

**nesco**

**57<sup>th</sup>**  
**Annual Report**  
**2015-2016**

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**Board of Directors**

Mr. Sumant J. Patel	Chairman & Managing Director
Mr. Krishna S. Patel	Joint Managing Director
Mr. Mahendra K. Chouhan	Independent Director
Mrs. Sudha S. Patel	Non-Executive Director
Mr. Jai S. Diwanji	Independent Director
Mr. K. S. Srinivasa Murty	Independent Director

**Auditors**

Manubhai & Shah LLP  
Chartered Accountants

**Bankers**

HDFC Bank Limited  
Hongkong & Shanghai Banking Corporation Limited

**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

**Registrar and  
Share Transfer Agents**

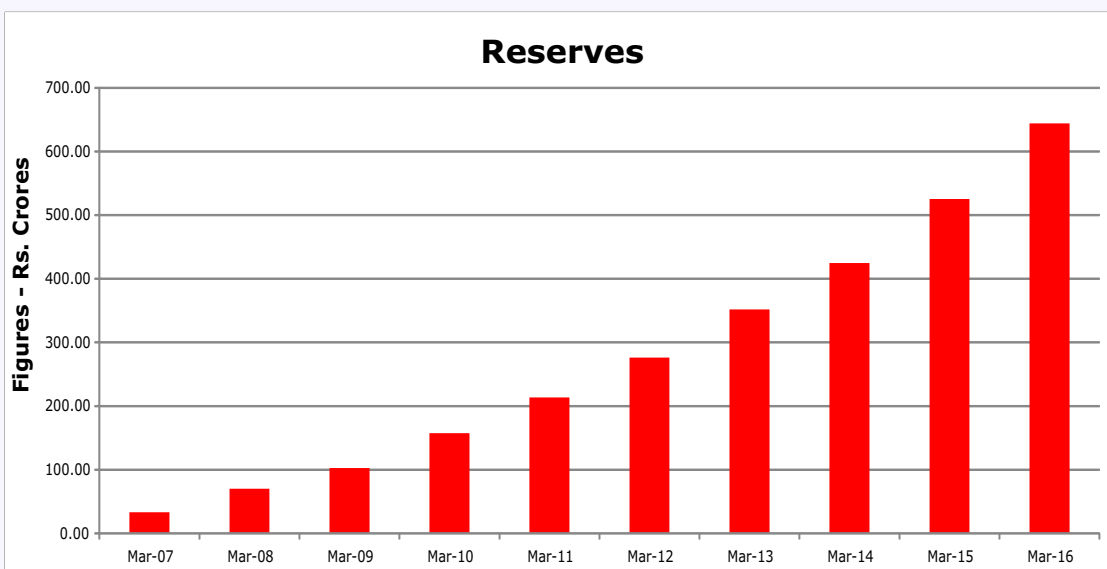
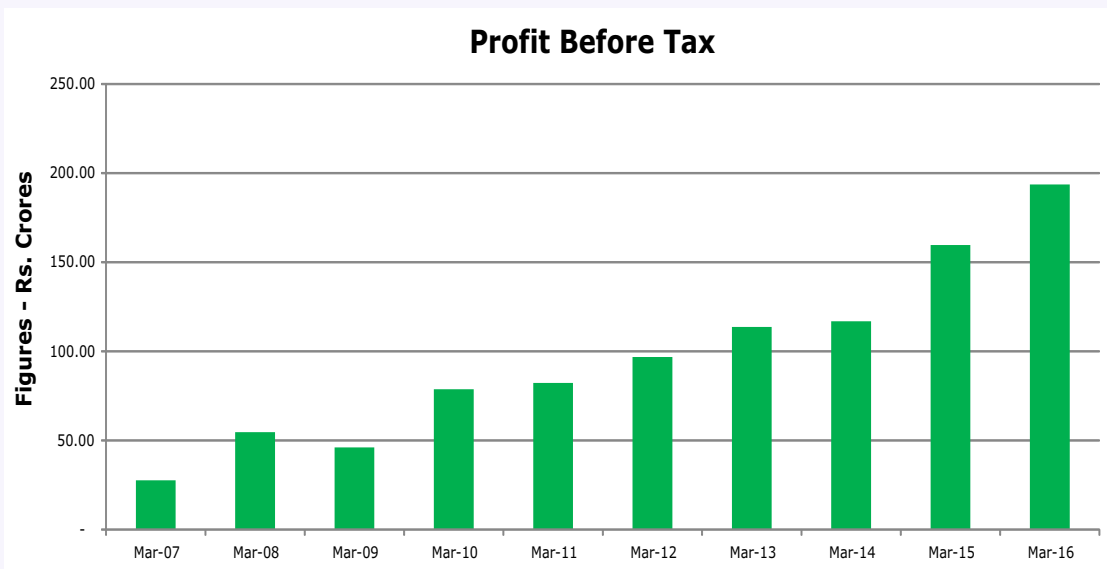
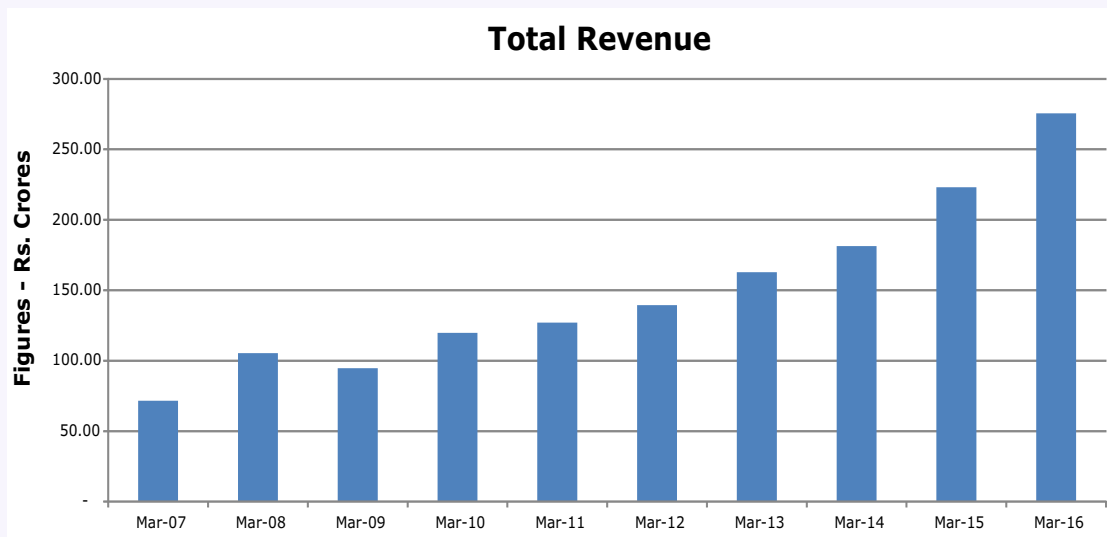
Sharex Dynamic (India) Private Limited

**Branch Offices**

<u>New Delhi</u> Himalaya House, Curzan Road, New Delhi 110001	<u>Kolkata</u> Benoy Bhavan, Camac Street, Kolkata 700016	<u>Chennai</u> Fagun Mansion 26, Commander –in- Chief Road, Chennai 600105
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**Plants**

<u>Karamsad</u> Anand Sojitra Road, Karamsad Gujarat 388325	<u>Vishnoli</u> Nadiad Petlad Road, Vishnoli Gujarat 388450
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**REPORT OF BOARD OF DIRECTORS**

Dear Members,

Your Directors have pleasure in presenting 57<sup>th</sup> annual report of your Company for the year ended 31 March 2016.

**1. Financial Results:**

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Income	27,559.14	22,277.98	27,336.39	22,271.88
Profit before depreciation and tax	20,034.13	16,634.54	20,032.98	16,647.56
Depreciation	670.13	670.09	670.13	670.09
Profit Before Taxes	19,364.00	15,964.45	19,362.85	15,977.47
Provision for Taxes	6,072.03	4,814.02	6,072.03	4,814.02
Net Profit after Taxes	13,291.97	11,150.43	13,290.82	11,163.45
Balance brought Forward	50.00	50.00	50.00	50.00
Amount available for appropriations:				
1. Dividend	1,197.83	915.98	1,197.83	915.98
2. Tax on Dividend	243.85	155.67	243.85	155.67
3. Transfer to General Reserve	11,850.29	10,078.79	11,849.14	10,091.80
4. Surplus carried forward to Profit and Loss Account	50.00	50.00	50.00	50.00

**2. Review of Operations:**

Your Company achieved a consolidated turnover of ₹ 27,559.14 lakhs, an increase of 23.71% over the previous year's consolidated turnover of ₹ 22,277.98 lakhs.

Consolidated profit before depreciation and tax was ₹ 20,034.13 lakhs as compared to ₹ 16,634.54 lakhs in previous year, an increase of 20.44%.

Consolidated earnings per share amounted to ₹ 94.32 (previous year ₹ 79.13). Company's general reserves increased from ₹ 52,547.26 lakhs to ₹ 64,397.55 lakhs.

**3. Dividend:**

The Board of Directors has decided that interim dividend of ₹ 8.50 per share of ₹ 10.00 each be confirmed as final dividend.

**4. Management Discussion and Analysis:****i) Nesco IT Park:**

Income for the year was ₹ 12,046.02 lakhs (previous year ₹ 9,067.36 lakhs), an increase of 32.85%.

Your Company has started construction of IT building 4, having built up area of approx. 17,00,000 sq. ft. The building is pre-certified Platinum rated under the LEED India for Core & Shell rating system from the Indian Green Building Council. IT buildings 1, 2 and 3 are fully occupied by well renowned companies. Hall 3 provides Incubation Centre and Child Care Centre for children of employees working in Nesco IT Park.

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**ii) Bombay Exhibition Centre:**

Income for the year was ₹ 11,183.36 lakhs compared to ₹ 8,586.27 lakhs in the previous year, an increase of 30.25%.

During the year 156 exhibitions and conventions were held in our Centre, out of which 33 were new organizers. Some of the new clients include Infinity Exhibitions & Conferences Pvt. Ltd., JP Morgan Services India Pvt. Ltd., V-Rock Entertainment Agency, Dalit Indian Chambers of Commerce & Industry (DICC), New Media Communication Pvt. Ltd. and Artisans & Weavers Welfare Association.

The Maritime Exhibition organized by Ministry of Shipping held in April 2016 in Bombay Exhibition Centre was inaugurated by Indian Prime Minister Mr. Narendra Modi when Chief Ministers of Maharashtra, Gujarat, other states and several foreign and national dignitaries were present. This exhibition has attracted large investments.

Our Centre continues to bring large number of visitors and tourists from out of City, State and Country.

**iii) Nesco Hospitality Private Limited:**

Nesco Hospitality Private Limited, wholly owned subsidiary of your Company, has earned revenue of ₹ 222.75 lakhs as compared to ₹ 6.10 lakhs during the previous period.

The Company has started food court services within our Nesco Complex with leading international and national food brands and is targeting to cater the growing demand of quality food services from the exhibition organizers, exhibitors, visitors and employees working in Nesco IT Park. Your Company is taking steps to establish a large world class kitchen, construction is expected to start in later part of this year.

**iv) Indabrator:**

In the year under review, Indabrator income was ₹ 2,501.74 lakhs (previous year ₹ 1,790.92 lakhs), an increase of 39.69%

2015-16 showed some progress in the capital goods industry. A number of projects which were deferred in the previous year were completed in the current year. Your Company has recently won several large contracts. Company has decided to expand its machine building division at its Visholi Complex, Gujarat, construction for which is expected to start in Q4 of this year.

**v) Investments:**

Income from investments and other income was ₹ 1,605.27 lakhs (previous year ₹ 2,827.33 lakhs).

**5. Finance:**

Your Company had no debt as on 31 March 2016. Company's liquid resources (fixed maturity plans, mutual funds, cash & bank balances) increased by 6.59% to ₹ 41,439.01 lakhs from ₹ 38,878.07 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:**

Your Company has undertaken several programs and activities as part of its Corporate Social Responsibility Group. In the rural areas your Company has supported setting up of an industrial training institute and three English Medium Schools.

These Schools provide modern education facilities including smart class / audio visual learning system, modern computer labs, etc. The Company's CSR team regularly monitors these activities.



Your Company has also taken initiatives under "Swachh Bharat Abhiyan". A new 9,00,000 Litres Over Head Water Tank at a nearby village is completed with your Company's assistance. Old Water Tank having capacity of 2,40,000 Litres was also renovated. Several toilets were constructed in a village as part of Swachh Bharat Program.

The Company is evaluating and will take up more CSR activities in different areas. The Annual Report on CSR activities is annexed as "Annexure A."

## **7. Directors and Key Managerial Personnel:**

Dr. Ram S. Tarneja, Independent Director of the Company, who was a Director of the Company for many years, expired on 07 August 2015. Your Board places on record its appreciation for outstanding contribution made by Dr. Tarneja during his tenure as an Independent Director.

Mrs. Sudha S. Patel, Non-Executive Director, retires by rotation at the ensuing annual general meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of your Company and being eligible has offered herself for reappointment. Her brief resume and other related information has been detailed in the annexure to the notice.

Mr. Sumant J. Patel, Chairman & Managing Director, Mr. Krishna S. Patel, Joint Managing Director, Mr. Dipesh R. Singhania, Chief Financial Officer and Ms. Jinal J. Shah, Company Secretary and Compliance Officer (appointed w.e.f. 09 February 2016) are the Key Managerial Personnel.

## **8. Board Evaluation:**

Regulation 17 of the Listing Regulations 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 Regulation 4 of the Listing Regulations, the Board has shown all the Independent Directors 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 Regulation 16(b) of the Listing Regulations.

## **11. Number of Board and Committee Meetings:**

Pursuant to Section 134(3)(b), details of Board Meetings held during the year are given in the Report on Corporate Governance.

During the year 5 (Five) 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

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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 23 May 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 2016, 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 2016 and of the profit and loss of the Company for the financial year ended 31 March 2016;
- 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 were followed and that such systems were adequate and operating effectively.

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

The Board of Directors in their meeting held on 23 May 2015, on the basis of recommendations of the Audit Committee, in accordance with the provisions of Section 139(1) of the Companies Act, 2013, had appointed M/s Manubhai & Shah LLP, to act as the Statutory Auditors of your Company till the conclusion of the 60th Annual General Meeting. The Company has received certificate from the Auditors to the effect that the appointment is in accordance with the limits specified under Section 139(9) of the Companies Act, 2013.

The Board of Directors in their meeting held on 30 May 2016, ratified the appointment of Auditors for the financial year 2016-17.

The Auditors Report for the financial year 2015-16, does not contain any qualification, reservation or adverse remark.

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

The Board of Directors at its meeting held on 17 March 2016, 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, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The report of the





Secretarial Audit Report is annexed herewith as "Annexure B." The Secretarial Auditors Report for the financial year 2015-16, does not contain any qualification, reservation or adverse remark.

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

The particulars of loans, guarantees and investments made by the Company pursuant to Section 186 of the Companies Act, 2013 have been disclosed in the financial statements forming part of Annual Report.

**16. 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 goals and 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.

**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. In fact 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 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 Regulation 27 of the Listing Regulations of stock exchange, a report on corporate governance and a certificate from M/s. Manubhai & Shah LLP, Chartered Accountants confirming compliance with requirement of corporate governance are given as a separate report, which forms part of this annual report.

**20. Prevention of Sexual Harassment at Workplace:**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, your Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

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

The Company is undertaking 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.

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**22. 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".

**23. 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."

**24. Subsidiary Company:**

During the previous year your Company had entered into the business of food catering and related services within the Nesco Complex. Nesco Hospitality Private Limited, a wholly owned subsidiary of your Company is now operating Food Courts, Day Care Centre and Gymnasium in Bombay Exhibition Centre and Nesco IT Park. The Company is also in process of setting up world class kitchen facility to cater the needs of employees working in Nesco IT Park and visitors to exhibitions and conventions.

A separate statement containing the salient features of financial statements of subsidiary of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013.

**25. Related Party Transactions:**

During the financial year 2015-16, all related party transactions that were entered into were on an arm's length basis and were in the ordinary course of business.

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.

**26. Deposits 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.

**27. Consolidated Financial Statement:**

The Consolidated Financial Statement of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

**28. Appreciation:**

Your Board of Directors wish to convey their appreciation for the support extended by the clients, shareholders, bankers and the employees of the Company.

For and on behalf of the Board of Directors

Sumant J. Patel  
Chairman & Managing Director  
DIN: 00186976

Mumbai, 30 May 2016

**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: ₹ 13,011.51 lakhs

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

The Company is required to spend ₹ 260.23 lakhs towards CSR.

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

i) Total amount spent for the financial year: ₹ 260.34 lakhs

ii) Amount unspent, if any: NIL

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

(Figures are in ₹ in lakhs)

CSR projects / activities	Sector in which the Project is covered	Location where Project is undertaken (Local Area / District)	Amount outlay Project or program wise	Amount spent on the projects or programs		Cumulative Expenditure up to the Reporting period	Amount spent: Direct or through implementing agency
				Direct Expenditure	Over Heads		
Promoting Education by building infrastructure at schools, computer hardware and software for smart classes	Education	Tarapur, Gujarat	131.25	131.23		131.23	Through implementing agency
Making available safe drinking water by constructing new overhead water tank and repairing and reconstructing old water tank, providing funds for drilling tube well	Water	Karamsad, Gujarat	103.50	101.62	1.77	103.39	Through implementing agency
Promoting healthcare and sanitation by construction of sanitary facilities viz. toilets, etc.	Health & Hygiene	Karamsad, Gujarat	0.75	0.72		0.72	Through implementing agency
To serve rural people, especially poor, downtrodden and weaker sections and provide them medication. Providing training in Medical and Paramedical fields.	Promoting Medical Care, community Health and Education	Loni and other nearby districts of Maharashtra	25.00	25.00		25.00	Direct
		<b>TOTAL</b>	<b>260.50</b>	<b>258.57</b>	<b>1.77</b>	<b>260.34</b>	

Sumant J. Patel  
Chairman, CSR Committee  
DIN: 00186976  
Mumbai, 30 May 2016

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016**

[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 2016 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 2016 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 per the representation made by the Company are as follows:
- Factories Act, 1948
  - Industrial Disputes Act, 1947
  - Industrial Relations Act, 1962
  - Payment of Wages Act, 1936
  - Payment of Gratuity Act, 1972
  - Industries (Development & Regulation) Act, 1951
  - 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
  - Environment (Protection) Act, 1986
  - Water (Prevention and Control of Pollution) Act, 1974
  - Applicable Municipal / Panchayat 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 with respect to Board and general meetings are complied.
- (ii) The Listing Agreements entered into by the Company with Mumbai Stock Exchange and National Stock Exchange:

During the period under review and as per the explanations/representation made by the management 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. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

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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 an 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 a 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. Wherever 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.

Mumbai  
21 May 2016

ND & Associates  
FCS No. 3262  
C P No.: 4741



## ANNEXURE C

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31.03.2016 (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  
 ii) 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:**

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 license basis)	99531223 Office Buildings	44.07%
2	Exhibition and Convention Centre (provide space to trade fairs, exhibitions, conventions and conferences)	998312222 for Exhibition Centre	40.91%
3	Manufacture of machinery, equipments and capital goods (in the surface preparation and allied segments)	3255099 for Engineering Equipment 4111701 for Granules of alloy steel and angular grit	9.15%
4	Investments (Invest funds in Mutual Funds and securities)		5.87%

### 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.	Shareholder's 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 India Pvt. Ltd.	38,86,112	27.57%	---	38,86,112	27.57%	---	---
2	S. J. Patel	18,01,467	12.78%	---	18,01,467	12.78%	---	---
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	7,50,000	5.32%	---	8,94,400	6.35%	---	1.03%
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 (please specify, if there is no change):

Sr. No.	Shareholders Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease) in share holding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.15)/ end of the year (31.03.16)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Engineering Global Pte Limited	7,50,000	5.32	01.04.2015				
				24.07.2015	1,44,400	Transfer	8,94,400	6.35
	Closing Balance			31.03.2016			8,94,400	6.35

(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.	Pari Washington Company Pvt. Ltd	2,55,920	1.82%	2,55,920	1.82%
2.	ICICI Prudential Dividend Yield Equity Fund	2,35,464	1.67%	----	---
3.	ICICI Prudential Tax Plan	1,80,390	1.28%	----	----
4.	Catamaran Management Services Private Limited	1,32,672	0.94%	1,90,672	1.35%
5.	Franklin India Smaller Companies Fund	1,12,487	0.80%	2,04,468	1.45%
6.	SBI Small and Midcap Fund	52,405	0.37%	2,40,000	1.70%
7.	The New India Assurance Company Limited	1,34,400	0.95%	1,34,400	0.95%
8.	Malabar India Fund Limited	1,05,579	0.75%	1,03,761	0.74%
9.	Sextant Autour Du Monde	56,474	0.40%	59,803	0.42%
10.	East Sail	1,09,443	0.78%	1,09,443	0.78%
11.	Kamal Wadkar	2,71,922	1.92%	2,69,602	1.91%
12.	Sharad Kanayalal Shah	53,735	0.38%	53,735	0.38%
13.	Engineering Imports & Exports Private Limited	1,44,400	1.02%	----	----

Note-

Increase/ Decrease in shareholding during the year is based on the weekly beneficial position received from Depositories, changes in respect of top ten shareholders were below 2% of the total Paid up Capital of the Company.

(v) Shareholding of Directors and Key Managerial Personnel:

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	31,41,491	22.29%	31,41,491	22.29%
Date wise Increase / Decrease in Directors and KMPs Shareholding during the year specifying the reasons for Increase / Decrease	---	---	---	---
At the end of the year	31,41,491	22.29%	31,41,491	22.29%

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

**VI. Remuneration of Directors And Key Managerial Personnel**

(A) Remuneration to Managing Director, Joint Managing Director:

(Amount in ₹)

Sl. No.	Particulars of remuneration	Name of MD/ Joint MD		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	60,00,000	60,00,000	1,20,00,000
	b) Value of Perquisite u/s 17 (2) Income Tax Act, 1961	2,62,692	20,88,133	23,50,825
	c) Profits in lieu of Salary Under Section 17 (3) Income Tax Act, 1961	---	---	---
2.	Stock Option	---	---	---
3.	Sweat Equity	---	---	---
4.	Commission - As % of Profit	3,25,00,000	75,00,000	4,00,00,000
5.	Other allowances	---	---	---
6.	Provident Fund	---	7,20,000	7,20,000
	<b>Total (A)</b>	<b>3,87,62,692</b>	<b>1,63,08,133</b>	<b>5,50,70,825</b>



## (B) Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Names of the Directors				Total Amount
<b>1</b>	<b>Independent Directors</b>	<b>Dr. Ram S. Tarneja</b>	<b>Mr. Mahendra K. Chouhan</b>	<b>Mr. K.S. Srinivasa Murty</b>	<b>Mr. Jai S. Diwanji</b>	
	• Fees for Attending Board Committee Meetings	50,000	1,90,000	1,55,000	1,75,000	5,70,000
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>50,000</b>	<b>1,90,000</b>	<b>1,55,000</b>	<b>1,75,000</b>	<b>5,70,000</b>
<b>2</b>	<b>Other Non- Executive Directors</b>	<b>Mrs. Sudha S. Patel</b>				
	• Fees for Attending Board Committee Meetings	1,50,000	---	---	---	1,50,000
	• Commission	Nil	---	---	---	---
	• Others	Nil	---	---	---	---
	<b>Total (2)</b>	<b>1,50,000</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>1,50,000</b>
	<b>Total (B) = (1+2)</b>	<b>2,00,000</b>	<b>1,90,000</b>	<b>1,55,000</b>	<b>1,75,000</b>	<b>7,20,000</b>

## (C) Remuneration to Key Managerial Personnel other than MD/Manager/WTM:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Names of KMPs		Total Amount
		CFO	Company Secretary*	
1	Gross Salary			
	a) Salary as per provision contained in Section 17 (1) of the Income Tax Act 1961	44,86,898	1,26,180	46,13,078
	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 Profit	---	---	---
5	Provident Fund	2,34,800	6,300	2,41,100
	<b>Total (C)</b>	<b>47,21,698</b>	<b>1,32,480</b>	<b>48,54,178</b>

\*Ms. Jinal J. Shah was appointed as the Company Secretary w.e.f. 09 February 2016

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

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**ANNEXURE D****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	126.23
Mr. Krishna S. Patel	53.11

<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	6.59%
Mr. Krishna S. Patel, Joint Managing Director	61.13%
Mr. Dipesh R. Singhania, Chief Financial Officer	18.52%

- c. **The percentage increase in the median remuneration of employees in the financial year:** 19%

- d. **The number of permanent employees on the rolls of the Company:** 135  
(excluding Key Managerial Personnel)

- e. **The explanation on the relationship between average increase in remuneration and Company performance:**

The individual increments varied from 10% to 20% based on individual performance. Besides in applicable cases higher 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:**

(Amount in ₹)

Aggregate remuneration of Key Managerial Personnel (KMP)	599.25
Consolidated Revenue	27,559.14
Remuneration of KMPs (as % of revenue)	2.17%
Profit Before Tax (PBT)	19,364.00
Remuneration of KMPs (as % of PBT)	3.09%



**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)

Particulars	31 March 2016	31 March 2015	% Change
Market Capitalization	2,11,379.88	2,17,756.51	(2.93%)
Price Earnings Ratio	15.90	19.51	(18.50%)

**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 18.73%

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

**Revenue** : ₹ 27,559.14 lakhs

**Profit Before Tax** : ₹ 19,364.00 lakhs

Key Managerial Personnel	₹ in lakhs	% of Revenue	% of PBT
Mr. Sumant J. Patel Chairman and Managing Director	387.63	1.41%	2.00%
Mr. Krishna S. Patel Joint Managing Director	163.08	0.59%	0.84%
Mr. Dipesh R. Singhania Chief Financial Officer	47.22	0.17%	0.24%

**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 at 3% of net profits and in the annual general meeting held on 03 August 2015 approved commission to Mr. Krishna S. Patel at 3% 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 respect of remuneration not less than 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 transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arms length basis.**

Nesco Limited has not entered into any contract or arrangements or transactions with its related parties which are not on arms length basis during financial year 2015-16.

**2. Details of contracts or arrangements or transactions at arms length basis.**

Nesco Limited has not entered into any contract or arrangements or transactions with its related parties during financial year 2015-16.



## ANNEXURE F

SHARE HOLDING PATTERN									
Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) PROMOTER’S SHAREHOLDING									
(1) Indian									
(a) Individual	37,74,219	-	37,74,219	26.783	37,74,219	-	37,74,219	26.783	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt(s).	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	49,37,712	-	49,37,712	35.039	49,37,712	-	49,37,712	35.039	-
(e) FIs / Banks	-	-	-	-	-	-	-	-	-
(f) Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	87,11,931	-	87,11,931	61.822	87,11,931	-	87,11,931	61.822	-
(2) Foreign									
(a) NRIs / Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporates	7,50,000	-	7,50,000	5.322	8,94,400	-	8,94,400	6.347	1.025
(d) FIs / Banks	-	-	-	-	-	-	-	-	-
(e) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(f) Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	7,50,000	-	7,50,000	5.322	8,94,400	-	8,94,400	6.347	1.025
Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	94,61,931	-	94,61,931	67.144	96,06,331	-	96,06,331	68.169	1.025
(B) PUBLIC SHAREHOLDING									
(1) Institutions									
(a) Mutual Funds	4,05,818	-	4,05,818	2.880	4,52,468	-	4,52,468	3.211	0.331
(b) Banks / FIs	3,103	40	3,143	0.022	3,071	40	3,111	0.022	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.	1,446	-	1,446	0.010	452	-	452	0.003	(0.007)
(e) Venture Capital Funds	4,050	-	4,050	0.029	600	-	600	0.004	(0.025)
(f) Insurance Companies	1,34,400	-	1,34,400	0.954	1,34,400	-	1,34,400	0.954	-
(g) FIs	8,56,270	-	8,56,270	6.076	6,72,111	-	6,72,111	4.769	(1.307)
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	14,05,087	40	14,05,127	9.971	12,63,102	40	12,63,142	8.963	(1.008)

## ANNEXURE F

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
(a) Bodies Corporate	-	-	-	-	-	-	-	-	-
(i) Indian	3,30,880	1,768	3,32,648	2.361	3,89,615	1,768	3,91,383	2.777	0.416
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	16,13,924	6,93,157	23,07,081	16.372	15,91,932	6,52,845	22,44,777	15.929	(0.443)
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	4,92,426	49,960	5,42,386	3.849	2,14,047	3,19,562	5,33,609	3.787	(0.062)
(c) Others	-	-	-	-	-	-	-	-	-
Non Resident Indians	39,967	-	39,967	0.284	50,135	-	50,135	0.356	0.072
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	2,852	-	2,852	0.020	2,615	-	2,615	0.019	(0.001)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Boodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	24,80,049	7,44,885	32,24,934	22.886	22,48,344	9,74,175	32,22,519	22.868	(0.018)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	38,85,136	7,44,925	46,30,061	32.857	35,11,446	9,74,215	44,85,661	31.831	(1.026)
(C) SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,33,47,067	7,44,925	1,40,91,992	100.000	1,31,17,777	9,74,215	1,40,91,992	100.000	



**ANNEXURE G****Managing Director and Chief Financial Officer Certification**

To  
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 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 existing 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.

Mumbai  
30 May 2016

Sumant J. Patel  
Chairman & Managing Director  
DIN: 00186976

Dipesh R. Singhanian  
Chief Financial Officer

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## **Auditors' Certificate regarding compliance of conditions of Corporate Governance**

To

The Members of **NESCO Limited**

We have examined the compliance of conditions of corporate governance by NESCO Limited, for the year ended on 31 March 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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

For Manubhai & Shah LLP  
Chartered Accountants  
FRN : 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016

## REPORT ON CORPORATE GOVERNANCE

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

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

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

The Company is fully compliant with the requirements of the listing regulations 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 six. The Board comprises of the Chairman & Managing Director, Joint Managing Director and four non-executive Directors, out of which three 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 2016 are as follows:

Name of the Directors	Executive / Non Executive / Independent / Alternate	No. of other Directorship	Membership held in Committees	Chairmanship held in Committee of Directors
		*	#	##
Mr. Sumant J. Patel	Promoter / Executive	---	---	---
Mr. Mahendra K. Chouhan	Non-Executive and Independent	04	01	---
Mr. Jai S. Diwanji	Non-Executive and Independent	02	02	---
Mr. K. S. Srinivasa Murty	Non-Executive and Independent	---	02	---
Mrs. Sudha S. Patel	Promoter / Non-Executive	---	01	---
Mr. Krishna S. Patel	Promoter / Executive	---	01	---

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

#Committees includes membership in Audit Committee and Stakeholders Relationship Committee in Indian Listed Companies including Nesco limited

## Disclosure 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 regular presentations are made to all Non-Executive Independent Directors to give an update and details of Company's operations, including new activities undertaken and the proposed activities.

#### 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, which 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.

The particulars of Board Meetings held during the year 01.04.2015 to 31.03.2016 as well as attendance of Directors at the Board and the last AGM are given here below:

Sr. No	Date of Board Meeting
01	23.05.2015
02	03.08.2015
03	03.11.2015
04	09.02.2016
05	17.03.2016

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 03.08.2015
Mr. Sumant J. Patel	5	YES
Mr. Mahendra K. Chouhan	5	YES
Mr. Jai S. Diwanji	4	YES
Mr. K. S. Srinivasa Murty	4*	YES
Mrs. Sudha S. Patel	5	YES
Mr. Krishna S. Patel	5	YES
Dr. Ram S. Tarneja (upto 07.08.2015)	2	NO

\*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	Commission	Provident Fund	Total
Mr. Sumant J. Patel	Chairman & Managing Director	---	60.00	2.63	325.00	---	387.63
Mr. Mahendra K. Chouhan	Director	1.90	---	---	---	---	1.90
Mr. Jai S. Diwanji	Director	1.75	---	---	---	---	1.75
Mr. K. S. Srinivasa Murty	Director	1.55	---	---	---	---	1.55
Mrs. Sudha S. Patel	Director	1.50	---	---	---	---	1.50
Mr. Krishna S. Patel	Joint Managing Director	---	60.00	20.88	75.00	7.20	163.08
Dr. Ram S. Tarneja	Director	0.50	---	---	---	---	0.50
<b>Total</b>		<b>7.20</b>	<b>120.00</b>	<b>23.51</b>	<b>450.00</b>	<b>7.20</b>	<b>557.91</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 six committees i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholder Grievances Committee, Corporate Social Responsibility Committee, Risk Management Committee and Sexual Harassment Committee.

**Audit Committee****Composition:**

The Committee comprises of Mr. Mahendra K. Chouhan as Chairman, Mr. K. S. Srinivasa Murty, Mr. Jai S. Diwanji and Mr. Krishna S. Patel as members.

During the year the Committee met 4 times on 23.05.2015, 03.08.2015, 03.11.2015 and 09.02.2016. The attendance of each director at the meeting was as follows:

Sr. no.	Name of the Member	No. of meetings held during the year 2015-16	No. of meetings attended during the year 2015-16
a.	Mr. Mahendra K. Chouhan	4	4
b.	Mr. K. S. Srinivasa Murty	4	3*
c.	Mr. Jai S. Diwanji	4	3
d.	Mr. Krishna S. Patel	4	2

\*Includes meetings attended over video conference.

\*\*Mr. Krishna S. Patel was appointed as member of the Committee with effect from 03 November 2015.

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### Scope of Audit Committee:

The terms reference are broadly as under:

- a. Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other service rendered by the Auditors.
- c. Reviewing with management the annual financial statement before submission to the board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Companies Act, 2013.
  - Changes if any, in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Observations if any, in draft audit report.
  - Significant changes/amendments, if any, arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Qualification in the draft audit report.
  - Compliance with stock exchange and legal requirements concerning financial statement.
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- d. Review of quarterly / half yearly unaudited financial results before submission to the auditors and the Board.
- e. Reviewing with the management and external and internal auditors, the adequacy of internal control systems.
- f. Reviewing the adequacy of internal audit functions, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors, any significant finding and follow up thereon.
- h. Reviewing the findings, if any, of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
- i. Discussions with external auditors before the audit commences. 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, Mr. Mahendra K. Chouhan and Mrs. Sudha S. Patel as members

During the year under review the committee met two times on 23.05.2015 and 03.11.2015. 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 2015-16</b>	<b>No. of meetings attended during the year 2015-16</b>
a.	Mr. Jai S. Diwanji	2	1
b.	Mr. Mahendra K. Chouhan	2	2
c.	Mrs. Sudha S. Patel*	2	1
d.	Dr. Ram S. Tarneja**	2	1

\*Mrs. Sudha S. Patel was appointed as a member of the Committee with effect from 03 November 2015.

\*\* Dr. Ram S. Tarneja ceased as a member of the Committee with effect from 07 August 2015 on his demise.

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

The following matters are referred to the Nomination and Remuneration Committee,

- Fixing the remuneration payable to the Managing Director/ Joint Managing Director 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)

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and commission (variable components) to its Managing Director and Joint Managing Director. 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 Director and Joint Managing Director 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 Joint Managing Director.

### **Stakeholder's Relationship Committee**

#### **Composition:**

The Committee comprises of Mrs. Sudha S. Patel as Chairperson, Mr. K. S. Srinivasa Murty and Mr. Jai S. Diwanji as members.

During the year the Committee met 4 times on 23.05.2015, 03.08.2015, 03.011.2015 and 09.02.2016. 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 2015-16</b>	<b>No. of meetings attended during the year 2015-16</b>
a.	Mrs. Sudha S. Patel	4	4
b.	Mr. K. S. Srinivasa Murty	4	3*
c.	Mr. Jai S. Diwanji	4	3

\* Includes meetings attended over video conference.

#### **Scope of Stakeholder's Relationship Committee:**

The Committee administers the following activities:

- Transfer of shares
- Transmission of shares
- Issue of duplicate share certificates
- Change of status
- Change of Name
- Transposition of shares
- Sub-division of shares
- Consolidation of folios
- Shareholders requests for dematerialization / rematerialisation 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. Krishna S. Patel, Mr. Mahendra K. Chouhan and Mr. Jai S. Diwanji as members.

During the year the Committee met 2 times on 23.05.2015 and 09.02.2016. 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 2015-16</b>	<b>No. of meetings attended during the year 2015-16</b>
a.	Mr. Sumant J. Patel	2	2
b.	Mr. Krishna S. Patel	2	2
c.	Mr. Mahendra K. Chouhan	2	2
d.	Mr. Jai S. Diwanji*	2	1

\* Mr. Jai S. Diwanji was appointed as member of the Committee with effect from 23 May 2015.

**Scope of Corporate Social Responsibility Committee:**

The Committee administers the following activities:

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

**Risk Management Committee**

During the Financial Year, your Company constituted a Risk Management Committee to monitor and review the Risk Management Policy and plans of the Company.

**Composition:**

The Committee comprises of Mr. Jai S. Diwanji, Independent Director, Mr. Mahendra K. Chouhan, Independent Director, Mr. Krishna S Patel, Joint Managing Director and Mr. Dipesh R. Singhania, Chief Financial Officer.

**Scope of Risk Management Committee**

Risk Management Committee aims to create a standard, structured and efficient approach to identify, assess and mitigate risks. Our Company meetings are structured to plan, assess and mitigate risks.

**8. Independent Directors Meeting:**

During the year under review, a meeting of the Independent Directors of the Company was held on 23.05.2015 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 director 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:**

Nesco Hospitality Private Limited is a wholly owned subsidiary of Nesco Limited.

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

Copies of the Minutes of the Board Meetings of Subsidiary Company are also tabled at the subsequent Board Meetings.

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

All the transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on an arms 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 Standards:**

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 provisions 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:**

Ms. Jinal J. Shah is the Compliance Officer of the Company with effect from 09 February 2016.

## 13. **Details of complaints received and redressed during the year 2015-2016:**

Sr. no.	Particulars	Received	Redressed	Pending as on 31.03.2016
1	Non Receipt of Bonus share certificates	6	5	1
2	Non receipt of Annual Report	4	4	NIL
3	Non receipt of Dividend	--	--	--
4	Non Receipt of share certificate after transfer	1	1	NIL
5	Non receipt of share certificate after transmission	--	--	--

The Company is in constant touch with Sharex Dynamic (India) Pvt. Ltd., the 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 and Listing Regulations 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 Directors 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 has formulated Code of fair disclosures of unpublished price sensitive information and has uploaded 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.

**16. Disclosures:**

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

**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 Regulation 17(8) of the Listing Regulation. The certificate is annexed and forms part of this Annual Report as "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  
DIN: 00186976  
Mumbai, 30 May 2016

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NESCO LIMITED**

### **Report on the Standalone Financial Statement**

We have audited the accompanying standalone financial statements of Nesco Limited ('the Company'), which comprise the Balance sheet as at 31 March 2016, the statement of Profit and Loss and the Cash flow statement for the year then ended, and a summary of 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 and presentation 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 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 from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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. 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 31 March 2016 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 (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we consider appropriate an according to the information and explanations given to us. We give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, 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 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; and
  - (g) 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 statement – 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 LLP  
Chartered Accountants  
FRN : 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016

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## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

### **Referred to in paragraph 1 under "Report on other Legal and Regulatory Requirements Section" of our report of even date:**

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has regular programme of physical verification of its fixed assets by which all the assets are verified in a phased manner, over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed in respect of the assets physically verified during the year.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of company unless otherwise stated (refer note 10 of Fixed Asset)
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and the discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 with respect to the loans and Investments made and guarantees and security provided by it.
- v. The Company has not accepted any deposits from public in accordance with the provisions of Section 73 to 76 of the Companies Act, 2013 and Rules framed there under to the extent notified.
- vi. Pursuant to the Rules made by the Central Government of India, the Company is required to maintain cost records as specified under the provisions of sub-section (1) of Section 148 of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, 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 and complete.
- vii. 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 with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

According to the information and explanation given to us, no undisputed amounts are payable in respect of Provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which were applicable to it were in arrears, as at 31st March, 2016 for a period of more than six months from the date they became 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 with appropriate authorities

Name of the Statute	Nature of the Dues	Financial Year	Amount (₹ in lakhs)	Forum where dispute is pending
The Income Tax Act, 1961	Assessment Dues	2006-07	14.65	Dy. Commissioner of Income Tax
		2007-08	7.07	ITAT
		2010-11	113.08	ITO
		2011-12	13.15	ITO
		2012-13	0.18	ITO

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government, dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have been informed of any such case by the management.
- xi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Sections 197 read with Schedule V of the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Hence, provisions of Section 192, of the act is not applicable.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For Manubhai & Shah LLP  
Chartered Accountants  
FRN : 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016



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## **ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

### **Report to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" Section of our report of even date)**

Report on the Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Nesco Limited ('the Company') as on 31 March 2016, in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountant of India. Those Standards and the Guidance Note require that, we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally





accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement

### **Inherent limitation of Internal Financials Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of control, material misstatement due to error or fraud may recur and not detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial Reporting issued by the Institute of Chartered Accountants of India.

For Manubhai & Shah LLP  
Chartered Accountants  
FRN : 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016

## BALANCE SHEET AS AT 31 MARCH 2016

(₹ in lakhs)

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
a. Share capital	2	1,409.20	1,409.20
b. Reserves and surplus	3	64,409.41	52,560.27
2 Non-current liabilities			
a. Deferred tax liabilities (net)	4	412.78	219.81
b. Other long term liabilities	5	8,690.15	7,323.28
c. Long-term provisions	6	1,400.02	1,376.01
3 Current liabilities			
a. Trade payables	7	748.50	509.43
b. Other current liabilities	8	3,466.70	3,128.81
c. Short-term provisions	9	16.56	1,098.39
<b>TOTAL</b>		<b>80,553.32</b>	<b>67,625.20</b>
<b>II. ASSETS</b>			
1 Non-current assets			
a. Fixed assets			
(i) Tangible assets	10	16,481.47	16,481.47
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		14,342.81	9,978.50
b. Non-current investments	11	28.31	28.31
c. Long-term loans and advances	12	4,695.46	173.09
2 Current assets			
a. Current investments	13	40,745.59	38,379.63
b. Inventories	14	1,098.42	770.41
c. Trade receivables	15	1,438.11	1,073.23
d. Cash and cash equivalents	16	664.36	476.02
e. Short-term loans and advances	17	1,058.79	824.00
f. Other current assets	18	-	4.49
<b>TOTAL</b>		<b>80,553.32</b>	<b>67,625.20</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 LLP  
Chartered Accountants  
FRN. 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016

For and on behalf of the Board

Mr. Sumant J. Patel	Chairman & Managing Director
Mr. Krishna S. Patel	Joint Managing Director
Mr. Mahendra K. Chouhan	Director
Mrs. Sudha S. Patel	Director
Mr. Jai S. Diwanji	Director
Mr. Dipesh R. Singhania	Chief Financial Officer
Ms. Jinal J. Shah	Company Secretary & Compliance Officer
Mumbai, 30 May 2016	

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016**

(₹ in lakhs)

Particulars	Note No.	Year Ended 31 March 2016	Year Ended 31 March 2015
I Revenue from operations	19	25,731.12	19,444.55
II Other income	20	1,605.27	2,827.33
III <b>Total Revenue (I + II)</b>		<b>27,336.39</b>	<b>22,271.88</b>
IV Expenses			
Cost of materials consumed	21	1,366.53	1,081.59
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(168.66)	(175.78)
Employee benefits expense	23	855.53	710.56
Finance cost	24	12.95	13.33
Depreciation and amortization expense	25	670.13	670.09
Other expenses	26	5,237.06	3,994.62
<b>Total expenses</b>		<b>7,973.54</b>	<b>6,294.41</b>
V Profit before exceptional items and tax (III-IV)		19,362.85	15,977.47
VI Exceptional items		-	-
VII <b>Profit Before Tax (V-VI)</b>		<b>19,362.85</b>	<b>15,977.47</b>
VIII Tax expense:			
(1) Current tax		6,010.00	4,805.00
(2) Excess Provision for earlier years written back		(130.94)	-
(3) Deferred tax		192.97	9.02
<b>Profit for the year</b>		<b>13,290.82</b>	<b>11,163.45</b>
Earnings per equity share of ₹10 each Basic and Diluted (in ₹)		94.31	79.22
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			

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Mumbai, 30 May 2016

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Mr. Dipesh R. Singhania	Chief Financial Officer
Ms. Jinal J. Shah	Company Secretary & Compliance Officer
Mumbai, 30 May 2016	

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹ in lakhs)

Particulars	Year Ended 31 March 2016	Year Ended 31 March 2015
A) Cash Flow from operating activities		
Net Profit before Tax and extraordinary items	19,362.85	15,977.47
Add / (Less):		
Depreciation	670.13	670.09
Interest income	(9.98)	(8.20)
Finance cost	12.95	13.33
Sundry debtors written off	227.24	103.76
Income from investments	(1,350.08)	(2,529.24)
Profit/(Loss) on sale of fixed assets (net)	10.04	(0.15)
Operating profit before working capital changes	18,923.15	14,227.07
Add / (Less):		
(Increase)/Decrease in Inventory	(328.01)	(330.29)
(Increase)/Decrease in Trade & other receivable	(645.55)	(197.54)
Increase/(Decrease) in Trade payables	886.01	1,472.74
Cash generated from operation	18,835.60	15,171.98
Add / (Less):		
Debts written off	(227.24)	(103.76)
Income Tax	(6,010.00)	(4,805.00)
(Excess)/Short Provision for earlier years	130.94	(4,908.76)
Net Cash from operating activities - [A]	12,729.30	10,263.22
B) Cash Flow from investing activities		
Purchase of fixed assets	(5,608.88)	(10,109.75)
Purchase of investments (net)	(2,365.96)	(1,565.13)
Capital advance - fixed assets	(4,472.00)	-
Sale of fixed assets	0.45	0.15
Interest received	9.98	8.20
Income from investments	1,350.08	2,529.24
Net Cash (used in)/from investing activities - [B]	(11,086.33)	(9,137.29)
C) Net Cash Flow used in financing activities		
Finance cost	(12.95)	(13.33)
Dividend Provision/Interim (including tax)	(1,441.68)	(1,071.65)
Net Cash Flow used in financing activities - [C]	(1,454.63)	(1,084.98)
Net Increase / (Decrease in Cash / Cash Equivalents (A+B+C))	188.33	40.94
Cash/Cash Equivalent at the beginning of the year	476.02	435.08
Cash/Cash Equivalent at the end of the year	664.36	476.02

As per our report of even date

For Manubhai & Shah LLP

Chartered Accountants

FRN. 106041W/W100136

Laxminarayan P Yekkali

Partner

Membership No. 114753

Mumbai, 30 May 2016

For and on behalf of the Board

Mr. Sumant J. Patel

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Mr. Dipesh R. Singhania

Ms. Jinal J. Shah

Mumbai, 30 May 2016

Chairman & Managing Director

Joint Managing Director

Director

Director

Director

Chief Financial Officer

Company Secretary & Compliance Officer



## NOTE 1 -SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of Accounting

The financial statements have been prepared 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 under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements comply in all material aspects with the accounting standards notified under Section 211(3C) of Companies Act, 1956 (Companies Accounting Standards) Rules, 2006, as amended and other relevant provisions of the Companies Act, 2013.

### B. Revenue recognition

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

Revenue from Bombay Exhibition Centre and IT Park division is considered on accrual basis.

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

Interest income is recognized 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

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

### E. Inventories

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

### F. Foreign currency transactions

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

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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. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

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. Dividend

Interim Dividend declared for current year by the Board of directors was paid during the year.  
Dividend for 2014-15 was paid in current year.

P. Other accounting policies

These are considered with generally accepted accounting principles.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

( ₹ in lakhs)

	As at 31 March 2016	As at 31 March 2015
<b>2 Share Capital</b>		
Authorised		
14,750,000 (previous year 14,750,000) Equity Shares of ₹ 10 each	1,475.00	1,475.00
250,000 (previous year 250,000) 11% Cumulative Redeemable Preference Shares of ₹10 each	25.00	25.00
	<u>1,500.00</u>	<u>1,500.00</u>
Issued, Subscribed and Paid up		
14,091,992 (previous year 14,091,992) Equity Shares of ₹ 10 each, fully paid up	1,409.20	1,409.20
Total	<u>1,409.20</u>	<u>1,409.20</u>

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

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

	2015-16		2014-15	
Particulars	Equity Shares		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 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 declared an interim dividend of ₹ 8.50 per equity share at its meeting held on 17.03.2016, ₹ 6.50 per equity share was paid as final dividend for the previous year. The interim dividend appropriation for the year ended 31.03.2016 amounts to ₹ 1,197.83 lakhs and corporate dividend tax of ₹ 243.85 lakhs (previous year ₹ 915.98 lakhs and corporate dividend tax of ₹ 155.67 lakhs)

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 shares holders.

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>2.3 Details of Shareholders holding more than 5% Equity Shares</b>				
Chandler & Price India Pvt.Ltd.	3,886,112	27.58	3,886,112	27.58
Mr. Sumant J. Patel	1,801,467	12.78	1,801,467	12.78
Patel Consultancy Services Pvt. Ltd.	1,051,600	7.46	1,051,600	7.46
Mrs. Sudha S. Patel	914,944	6.49	914,944	6.49
Engineering Global Pte Limited	894,400	6.35	750,000	5.32

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

( ₹ in lakhs)

	As at 31 March 2016	As at 31 March 2015
<b>3 Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>		
A. Revaluation of certain assets	640.10	640.10
B. Preference Shares Redemption Reserve	9.56	9.56
C. Cash subsidy received from Govt. of Gujarat	25.00	25.00
<b>General Reserve</b>		
Opening Balance	51,835.61	41,743.81
Add: Transfer from statement of Profit and Loss	<u>11,849.14</u>	<u>10,091.80</u>
Closing balance	63,684.75	51,835.61
Surplus/(Deficit) in statement of Profit and Loss		
Opening balance	50.00	50.00
Add: Profit for the year	13,290.82	11,163.45
Less: Interim dividend [₹ 8.50 per share (previous year dividend ₹ 6.50)]	1,197.83	915.98
Tax on interim dividend/previous year dividend	243.85	155.67
Transfer to General Reserve	<u>11,849.14</u>	<u>10,091.80</u>
Closing balance	<u>50.00</u>	<u>50.00</u>
	<u>64,409.41</u>	<u>52,560.27</u>
<b>4 Deferred tax</b>		
A. Deferred tax liability (net)		
Opening Balance	219.81	210.79
Add: Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961	252.34	11.25
Expenses claimed for tax purpose on payment basis	<u>-</u>	<u>1.02</u>
	472.15	223.06
B. Deferred tax Asset		
Expenses allowable for tax purpose on payment basis and others	<u>59.37</u>	<u>3.25</u>
	<u>412.78</u>	<u>219.81</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

( ₹ in lakhs)

	As at 31 March 2016	As at 31 March 2015
<b>5 Other long term liabilities</b>		
Advance from exhibition organizers	603.80	634.39
Security deposit from IT Park licencees and others	8,027.86	6,632.52
Security deposit from exhibition organizers	58.49	56.37
	<u>8,690.15</u>	<u>7,323.28</u>
<b>6 Long term provisions</b>		
Provision for compensation	1,245.03	1,245.03
Provision for gratuity	130.16	112.81
Provision for leave encashment	24.83	18.17
	<u>1,400.02</u>	<u>1,376.01</u>
<b>7 Trade payables (Refer note no.30)</b>	<u>748.50</u>	<u>509.43</u>
<b>8 Other current liabilities</b>		
Advance from customers	2,391.64	2,018.43
Security deposit from exhibition organizers	206.59	109.88
Unclaimed dividend	149.38	83.13
Salary/wages payable	65.08	24.27
Statutory dues	256.60	279.11
Security deposits from trainees	1.22	1.68
Other payables	396.19	612.31
	<u>3,466.70</u>	<u>3,128.81</u>
<b>9 Short term provisions</b>		
Proposed dividend	-	915.98
Tax on proposed dividend	-	155.67
Provision for gratuity	15.42	24.89
Provision for leave encashment	1.14	1.85
	<u>16.56</u>	<u>1,098.39</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 10 - Fixed Assets

(₹ in lakhs)

Particulars	Gross Block			Depreciation / Amortisation			Net Block			
	As at 1-Apr-15	Additions	Deductions/ Transfers	As at 31-Mar-16	Up to 31-Mar-15	For the year	Deductions/ Transfers	Up to 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
1. Tangible assets										
Freehold Land	601.37	-	-	601.37	-	-	-	-	601.37	601.37
Buildings	14,618.71	328.50	32.33	14,914.88	2,615.52	205.81	21.85	2,799.48	12,115.39	12,003.19
Plant and machinery	3,917.70	139.73	-	4,057.43	1,740.72	255.23	-	1,995.95	2,061.48	2,176.98
Electrical installations	1,310.23	530.31	-	1,840.54	594.47	127.84	-	722.31	1,118.23	715.76
Pattern and mouldings	86.54	4.31	-	90.85	81.59	0.98	-	82.57	8.28	4.95
Furniture, fixture & office equipment	513.51	179.74	-	693.25	306.66	51.97	-	358.63	334.62	206.85
Vehicles	428.14	61.98	-	490.12	219.81	28.30	-	248.11	242.01	208.33
Laboratory equipments	1.61	-	-	1.61	1.52	-	-	1.52	0.09	0.09
Total tangible assets	21,477.81	1,244.57	32.33	22,690.04	5,560.29	670.13	21.85	6,208.57	16,481.47	15,917.52
2. Intangible assets										
Technical Knowhow	23.92	-	-	23.92	23.92	-	-	23.92	-	-
Total Intangible assets	23.92	-	-	23.92	23.92	-	-	23.92	-	-
3. Capital Work-in-progress										
Building IT 4.	9,978.50	4,276.62	-	14,255.12	-	-	-	-	14,255.12	9,978.50
Plant and machinery IT 3.	-	84.00	-	84.00	-	-	-	-	84.00	-
Building - Central Kitchen at Hall 3	-	3.69	-	3.69	-	-	-	-	3.69	-
Total Capital Work-in-progress	9,978.50	4,364.31	-	14,342.81	-	-	-	-	14,342.81	9,978.50
Grand Total : (1 + 2 + 3)	31,480.23	5,608.88	32.33	37,056.78	5,584.21	670.13	21.85	6,232.49	30,824.28	25,896.02

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 cost of land at Vishnoli, ₹ 899,623/- held in the name of Mr. Sumant J. Patel for which conveyance is under completion
- Buildings include Karamsad factory which is situated on land taken on rent.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 10 – Fixed Assets

(₹ in lakhs)

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 on a/c of Schedule II Part C	Up to 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
1. Tangible assets										
Land Freehold 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
2. Intangible assets										
Technical Knowhow	23.92	-	-	23.92	23.92	-	-	23.92	-	-
Total Intangible assets	23.92	-	-	23.92	23.92	-	-	23.92	-	-
3. Capital Work-in-progress										
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
Grand Total : (1 + 2 + 3)	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

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 cost of land at Vishnoli, ₹ 899,623/- held in the name of Mr. Sumant J. Patel for which conveyance is under completion
- Buildings include Karamsad factory which is situated on land taken on rent.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

	As at 31 March 2016	As at 31 March 2015
<b>11 Non-current investments</b>		
<u>Investment in Equity instruments</u> <u>(Quoted, Trade)</u>		
369 (previous year 369) Equity Shares of ₹ 2/- each, fully paid up of Larsen & Toubro Limited - ₹ 148/-	-	-
79 (previous year 79) Equity Shares Of ₹ 10/- Each, Fully Paid Up of Ultra Tech Cement Ltd. - ₹ 410/-	-	-
2250 (previous year 2250) Equity Shares Of ₹ 2/- Each, Fully Paid Up of Greaves Cotton Ltd	0.04	0.04
<u>Investment in Equity instruments</u> <u>(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
2250 (previous year 2250) Equity Shares of face value of ₹ 100 each of NSE Housing & Investment Pvt Ltd	2.25	2.25
<u>Investment in Equity instruments</u> <u>(Unquoted, Non Trade)</u> Subsidiary Company 249900 (previous year 249900) Equity Shares of face value of ₹ 10 each of Nesco Hospitality Pvt Ltd.	24.99	24.99
<u>Investments in Government or</u> <u>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
	<u>28.31</u>	<u>28.31</u>
Aggregate of quoted investments - Book Value	0.04	0.04
Aggregate of quoted investments - Market Value	10.14	12.36
Aggregate of unquoted investments - Book Value	28.27	28.27
<b>12 Long term loans and advances - Unsecured considered good</b>		
Advances and deposit with public bodies	223.46	96.07
Capital Advances	4,472.00	77.02
	<u>4,695.46</u>	<u>173.09</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

( ₹ in lakhs)

		Face Value	As at 31 March 2016		As at 31 March 2015	
		of the Unit	No.	₹	No.	₹
<b>13 Current investments</b>						
Investment in mutual funds						
A	<u>Fixed Maturity Plans</u>					
	Axis Fixed Term Plan - Series 62 (383 Days) Direct Growth	10	-	-	2,000,000	200.00
	Axis Fixed Term Plan - Series 57 (397 Days) Direct Growth	10	-	-	4,103,584	410.36
	Axis Fixed Term Plan - Series 47 (483 Days) Direct Growth	10	-	-	1,000,000	100.00
	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 - Direct - Growth	10	800,000	80.00	800,000	80.00
	Birla Sun Life Fixed Term Plan - Series JP 1175 Days - Direct - Growth	10	1,037,688	103.77	1,037,688	103.77
	Birla Sun Life Fixed Term Plan - Series KW 1477 Days - Direct - Growth	10	-	-	2,500,000	250.00
	BOI AXA Fixed Maturity Plan - Series 13 (380 Days) - Direct Plan - Growth	10	-	-	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 FTP - Series 36 - 15 M - Direct - Growth	10	1,500,000	150.00	1,500,000	150.00
	DHFL Pramerica (DWS) Fixed Maturity Plan Series 49 - Direct Plan - Growth	10	1,500,000	150.00	1,500,000	150.00
	DHFL Pramerica (DWS) Fixed Maturity Plan Series 49 - Regular Plan - Growth	10	1,500,000	150.00	1,500,000	150.00
	DHFL Pramerica (DWS) Fixed Maturity Plan Series 54 - Direct Plan - Growth	10	-	-	1,500,000	150.00
	DHFL Pramerica (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
	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 371D June 2014 ( 2 ) Series 31 - Direct - Growth	10	-	-	1,070,000	107.00
	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 74 - 369 Days Plan F - Direct Growth	10	2,000,000	200.00	2,000,000	200.00
	IDFC Fixed Term Plan Series 88 Direct Plan - Growth (372 Days)	10	-	-	2,000,000	200.00
	Kotak FMP Series 142 Direct - Growth	10	1,003,316	100.33	1,003,316	100.33
	Kotak FMP Series 189 - Growth	10	2,000,000	200.00	-	-
	L&T FMP Series 10 - Plan M - Direct Growth	10	-	-	2,000,000	200.00
	L&T FMP Series 10 - Plan R - Direct Growth	10	-	-	2,000,000	200.00
	L&T FMP Series 8 - Plan F - Direct Growth	10	2,000,000	200.00	2,000,000	200.00

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

( ₹ in lakhs)

	Face Value of the Unit	As at 31 March 2016		As at 31 March 2015	
		No.	₹	No.	₹
Principal Pnb FMP - Series B15-377 Days - Direct Plan - Growth	10	-	-	1,000,000	100.00
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	1,026,354	102.64
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 L (14 Months) - Direct Plan Growth	10	1,030,442	103.04	1,030,442	103.04
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 - A11 - 385 Days - Direct Plan - Growth	10	771,954	77.20	771,954	77.20
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	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
Sundaram Fixed Term Plan - FA - 406 Days - Regular Growth	10	-	-	5,000,000	500.00
Sundaram Fixed Term Plan - FD - 397 Days - Direct Growth	10	-	-	2,267,582	226.75
Sundaram Fixed Term Plan - FI - 383 Days - Regular Growth	10	-	-	2,000,000	200.00
TATA FMP Series 43 Scheme - C - Direct Plan - Growth	10	2,000,000	200.00	2,000,000	200.00
TATA FMP Series 47 Scheme - C - Direct Plan - Growth	10	-	-	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 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
			<u>6,069.23</u>		<u>9,951.03</u>
<b>B Debt Funds - income funds</b>					
Axis Income Fund - Direct Plan - Growth	10	1,477,541	200.00	1,477,541	200.00
Axis Income Fund - Growth	10	2,255,385	300.00	2,255,385	300.00
Axis Fixed Income Opportunities Fund - Direct Growth	10	4,059,789	450.00	-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

( ₹ in lakhs)

	Face Value  of the Unit	As at 31 March 2016		As at 31 March 2015	
		No.	₹	No.	₹
Axis Fixed Income Opportunities Fund - Growth	10	922,135	100.00	-	-
BNP Paribas Flexi Debt Fund - Growth- Folio-328670	10	2,876,153	700.00	2,075,050	500.00
BNP Paribas Flexi Debt Fund - Direct Plan - Growth- Folio-328670	10	412,298	100.00	412,298	100.00
BNP Paribas Medium Term Income Fund - Growth- Folio-328670	10	13,451,739	1,600.00	-	-
BOI AXA Corporate Credit Spectrum Fund - Direct Plan	10	2,902,217	300.00	-	-
Canara Robeco Dynamic Bond Fund - Direct Growth	10	-	-	1,255,934	200.00
Canara Robeco Dynamic Bond Fund - Regular Growth	10	-	-	1,895,507	300.00
Canara Robeco Medium Term Opportunities Fund - Regular Growth	1000	15,803,010	1,707.58	12,337,098	1,307.58
DSP BlackRock Strategic Bond Fund - Inst. Plan - Growth	10	-	-	30,016	500.00
DHFL Pramerica (DWS) Medium Term Income Fund - Direct Plan - Growth	10	1,828,116	212.18	1,828,116	212.18
HDFC High Interest Fund - Dynamic Plan - Growth	10	-	-	625,691	300.00
HDFC Medium Term Opportunities Fund - Direct Plan - Growth	10	1,319,340	200.00	1,319,340	200.00
ICICI Prudential Income Regular Plan - Growth	10	-	-	690,926	302.53
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	2,709,545	425.00
ICICI Prudential Regular Savings Fund - Growth	10	3,913,480	602.53	-	-
ICICI Prudential Regular Savings Fund - Direct Plan - Growth	10	1,331,957	200.00	-	-
ICICI Prudential Regular Income Fund - Growth	10	729,812	104.10	-	-
ICICI Prudential Corporate Bond Fund - Growth	10	4,413,118	1,009.57	-	-
IDFC Dynamic Bond Fund - Growth - Direct Plan	10	-	-	2,895,221	500.00
Kotak Bond Scheme Plan A - Growth	10	-	-	4,408,624	1,680.51
Kotak Medium Term Fund Direct Plan - Growth	10	3,501,711	420.00	-	-
L&T Triple Ace Bond Fund - Growth	10	-	-	1,403,734	512.84
L&T Income Opportunities Fund - Growth	10	3,439,740	550.00	-	-
L&T Income Opportunities Fund Direct Plan - Growth	1000	599,086	100.00	-	-
L&T Resurgent India Corporate Bond Fund - Growth	10	11,747,442	1,290.00	-	-
Religare Invesco Active Income Fund - Growth	10	-	-	22,870	375.00
SBI Magnum Income Fund - Regular Plan - Growth	10	444,883	150.00	444,883	150.00
SBI Magnum Income Fund - Direct Plan - Growth	10	1,175,288	400.00	1,175,288	400.00
SBI Dynamic Bond Fund - Regular Plan - Growth	10	876,532	150.00	876,532	150.00
SBI Dynamic Bond Fund - Direct Plan - Growth	10	2,296,712	400.00	2,296,712	400.00
SBI Corporate Bond Fund - Regular Plan - Growth	10	4,293,052	1,010.00	-	-
Sundaram Bond Saver - Regular Growth	10	-	-	753,048	300.00
TATA Dynamic Bond Fund Plan A - Growth	10	-	-	3,563,000	768.03
UTI Bond Fund - Growth	10	-	-	480,094	200.00

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

( ₹ in lakhs)

	Face Value of the Unit	As at 31 March 2016		As at 31 March 2015	
		No.	₹	No.	₹
UTI Income (Credit) Opportunities Fund - Growth	10	9,468,270	1,100.00	5,705,796	600.00
UTI Dynamic Bond Fund - Growth	10	7,859,298	1,188.89	7,859,298	1,188.89
			14,969.85		12,176.66
<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
Religare Invesco Ultra Short Term Fund - Direct Plan Bonus	1000	-	-	20,137	200.00
Sundaram Ultra Short Term Fund - Regular DDR	10	29,983,609	3,009.45	22,557,181	2,264.07
UTI Floating Rate Fund - STP - Regular Plan - DDR	1000	105,385	1,134.87	-	-
UTI Treasury Advantage Fund - Institutional Plan - DDR	1000	16,128	161.65	-	-
UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth	1000	10,369	203.93	-	-
			4,509.90		5,534.47
<b>D Debt funds - short term funds</b>					
Axis Short Term Fund - Direct Plan - Growth	10	1,934,778	300.00	-	-
Axis Short Term Fund - Growth	10	655,252	100.00	-	-
Birla Sun Life Medium Term Plan - Growth - Direct Plan	10	1,442,993	250.00	-	-
Birla Sun Life Short Term Opportunities Fund - Growth - Regular Plan	10	2,567,588	600.00	-	-
Birla Sun Life Short Term Opportunities Fund - Growth-Direct Plan	10	-	-	2,467,089	525.00
BNP Paribas Short Term Income Fund - Growth	10	944,537	150.00	944,537	150.00
DSP BlackRock Short Term Fund - Direct Plan - Growth	10	824,967	200.00	-	-
DSP BlackRock Short Term Fund - Regular Plan - Growth	10	3,202,734	758.64	2,785,292	658.64
DSP BlackRock Banking & PSU Debt Fund - Direct - Growth	10	797,728	100.00	-	-
DSP BlackRock Banking & PSU Debt Fund - Regular - Growth	10	2,573,316	300.00	1,295,829	150.00
DHFL Pramerica (DWS) Short Maturity Fund - Direct Plan - Growth	10	4,497,007	1,150.00	1,810,861	450.00
Templeton(Franklin) India Short Term Income Retail Plan - Growth	1000	-	-	24,580	660.00
HDFC Short Term Plan - Growth	10	742,366	200.00	742,366	200.00
HDFC Short Term Plan - Direct Plan - Growth	10	3,194,335	900.00	-	-
HDFC Short Term Opportunities Fund - Direct - Growth	10	8,612,979	1,308.62	8,612,979	1,308.62
HSBC Income Fund - Short Term Plan - Direct Plan - Growth	10	845,276	200.00	-	-
ICICI Prudential Short Term - Regular Plan - Growth	10	3,599,275	1,014.31	3,599,275	1,014.31
ICICI Prudential Short Term - Direct Plan - Growth	10	341,960	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	439,646	102.87
L&T Short Term Opportunities Fund - Growth	10	1,543,460	200.55	1,543,460	200.55
L&T Short Term Opportunities Fund - Direct Plan - Growth	10	11,457,408	1,535.87	9,982,798	1,335.87
Peerless Short Term Fund - Growth Plan	10	-	-	1,442,546	215.00
Religare Invesco Short Term Fund - Growth	1000	-	-	33,936	630.27





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

( ₹ in lakhs)

	Face Value of the Unit	As at 31 March 2016		As at 31 March 2015	
		No.	₹	No.	₹
SBI Short Term Debt Fund - Regular Plan - Growth	10	2,496,939	400.00	1,252,717	200.00
Sundaram Select Debt Short Term Asset Plan - Regular Growth	10	2,890,372	700.00	830,006	200.00
TATA Short Term Bond Fund Plan A - Growth	10	1,622,180	422.73	782,032	202.73
TATA Short Term Bond Fund Plan A - Direct Plan - Growth	10	357,013	100.00	-	-
UTI Short Term Income Fund - Institutional - Growth	10	8,953,429	1,462.95	8,360,865	1,362.95
			<u>12,556.54</u>		<u>9,983.47</u>
<b>E Debts funds - floating rate funds</b>					
Canara Robeco Floating Rate (Saving Plus Fund) - Direct Growth	10	3,918,706	810.00	3,026,180	610.00
L & T Floating Rate Fund Direct Plan - Growth	10	4,663,292	650.00	-	-
			<u>1,460.00</u>		<u>610.00</u>
<b>F Equity funds - balanced funds (Quoted)</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>G Equity funds - equity funds (Quoted)</b>					
ICICI Prudential Balanced Advantage Fund - Monthly Dividend	10	1,471,690	206.07		-
ICICI Prudential Balanced Advantage Fund - Direct Plan - Growth	10	382,630	100.00		-
Kotak Equity Arbitrage Fund Direct Plan - Bimonthly Dividend	10	496,268	100.00		-
UTI - Long Term Advantage Fund - Series III - Regular Plan - Dividend Payout	10	4,500,000	450.00		-
UTI - Spread Fund - Dividend Payout	10	1,275,421	200.00		-
			<u>1,056.07</u>		<u>-</u>
<b>Current investments</b>					
A Fixed Maturity Plans			6,069.23		9,951.03
B Debt Funds - income funds			14,969.85		12,176.66
C Debt funds - ultra short term bond funds			4,509.90		5,534.47
D Debt funds - short term funds			12,556.54		9,983.47
E Debts funds - floating rate funds			1,460.00		610.00
F Equity funds - balanced funds (Quoted)			124.00		124.00
G Equity funds - equity funds (Quoted)			1,056.07		-
Total:			<u>40,745.59</u>		<u>38,379.63</u>
Aggregate of quoted investments - Market Value			<u>44,207.27</u>		<u>40,156.56</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

	As at 31 March 2016	As at 31 March 2015
<b>14 Inventories</b>		
Raw Materials	418.84	284.84
Work-in-progress	641.22	472.56
Stores and spares	38.36	13.01
	<u>1,098.42</u>	<u>770.41</u>
<b>15 Trade Receivables (unsecured, considered good)</b>		
outstanding for a period exceeding six months from the date they are due for payment	500.72	498.48
Other debts	937.39	574.75
	<u>1,438.11</u>	<u>1,073.23</u>
<b>16 Cash and cash equivalents</b>		
A. Cash and Bank Balances		
Balances with banks in Current Accounts	471.66	358.08
Balances with banks in Unclaimed Dividend Accounts	149.38	83.14
Cash on hand	0.01	0.02
B. Others		
Deposits with more than 12 months maturity	43.31	34.78
	<u>664.36</u>	<u>476.02</u>
<b>17 Short-term loans and advances - unsecured, considered good</b>		
Advances to Suppliers	190.22	283.10
Balance with Central Excise	11.24	14.98
Deposits (Others)	26.51	13.97
Sales tax and Service tax receivable	360.35	282.23
Advance to staff	5.27	8.51
Advance Tax (Net of Provision)	432.22	184.17
Others receivables	32.98	37.04
	<u>1,058.79</u>	<u>824.00</u>
<b>18 Other Current Assets</b>		
Brokerage receivable	-	1.71
Rent receivable	-	2.78
	<u>-</u>	<u>4.49</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in lakhs)

	Year Ended 31 March 2016	Year Ended 31 March 2015
<b>19 Revenue from Operations (Gross)</b>		
A. Nesco IT Park - Licence fees and service charges	12,046.02	9,067.36
B. Bombay Exhibition Centre : Rent and service charges	11,183.36	8,586.27
C. Indabrator - Industrial Capital Goods		
i) Sales of Machines & Spares	2,685.65	1,843.28
Less: Excise Duty	315.78	152.97
Net Sales	<u>2,369.87</u>	<u>1,690.31</u>
ii) Engineering Fees, services & other charges	<u>131.87</u>	<u>100.61</u>
	<u>25,731.12</u>	<u>19,444.55</u>
<b>20 Other Income:</b>		
A. Interest on Bank Deposits	3.88	2.52
Interest from others	<u>6.10</u>	<u>5.68</u>
	9.98	8.20
B. Income from Investments		
Dividend on current Investments	298.88	500.42
Profit on redemption of Mutual Fund	<u>1,066.52</u>	<u>2,029.06</u>
	1,365.40	2,529.48
C. Profit on sale of Assets	0.45	0.15
D. Sundry Creditors/liabilities written back (net)	175.09	230.37
E. Brokerage	34.62	42.92
F. Other receipts	<u>19.73</u>	<u>16.21</u>
	<u>1,605.27</u>	<u>2,827.33</u>
<b>21 Cost of Materials Consumed</b>		
Opening Stock	284.84	136.87
Add : Purchases and Expenses	<u>1,500.53</u>	<u>1,229.56</u>
Less: Closing Stock	<u>418.84</u>	<u>284.84</u>
	<u>1,366.53</u>	<u>1,081.59</u>
<b>22 Changes in Inventories of finished goods and work-in-progress</b>		
Opening Stock		
Semi-finished Goods	<u>472.56</u>	<u>296.78</u>
Less: Closing Stock		
Semi-finished Goods	<u>641.22</u>	<u>472.56</u>
	<u>(168.66)</u>	<u>(175.78)</u>
<b>23 Employee Benefits expenses</b>		
Salary, Wages and Allowances	733.35	596.54
Contribution to Provident and other funds	42.53	35.67
Gratuity	31.48	21.50
Staff welfare expenses	<u>48.17</u>	<u>56.85</u>
	<u>855.53</u>	<u>710.56</u>
<b>24 Finance Cost</b>		
Interest on borrowings	0.16	0.02
Bank charges & guarantee commission	7.75	5.90
Interest to others	<u>5.04</u>	<u>7.41</u>
	<u>12.95</u>	<u>13.33</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

	Year Ended 31 March 2016	Year Ended 31 March 2015
<b>25 Depreciation and Amortisation Expense</b>		
Depreciation and Amortisation	670.13	670.09
	<u>670.13</u>	<u>670.09</u>
<b>26 Manufacturing and other expenses</b>		
<b>A Manufacturing expenses</b>		
Stores and spares consumed	94.68	72.48
Power and fuel	1,011.42	297.78
Erection & fabrication charges	306.10	195.94
	<u>1,412.20</u>	<u>566.20</u>
<b>B Administrative, Selling and General Expenses</b>		
Printing, Stationery, Postage, Telephones	81.42	66.72
Rent	32.36	27.41
Rates and Taxes [Net of refund of ₹ 35.57 lakhs (previous year ₹ 35.00 lakhs)]	554.78	777.99
Advertisement and Sales Promotion	53.67	21.08
Membership and Subscription	10.20	10.28
Insurance	27.48	22.82
Repairs and maintenance of :		
- Buildings & Property	745.41	306.84
- Plant & Machinery	97.68	31.68
- Other Assets	<u>44.10</u>	<u>19.70</u>
	887.19	358.22
Loss on Redemption of Mutual Fund	15.31	0.24
Loss on Sale/Disposal of Assets	10.28	-
Exchange loss on foreign current transactions and transalations (other than finance cost)	0.48	0.32
Travelling, conveyance and Vehicle expenses	175.47	189.27
Auditor's Remuneration:		
- Audit Fees	10.00	9.00
- Certification work	1.50	1.50
- Out of pocket expenses	<u>-</u>	<u>0.16</u>
	11.50	10.66
Legal & professional fees	826.53	735.52
Contribution to Political Parties	-	260.00
CSR Expenses	260.34	218.29
Donations	-	63.98
Managerial remuneration	550.71	459.93
Security charges	64.59	74.19
Bad debts/sundry balance written off	227.24	103.76
Miscellaneous expenses	35.31	27.74
	<u>3,824.86</u>	<u>3,428.42</u>
	<u>5,237.06</u>	<u>3,994.62</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 27 Related party disclosures:

- (a) List of related parties and relationships
- |   |  |
|---|--|
| Subsidiary  | (i) Nesco Hospitality Private Limited  |
| Associate   | (i) NSE Housing and Investments Pvt. Ltd.  |
| Entities in which Key Managerial Personnel have significant influence | (i) Chandler and Price India Private Limited<br>(ii) K S Patel Finance & Investment Company Pvt. Ltd.<br>(iii) Patel Consultancy Private Limited<br>(iv) J V Patel Investment and Trading Co. Pvt. Ltd.<br>(v) Engineering Global Pte Limited  |
| Key Management Personnel  | (i) Mr. Sumant J. Patel – Chairman & Managing Director<br>(ii) Mr. Krishna S. Patel – Joint Managing Director<br>(iii) Mr. Dipesh R. Singhanian – Chief Financial Officer<br>(iv) Ms. Jinal J. Shah – Company Secretary and Compliance Officer |
| Relative of Key Management Personnel                                  | (i) Mrs. Sudha S. Patel – Director   |
- (b) Related party transactions:

Particulars	2015-2016(₹)	2014-2015(₹)
<b>INCOME</b>		
<u>Rent</u>		
- Chandler and Price India Private Limited	--	60,000
<u>Brokerage</u>		
- K S Patel Finance & Investment Company Pvt. Ltd.	1,057,024	4,291,637
- Chandler and Price India Private Limited	2,404,518	--
<b>EXPENSE</b>		
<u>Rent</u>		
- Mr. Sumant J. Patel	2,000,000	2,000,000
<u>Remuneration, perquisites, commission</u>		
- Mr. Sumant J. Patel	38,762,692	36,365,398
- Mr. Krishna S. Patel	15,588,133	9,036,246
- Mr. Dipesh R. Singhanian	5,484,550	4,893,276
<u>Director sitting fees</u>		
- Mrs. Sudha S. Patel	150,000	120,000
- Other Directors	570,000	360,000
<b>AMOUNTS PAYABLE</b>		
Mr. Sumant J. Patel	19,230,856	21,270,841
Mr. Krishna S. Patel	517,422	3,251,452
<b>AMOUNTS RECEIVABLE</b>		
Nesco Hospitality Private Limited	246,066	255,866

### 28 Earnings per share:

Particulars	2015-2016	2014-2015
a) Profit after tax (₹ in lakhs)	13,290.82	11,163.45
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 (₹)	94.31	79.22

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

### a. Gratuity (unfunded)

	2015-2016	2014-2015
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	13,770,000	12,853,000
Interest cost	1,101,600	1,028,240
Service cost	990,173	1,020,042
Benefit paid	(2,360,057)	(1,233,179)
Actuarial (gain)/loss on obligations	1,055,945	101,897
PBO at the end of the year	14,557,661	13,770,000
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	2,360,057	1,233,179
Benefit paid	(2,360,057)	(1,233,179)
Gain/(Loss) on plan assets	-	-
IV) The amounts to be recognised in balance sheet and income statement and the related analysis:		
Present value of obligation	14,557,661	13,770,000
Fair value of plan assets	-	-
Difference	14,557,661	13,770,000
Unrecognised actuarial gain/(losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	14,557,661	13,770,000
V) Net periodic cost:		
Current service cost	990,173	1,020,042
Interest cost	1,101,600	1,028,240
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	1,055,945	101,897
Expenses recognised in the income statement	3,147,718	2,150,179
VI) Movements in the liability recognised in the balance sheet:		
Opening net liability	13,770,000	12,853,000
Expense as above	3,147,718	2,150,179
Contributions paid	(2,360,057)	(1,233,179)
Closing net liability	14,557,661	13,770,000

**b. Leave Encashment (unfunded)**

	2015-2016	2014-2015
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 beginning of year	2,002,000	1,961,000
Interest cost	2,002,000	1,961,000
Service cost	160,160	354,682
Benefit paid	(221,553)	(187,218)
Actuarial (gain)/loss on obligations	304,761	(283,344)
PBO at the end of the year	2,598,744	2,002,000
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	221,553	187,218
Benefit paid	(221,553)	(187,218)
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	2,598,744	2,002,000
Fair value of plan assets	-	-
Difference	2,598,744	2,002,000
Unrecognised actuarial gain/(losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	2,598,744	2,002,000
V) Net periodic cost:		
Current service cost	353,376	354,682
Interest cost	160,160	156,880
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	304,761	(283,344)
Expenses recognised in the income statement	818,297	228,218
VI) Movements in the liability recognised in balance sheet:		
Opening net liability	2,002,000	1,961,000
Expense as above	818,297	228,218
Contributions paid	(221,553)	(187,218)
Closing net liability	2,598,744	2,002,000

### 30 Segment Reporting

(₹ in lakhs)

Particulars	2015-2016	2014-2015
<b>Revenue by segment</b>		
Nesco IT Park	12,046.02	9,067.36
Bombay Exhibition Centre	11,183.36	8,586.27
Indabrator	2,501.49	1,790.92
Investment and other income	1,605.27	2,827.33
<b>Total</b>	<b>27,336.39</b>	<b>22,271.88</b>
Less: Inter- segment revenue	-	-
<b>Net revenue from operations</b>	<b>27,336.39</b>	<b>22,271.88</b>
<b>Segment profit before tax and finance cost</b>		
Nesco IT Park	10,590.59	7,309.36
Bombay Exhibition Centre	9,538.47	6,966.47
Indabrator	30.71	(39.02)
Unallocable Expenses net of Unallocable Income	(783.97)	1,753.99
<b>Total operating profit before tax and finance cost</b>	<b>19,375.80</b>	<b>15,990.80</b>

- 31** 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, 2016 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.

### 32 Contingent Liabilities and Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 21,264.94 Lakhs (previous year - ₹ 170.11 lakhs) against which an advance of ₹ 4,472.00 lakhs (previous year - ₹ 77.02 lakhs) 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 ₹ 148.15 lakhs (previous year ₹ 93.34 lakhs)
- Value Added Tax demand disputed by the Company ₹ 33.27 lakhs for F.Y.2008-2009.
- Counter guarantees given by the company to banks in respect of:
  - Indian Bank Guarantees given by bank on Company's behalf ₹ 545.57 lakhs (previous year - ₹ 375.50 lakhs)
  - Foreign Bank Guarantees given by bank on Company's behalf US \$ 44,271.00 (previous year - US \$3,400.00).



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

(₹ in lakhs)

Sr. No.	Particulars	2015-2016		2014-2015	
		%	₹	%	₹
A	Details of major consumption items:				
	Steel		355.02		296.65
	Casting		173.78		116.56
	Electric Motors		60.86		58.35
	Bearings		38.99		33.16
	Miscellaneous		950.32		805.9
			<b>1,578.97</b>		<b>1,310.62</b>
B	Details of consumption of imported and indigenous items:				
	Raw Material & Components				
	Imported	-	-	0.72%	8.93
	Indigenous	100.00%	1,484.29	99.28%	1,229.20
		<b>100.00%</b>	<b>1,484.29</b>	<b>100.00%</b>	<b>1,238.13</b>
	Stores, Spares & Tools				
	Imported	-	-	-	-
	Indigenous	100.00%	94.68	100.00%	72.48
		<b>100.00%</b>	<b>94.68</b>	<b>100.00%</b>	<b>72.48</b>

34 Income tax assessments are completed up to the assessment year 2013-2014

35 Provision for income tax is made after considering exemptions and deductions available under the Income Tax Act, 1961.

36 Sales tax assessments are completed for Maharashtra up to the financial year 2008-2009, and for Gujarat up to the financial year 2011-2012. The Company does not expect any additional liability for the pending assessments.

37 Particulars in respect of Foreign currency transactions:

Sr. No.	Particulars	2015-2016 (₹)	2014-2015 (₹)
A	Earning in Foreign exchange		
	i) F.O.B. value of exports	3,672,207	5,043,358
	ii) Rent and service charges towards Exhibition	22,348,995	11,122,622
B	Value of Imports on CIF basis		
	i) Raw Materials (including Components)	-	892,570
	ii) Capital Goods	-	345,809
C	Remittances or expenditure in foreign Currency		
	i) Travelling	-	1,930,821
	ii) Membership & subscription	87,332	133,390
	iii) Others	527,522	76,956

- 
- 38 Company has contributed ₹ 260.34 lakhs (previous year ₹ 218.29 lakhs) towards CSR activities prescribed under Schedule VII of the Companies Act, 2013.
- 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 LLP  
Chartered Accountants  
FRN. 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016

For and on behalf of the Board

Mr. Sumant J. Patel	Chairman & Managing Director
Mr. Krishna S. Patel	Joint Managing Director
Mr. Mahendra K. Chouhan	Director
Mrs. Sudha S. Patel	Director
Mr. Jai S. Diwanji	Director
Mr. Dipesh R. Singhanian	Chief Financial Officer
Ms. Jinal J. Shah	Company Secretary & Compliance Officer

Mumbai, 30 May 2016

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF NESCO LIMITED**

#### **Report on the Consolidated Financial Statement**

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 31 March 2016, the Consolidated statement of Profit and Loss, the Consolidated 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 Consolidated Financial Statement**

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 has 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. While conducting the 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. 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.

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## 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 31 March 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

- (a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 55.36 lakhs as at 31 March 2016, total revenues of ₹ 222.75 lakhs and net cash inflows amounting to ₹ 25.74 lakhs for the year ended 31 March 2016, 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 insofar 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.
- (b) Our opinion on the consolidated financial statement, 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

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 maintained by the Holding Company, and its subsidiary included in the group, including relevant records 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 by the Holding Company, and its subsidiary included in the group, including relevant records relating to preparation of the aforesaid 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 31 March, 2016 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 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A'.
- (g) 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 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 Holding Company and its subsidiary company incorporated in India.

For Manubhai & Shah LLP  
Chartered Accountants  
FRN : 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016

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## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

### **Referred to in paragraph (f) under "Report on other Legal and Regulatory Requirements" (Section of our report of even date)**

Report on the Internal Financial Controls over Financial reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Nesco Limited as of and for the year ended 31 March 2016, we have audited the internal financial controls financial reporting of Nesco Limited (here in after referred to as 'the Holding Company') and its Subsidiary Company incorporated in India as of that date.

### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding & its subsidiary company, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountant of India. Those Standards and the Guidance Note require that, we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to



the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement

### **Inherent limitation of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of control, material misstatement due to error or fraud may recur and not detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding company and its subsidiary, which is incorporated in India, have in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting over financial reporting were operating effectively as on 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial Reporting issued by the Institute of Chartered Accountants of India.

For Manubhai & Shah LLP  
Chartered Accountants  
FRN : 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

( ₹ in lakhs)

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
a. Share capital	2	1,409.20	1,409.20
b. Reserves and surplus	3	64,397.55	52,547.26
2 Non-current liabilities			
a. Deferred tax liabilities (net)	4	412.78	219.81
b. Other long term liabilities	5	8,690.15	7,323.28
c. Long-term provisions	6	1,400.02	1,376.01
3 Current liabilities			
a. Trade payables	7	775.59	517.71
b. Other current liabilities	8	3,481.84	3,133.48
c. Short-term provisions	9	16.56	1,098.39
<b>TOTAL</b>		<b>80,583.69</b>	<b>67,625.14</b>
<b>II. ASSETS</b>			
1 Non-current assets			
a. Fixed assets			
(i) Tangible assets	10	16,481.47	15,917.52
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		14,342.81	9,978.50
b. Non-current investments	11	3.32	3.32
c. Long-term loans and advances	12	4,695.46	173.09
2 Current assets			
a. Current investments	13	40,745.59	38,379.63
b. Inventories	14	1,103.47	772.70
c. Trade receivables	15	1,462.68	1,079.33
d. Cash and cash equivalents	16	690.10	495.12
e. Short-term loans and advances	17	1,058.79	821.44
f. Other current assets	18	-	4.49
<b>TOTAL</b>		<b>80,583.69</b>	<b>67,625.14</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 LLP  
Chartered Accountants  
FRN. 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016

For and on behalf of the Board

Mr. Sumant J. Patel	Chairman & Managing Director
Mr. Krishna S. Patel	Joint Managing Director
Mr. Mahendra K. Chouhan	Director
Mrs. Sudha S. Patel	Director
Mr. Jai S. Diwanji	Director
Mr. Dipesh R. Singhania	Chief Financial Officer
Ms. Jinal J. Shah	Company Secretary & Compliance Officer
Mumbai, 30 May 2016.	



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016**

(₹ in lakhs)

Particulars	Note No.	Year Ended 31 March 2016	Year Ended 31 March 2015
I Revenue from operations	19	25,953.87	19,450.65
II Other income	20	1,605.27	2,827.33
III <b>Total Revenue (I + II)</b>		<b>27,559.14</b>	<b>22,277.98</b>
IV Expenses			
Cost of materials consumed	21	1,462.51	1,087.31
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(168.66)	(175.78)
Employee benefits expense	23	940.01	720.90
Finance cost	24	13.01	13.33
Depreciation and amortization expense	25	670.13	670.09
Other expenses	26	5,278.14	3,997.68
<b>Total expenses</b>		<b>8,195.14</b>	<b>6,313.53</b>
V Profit before exceptional items and tax (III-IV)		19,364.00	15,964.45
VI Exceptional items		-	-
VII <b>Profit Before Tax (V-VI)</b>		<b>19,364.00</b>	<b>15,964.45</b>
VIII Tax expense:			
(1) Current tax		6,010.00	4,805.00
(2) Excess Provision for earlier years written back		(130.94)	0.00
(3) Deferred tax		192.97	9.02
<b>Profit for the year</b>		<b>13,291.97</b>	<b>11,150.43</b>
Earnings per equity share of ₹ 10 each Basic and Diluted (in ₹)		94.32	79.13
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 LLP  
Chartered Accountants  
FRN. 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016

For and on behalf of the Board

Mr. Sumant J. Patel  
Mr. Krishna S. Patel  
Mr. Mahendra K. Chouhan  
Mrs. Sudha S. Patel  
Mr. Jai S. Diwanji  
Mr. Dipesh R. Singhania  
Ms. Jinal J. Shah  
Mumbai, 30 May 2016.

Chairman & Managing Director  
Joint Managing Director  
Director  
Director  
Director  
Chief Financial Officer  
Company Secretary & Compliance Officer

# **CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016**

( ₹ in lakhs)

Particulars	Year Ended 31 March 2016	Year Ended 31 March 2015
A) Cash Flow from operating activities		
Net Profit before Tax and extraordinary items	19,364.00	15,964.45
Add / (Less):		
Depreciation	670.13	670.09
Interest income	(9.98)	(8.20)
Finance cost	13.01	13.33
Sundry debtors written off	227.24	103.76
Income from investments	(1,350.09)	(2,529.24)
Profit/(Loss) on sale of fixed assets (net)	10.04	(0.15)
	<u>18,924.35</u>	<u>14,214.05</u>
Operating profit before working capital changes		
Add / (Less):		
(Increase)/Decrease in Inventory	(330.77)	(332.58)
(Increase)/Decrease in Trade & other receivable	(666.58)	(201.08)
Increase/(Decrease) in Trade payables	915.29	1,485.69
	<u>18,842.29</u>	<u>15,166.08</u>
Cash generated from operation		
Add / (Less):		
Debts written off	(227.24)	(103.76)
Income Tax	(6,010.00)	(4,805.00)
(Excess)/Short Provision for earlier years	130.94	-
	<u>12,735.99</u>	<u>10,257.32</u>
Net Cash from operating activities - [A]		
B) Cash Flow from investing activities		
Purchase of fixed assets	(5,608.88)	(10,109.75)
Purchase of investments (net)	(2,365.96)	(1,540.14)
Capital advance - fixed assets	(4,472.00)	-
Sale of fixed assets	0.45	0.15
Interest received	9.98	8.20
Income from investments	1,350.09	2,529.24
	<u>(11,086.32)</u>	<u>(9,112.30)</u>
Net Cash (used in)/from investing activities - [B]		
C) Net Cash Flow used in financing activities		
Finance cost	(13.01)	(13.33)
Dividend Provision/Interim (including tax)	(1,441.68)	(1,071.65)
	<u>(1,454.69)</u>	<u>(1,084.98)</u>
Net Cash Flow used in financing activities - [C]		
Net Increase / (Decrease in Cash / Cash Equivalents (A+B+C)	<u>194.98</u>	<u>60.04</u>
Cash/Cash Equivalent at the beginning of the year	495.12	435.08
Cash/Cash Equivalent at the end of the year	690.10	495.12

As per our report of even date

For Manubhai & Shah LLP

Chartered Accountants

FRN. 106041W/W100136

Laxminarayan P Yekkali

Partner

Membership No. 114753

Mumbai, 30 May 2016

For and on behalf of the Board

Mr. Sumant J. Patel

Mr. Krishna S. Patel

Mr. Mahendra K. Chouhan

Mrs. Sudha S. Patel

Mr. Jai S. Diwanji

Mr. Dipesh R. Singhania

Ms. Jinal J. Shah

Mumbai, 30 May 2016.

Chairman & Managing Director

Joint Managing Director

Director

Director

Director

Chief Financial Officer

Company Secretary & Compliance Officer



## **NOTE 1 -SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis of Accounting**

The financial statements have been prepared 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 under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements comply in all material aspects with the accounting standards notified under Section 211(3C) of Companies Act, 1956 (Companies Accounting Standards) Rules, 2006, as amended and other relevant provisions of the Companies Act, 2013.

### **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:

- i. It is expected to be realized or settled or is intended for sale or consumption in the normal operating cycle.
- ii. 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 Indabrator operations include sale of goods, engineering fees, services and other charges, sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods net of excise, Vat and other taxes, if any.

Revenue from Bombay Exhibition Centre and IT Park division is considered on accrual basis.

Revenue from Hospitality 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 fixed assets has been provided as per the useful life of these assets in the manner prescribed in schedule II of the Companies Act, 2013.

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#### F. Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

#### 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 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.

#### 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 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.

#### 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 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.

**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 comprise cash on hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is three 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.

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S. Dividend

Interim Dividend declared for current year by the Board of directors was paid during the year. Dividend for 2014-15 was paid in current year.

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.

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 statements 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.

V. Details of Subsidiary considered in the consolidated financial statement.

Nesco Hospitality Private Limited

Incorporated on

Percentage of holding as on 31 March 2016

Accounting year

26 December 2014.

99.96% (previous year Nil)

1 April 2015 to 31 March 2016

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

( ₹ in lakhs)

	As at 31 March 2016	As at 31 March 2015
<b>2 Share Capital</b>		
Authorised		
14,750,000 (previous year 14,750,000) Equity Shares of ₹ 10 each	1,475.00	1,475.00
250,000 (previous year 250,000) 11% Cumulative Redeemable Preference Shares of ₹ 10 each	25.00	25.00
	<u>1,500.00</u>	<u>1,500.00</u>
Issued, Subscribed and Paid up		
14,091,992 (previous year 14,091,992) Equity Shares of ₹ 10 each, fully paid up	1,409.20	1,409.20
Total	<u>1,409.20</u>	<u>1,409.20</u>

Of the above :

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

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

	2015-16		2014-15	
Particulars	Equity Shares		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 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 declared an interim dividend of ₹ 8.50 per equity share at its meeting held on 17.03.2016, ₹ 6.50 per equity share was paid as final dividend for the previous year. The interim dividend appropriation for the year ended 31.3.2016 amounts to ₹ 1,197.83 lakhs and corporate dividend tax of ₹ 243.85 lakhs (previous year ₹ 915.98 lakhs and corporate dividend tax of ₹ 155.67 lakhs)

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 31 March 2016		As at 31 March 2015	
2.3 Details of Shareholders holding more than 5% Equity Shares	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Chandler & Price India Pvt.Ltd.	3,886,112	27.58	3,886,112	27.58
Mr. Sumant J. Patel	1,801,467	12.78	1,801,467	12.78
Patel Consultancy Services Pvt. Ltd.	1,051,600	7.46	1,051,600	7.46
Mrs. Sudha S. Patel	914,944	6.49	914,944	6.49
Engineering Global Pte Limited	894,400	6.35	750,000	5.32

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		( ₹ in lakhs)	
		As at 31 March 2016	As at 31 March 2015
<b>3</b>	<b>Reserves &amp; Surplus</b>		
	<b>Capital Reserve</b>		
A.	Revaluation of certain assets	640.10	640.10
B.	Preference Shares Redemption Reserve	9.56	9.56
C.	Cash subsidy received from Govt. of Gujarat	25.00	25.00
	<b>General Reserve</b>		
	Opening Balance	51,822.60	41,743.81
	Add: Transfer from statement of Profit and Loss	11,850.29	10,078.79
	Closing balance	63,672.89	51,822.60
	Surplus/(Deficit) in statement of Profit and Loss		
	Opening balance	50.00	50.00
	Add: Profit for the year	13,291.97	11,150.44
	Less: Interim dividend [₹ 8.50 per share (previous year dividend ₹ 6.50)]	1,197.83	915.98
	Tax on interim dividend/previous year dividend	243.85	155.67
	Transfer to General Reserve	11,850.29	10,078.79
	Closing balance	50.00	50.00
		<u>64,397.55</u>	<u>52,547.26</u>
<b>4</b>	<b>Deferred tax</b>		
A.	Deferred tax liability (net)		
	Opening Balance	219.81	210.79
	Add: Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961	252.34	11.25
	Expenses claimed for tax purpose on payment basis	-	1.02
		<u>472.15</u>	<u>223.06</u>
B.	Deferred tax Asset		
	Expenses allowable for tax purpose on payment basis and others	59.37	3.25
		<u>412.78</u>	<u>219.81</u>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

( ₹ in lakhs)

	As at 31 March 2016	As at 31 March 2015
<b>5 Other long term liabilities</b>		
Advance from exhibition organizers	603.80	634.39
Security deposit from IT Park licencees and others	8,027.86	6,632.52
Security deposit from exhibition organizers	58.49	56.37
	<u>8,690.15</u>	<u>7,323.28</u>
<b>6 Long term provisions</b>		
Provision for compensation	1,245.03	1,245.03
Provision for gratuity	130.16	112.81
Provision for leave encashment	24.83	18.17
	<u>1,400.02</u>	<u>1,376.01</u>
<b>7 Trade payables (Refer note no.30)</b>	<u>775.59</u>	<u>517.71</u>
<b>8 Other current liabilities</b>		
Advance from customers	2,391.64	2,018.43
Security deposit from exhibition organizers	206.59	109.88
Unclaimed dividend	149.38	83.13
Salary/wages payable	68.16	27.85
Statutory dues	263.25	279.88
Security deposits from trainees	1.22	1.68
Other payables	401.60	612.63
	<u>3,481.84</u>	<u>3,133.48</u>
<b>9 Short term provisions</b>		
Proposed dividend	-	915.98
Tax on proposed dividend	-	155.67
Provision for gratuity	15.42	24.89
Provision for leave encashment	1.14	1.85
	<u>16.56</u>	<u>1,098.39</u>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Note 10 - Fixed Assets

(₹ in lakhs)

Particulars	Gross Block			Depreciation / Amortisation				Net Block		
	As at 1-Apr-15	Additions	Deductions/ Transfers	As at 31-Mar-16	Up to 31-Mar-15	For the year	Deductions/ Transfers	Up to 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
1. Tangible assets										
Land Freehold	601.37	-	-	601.37	-	-	-	-	601.37	601.37
Buildings	14,618.71	328.50	32.33	14,914.88	2,615.52	205.81	21.85	2,799.48	12,115.39	12,003.19
Plant and machinery	3,917.70	139.73	-	4,057.43	1,740.72	255.23	-	1,995.95	2,061.48	2,176.98
Electrical installations	1,310.23	530.31	-	1,840.54	594.47	127.84	-	722.31	1,118.23	715.76
Pattern and mouldings	86.54	4.31	-	90.85	81.59	0.98	-	82.57	8.28	4.95
Furniture, fixture & office equipment	513.51	179.74	-	693.25	306.66	51.97	-	358.63	334.62	206.85
Vehicles	428.14	61.98	-	490.12	219.81	28.30	-	248.11	242.01	208.33
Laboratory equipments	1.61	-	-	1.61	1.52	-	-	1.52	0.09	0.09
Total tangible assets	21,477.81	1,244.57	32.33	22,690.04	5,560.29	670.13	21.85	6,208.57	16,481.47	15,917.52
2. Intangible assets										
Technical Knowhow	23.92	-	-	23.92	23.92	-	-	23.92	-	-
Total Intangible assets	23.92	-	-	23.92	23.92	-	-	23.92	-	-
3. Capital Work-in-progres										
Building IT 4.	9,978.50	4,276.62	-	14,255.12	-	-	-	-	14,255.12	9,978.50
Plant and machinery IT 3.	-	84.00	-	84.00	-	-	-	-	84.00	-
Building - Central Kitchen at Hall 3	-	3.69	-	3.69	-	-	-	-	3.69	-
Total Capital Work-in-progress	9,978.50	4,364.31	-	14,342.81	-	-	-	-	14,342.81	9,978.50
Grand Total : (1 + 2 + 3)	31,480.23	5,608.88	32.33	37,056.78	5,584.21	670.13	21.85	6,232.49	30,824.28	25,896.02

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 cost of land at Vishnoli, ₹ 899,623/- held in the name of Mr. Sumant J. Patel for which conveyance is under completion.
- Buildings include Karamsad factory which is situated on land taken on rent.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Note 10 - Fixed Assets

(₹ in lakhs)

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 on a/c of Schedule II Part C	Up to 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
1. Tangible assets										
Land Freehold 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
2. Intangible assets										
Technical Knowhow	23.92	-	-	23.92	23.92	-	-	23.92	-	-
Total Intangible assets	23.92	-	-	23.92	23.92	-	-	23.92	-	-
3. Capital Work-in-progres										
IT Building No.4.	395.20	9,583.30	-	9,978.50	-	-	-	-	9,978.50	395.20
Indabrador 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
Grand Total : (1 + 2 + 3)	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

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.



nesco

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		( ₹ in lakhs)	
		As at 31 March 2016	As at 31 March 2015
11	<b>Non-current investments</b>		
	Investment in Equity instruments (Quoted, Trade)		
	369 (previous year 369) Equity Shares of ₹ 2/- each, fully paid up of Larsen & Toubro Limited - ₹ 148/-	-	-
	79 (previous year 79) Equity Shares Of ₹ 10/- Each, Fully Paid Up of Ultra Tech Cement Ltd. - ₹ 410/-	-	-
	2250 (previous year 2250) Equity Shares Of ₹ 2/- Each, Fully Paid Up of Greaves Cotton Ltd	0.04	0.04
		<u>0.04</u>	<u>0.04</u>
	<u>Investment in Equity instruments</u> <u>(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
	2250 (previous year 2250) Equity Shares of face value of ₹ 100 each of NSE Housing & Investment Pvt Ltd	2.25	2.25
		<u>2.28</u>	<u>2.28</u>
	<u>Investments in Government or</u> <u>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
		<u>3.32</u>	<u>3.32</u>
	Aggregate of quoted investments - Book Value	0.04	0.04
	Aggregate of quoted investments - Market Value	10.14	12.36
	Aggregate of unquoted investments - Book Value	38.28	38.28
12	<b>Long term loans and advances - Unsecured considered good</b>		
	Advances and deposit with public bodies	223.46	96.07
	Capital Advances	4,472.00	77.02
		<u>4,695.46</u>	<u>173.09</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

( ₹ in lakhs)

	Face Value	As at 31 March 2016		As at 31 March 2015		
	of the Unit	No.	₹	No.	₹	
<b>13. Current Investment</b>						
Investment in mutual funds						
A	<u>Fixed Maturity Plans</u>					
	Axis Fixed Term Plan - Series 62 (383 Days) Direct Growth	10	-	-	2,000,000	200.00
	Axis Fixed Term Plan - Series 57 (397 Days) Direct Growth	10	-	-	4,103,584	410.36
	Axis Fixed Term Plan - Series 47 (483 Days) Direct Growth	10	-	-	1,000,000	100.00
	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 - Direct - Growth	10	800,000	80.00	800,000	80.00
	Birla Sun Life Fixed Term Plan - Series JP 1175 Days - Direct - Growth	10	1,037,688	103.77	1,037,688	103.77
	Birla Sun Life Fixed Term Plan - Series KW 1477 Days - Direct - Growth	10	-	-	2,500,000	250.00
	BOI AXA Fixed Maturity Plan - Series 13 (380 Days) - Direct Plan - Growth	10	-	-	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 FTP - Series 36 - 15 M - Direct - Growth	10	1,500,000	150.00	1,500,000	150.00
	DHFL Pramerica (DWS) Fixed Maturity Plan Series 49 - Direct Plan - Growth	10	1,500,000	150.00	1,500,000	150.00
	DHFL Pramerica (DWS) Fixed Maturity Plan Series 49 - Regular Plan - Growth	10	1,500,000	150.00	1,500,000	150.00
	DHFL Pramerica (DWS) Fixed Maturity Plan Series 54 - Direct Plan - Growth	10	-	-	1,500,000	150.00
	DHFL Pramerica (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
	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 371D June 2014 ( 2 ) Series 31 - Direct - Growth	10	-	-	1,070,000	107.00
	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 74 - 369 Days Plan F - Direct Growth	10	2,000,000	200.00	2,000,000	200.00
	IDFC Fixed Term Plan Series 88 Direct Plan - Growth (372 Days)	10	-	-	2,000,000	200.00
	Kotak FMP Series 142 Direct - Growth	10	1,003,316	100.33	1,003,316	100.33
	Kotak FMP Series 189 - Growth	10	2,000,000	200.00	-	-
	L&T FMP Series 10 - Plan M - Direct Growth	10	-	-	2,000,000	200.00
	L&T FMP Series 10 - Plan R - Direct Growth	10	-	-	2,000,000	200.00
	L&T FMP Series 8 - Plan F - Direct Growth	10	2,000,000	200.00	2,000,000	200.00
	Principal Pnb FMP - Series B15-377 Days - Direct Plan - Growth	10	-	-	1,000,000	100.00
	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	1,026,354	102.64

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in lakhs)

	Face Value of the Unit	As at 31 March 2016		As at 31 March 2015	
		No.	₹	No.	₹
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 L (14 Months) - Direct Plan Growth	10	1,030,442	103.04	1,030,442	103.04
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 - A11 - 385 Days - Direct Plan - Growth	10	771,954	77.20	771,954	77.20
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	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
Sundaram Fixed Term Plan - FA - 406 Days - Regular Growth	10	-	-	5,000,000	500.00
Sundaram Fixed Term Plan - FD - 397 Days - Direct Growth	10	-	-	2,267,582	226.75
Sundaram Fixed Term Plan - FI - 383 Days - Regular Growth	10	-	-	2,000,000	200.00
TATA FMP Series 43 Scheme - C - Direct Plan - Growth	10	2,000,000	200.00	2,000,000	200.00
TATA FMP Series 47 Scheme - C - Direct Plan - Growth	10	-	-	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 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
			6,069.23		9,951.03
<b>B Debt Funds - income funds</b>					
Axis Income Fund - Direct Plan - Growth	10	1,477,541	200.00	1,477,541	200.00
Axis Income Fund - Growth	10	2,255,385	300.00	2,255,385	300.00
Axis Fixed Income OpportunitiesFund - Direct Growth	10	4,059,789	450.00	-	-
Axis Fixed Income OpportunitiesFund - Growth	10	922,135	100.00	-	-
BNP Paribas Flexi Debt Fund - Growth- Folio-328670	10	2,876,153	700.00	2,075,050	500.00
BNP Paribas Flexi Debt Fund - Direct Plan - Growth- Folio-328670	10	412,298	100.00	412,298	100.00
BNP Paribas Medium Term Income Fund - Growth- Folio-328670	10	13,451,739	1,600.00	-	-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in lakhs)

	Face Value of the Unit	As at 31 March 2016		As at 31 March 2015	
		No.	₹	No.	₹
BOI AXA Corporate Credit Spectrum Fund - Direct Plan	10	2,902,217	300.00	-	-
Canara Robeco Dynamic Bond Fund - Direct Growth	10	-	-	1,255,934	200.00
Canara Robeco Dynamic Bond Fund - Regular Growth	10	-	-	1,895,507	300.00
Canara Robeco Medium Term Opportunities Fund - Regular Growth	1000	15,803,010	1,707.58	12,337,098	1,307.58
DSP BlackRock Strategic Bond Fund - Inst.Plan - Growth	10	-	-	30,016	500.00
DHFL Pramerica (DWS) Medium Term Income Fund - Direct Plan - Growth	10	1,828,116	212.18	1,828,116	212.18
HDFC High Interest Fund - Dynamic Plan - Growth	10	-	-	625,691	300.00
HDFC Medium Term Opportunities Fund - Direct Plan - Growth	10	1,319,340	200.00	1,319,340	200.00
ICICI Prudential Income Regular Plan - Growth	10	-	-	690,926	302.53
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	2,709,545	425.00
ICICI Prudential Regular Savings Fund - Growth	10	3,913,480	602.53	-	-
ICICI Prudential Regular Savings Fund - Direct Plan - Growth	10	1,331,957	200.00	-	-
ICICI Prudential Regular Income Fund - Growth	10	729,812	104.10	-	-
ICICI Prudential Corporate Bond Fund - Growth	10	4,413,118	1,009.57	-	-
IDFC Dynamic Bond Fund - Growth - Direct Plan	10	-	-	2,895,221	500.00
Kotak Bond Scheme Plan A - Growth	10	-	-	4,408,624	1,680.51
Kotak Medium Term Fund Direct Plan - Growth	10	3,501,711	420.00	-	-
L&T Triple Ace Bond Fund - Growth	10	-	-	1,403,734	512.84
L&T Income Opportunities Fund - Growth	10	3,439,740	550.00	-	-
L&T Income Opportunities Fund Direct Plan - Growth	1000	599,086	100.00	-	-
L&T Resurgent India Corporate Bond Fund - Growth	10	11,747,442	1,290.00	-	-
Religare Invesco Active Income Fund - Growth	10	-	-	22,870	375.00
SBI Magnum Income Fund - Regular Plan - Growth	10	444,883	150.00	444,883	150.00
SBI Magnum Income Fund - Direct Plan - Growth	10	1,175,288	400.00	1,175,288	400.00
SBI Dynamic Bond Fund - Regular Plan - Growth	10	876,532	150.00	876,532	150.00
SBI Dynamic Bond Fund - Direct Plan - Growth	10	2,296,712	400.00	2,296,712	400.00
SBI Corporate Bond Fund - Regular Plan - Growth	10	4,293,052	1,010.00	-	-
Sundaram Bond Saver - Regular Growth	10	-	-	753,048	300.00
TATA Dynamic Bond Fund Plan A - Growth	10	-	-	3,563,000	768.03
UTI Bond Fund - Growth	10	-	-	480,094	200.00
UTI Income (Credit) Opportunities Fund - Growth	10	9,468,270	1,100.00	5,705,796	600.00
UTI Dynamic Bond Fund - Growth	10	7,859,298	1,188.89	7,859,298	1,188.89
			14,969.85		12,176.66
C <u>Debt funds - ultra short term bond funds</u>					
Birla Sun Life Treasury Optimizer Plan - Growth - Direct Plan	100	-	-	1,777,001	3,070.40

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in lakhs)

	Face Value of the Unit	As at 31 March 2016		As at 31 March 2015	
		No.	₹	No.	₹
Religare Invesco Ultra Short Term Fund - Direct Plan Bonus	1000	-	-	20,137	200.00
Sundaram Ultra Short Term Fund - Regular DDR	10	29,983,609	3,009.45	22,557,181	2,264.07
UTI Floating Rate Fund - STP - Regular Plan - DDR	1000	105,385	1,134.87	-	-
UTI Treasury Advantage Fund - Institutional Plan - DDR	1000	16,128	161.65	-	-
UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth	1000	10,369	203.93	-	-
			<u>4,509.90</u>		<u>5,534.47</u>
<b>D Debt funds - short term funds</b>					
Axis Short Term Fund - Direct Plan - Growth	10	1,934,778	300.00	-	-
Axis Short Term Fund - Growth	10	655,252	100.00	-	-
Birla Sun Life Medium Term Plan - Growth - Direct Plan	10	1,442,993	250.00	-	-
Birla Sun Life Short Term Opportunities Fund - Growth - Regular Plan	10	2,567,588	600.00	-	-
Birla Sun Life Short Term Opportunities Fund - Growth-Direct Plan	10	-	-	2,467,089	525.00
BNP Paribas Short Term Income Fund - Growth	10	944,537	150.00	944,537	150.00
DSP BlackRock Short Term Fund - Direct Plan - Growth	10	824,967	200.00	-	-
DSP BlackRock Short Term Fund - Regular Plan - Growth	10	3,202,734	758.64	2,785,292	658.64
DSP BlackRock Banking & PSU Debt Fund - Direct - Growth	10	797,728	100.00	-	-
DSP BlackRock Banking & PSU Debt Fund - Regular - Growth	10	2,573,316	300.00	1,295,829	150.00
DHFL Pramerica (DWS) Short Maturity Fund - Direct Plan - Growth	10	4,497,007	1,150.00	1,810,861	450.00
Templeton(Franklin) India Short Term Income Retail Plan - Growth	1000	-	-	24,580	660.00
HDFC Short Term Plan - Growth	10	742,366	200.00	742,366	200.00
HDFC Short Term Plan - Direct Plan - Growth	10	3,194,335	900.00	-	-
HDFC Short Term Opportunities Fund - Direct - Growth	10	8,612,979	1,308.62	8,612,979	1,308.62
HSBC Income Fund - Short Term Plan - Direct Plan - Growth	10	845,276	200.00	-	-
ICICI Prudential Short Term - Regular Plan - Growth	10	3,599,275	1,014.31	3,599,275	1,014.31
ICICI Prudential Short Term - Direct Plan - Growth	10	341,960	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	439,646	102.87
L&T Short Term Opportunities Fund - Growth	10	1,543,460	200.55	1,543,460	200.55
L&T Short Term Opportunities Fund - Direct Plan - Growth	10	11,457,408	1,535.87	9,982,798	1,335.87
Peerless Short Term Fund - Growth Plan	10	-	-	1,442,546	215.00
Religare Invesco Short Term Fund - Growth	1000	-	-	33,936	630.27
SBI Short Term Debt Fund - Regular Plan - Growth	10	2,496,939	400.00	1,252,717	200.00
Sundaram Select Debt Short Term Asset Plan - Regular Growth	10	2,890,372	700.00	830,006	200.00
TATA Short Term Bond Fund Plan A - Growth	10	1,622,180	422.73	782,032	202.73
TATA Short Term Bond Fund Plan A - Direct Plan - Growth	10	357,013	100.00	-	-
UTI Short Term Income Fund - Institutional - Growth	10	8,953,429	1,462.95	8,360,865	1,362.95
			<u>12,556.54</u>		<u>9,983.47</u>





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in lakhs)

	Face Value of the Unit	As at 31 March 2016		As at 31 March 2015	
		No.	₹	No.	₹
<b>E</b> <u>Debts funds - floating rate funds</u>					
Canara Robeco Floating Rate (Saving Plus Fund) - Direct Growth	10	3,918,706	810.00	3,026,180	610.00
L & T Floating Rate Fund Direct Plan - Growth	10	4,663,292	650.00	-	-
			<u>1,460.00</u>		<u>610.00</u>
<b>F</b> <u>Equity funds - balanced funds (Quoted)</u>					
BALANCE FUNDS					
HDFC Prudence Fund Div. - Folio-2147186/18	10	372,011	<u>124.00</u>	372,011	<u>124.00</u>
			<u>124.00</u>		<u>124.00</u>
<b>G</b> <u>Equity funds - equity funds (Quoted)</u>					
EQUITY FUNDS					
ICICI Prudential Balanced Advantage Fund - Monthly Dividend	10	1,471,690	206.07		-
ICICI Prudential Balanced Advantage Fund - Direct Plan - Growth	10	382,630	100.00		-
Kotak Equity Arbitrage Fund Direct Plan - Bimonthly Dividend	10	496,268	100.00		-
UTI - Long Term Advantage Fund - Series III - Regular Plan - Dividend Payout	10	4,500,000	450.00		-
UTI - Spread Fund - Dividend Payout	10	1,275,421	200.00		-
			<u>1,056.07</u>		<u>-</u>
<u>Current investments</u>					
A Fixed Maturity Plans			6,069.23		9,951.03
B Debt Funds - income funds			14,969.85		12,176.66
C Debt funds - ultra short term bond funds			4,509.90		5,534.47
D Debt funds - short term funds			12,556.54		9,983.47
E Debts funds - floating rate funds			1,460.00		610.00
F Equity funds - balanced funds (Quoted)			124.00		124.00
G Equity funds - equity funds (Quoted)			<u>1,056.07</u>		<u>-</u>
Total:			<u>40,745.59</u>		<u>38,379.63</u>
Aggregate of quoted investments - Market Value			<u>44,207.27</u>		<u>40,156.56</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in lakhs)

	As at 31 March 2016	As at 31 March 2015
<b>14 Inventories</b>		
Raw Materials	418.84	284.84
Work-in-progress	641.22	472.56
Stores and spares	38.36	13.01
Food & Beverages	5.05	2.29
	<u>1,103.47</u>	<u>772.70</u>
<b>15 Trade Receivables (unsecured, considered good)</b>		
outstanding for a period exceeding six months from the date they are due for payment	500.72	498.48
Other debts	961.96	580.85
	<u>1,462.68</u>	<u>1,079.33</u>
<b>16 Cash and cash equivalents</b>		
A. Cash and Bank Balances		
Balances with banks in Current Accounts	497.40	377.18
in Unclaimed Dividend Accounts	149.38	83.14
Cash on hand	0.01	0.02
B. Others		
Deposits with more than 12 months maturity	43.31	34.78
	<u>690.10</u>	<u>495.12</u>
<b>17 Short-term loans and advances - unsecured, considered good</b>		
Advances to Suppliers	190.22	283.10
Balance with Central Excise	11.24	14.98
Deposits (Others)	26.51	13.97
Sales tax and Service tax receivable	360.35	282.23
Advance to staff	5.27	8.51
Advance Tax (Net of Provision)	432.22	184.17
Others receivables	32.98	34.48
	<u>1,058.79</u>	<u>821.44</u>
<b>18 Other Current Assets</b>		
Brokerage receivable	-	1.71
Rent receivable	-	2.78
	<u>-</u>	<u>4.49</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in lakhs)

	Year Ended 31 March 2016		Year Ended 31 March 2015	
<b>19 Revenue from Operations (Gross)</b>				
A. Nesco IT Park - Licence fees and service charges		12,046.02		9,067.36
B. Bombay Exhibition Centre : Rent and service charges		11,183.36		8,586.27
C. Indabrador - Industrial Capital Goods				
i) Sales of Machines & Spares	2,685.65		1,843.28	
Less: Excise Duty	315.78		152.97	
Net Sales	2,369.87		1,690.31	
ii) Engineering Fees, services & other charges	131.87	2,501.74	100.61	1,790.91
D. Hospitality Services		222.75		6.10
		<u>25,731.12</u>		<u>19,444.55</u>
<b>20 Other Income:</b>				
A. Interest on Bank Deposits	3.88		2.52	
Interest from others	6.10	9.98	5.68	8.20
B. Income from Investments				
Dividend on current Investments	298.88		500.42	
Profit on redemption of Mutual Fund	1,066.52	1,365.40	2,029.06	2,529.48
C. Profit on sale of Assets		0.45		0.15
D. Sundry Creditors/liabilities written back (net)		175.09		230.37
E. Brokerage		34.62		42.92
F. Other receipts		19.73		16.21
		<u>1,605.27</u>		<u>2,827.33</u>
<b>21 Cost of Materials Consumed</b>				
Opening Stock	287.13		136.87	
Add : Purchases and Expenses	1,599.27	1,886.40	1,237.57	1,374.44
Less: Closing Stock		423.89		287.13
		<u>1,462.51</u>		<u>1,087.31</u>
<b>22 Changes in Inventories of finished goods and work-in-progress</b>				
Opening Stock				
Semi-finished Goods	472.56	472.56	296.78	296.78
Less: Closing Stock				
Semi-finished Goods	641.22	641.22	472.56	472.56
		<u>(168.66)</u>		<u>(175.78)</u>
<b>23 Employee Benefits expenses</b>				
Salary, Wages and Allowances		815.67		606.47
Contribution to Provident and other funds		44.69		36.08
Gratuity		31.48		21.50
Staff welfare expenses		48.17		56.85
		<u>940.01</u>		<u>720.90</u>
<b>24 Finance Cost</b>				
Interest on borrowings		0.16		0.02
Bank charges & guarantee commission		7.81		5.90
Interest to others		5.04		7.41
		<u>13.01</u>		<u>13.33</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

	Year Ended 31 March 2016	Year Ended 31 March 2015
<b>25 Depreciation and Amortisation Expense</b>		
Depreciation and Amortisation	670.13	670.09
	<u>670.13</u>	<u>670.09</u>
<b>26 Manufacturing and other expenses</b>		
<b>A Manufacturing expenses</b>		
Stores and spares consumed	94.68	72.48
Power and fuel	1,027.93	297.78
Erection & fabrication charges	306.10	195.94
	<u>1,428.71</u>	<u>566.20</u>
<b>B Administrative, Selling and General Expenses</b>		
Printing, Stationery, Postage, Telephones	83.38	66.72
Rent	32.36	27.41
Rates and Taxes [Net of refund of ₹ 35.57 lakhs (previous year ₹ 35.00 lakhs)]	556.09	780.40
Advertisement and Sales Promotion	53.74	21.08
Membership and Subscription	10.20	10.28
Insurance	27.48	22.82
Repairs and maintenance of :		
- Buildings & Property	745.41	306.84
- Plant & Machinery	97.68	31.68
- Other Assets	<u>50.82</u>	<u>19.70</u>
Loss on Redemption of Mutual Fund	15.31	0.24
Loss on Sale/Disposal of Assets	10.28	-
Exchange loss on foreign current transactions and translations (other than finance cost)	0.48	0.32
Travelling, conveyance and Vehicle expenses	175.95	189.27
Auditor's Remuneration:		
- Audit Fees	10.00	9.35
- Certification work	1.50	1.50
- Out of pocket expenses	<u>-</u>	<u>0.16</u>
Legal & professional fees	832.91	735.32
Contribution to Political Parties	-	260.00
CSR Expenses	260.34	218.29
Donations	-	63.98
Managerial remuneration	550.71	459.93
Security charges	66.68	74.19
Bad debts/sundry balance written off	227.24	103.76
Miscellaneous expenses	40.87	28.23
	<u>3,849.43</u>	<u>3,431.48</u>
	<u>5,278.14</u>	<u>3,997.68</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****27 Related party disclosures:****(a) List of related parties and relationships**

Subsidiary	(i) Nesco Hospitality Private Limited
Associate	(i) NSE Housing and Investments Pvt. Ltd.
Entities in which Key Managerial personnel have significant influence	(i) Chandler and Price India Private Limited (ii) K S Patel Finance & Investment Company Pvt. Ltd. (iii) Patel Consultancy Private Limited (iv) J V Patel Investment and Trading Co. Pvt. Ltd. (v) Engineering Global Pte Limited
Key Management Personnel	(i) Mr. Sumant J. Patel – Chairman & Managing Director (ii) Mr. Krishna S. Patel – Joint Managing Director (iii) Mr. Dipesh R. Singhanian – Chief Financial Officer (iv) Ms. Jinal J. Shah – Company Secretary and Compliance Officer
Relative of Key Management Personnel	(i) Mrs. Sudha S. Patel - Director

**(b) Related party transactions:**

<b>Particulars</b>	<b>2015-2016 (₹)</b>	<b>2014-2015 (₹)</b>
<b>INCOME</b>		
<u>Rent</u>		
- Chandler and Price India Private Limited	--	60,000
<u>Brokerage</u>		
- K S Patel Finance & Investment Company Pvt. Ltd.	1,057,024	4,291,637
- Chandler and Price India Private Limited	2,404,518	--
<b>EXPENSE</b>		
<u>Rent</u>		
- Mr. Sumant J. Patel	2,000,000	2,000,000
<u>Remuneration, perquisites, commission</u>		
- Mr. Sumant J. Patel	38,762,692	36,365,398
- Mr. Krishna S. Patel	15,588,133	9,036,246
- Mr. Dipesh R. Singhanian	5,484,550	4,893,276
<u>Director sitting fees</u>		
- Mrs. Sudha S. Patel	150,000	120,000
- Other Directors	570,000	360,000
<b>AMOUNTS PAYABLE</b>		
Mr. Sumant J. Patel	19,230,856	21,270,841
Mr. Krishna S. Patel	517,422	3,251,452
<b>AMOUNTS RECEIVABLE</b>		
Nesco Hospitality Private Limited	246,066	255,866

**28 Earnings per share:**

<b>Particulars</b>	<b>2015-2016</b>	<b>2014-2015</b>
a) Profit after tax (₹ in lakhs)	13,291.97	11,150.43
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 (₹)	94.32	79.13

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

### a. Gratuity (unfunded)

	2015-2016	2014-2015
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	13,770,000	12,853,000
Interest cost	1,101,600	1,028,240
Service cost	990,173	1,020,042
Benefit paid	(2,360,057)	(1,233,179)
Actuarial (gain)/loss on obligations	1,055,945	101,897
PBO at the end of the year	14,557,661	13,770,000
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	2,360,057	1,233,179
Benefit paid	(2,360,057)	(1,233,179)
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	14,557,661	13,770,000
Fair value of plan assets	-	-
Difference	14,557,661	13,770,000
Unrecognised actuarial gain/(losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	14,557,661	13,770,000
V) Net periodic cost:		
Current service cost	990,173	1,020,042
Interest cost	1,101,600	1,028,240
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	1,055,945	101,897
Expenses recognised in the income statement	3,147,718	2,150,179
VI) Movements in the liability recognised in the balance sheet:		
Opening net liability	13,770,000	12,853,000
Expense as above	3,147,718	2,150,179
Contributions paid	(2,360,057)	(1,233,179)
Closing net liability	14,557,661	13,770,000

**b. Leave Encashment (unfunded)**

	2015-2016	2014-2015
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 beginning of year	2,002,000	1,961,000
Interest cost	2,002,000	1,961,000
Service cost	160,160	354,682
Benefit paid	(221,553)	(187,218)
Actuarial (gain)/loss on obligations	304,761	(283,344)
PBO at the end of the year	2,598,744	2,002,000
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	221,553	187,218
Benefit paid	(221,553)	(187,218)
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	2,598,744	2,002,000
Fair value of plan assets	-	-
Difference	2,598,744	2,002,000
Unrecognised actuarial gain/(losses)	-	-
Unrecognised transitional liability	-	-
Liability recognised in balance sheet	2,598,744	2,002,000
V) Net periodic cost:		
Current service cost	353,376	354,682
Interest cost	160,160	156,880
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	304,761	(283,344)
Expenses recognised in the income statement	818,297	228,218
VI) Movements in liability recognised in the balance sheet:		
Opening net liability	2,002,000	1,961,000
Expense as above	818,297	228,218
Contributions paid	(221,553)	(187,218)
Closing net liability	2,598,744	2,002,000

### 30 Segment Reporting

(₹ in lakhs)

Particulars	2015-2016	2014-2015
<b>Revenue by segment</b>		
Nesco IT Park	12,046.02	9,067.36
Bombay Exhibition Centre	11,183.36	8,586.27
Indabrator	2,501.49	1,790.92
Investment and other income	1,605.27	2,827.33
Hospitality services	222.75	6.10
<b>Total</b>	<b>27,559.14</b>	<b>22,277.98</b>
Less: Inter- segment revenue	-	-
<b>Net revenue from operations</b>	<b>27,559.14</b>	<b>22,277.98</b>
<b>Segment profit before tax and finance cost</b>		
Nesco IT Park	10,590.59	7,309.36
Bombay Exhibition Centre	9,538.47	6,966.47
Indabrator	30.71	(39.02)
Hospitality services	1.22	(13.01)
Unallocable Expenses net of Unallocable Income	(783.98)	1,753.98
<b>Total operating profit before tax and finance cost</b>	<b>19,377.01</b>	<b>15,990.80</b>

- 31** 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, 2016 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.

### 32 Contingent Liabilities and Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 21264.94 lakhs (previous year - ₹ 170.11 lakhs) against which an advance of ₹ 4,472.00 lakhs (previous year - ₹ 77.02 lakhs) 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 ₹ 148.15 lakhs (previous year ₹ 93.34 lakhs)
- Value added Tax demand disputed by the Company ₹ 33.27 lakhs for F.Y.2008-2009.
- Counter guarantees given by the Company to banks in respect of:
  - Indian Bank Guarantees given by bank on Company's behalf ₹ 545.57 lakhs (previous year - ₹ 375.50 lakhs)
  - Foreign Bank Guarantees given by bank on Company's behalf US \$44,271.00 (previous year - US \$3,400.00).



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

(₹ in lakhs)

Sr. No.	Particulars	2015-2016		2014-2015	
		%	₹	%	₹
A	Details of major consumption items:				
	Steel		355.02		296.65
	Casting		173.78		116.56
	Electric Motors		60.86		58.35
	Bearings		38.99		33.16
	Miscellaneous		950.32		805.9
			<b>1,578.97</b>		<b>1,310.62</b>
B	Details of consumption of imported and indigenous items:				
	Raw Material & Components				
	Imported	-	-	0.72%	8.93
	Indigenous	100.00%	1,484.29	99.28%	1,229.2
		<b>100.00%</b>	<b>1,484.29</b>	<b>100.00%</b>	<b>1,238.13</b>
	Stores, Spares & Tools				
	Imported	-	-	-	-
	Indigenous	100.00%	94.68	100.00%	72.48
		<b>100.00%</b>	<b>94.68</b>	<b>100.00%</b>	<b>72.48</b>

34 Income tax assessments are completed up to the assessment year 2013-2014

35 Provision for income tax is made after considering exemptions and deductions available under the Income Tax Act, 1961.

36 Sales tax assessments are completed for Maharashtra up to the financial year 2008-2009, and for Gujarat up to the financial year 2011-2012. The Company does not expect any additional liability for the pending assessments.

**37 Particulars in respect of Foreign currency transactions:**

Sr. No.	Particulars	2015-2016 (₹)	2014-2015 (₹)
A	Earning in Foreign exchange		
	i) F.O.B. value of exports	3,672,207	5,043,358
	ii) Rent and service charges towards Exhibition	22,348,995	11,122,622
B	Value of Imports on CIF basis		
	i) Raw Materials (including Components)	-	892,570
	ii) Capital Goods	-	345,809
C	Remittances or expenditure in foreign Currency		
	i) Travelling	-	1,930,821
	ii) Membership & subscription	87,332	133,390
	iii) Others	527,522	76,956

- 
- 38 Company has contributed ₹ 260.34 lakhs (previous year ₹ 218.29 lakhs) towards CSR activities prescribed under Schedule VII of the Companies Act, 2013.
- 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 LLP  
Chartered Accountants  
FRN. 106041W/W100136

Laxminarayan P Yekkali  
Partner  
Membership No. 114753  
Mumbai, 30 May 2016

For and on behalf of the Board

Mr. Sumant J. Patel	Chairman & Managing Director
Mr. Krishna S. Patel	Joint Managing Director
Mr. Mahendra K. Chouhan	Director
Mrs. Sudha S. Patel	Director
Mr. Jai S. Diwanji	Director
Mr. Dipesh R. Singhania	Chief Financial Officer
Ms. Jinal J. Shah	Company Secretary & Compliance Officer
Mumbai, 30 May 2016	

**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 SUBSIDIARY COMPANY

(Amount 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 2016
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	(11,85,996)
6.	Total assets	55,35,576
7.	Total Liabilities	55,35,576
8.	Investments	NIL
9.	Turnover	2,22,74,524
10.	Profit before taxation	1,15,810
11.	Provision for taxation	NIL
12.	Profit after taxation	1,15,810
13.	Proposed Dividend	NIL
14.	% of shareholding	99.96%

Names of subsidiaries which are yet to commence operations - NIL

Names of subsidiaries which have been liquidated or sold during the year - NIL

For and on behalf of the Board

Mr. Sumant J. Patel  
Mr. Krishna S. Patel  
Mr. Mahendra K. Chouhan  
Mrs. Sudha S. Patel  
Mr. Jai S. Diwanji  
Mr. Dipesh R. Singhania  
Ms. Jinal J. Shah  
Mumbai, 30 May 2016

Chairman & Managing Director  
Joint Managing Director  
Director  
Director  
Director  
Chief Financial Officer  
Company Secretary & Compliance Officer

## SHAREHOLDERS INFORMATION

### 1. General Shareholders information

1.	Annual General Meeting	The 57th Annual General Meeting will be held on 10 August 2016 at 3.30 p.m. in International Lounge, Hall No. 1, 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 : 01 April 2016 to 31 March 2017 First Quarterly Result : On or before 2nd week of August 2016 Second Quarterly Result : On or before 2nd week of November 2016 Third Quarterly Result : On or before 2nd week of February 2017 Annual Accounts 2016-17 : Last week of May 2017
3.	Date of Book Closure	05 August 2016 to 10 August 2016 (both days inclusive)
4.	Listing on Stock Exchange:	The Company's Equity shares are listed on : BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. The National Stock Exchange of India Ltd. 5th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
5.	Demat ISIN in NSDL and CDSL for Equity Shares	INE 317F01027

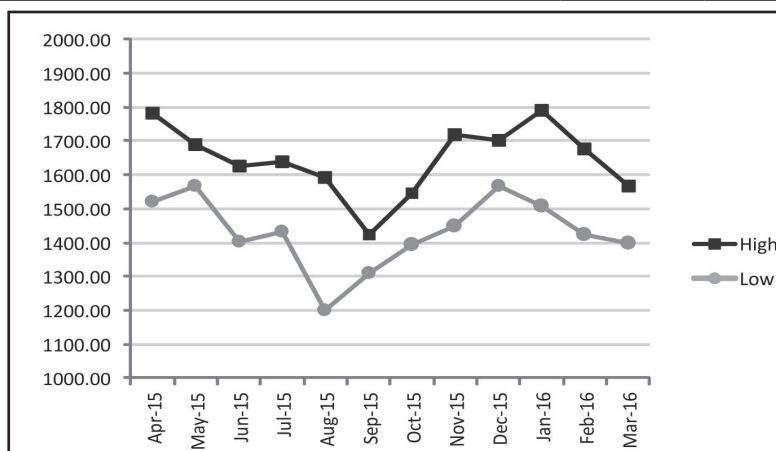
The Company hereby confirms that the Company has paid Annual Listing Fees to both the Exchanges and there is no outstanding payment towards the exchanges as on date.

### 2. Stock market data

Monthly high and low prices of Equity shares of the company quoted at Stock Exchange, Mumbai during the year 2015-16.

Month	High	Low	Month	High	Low
April 2015	1782.50	1521.10	October 2015	1544.00	1392.10
May 2015	1690.80	1568.00	November 2015	1720.00	1450.05
June 2015	1625.00	1401.00	December 2015	1700.00	1566.00
July 2015	1637.00	1430.00	January 2016	1789.00	1509.85
August 2015	1592.00	1200.00	February 2016	1676.95	1425.50
September 2015	1424.90	1308.10	March 2016	1569.00	1400.00

The above prices are depicted in the Chart given below:



**3. Share Transfer System**

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

**4. Share Transfer Details**

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

Sr. no.	Particulars	Equity
a.	Number of transfers	47
b.	Average No. of transfers per month	3.92
c.	Number of Shares Transferred	12,910

**5. Demat / Remat of Shares**

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

Particulars	Nos.
Number of Demat requests	121
Number of Shares Demated	42,832
Number of Remat requests	NIL
Number of Share Remated	NIL

**6. Categories of shareholding as on 31 March 2016**

	Category	Number of shares held	% of share holding
A	Promoter(s) Holding		
1.	-Indian	87,11,931	61.822
2.	-Foreign	8,94,400	6.347
	<b>Sub-total (A)</b>	<b>96,06,331</b>	<b>68.169</b>
B	Non-promoters holding		
1.	Institutional investors		
a.	Mutual funds	4,52,920	3.214
b.	Banks, financial inst, insurance companies (central / state govt. inst / non-government inst)	1,37,511	0.976
c.	FII (s)	6,72,111	4.769
	<b>Sub-total (B1)</b>	<b>12,62,542</b>	<b>8.959</b>
2.	Others		
a.	Private corporate bodies	3,91,783	2.780
b.	Indian public	27,78,386	19.716
c.	NRIS / OCBS	50,135	0.356
d.	Any other - Foreign Companies	746	0.005
	- Clearing members	2,069	0.015
	<b>Sub-total (B2)</b>	<b>32,23,119</b>	<b>22.872</b>
	<b>Sub-total (B=B1+B2)</b>	<b>44,85,661</b>	<b>31.831</b>
	<b>Grand total (A+B)</b>	<b>1,40,91,992</b>	<b>100.00</b>

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**Distribution of shareholding as on 31 March 2016 is as follows**

Share	No Of Holders	(%) Of Holders	Total Shares	% of SH/DB
UPTO TO 100	8,877	70.71	2,83,386	2.01
101 TO 200	1,438	11.45	2,33,671	1.66
201 TO 500	1,132	9.02	3,90,024	2.77
501 TO 1000	587	4.68	4,18,380	2.97
1001 TO 5000	450	3.58	8,90,193	6.32
5001 TO 10000	33	0.26	2,22,690	1.58
10001 TO 100000	22	0.18	5,37,051	3.81
100001 TO ABOVE	15	0.12	1,11,16,597	78.89
<b>Total</b>	<b>12,554</b>	<b>100.00</b>	<b>1,40,91,992</b>	<b>100.00</b>

**7. Unclaimed / unpaid dividends**

Final dividend for the financial year ended 31 March 2009 and subsequent years, which remain unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on the dates mentioned in the table below. Members who have not encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's RTA M/s. Sharex Dynamic India Private Limited.

No.	Date of declaration	For the Financial year ended	Due for transfer to IEPF
1	14.09.2009	31.03.2009	19.10.2016
2	09.09.2010	31.03.2010	16.10.2017
3	12.08.2011	31.03.2011	18.09.2018
4	08.08.2012	31.03.2012	14.09.2019
5	08.08.2013	31.03.2013	14.09.2020
6	20.08.2014	31.03.2014	26.09.2021
7	03.08.2015	31.03.2015	09.09.2022

**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
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.
2014-2015	56th	Nesco Complex, Western Express Highway, Goregaon (E), Mumbai	03.08.2015	3.30 P.M.

## 11. Investors Correspondence

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 - 400 072.  
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, 30 May 2016

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## NOTICE

Notice is hereby given that the 57<sup>th</sup> Annual General Meeting of Nesco Limited will be held at International Lounge in Hall No. 1, Bombay Exhibition Centre at the registered office of the Company at Nesco Complex, Western Express Highway, Goregaon East, Mumbai - 400063 on Wednesday, 10 August 2016 at 3.30 p.m. to transact the following business:

### Ordinary Business

1. To consider and adopt
  - a. the audited standalone financial statement of the Company for the financial year ended 31 March 2016, together with the report of the Board of Directors and Auditors thereon.
  - b. the audited consolidated financial statement of the Company for the financial year ended 31 March 2016, together with the report of the Board of Directors and Auditors thereon.
2. To confirm Interim Dividend of ₹ 8.50 per equity share, already paid for the financial year ended 31 March 2016 as final dividend on equity shares.
3. To appoint a director in place of Mrs. Sudha S. Patel (DIN: 00187055), who retires by rotation and being eligible offers herself for reappointment.
4. To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration and pass the following ordinary resolution with or without modification thereof:

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of Companies Act 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee, and pursuant to the resolution passed by the members at the AGM held on 03 August 2015, the appointment of M/s Manubhai & Shah LLP, Chartered Accountants (LLP Registration No. AAG-0878) as the auditors of the Company to hold office till the conclusion of the next Annual General Meeting be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31 March 2017 as may be determined by the Audit Committee and as may be agreed upon between the Auditors and the Board of Directors."

By order of the Board of Directors

Jinal J. Shah  
Company Secretary and Compliance Officer  
Mumbai, 30 May 2016

Registered Office:  
Nesco Complex,  
Western Express Highway,  
Goregaon (East), Mumbai - 400063  
CIN No. - L17100MH1946PLC004886



**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. 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.
2. 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.
3. Corporate Members intending to send their authorized 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.
4. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 05 August 2016 to 10 August 2016 (both days inclusive), for the purpose of annual general meeting.
8. The board of directors in their meeting held on 17 March 2016 concluded that the interim dividend of ₹ 8.50 per equity share of ₹ 10.00 each be confirmed as the final dividend.
9. The annual report is also available on the website of the Company at [www.nesco.in](http://www.nesco.in) in the Investors Relations section.
10. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-appointment at the AGM, is furnished as annexure to the Notice.
11. 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 2007-08 and is in process to transfer the unpaid/unclaimed dividend for the year 2008-09. Members are therefore requested to expeditiously put their claims for unclaimed dividends.
12. 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)

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- 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 Share Transfer Agent and not to the Company.
  - iv. Quote their Folio no. / Client ID no. in their correspondence with the Registrar and Share Transfer Agent.
  - 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.
13. 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.
  14. 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.
  15. 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
  16. 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.



17. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents, Sharex Dynamic (India) Private Limited.

18. 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, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote at 57th 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.

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- (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:

- i) To opt e-voting follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

OR

- ii) 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:

- (a) The voting period begins on Sunday, 07 August 2016 at 10.00 a.m. and ends on Tuesday, 09 August 2016 at 05.00 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 03 August 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (b) 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).
- (c) 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 03 August 2016.
- (d) Ms. Neeta H. Desai, ND & Associates, Practising Company Secretaries has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (e) 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.
- (f) 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.
- (g) The results declared along with scrutinizer's 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 57th AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By order of the Board of Directors

Jinal J. Shah  
Company Secretary and Compliance Officer  
Mumbai, 30 May 2016

Registered Office:  
Nesco Complex,  
Western Express Highway,  
Goregaon (East), Mumbai – 400063  
CIN No. – L17100MH1946PLC00488

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## ANNEXURE

Additional information on director seeking re-appointment as required under Regulation 36(3) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	Mrs. Sudha S. Patel
Director Identification Number (DIN)	00187055
Date of Birth	25 May 1938
Date of Appointment	16.07.2001
Brief resume of the Director	<p>Mrs. Sudha S. Patel has done her M.S. in Education Psychology from University of Southern California.</p> <p>Mrs. Sudha S. Patel had joined the Company as an Executive Director. Currently she is a Non-Executive Director of the Company.</p>
Directorships and Committee memberships held in other Listed Companies as on 31.03.2016	NIL
Inter-se relationship between Directors	Wife of Mr. Sumant J. Patel
Number of Equity Shares held in the Company	914944





FRONT VIEW OF IT PARK BUILDING NO. 4  
( UNDER CONSTRUCTION )

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