%	31,42,321	22.30%
Date wise Increase / Decrease in Directors and KMPs Shareholding during the year specifying the reasons for Increase / Decrease	(-) 680 transferred on 18/07/2014	0.00%	31,41,641	22.29%
At the end of the year	31,41,641	22.29%	31,41,641	22.29%

**V. Indebtedness**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment:** Company has no debts.

## VI. Remuneration Of Directors And Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ per annum)

No.	Particulars of remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Sumant J. Patel	Mr. Krishna S. Patel	
1	Gross Salary			
	a) Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961	3,61,00,000	91,83,315	4,52,83,315
	b) Value of Perquisite u/s 17(2) Income Tax Act, 1961	2,65,398	5,05,539	7,70,937
	c) Profits in lieu of Salary Under Section 17(3) Income Tax Act, 1961	---	---	---
2	Stock Option	---	---	---
3	Sweat Equity	---	---	---
4	Commission (% of Profits)	---	---	---
5	Others, Allowances	---	---	---
6	Provident Fund	---	4,32,000	4,32,000
	<b>Total (A)</b>	<b>3,63,65,398</b>	<b>1,01,20,854</b>	<b>4,64,86,252</b>

### B. Remuneration to other directors:

(₹ per annum)

Sl. No.	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Dr. Ram S. Tarneja	Shri. Mahendra Chouhan	Shri. K.S. Srinivasa Murty	Shri. Jai S. Diwanji	
	• Fees for Attending Board Committee Meetings	60,000	1,80,000	1,40,000	90,000	4,70,000
	• Commission	---	---	---	---	---
	• Others	---	---	---	---	---
	<b>Total (1)</b>	<b>60,000</b>	<b>1,80,000</b>	<b>1,40,000</b>	<b>90,000</b>	<b>4,70,000</b>
2	Non- Executive Directors	Mrs. Sudha S. Patel				
	• Fees for Attending Board Committee Meetings	1,20,000	---	---	1,20,000	
	• Commission	---	---	---	---	---
	• Others	---	---	---	---	---
	<b>Total (2)</b>	<b>1,20,000</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>1,20,000</b>
	<b>Total (B) = (1+2)</b>					<b>5,90,000</b>

### C. Remuneration To Key Managerial Personnel [other than Managing Director / Manager / Whole Time Director]:

(₹ per annum)

No.	Particulars of remuneration	Mr. Dipesh R. Singhania (CFO)
1	Gross Salary	
	a) Salary as per provision contained in Section 17(1) of the Income Tax Act 1961	37,74,365
	b) Value of Perquisite u/s 17 (2) Income Tax Act, 1961	-
	c) Profits in lieu of Salary Under Section 17 (3) Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - As % of Profits	-
5	Others	-
6	Provident Fund	2,09,484
	<b>Total (A)</b>	<b>39,83,849</b>

## VII. Penalties / Punishment/ Compounding Of Offences: N.A.

**Particulars of Employees**

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

<b>Executive Director</b>	<b>Ratio to median remuneration</b>
Mr. Sumant J. Patel	140.60
Mr. Krishna S. Patel	39.13
<b>Non- executive Directors</b>	<b>Ratio to median remuneration</b>
NIL	NIL

- b. **The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

<b>Name</b>	<b>% increase</b>
Mr. Sumant J. Patel, Chairman & Managing Director	33.22%
Mr. Krishna S. Patel, Joint Managing Director	36.62%
Mr. Dipesh R. Singhania, Chief Financial Officer and Compliance Officer	25.00%

- c. **The percentage increase in the median remuneration of employees in the financial year:** 5%
- d. **The number of permanent employees on the rolls of the Company:** 121 (excluding Key Managerial Personnel)
- e. **The explanation on the relationship between average increase in remuneration and Company performance:**  
The individual increments varied from 5% to 10% based on individual performance. Besides in applicable cases increments were also given.  
In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, besides individual performance.
- f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

(₹ in lakhs per annum)

Aggregate remuneration of Key managerial personnel (KMP)	504.70
Consolidated Revenue	22,312.98
Remuneration of KMPs (as % of revenue)	2.26%
Profit before Tax (PBT)	15,964.45
Remuneration of KMPs (as % of PBT)	3.16%

- g. **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

(₹ in lakhs)

<b>Particulars</b>	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>% Change</b>
Market Capitalization	2,10,837.34	1,10,199.37	91.32%
Price Earnings Ratio	18.89%	13.6%	10.21%

- h. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around 7.5%, after accounting for promotions and other event based compensation revisions.

Increase in the managerial remuneration for the year was 23%

- i. Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

**Revenue** ₹ 22,312.98 Lakhs

**Profit Before Tax** ₹ 15,964.45 Lakhs

Key managerial personnel	₹ in Lakhs	% of Revenue	% of PBT
Mr. Sumant J. Patel Chairman and Managing Director	363.65	1.63%	2.28%
Mr. Krishna S. Patel Joint Managing Director	101.21	0.45%	0.63%
Mr. Dipesh R. Singhania Chief Financial Officer and Compliance Officer	39.84	0.18%	0.25%

- j. The key parameters for any variable components of remuneration availed by the directors:**

The members in the annual general meeting of the Company held on 08 August, 2013 had approved payment of commission to Mr. Sumant J. Patel and Mr. Krishna S. Patel at 3% and 0.3% respectively of net profits of the Company.

- k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

No employee has received remuneration in excess of highest paid director.

- l. Affirmation that the remuneration is as per the remuneration policy of the Company:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.

- m.** There were no employees in receipt of remuneration not less than the limits prescribed under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

**FORM NO. AOC -2**

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

Nesco Limited has not entered into any contract or arrangements or transactions with its related parties which are not on arms' length during financial year 2014-15.

2. Details of contracts or arrangements or transactions at arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Wholly owned Subsidiary
		Nesco Hospitality Private Limited
b)	Nature of contracts/arrangements/ transaction	<p>Nesco Limited entered into leave and license agreement with Nesco Hospitality Private Limited, wholly owned subsidiary, to provide following premises on lease aggregating to 29,000 sq. ft. situated at Nesco Complex, Western Express Highway, Goregaon (East), Mumbai 400063:</p> <ul style="list-style-type: none"> <li>Food Court on the 4th Floor of the IT building 3</li> <li>Food Court in Hall no. 2</li> <li>Central Kitchen Area of IT Park in Hall No. 3</li> </ul>
c)	Duration of the contracts/arrangements/ transaction	For a period of 59 months commencing from 01 March 2015
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Non material Subsidiary
e)	Date of approval by the Board	10 February 2015
f)	Amount paid as advances, if any	NIL



**Category wise Shareholding:**

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2014)				No. of shares held at the beginning of the year (As on 01.04.2015)				% Change during year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A</b>	<b>Promoters</b>									
1	Indian									
a.	Individual/HUF	37,74,899	---	37,74,899	26.788	37,74,219	---	37,74,219	26.783	-0.005
b.	Central Govt. (s)/State Govt.	---	---	---	---	---	---	---	---	---
c.	Bodies Corporate	49,37,032	---	49,37,032	35.034	49,37,712		49,37,712	35.039	0.005
d.	Banks/FI	---	---	---	---	---	---	---	---	---
e.	Any other (specify)	---	---	---	---	---	---	---	---	---
<b>Sub Total (A) (1)</b>		<b>87,11,931</b>		<b>87,11,931</b>	<b>61.822</b>	<b>87,11,931</b>		<b>87,11,931</b>	<b>61.822</b>	---
2)	Foreign	---	---	---	---	---	---	---	---	---
a.	NRI Individuals	---	---	---	---	---	---	---	---	---
b.	Other Individuals	---	---	---	---	---	---	---	---	---
c.	Bodies Corporate	2,50,000	---	2,50,000	1.774	7,50,000		7,50,000	5.322	3.548
d.	Banks/FI	---	---	---	---	---	---	---	---	---
e.	Any Other	---	---	---	---	---	---	---	---	---
Sub Total (A) (2)		2,50,000	---	2,50,000	1.774	7,50,000	---	7,50,000	5.322	3.548
<b>Total Shareholding of Promoter(s) (A)=(A) (1) + (A) (2)</b>		<b>89,61,931</b>	---	<b>89,61,931</b>	<b>63.596</b>	<b>94,61,931</b>	---	<b>94,61,931</b>	<b>67.144</b>	<b>3.548</b>
<b>B</b>	<b>Public Shareholding</b>	---	---	---	---	---	---	---	---	---
1)	Institutions	---	---	---	---	---	---	---	---	---
a.	Mutual Funds/UTI	5,66,770		5,66,770	4.022	4,05,818	---	4,05,818	2.88	-1.142
b.	Banks/FI	530	40	570	0.004	3,103	40	3,143	0.022	0.018
c.	Central Govt. / State Govt. (s).	429	---	429	0.003	1,446	---	1,446	0.01	0.007
d.	Venture Capital Funds	1100	---	1100	0.008	4,050	---	4,050	0.029	0.021
e.	Insurance Companies	1,34,400	---	1,34,400	0.954	1,34,400	---	134,400	0.954	0
f.	FII's	11,59,094	---	1,15,9094	8.225	8,56,270	---	8,56,270	6.076	-2.149
g.	Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
h.	Others	---	---	---	---	---	---	---	---	---
i.		---	---	---	---	---	---	---	---	---
<b>Sub-Total (B)(1)</b>		<b>18,62,323</b>	<b>40</b>	<b>18,62,363</b>	<b>13.216</b>	<b>14,05,087</b>	<b>40</b>	<b>14,05,127</b>	<b>9.971</b>	<b>-3.245</b>
2)	Non-Institutions	---	---	---	---	---	---	---	---	---
a.	Body Corporate	22,0349	1,768	2,22,117	1.576	3,30,880	1,768	3,32,648	2.361	-0.785
b.	i) up to Rs. 1 Lakhs	16,73,812	10,01,561	26,75,373	18.985	16,13,924	6,93,157	2,30,7081	16.372	-2.613
	ii) above Rs. 1-Lakhs	2,67,247	49,960	3,17,207	2.251	2,20,504	3,21,882	5,42,386	3.849	1.598
c.	Qualified for Inv.	---	---	---	---	---	---	---	---	---
d.	Any other Clr-member	8,620		8,620	0.061	2,852	---	2,852	0.02	-0.041
	-OCB	---	---	---	---	---	---	---	---	---
	-NRI	4,4381		44,381	0.315	39,967	---	39,967	0.284	-0.031
Sub Total (B)(2)		22,14,409	10,53,289	32,67,698	23.188	22,08,127	10,16,807	32,24,934	22.885	-0.303
(B)	Total (B) = (B)(1) + (B)(2)	40,76,732	10,53,329	51,30,061	36.404	36,13,214	10,16,847	46,30,061	32.856	-3.548
Total (A) + (B)		1,30,38,663	10,53,329	1,40,91,992	100	1,30,75,145	10,16,847	1,40,91,992	100	0
<b>(C)</b>	<b>Held by Custodian against Depository Receipts</b>	---	---	---	---	---	---	---	---	---
	Promoter & Promoter Group	---	---	---	---	---	---	---	---	---
	Public	---	---	---	---	---	---	---	---	---
Grand Total (A) + (B) + (C)		1,30,38,663	10,53,329	1,40,91,992	100	1,30,75,145	10,16,847	1,40,91,992	100	0

**Managing Director and Chief Financial Officer Certification**

The Board of Directors  
Nesco Limited  
Mumbai

Dear Members of the Board,

We, Sumant J. Patel, Chairman & Managing Director and Dipesh R. Singhanian, Chief Financial Officer & Compliance Officer of Nesco Limited, to the best of our knowledge and belief, state that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
Sumant J. Patel  
Chairman & Managing Director

Sd/-  
Dipesh R. Singhanian  
Chief Financial Officer & Compliance Officer

Place : Mumbai

Date : 23 May 2015

**ANNEXURE H****Auditors' Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement****TO THE MEMBERS OF NESCO LIMITED**

We have examined the compliance of the conditions of corporate governance by NESCO LIMITED ( 'the Company') for the year ended 31st March, 2015 as stipulated in clause 49 of the listing agreement of the company entered into with the stock exchanges in India.

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

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

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

**FOR MANUBHAI & SHAH**

Chartered Accountants

FRN 106041W

**KSHITIJ M. PATEL**

Partner

Membership No: 045740

Mumbai, 23 May 2015

## NOTICE

56th Annual General Meeting of Nesco Limited will be held in the International Lounge, Hall 1, Bombay Exhibition Centre at the registered office of the Company at Nesco Complex, Western Express Highway, Goregaon East, Mumbai 400063 on Monday, 03 August 2015 at 3.30 pm to transact the following business:

### Ordinary Business

- 1 To consider and adopt the audited standalone and consolidated financial statements for the year ended 31 March 2015, together with the report of the Board of Directors and auditors thereon.
- 2 To declare dividend on equity shares.
- 3 To appoint a director in place of Mrs. Sudha S. Patel, who retires by rotation and being eligible offers herself for reappointment.
- 4 To appoint Statutory Auditors to hold office from the conclusion of this meeting, until the conclusion of the 60th Annual General Meeting and to fix their remuneration and pass the following resolution with or without modification thereof:

**"RESOLVED THAT** pursuant to the provisions of Section 139 of Companies Act 2013 and the rules made thereunder, as amended from time to time, M/s Manubhai & Shah, Chartered Accountants (Firm Registration No. 109430W), be and are hereby appointed as Statutory Auditors of the Company, for the four consecutive years starting from the conclusion of this Annual General Meeting upto the conclusion of 60th Annual General Meeting, for the financial year 2018-2019, at the remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee."

### Special Business

- 5 To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors be and are hereby authorized to alter Articles of Association of the Company by substitute & replacing existing Clause 98(e) of Articles of Association with the following clause:

'The Company may contribute any amount directly or indirectly to any political party pursuant to Section 181 & 182 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the amount in any financial year shall not exceed seven and a half per cent of its average net profits during the three immediately preceding financial years by passing a resolution authorizing the making of such contribution at a meeting of the Board of Directors'."

- 6 To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203, Schedule V and all other applicable provisions of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members is hereby accorded to appoint Mr. Krishna Patel as Joint Managing Director of the Company w.e.f. 01 April 2015 on remuneration and perquisites as set out in the explanatory statement annexed to the notice convening this meeting with liberty and powers to the Board of Directors to alter and vary the terms and conditions and remuneration in such manner as the Board may deem fit and is acceptable to Mr. Krishna S. Patel, within the limits specified in Schedule V of the Companies Act, 2013("the Act") or any amendments thereto for the balance tenure of his appointment in lieu of his services to the Company."

**"RESOLVED FURTHER THAT** in the event of loss or inadequacy in profits in any financial year during the currency of tenure of Joint Managing Director, the Company will pay Mr. Krishna S. Patel remuneration and perquisites referred above as minimum remuneration subject to Schedule V of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** Mr. Sumant J. Patel, Chairman & Managing Director (DIN 00186976) of the Company be and is hereby authorized to file the necessary form(s) in this regard with the Ministry of Corporate Affairs for & on behalf of the Company."

By order of the Board of Directors

Dipesh R. Singhania  
Chief Financial Officer and Compliance Officer  
Mumbai, 23 May 2015

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NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of proxy, in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. The explanatory statement pursuant to section 102(1) of the Companies Act, 2013 in respect of special business of the notice is annexed hereto.
3. A statement giving relevant details of the Director seeking re-appointment under item no. 3 of the accompanying notice, as required by Clause 49 of the listing agreement entered into with the Stock Exchanges is annexed herewith.
4. The annual report will also be available on the website of the Company at [www.nesco.in](http://www.nesco.in) in the Investors Relations section.
5. The register of members and share transfer book of the Company will remain closed from 27 July 2015 to 03 August 2015 (both days inclusive), for the purpose of annual general meeting and determining the names of the shareholders eligible for dividend on equity shares, if declared at the meeting.
6. The Board of Directors in their meeting held on 23 May, 2015 have recommended a dividend of 65 % (₹ 6.50/) per share on equity share of ₹ 10/- each, which if approved at the annual general meeting, will be paid on or before the 30th day from the date of AGM, to those members whose names are appearing in the register of members on 26 July 2015.
7. As per the provisions of section 124(5) of the Companies Act, 2013, money transferred to Unpaid Dividend Accounts of the Company and remaining unpaid / unclaimed over a period of 7 years from the date of such transfer shall be transferred to 'Investor Education and Protection Fund' and no claim will be entertained thereafter by the Company. The Company has already transferred the dividend for the year 2006-07 and is in process to transfer the unpaid/unclaimed dividend for the year 2007-08. Members are therefore requested to expeditiously put their claims for unclaimed dividends.
8. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
9. All the Members are requested to
  - i. Intimate immediately any change in their address to Company's Registrar and Share transfer Agent Sharex Dynamic (India) Pvt. Ltd., Unit 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai 400072  
Tel: 022-28515606 / 44, Fax: 022-2851 2855  
Email: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com), Website: [www.sharexindia.com](http://www.sharexindia.com)
  - ii. Inform change in address directly to their respective depository participants in case members are holding shares in electronic form.
  - iii. Send all correspondence relating to transfer and transmission of shares to registrar and transfer agent and not to the Company.
  - iv. Quote their folio no. / client ID no. in their correspondence with the registrar and share transfer agents.
  - v. Send their queries related to accounts and operations of the Company at least 10 days in advance so that required information can be made available at the meeting.

- vi. Intimate Registrar and Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd. for consolidation of folios, in case having more than one folio.
  - vii. Bring their copies of annual report and attendance slip with them at the meeting.
  - viii. Bring entrance pass duly filled for attending the meeting.
10. The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to use the Electronic Clearing Services (ECS) mandate facility wherever possible for payment of dividend to the Members. In view of this stipulation, the Company has implemented the ECS facility. Members holding shares in physical form are requested to provide the Company with ECS details for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to co-ordinate with their bankers only on receipt of necessary information. Members holding shares in electronic form may instruct their depository participants accordingly.
11. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their registered email id, bank details, NECS, mandates, nominations, power of attorney etc to their Depository Participants. Changes intimated to the Depository Participants will then be automatically reflected in the Company's records which will help the Company and its Registrar and Transfer Agents, M/s. Sharex Dynamic (India) Private Limited, to provide efficient and better service to the Members. Members holding shares in physical form are requested to advise such changes to the Company's registrar and transfer agents, M/s. Sharex Dynamic (India) Private Limited.
12. In order to provide protection against fraudulent encashment of the dividend warrants, shareholders holding shares in physical form are requested to intimate to the Company's Registrar and Transfer Agents, M/s. Sharex Dynamic (India) Private Limited under the signature of the sole/first joint holder, the following information to be incorporated on the Dividend Warrants:
- i. Name of the Sole/First joint holder and folio number
  - ii. Particulars of bank Account, viz:
    - a. Name of the Bank.
    - b. Name of the Branch.
    - c. Complete address of the Bank with Pin Code Number.
    - d. Bank Account Number.
    - e. E-mail ID
13. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company's Registrar and Transfer Agents, M/s. Sharex Dynamic (India) Private Limited for assistance in this regard.
14. Procedure for e-voting
- In compliance with the provision of Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members' facility to exercise their right to vote at 56th AGM by electronic means and the business may be transacted through e-voting Services provided by central depository services Limited (CDSL). The instructions for shareholders voting electronically are as under:
- For Members whose e-mail addresses are registered with the Company / Depositories:**
- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on shareholders.
  - (iii) Now enter your user ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in physical form should enter folio number registered with the Company.
  - (iv) Next enter the Image Verification as displayed and Click on Login.

- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in capital letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	Enter the date of birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the dividend bank details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or dividend bank details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**For Members whose e-mail addresses are not registered with the Company/ Depositories:**

Members will receive a ballot Form along with the annual report. They have two options:

- To opt e-voting follow all steps from (i) to (xvii) above to cast vote; or
- To opt for casting your vote in physical form, fill in the Ballot Form and drop it in the ballot box in the meeting.

**Other Instructions:**

- The voting period begins on 31 July 2015 at 10.00 a.m. and ends on 2 August 2015 at 5.00 p.m. (preceding the date of AGM) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 27 July 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 27 July 2015.
- Ms. Neeta H. Desai, ND & Associates has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting first count the votes cast at the meeting thereafter unlock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three working days of the conclusion of the meeting, a consolidated scrutinizer report of the total Votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- A Member can opt for only one mode of voting i.e. either through e-voting or physical form. If Member cast his/her vote by both modes, the voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
- The results declared along with Scrutinizers' Report shall be placed on the Company's website [www.nesco.in](http://www.nesco.in) within two days of the passing of the Resolutions at the 56th AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

## **ANNEXURE TO THE NOTICE:**

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

#### **Item No. 3 - Re-Appointment of Mrs. Sudha S. Patel, Non Executive Director, retiring by rotation.**

Details of Director seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement

Particulars	Director
Name of the Director	Mrs. Sudha S. Patel
Date of Birth	25 May 1938
Date of Appointment	16.07.2001
Qualification	M.S. in Education Psychology from University of Southern California
Directorship held in Indian Public Companies as on 31.03.2015	NIL
Committee positions held in Indian Public Companies as on 31.03.2015	NIL
Number of Shares held in the Company	914,944

#### **Item No. 5 - Alteration of clause 98 (e) of Articles of Association of Company**

The Company was incorporated on 15 April 1946 under the provisions of the Indian Companies Act, VII of 1913 and deemed to exist within the purview of the Companies Act, 1956 and Companies Act, 2013. The existing clause 98 (e) of the Articles of Association ("AOA") is not in conformity with the Section 181 & 182 of the Companies Act, 2013 dealing with Contribution to political parties. Accordingly, it is considered expedient to replace the entire 98 (e) clause of AOA. Accordingly, your Directors recommend the Special Resolution as set out in Item No. 5 for the approval of the shareholders.

None of the Directors or Key Managerial Personnel or their relatives is in any way concerned or interested in the Resolutions as set out in item no. 5.

The Board recommends this resolution at item no. 5 for acceptance by the members.

#### **Item No.6**

#### **Appointment of Mr. Krishna S. Patel as Joint Managing Director and remuneration payable to him**

The Board of Directors has recommended appointment of Mr. Krishna S. Patel, who is now Executive Director, as Joint Managing Director and increase in remuneration payable to him.

After graduating from Pennsylvania State University in International Business and Marketing, and working for a year in USA, Mr. Krishna S. Patel joined Nesco in 2003. He has taken keen interest in the operations of Bombay Exhibition Centre and Nesco IT Park. Under his supervision, Bombay Exhibition Centre is being continuously modernized; besides, IT building no. 3 has been completed, has secured Platinum Certificate, and, is fully occupied. Mr. Krishna Patel is now actively pursuing the construction of the next IT Park building and expansion of Bombay Exhibition Centre

The Board has approved the following terms at its meeting held on 23 May 2015, pursuant to recommendations of the Nomination & Remuneration Committee of the Board.

- a. Salary : upto ₹ 750,000/- per month
- b. Commission : upto 3.00% of net profit
- c. Others : Such benefits, perquisites and allowances as may be determined by the Board from time to time.

The Board of Directors will decide on the remuneration, commission and perquisites to be paid to Mr. Krishna Patel from time to time within the outer limits specified above and overall ceiling limit of 5% of the net profit of the Company pursuant to provisions of Sections 197, 198, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013.

In the event of loss or inadequacy in profits in any financial year during the period effective from 01.04.2015, the Company will pay Mr. Krishna S. Patel remuneration, perquisites, benefits and amenities including the Commission not exceeding the ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013 or as may be decided by the Board of Directors.

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

The Board recommends this resolution at item 6 for acceptance by the members.

By order of the Board of Directors

Dipesh R. Singhania  
Chief Financial Officer and Compliance Officer

Mumbai, 23 May 2015  
Nesco Complex,  
Goregaon (East), Mumbai 400063

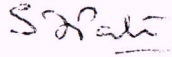
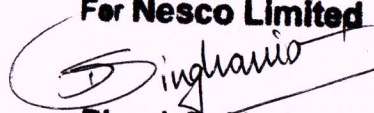
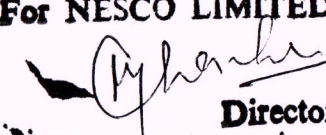




Nesco Complex, Western Express Highway,  
Goregaon (East), Mumbai 400 063.

## FORM A

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

1	Name of the company	Nesco Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	<p>To be signed by-</p> <ul style="list-style-type: none"> <li>Managing Director</li> <li>CFO</li> <li>Auditor of the company</li> <li>Audit Committee Chairman</li> </ul>	<p style="text-align: center;"><b>For Nesco Limited</b>    <b>Chairman &amp; Mg. Director</b></p> <p style="text-align: center;"><b>For Nesco Limited</b>    <b>Dipesh R. Singhania</b>  <b>Chief Financial Officer &amp; Compliance Officer</b></p> <p style="text-align: center;"><b>For NESCO LIMITED</b>    <b>Director</b></p>

\* Since Auditor is out of India, we are unable to take signature, however we will upload the complete form on or before 20/7/2018.