

**NOTICE**

The 50th annual general meeting of Nesco Limited will be held at the registered office of the Company at Nesco Complex, Western Express Highway, Goregaon (E), Mumbai-400 063 on Monday, 14 September 2009 at 11.30 A. M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited balance sheet as at 31 March 2009 and the profit and loss account for the year as on that date together with the report of the Board of Directors and auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. Bharat V Patel, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Mahendra K Chouhan, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to fix their remuneration.

Mumbai, 27 June 2009

By order of the Board of Directors

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

Sumant Patel  
Chairman & Managing Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument of proxy, duly completed, should be lodged at the registered office of the Company not less than forty-eight hours before the commencement of the annual general meeting.
3. The register of members and share transfer book of the Company will remain closed from Monday, 07 September 2009 to Monday, 14 September 2009 (both days inclusive).
4. All correspondence regarding shares of the Company should be addressed to the Company's registrar and transfer agents, Sharex Dynamic (India) Pvt. Ltd. (Unit: Nesco Limited) at Unit No. 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072.
5. Members are requested to bring their copy of the annual report to the meeting.



**ANNEXURE TO THE NOTICE**

Details of Directors seeking reappointment at the forthcoming annual general meeting pursuant to clause 49 of the Listing Agreement

<b>Name of the Director</b>	Mr. Bharat V Patel	Mr. Mahendra K Chouhan
<b>Date of birth</b>	25.09.1944	05.12.1955
<b>Date of appointment</b>	20.01.2005	19.04.2005
<b>Qualification</b>	B A, M A., MBA.	B Sc., MBA(Finance)
<b>Directorship held in Indian public Companies as on 31.03.2009</b>	03	01
<b>Committee positions held in Indian public Companies as on 31.03.2009</b>	NIL	NIL
<b>Number of shares held in the Company</b>	NIL	NIL

## Directors' Report

Your Directors present their 50th annual report together with the audited statement of accounts for the year ended 31 March 2009.

### 1. Financial Results :

	<u>2008 - 09</u>	<u>2007-08</u>
	Rs.	Rs.
Income	946,913,649	1,053,775,869
Profit before tax	460,777,730	545,892,299
Provision for tax	137,771,489	162,561,672
Profit after tax and prior period items	337,856,488	382,612,788
Balance brought forward	5,000,000	5,000,000
Amount available for appropriations	333,992,292	372,387,049
Appropriations:		
i) Dividend	8,455,195	8,455,195
ii) Tax on Proposed Dividend	1,436,960	1,436,960
iii) Transfer to General Reserve	319,100,137	357,494,894
Surplus carried forward to Profit & Loss Account	5,000,000	5,000,000

### 2. Dividend :

Your Directors recommend a dividend of Rs.1.20 per equity share of Rs.10 each (i.e. 12%) for the year ended 31 March 2009 amounting to Rs. 8,455,195 (previous year Rs.1.20 per equity share of Rs.10 each i.e. 12%) subject to approval by shareholders at the 50th annual general meeting. The dividend is free of tax in the hands of shareholders.

### 3. Management Discussion and Analysis:

#### i) Overview

During the year your Company achieved a turnover of Rs. 946,913,649 as compared to Rs. 1,053,775,869 in previous year, while PBT was Rs. 460,777,730 as compared to Rs. 545,892,299 in previous year. Earnings per share amounted to Rs. 47 (previous year Rs. 52). The Company's reserves increased from Rs. 719,546,901 to Rs. 1,038,022,585.

#### ii) Divisional Performance

During the year 2008-09, all the Company's business groups were profitable.

	<u>2008 - 09</u>	<u>2007-08</u>
	Rs.	Rs.
<b><u>Services Group:</u></b>		
Bombay Convention & Exhibition Centre and Realty Group (including IT Park)	571,375,972	663,023,911
<b><u>Manufacturing Group:</u></b>		
Industrial Capital Goods	279,608,347	283,782,876
<b><u>Income from Investments &amp; Other Income</u></b>	95,929,330	106,969,082
<b>Total</b>	<b>946,913,649</b>	<b>1,053,773,869</b>

a) **Bombay Convention & Exhibition Centre**

Bombay Convention & Exhibition Centre income was Rs. 349,615,729 compared to Rs. 496,324,633 in the previous year. Due to 26/11 Mumbai blasts and the economic slowdown, several exhibitions got cancelled or downsized.

New organizers who hosted their exhibitions at our Convention & Exhibition Center include Expomedia Events India; Global Sources, Singapore; K and D Communications Ltd; Franchise Association of India; Indian Institute of Welding, etc. For the year 2009-10 new customers will include Messe Nurnberg; Messe Hannover; Conferences & Exhibitions, Singapore; CWIEME Ltd, UK; Al Fazer Information & Services, Dubai, etc.

During the year, the Company spent Rs. 171,32,455 on repairs, modernization and upgradation of the four convention & exhibition center halls covering an area of over 4,50,000 sq. ft.

b) **Realty Division**

Income from Realty Division, including IT Park, increased from Rs. 166,699,278 to Rs. 221,760,243.

As regards IT Building no. 3, admeasuring about 800,000 sq.ft., construction is well under way, for which contract has been given to Larsen & Toubro Ltd. This building is expected to be completed around April 2010. So far the Company has spent Rs. 206,728,687 on this project.

c) **Industrial Capital Goods Group**

Income was almost the same at Rs. 279,608,347 as compared to Rs. 283,782,876 in previous year. Large value of finished/semi finished goods could not be dispatched due to constraints faced by our customers. Due to economic slowdown, several corporates deferred or cancelled their plans for capital investments. The industries particularly affected were automotive, steel and engineering.

The Company completed construction of its third unit at Vishnoli, Gujarat which gives it the capacity to manufacture and assemble the largest surface preparation plants.

d) **Income from Investments**

Income from investments and other income was Rs. 959,29,330 (previous year Rs. 106,969,082).

iii) **Future Outlook**

Indian economy, one of the fastest growing economy in the world, grew well in 2007-08 and in the beginning of 2008-09. Around August 2008, in response to rising inflation, monetary policy was tightened with the result interest rates went up and there was a liquidity crunch. Then in September 2008, the bankruptcy of Lehman Brothers and the sub prime crisis led to the deterioration of the USA and European economies, unparalleled in history. All this led to decline in GDP and IIP growth.

These developments had an impact on further investments and expansions, which were slowed down or stopped. This affected both our Industrial Capital Goods Group and Bombay Convention & Exhibition Centre. Several leading companies deferred their capital equipment purchases, particularly in the automotive & steel segments. The economic slowdown in India and worldwide combined with 26/11 Mumbai blasts resulted in downsizing or cancellations of several exhibitions. With the result, growth we had envisaged in 2008-09 did not take place.

There are some signs of improvement in demand. We are of the view that future outlook is positive, as the Indian economy will continue to be one of the fastest growing economies in the world since it is driven largely by domestic demand.

In this context, we are considering to increase our Convention & Exhibition Centre hall space from 4,50,000 sq ft to 1,000,000 sq ft.; construct additional IT buildings after IT building no.3 is completed and fully occupied; and, modernize our Industrial Capital Goods Group. Further expansions we are considering will be timed with the economic tempo in the country. Our Company has no plans to go for new borrowings and would like to keep debt within healthy limits, and as far as possible carry out major portion of this expansion and modernization from our own resources.

**4. Finance:**

Company's liquid resources (FDs, FMPs, debt MFs, etc) increased to Rs. 1,232,004,368 from Rs. 1,041,559,083. General reserves increased from Rs. 719,546,901 to Rs. 1,038,022,585.

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

**5. Internal Control Systems:**

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

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

Your Company recognizes its role in health and safety, as well as its responsibility towards environment and society. Infact your Company's goal are: no accidents, no harm to people and no damage to environment. The health and medical services are accessible to all employees through well equipped occupational health centers at all manufacturing facilities. Safety and security of personnel, assets and environmental protection are also on top of the agenda of the Company at its manufacturing facilities.

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

**7. Personnel:**

Employee relations during the year were cordial and stable.

The Directors appreciate the contributions, dedication and commitment of all employees of Company in achieving the 2008-2009 results.

8. **Listing:**

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

9. **Directors:**

Mr. Bharat Patel and Mr. Mahendra Chouhan retire by rotation at the ensuing annual general meeting and being eligible offer themselves for reappointment. The profile of the Directors to be reappointed at the annual general meeting is given in the annexure to the notice. There are no other changes in the Board of Directors of the Company.

10. **Directors' Responsibility Statement:**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that to the best of their knowledge and belief and according to the information and explanations available to them

- (i) In the preparation of the annual accounts the applicable accounting standards have been followed.
- (ii) Appropriate accounting policies have been selected and supplied consistently and have made judgments that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2009 and of the profit of the Company for the year ended on the date;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

11. **Corporate Governance:**

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

12. **Auditors:**

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

13. **Conversion of energy, technology absorption, foreign exchange earning and outgo:**

The Company is undertaking the necessary energy conservation activities in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988.



14. **Particulars of Employees :**

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

15. **Acknowledgment:**

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

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

**Mumbai, 27 June 2009**

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

## REPORT ON CORPORATE GOVERNANCE

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

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

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

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

### 2. Board of Directors:

The present strength of the Board of Directors is eight. The Board comprises of the Managing, Joint Managing and executive Directors. There are five non executive, independent Directors.

The day to day management is conducted by the Managing Director of the Company subject to superintendence, control and direction of the Board of Directors.

The details of composition of the Board and summary of other Directorships and Board Committee Memberships of each of the Directors as on 31 March 2009 are as follows:

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

\* This excludes directorship held in private companies, foreign companies, companies formed under section 25 of the Companies Act, 1956 and directorship held as an alternate director.

# Committee of Directors includes Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee of Directors only.

## This does not include Membership / Chairmanship in Committee of Directors of Nesco Limited



### 3. Number of Board Meetings and Attendance Record of Directors :

The meetings of the Board are scheduled well in advance. The Board meets at least once in a quarter to consider amongst other business the performance of the Company and financial results. Each time, a detailed agenda is prepared in consultation with the Chairman & Managing Director.

The particulars of Board Meetings held during the year 01.04.2008 to 31.03.2009 as well as attendance of Directors at the Board and the last AGM are given here below:

Number of Board Meeting held during financial year 2008-2009			
Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1	16.04.2008	5	31.10.2008
2	30.06.2008	6	29.01.2009
3	31.07.2008	7	12.03.2009
4	05.09.2008		

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

Name of Director	Number of board meeting Attended	Whether attended Last AGM held on 29.08.2008
Mr. Sumant Patel	07	Yes
Dr. Ram S. Tarneja	06	Yes
Mr. Bharat V. Patel	05	No
Mr. K. S. Srinivasa Murthy	05	Yes
Mr. Mahendra K. Chouhan	06	Yes
Mrs. Sudha S. Patel	07	Yes
Mr. Mohan Parikh	07	Yes
Mr. Krishna S Patel	05	Yes

### **BOARD COMMITTEES:**

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

#### **Audit Committee:**

##### **I Composition**

Sr. no.	Name of the Member	
A	Mr. Mohan Parikh	Chairman
B	Mr. K. S. Srinivasa Murthy	Member
C	Mr. Mahendra K. Chouhan	Member

During the year the Committee has met 5 times in a year as detailed below

Date of Audit Committee Meetings
30.06.2008
31.07.2008
31.10.2008
29.01.2008
12.03.2009

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

The terms of reference are broadly as under:

- a. Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other service rendered by the Auditors.
- c. Reviewing with management the annual financial statement before submission to the Board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause 2(AA) of Section 217 of the Companies Act, 1956.
  - Changes if any, in accounting policies and practice.
  - Major accounting entries based on exercise of judgment by management.
  - Observations if any, in draft audit report.
  - Significant changes/amendments, if any, arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Qualification in the draft audit report.
  - Compliance with stock exchange and legal requirements concerning financial statement.
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large
- d. Review of quarterly / half yearly unaudited financial results before submission to the auditors and the Board.
- e. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- f. Reviewing the adequacy of internal audit functions, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors any significant finding and follow up thereon.
- h. Reviewing the findings, if any, of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.

- i. Discussions with external auditors before the audit commence nature and scope of audit as well as have post- audit discussion to ascertain any area of concern.
- j. Reviewing the Company's financial and risk management policies.
- k. To look into the reasons for substantial defaults, if any, in the payment to the shareholders (in case of non payment of declared dividends) and creditors.
- l. Financial statements and investments made by subsidiaries.

**The Audit Committee also reviews:**

Management discussion and analysis of financial condition and results of operations;  
Statement of significant related party transactions (as defined by the audit committee), submitted by management;  
Management letters / letters of internal control weaknesses issued by the statutory Auditors;  
Internal audit reports relating to internal control weaknesses; and  
The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

The Chairman of the Audit Committee briefs the Board about the significant discussions held at the Audit Committee Meetings.

**Remuneration Committee:**

**I. Composition**

Sr. no.	Name of the Member	
A	Mr. Mohan Parikh	Chairman
B	Dr. Ram S Tarneja	Member
C	Mr. Mahendra K. Chouhan	Member

**II. Scope of Remuneration Committee:**

The following matters are referred to the Remuneration Committee,

Fixing the remuneration payable to the Managing Directors/ Whole time Directors/ Executive Directors within the overall limits approved by the members.  
Determining the remuneration policy of the Company and  
Reviewing the performance of employees and their compensation.

During the year under review the committee has met once as the committee had to consider appointment of Mr. Krishna S. Patel as an Executive Director w. e. f. 01.07.2008 for a period of 5 years and also recommend the remuneration.

Date of Remuneration Committee Meetings
30.06.2008

### Details of remuneration to Directors for the year:

Last year Mr. Sumant Patel was re-appointed as a Managing Director for a period of five years with effect from 01.04.2008 by the shareholders by passing a Special Resolution and fixing the overall ceiling of remuneration payable to him. The Company also fixed the overall limit of remuneration payable to Mr. Krishna S. Patel, Executive Director.

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

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

### Shareholders / Investors Grievance Committee:

#### I. Composition :

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

The Committee has met 5 times during the year after its formation to review grievances received from the members.

Date of Investors Grievance Committee
16.04.2008
30.06.2008
31.07.2008
31.10.2008
29.01.2008

#### II Scope of Shareholders/Investors Grievance Committee :

The Committee administers the following activities:

- Transfer of shares
- Transmission of shares
- Issue of duplicate share certificate.
- Change of status.
- Change of name
- Transposition of shares
- Sub-division of shares
- Consolidation of folios
- Shareholders requests for dematerialization / rematerialization of shares.

The Board has delegated the power of share transfer to registrar & share transfer agents, who process the transfers and the same is approved by the Board in their meeting as well as in the Investors Grievance Committee. The Committee also looks after redressal of investor's grievances and performance of the registrar and share transfer agents of the Company.

**(III) Compliance Officer :**

Mr. Suresh Kadge is the Compliance Officer of the Company.

**(IV) Share Transfer Details :**

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

Sr. no.	Particulars	Equity
a.	Number of transfers	122
b.	Average No. of Transfer per month	11
c.	Number of Share Transferred	19345

**(V) Demat/Remat of Shares:**

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

Particulars	
Number of demat transfer approved	242
Number of sub-committee meeting held	---
Number of shares demated	50584
Number of remat requests approved	1
Number of share remated	1

**(VI) Details of complaints received and redressed during the year 2008-09:**

Sr. No.	Particulars	Received	Redressed	Pending as on
1.	Non receipt of divided warrants	15	15	NIL
2.	Non receipt of share certificates	--	--	NIL
3.	Non receipt of bonus	4	4	NIL
4.	Non receipt of annual report	1	1	NIL

The Company is in constant touch with Sharex Dynamic (India) Pvt. Ltd., registrar and share transfer agent of the Company, and reviews periodically the outstanding complaints, if any,

**4. General Body Meetings:**

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

Year	AGM	Location	Date	Time
2005-2006	47 <sup>th</sup>	Nesco Complex, W. E. Highway, Goregaon (E), Mumbai	31.07.2006	11.30 A.M.
2006-2007	48 <sup>th</sup>	Nesco Complex, W. E. Highway, Goregaon (E), Mumbai	30.07.2007	04.00 P.M.
2007-2008	49 <sup>th</sup>	Nesco Complex, W. E. Highway, Goregaon (E), Mumbai	05.09.2008	02.30 P.M.

## 5. Disclosures :

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

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

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

## 6. CEO/CFO Certification :

The Chairman and Managing Director and Vice President have certified to the Board of Directors compliance in respect of all matters specified in sub-clause V of the Listing Agreement.

## 7. Means of Communication :

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

## 8. General Shareholders information :

1.	Annual General Meeting	The 50th Annual General Meeting will be held on Monday, 14 September 2009 at 11.30 a.m. at Nesco Complex, W. E. Highway, Goregaon (E), Mumbai – 400063
2.	Financial Calendar	Financial Calendar for 2009-2010 Financial Year: 1st April, 2009 to 31st March, 2010 First Quarterly Result: On or before 31st July 2009 Second Quarterly Result: On or before 31st October 2009 Third Quarterly Result: On or before 31st January 2010 Fourth Quarterly Result: On or before 30th April, 2010
3.	Date of Book Closure	Monday, 07 September 2009 to Monday, 14 September 2009(both days inclusive)

4.	Dividend Payment Date	04 October, 2009
5.	Listing on Stock Exchange:	<p>The Company's Equity shares are listed on :</p> <p>The Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.</p> <p>The National Stock Exchange of India Ltd. (NSE), 5th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai: 400051.</p>
6.	Demat ISIN in NSDL and CDSL for Equity Shares	INE 317F01027

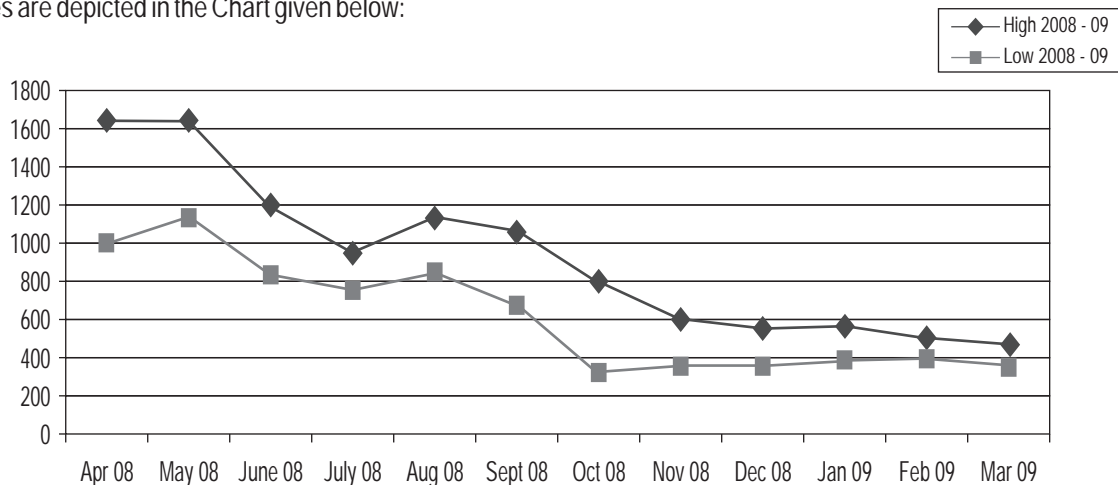
The Company hereby confirms that the Company has paid annual listing fees to both the exchanges and there is no outstanding payment towards the exchanges as on date.

### 8.1. Stock market data

Monthly high and low prices of equity shares of the company quoted at Bombay Stock Exchange, Mumbai during the year 2008-2009

Month	High	Low
April 2008	1644.40	1005.05
May 2008	1629.40	1141.60
June 2008	1180.00	832.00
July 2008	960.00	762.00
August 2008	1130.00	848.00
September 2008	1060.00	675.00
October 2008	797.00	323.00
November 2008	610.00	365.00
December 2008	557.00	359.00
January 2009	564.00	388.65
February 2009	511.00	396.05
March 2009	466.00	358.00

The above prices are depicted in the Chart given below:



Price as on 24 June 2009 was Rs. 743.05

### **Registrar and Transfer Agent :**

Sharex Dynamic (India) Pvt Ltd.,  
Unit No. 1, Luthra Industrial Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (East),  
Mumbai-400 072  
Tel :- 91 22 28515606/28515644  
Fax : 91 22 28512885

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

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

## **8.2 Share Transfer System**

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

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

## **8.3 Categories of shareholding as on 31 March 2009**

	Category	no. of shares held	% of shareholding
A	Promoter (s) holding		
1.	Promoter (s)		
	- Indian promoters	4055194	57.553
	- Foreign promoters	—	
2.	Persons acting in concert	316364	4.490
	<b>Sub-total</b>	<b>4371558</b>	<b>62.043</b>
B	Non-promoters holding		
3.	Institutional investors	—	—
A.	Mutual funds and UTI	—	—
B.	Banks, financial inst, insurance companies (central / state govt. Inst / non-government inst)	<b>245708</b>	<b>3.487</b>
C.	FII (s)	<b>10</b>	<b>0.000</b>
	<b>Sub-total</b>	<b>245718</b>	<b>3.487</b>



	Category	no. of shares held	% of shareholding
4.	Others		
A.	Private corporate bodies	623670	8.851
B.	Indian public	1788449	25.383
C.	NRIS / OCBS	14656	0.208
D.	Any other (foreign-companies) Clearing members	1945	0.028
	<b>Sub-total</b>	<b>2428720</b>	<b>37.957</b>
	<b>Grand total</b>	<b>7045996</b>	<b>100%</b>

Distribution of shareholding as on 31.03.2009 is as follows:

SHARE	NO OF HOLDERS	(%) OF HOLDERS	TOTAL SHARES	% OF SH/DB
UPTO TO 100	12318	81.12	309628	4.39
101 TO 200	1185	7.80	192537	2.73
201 TO 500	967	6.37	323383	4.59
501 TO 1000	376	2.48	267259	3.79
1001 TO 5000	280	1.84	600064	8.52
5001 TO 10000	21	0.14	148848	2.11
10001 TO 100000	24	0.16	623565	8.85
100001 TO ABOVE	14	0.09	4580712	65.01
<b>TOTAL</b>	<b>15185</b>	<b>100.00</b>	<b>7045996</b>	<b>100.00</b>

#### 8.4 Code of Conduct

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

#### 8.5 Secretarial Audit

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

#### 8.6 Plant Locations:

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

Anand Sojitra Road,  
Karamsad,  
Gujarat.

Nadiad Khambat Road,  
Vishnoli  
Gujarat



**8.7 Investors Correspondence**

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

**R & T Agent**

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

**Any Query on Annual Report:**

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

**Auditor's report on Compliance with the Corporate Governance under clause 49 of the listing agreement**

To the Members of Nesco Limited

We have examined the compliance of conditions of corporate governance by Nesco Limited for the year ended 31 March, 2009 as stipulated in clause 49 of the listing agreement entered into with the stock exchanges.

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

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

We state that no investor grievances are pending for a period of exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

**For Shah & Co.,  
Chartered Accountants**

**(Hemendra N. Shah)  
Partner  
Membership No. 8152**

**Mumbai, 27 June 2009**

**BALANCE SHEET AS AT MARCH 31, 2009**

Schedule	As at 31-03-2009		As at 31-03-2008	
	Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>				
1. <b>Shareholders' Funds:</b>				
a) Share Capital	1	70,459,960	70,459,960	
b) Reserves & Surplus	2	<u>1,038,022,585</u>	<u>719,546,901</u>	790,006,861
2. <b>Loan Funds:</b>				
Secured	3	168,242,680		-
3. <b>Deferred Tax liability</b> (Refer Note No. 12 in schedule 13)		7,353,282		15,481,793
<b>T O T A L :-</b>		<u><u>1,284,078,507</u></u>		<u><u>805,488,654</u></u>
<b>APPLICATION OF FUNDS:</b>				
1. <b>Fixed Assets:</b>	4			
a. Gross Block		623,634,198	565,983,733	
b. Less: Depreciation		<u>304,690,431</u>	<u>283,504,964</u>	
c. Net Block		318,943,767		282,478,769
d. Capital Work in Progress		28,640,857		36,372,485
2. <b>Investments</b>	5	1,105,635,223		938,659,380
3. <b>Current Assets, Loans &amp; Advances</b>	6			
a. Interest accrued on Investments		3,779,485	5,620,183	
b. Inventories		51,961,385	50,855,547	
c. Sundry Debtors		95,304,296	74,774,842	
d. Other receivables		2,019,253	4,300,358	
e. Cash & Bank Balances		126,369,145	102,899,703	
f. Loans and Advances		<u>579,140,685</u>	<u>256,942,224</u>	
		858,574,249	495,392,857	
Less: Current Liabilities & Provision	7	<u>1,037,542,045</u>	<u>967,067,754</u>	
Net Current Assets		(178,967,796)		(471,674,897)
4. <b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)	8	<u>9,826,456</u>		19,652,917
<b>T O T A L :-</b>		<u><u>1,284,078,507</u></u>		<u><u>805,488,654</u></u>
Notes on Accounts :	13			

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

Hemendra N. Shah  
Partner  
Membership No.8152  
Mumbai, 27 June 2009

For and on behalf of the Board  
Sumant Patel      Chairman & Mg. Director  
Ram Tarneja      Director  
K S Srinivasa Murthy      Director  
M. K. Chouhan      Director  
Sudha Patel      Jt. Mg. Director  
Krishna Patel      Executive Director  
Mohan Parikh      Director  
Mumbai, 27 June 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

		As at 31-03-2009		As at 31-03-2008	
	Schedule	Rupees	Rupees	Rupees	Rupees
<b>INCOME:</b>					
Sales, Services & Other Income	9		<u>946,913,649</u>		<u>1,053,775,869</u>
<b>EXPENDITURE:</b>					
Manufacturing & Establishment Exps	10		<u>238,950,350</u>		232,384,338
Administrative, Selling & General Exps	11		<u>209,784,184</u>		252,409,957
Interest	12		<u>16,222,837</u>		6,162,834
<b>TOTAL :-</b>			<u><u>464,957,371</u></u>		<u><u>490,957,128</u></u>
Profit before Depreciation & Taxation			<u>481,956,278</u>		562,818,741
Depreciation		<u>21,803,000</u>		17,616,239	
Less: Transferred from Revaluation Reserve		<u>624,452</u>	<u>21,178,548</u>	<u>689,798</u>	16,926,441
Profit for the year before Tax			<u>460,777,730</u>		545,892,300
Less: Provision for Current Tax			<u>145,000,000</u>		155,000,000
Provision for Deferred Tax (Refer Note No. 12 in Schedule 13)			<u>(8,128,511)</u>		6,930,785
Fringe Benefit Tax			<u>900,000</u>		630,887
Profit After Tax before Prior period items			<u>323,006,241</u>		383,330,628
Add/(Less) Prior period items (Refer Note No. 13 in Schedule 13)			<u>14,850,247</u>		(717,840)
Profit after Prior period items			<u>337,856,488</u>		382,612,788
Less: Deferred Revenue Expenditure written off			<u>9,826,461</u>		15,225,739
Net Profit for the year			<u>328,030,027</u>		367,387,049
Add: Balance brought forward from previous year			<u>5,000,000</u>		5,000,000
Excess Provision of Income Tax write back			<u>962,265</u>		-
Profit available for Appropriation			<u>333,992,292</u>		372,387,049
Proposed dividend			<u>8,455,195</u>		8,455,195
Tax on Proposed Dividend			<u>1,436,960</u>		1,436,960
Transferred to General Reserve			<u>319,100,137</u>		357,494,894
Balance carried to Schedule			<u>5,000,000</u>		5,000,000
Earning per share basic and diluted (Refer note no. 14 in schedule 13)			<u>47</u>		52
Notes on Accounts	13				

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

Hemendra N. Shah  
Partner  
Membership No.8152  
Mumbai, 27 June 2009

For and on behalf of the Board  
Sumant Patel Chairman & Mg. Director  
Ram Tarneja Director  
K S Srinivasa Murthy Director  
M. K. Chouhan Director  
Sudha Patel Jt. Mg. Director  
Krishna Patel Executive Director  
Mohan Parikh Director  
Mumbai, 27 June 2009

**SCHEDULES '1' TO '13' ANNEXED TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED MARCH 31, 2009**

Schedule 1	As at 31-03-2009		As at 31-03-2008	
	Rupees	Rupees	Rupees	Rupees
<b>SHARE CAPITAL</b>				
<b>Authorised:</b>				
72,50,000 Equity Shares of Rs.10/- each		72,500,000		72,500,000
250,000 11% Cumulative Redeemable Preference shares of Rs.10/- each (Free of Company's tax; but subject to deduction of tax at source)		2,500,000		2,500,000
<b>TOTAL :-</b>		<b>75,000,000</b>		<b>75,000,000</b>
<b>Issued:</b>				
70,46,186 Equity Shares of Rs.10/- each.		70,461,860		70,461,860
<b>TOTAL :-</b>		<b>70,461,860</b>		<b>70,461,860</b>
<b>Subscribed &amp; Called up :</b>				
70,45,996 Equity Shares of Rs.10/- each, fully paid up		70,459,960		70,459,960
<b>TOTAL :-</b>		<b>70,459,960</b>		<b>70,459,960</b>

**Of the above shares:**

247,770 and 980,088 equity shares had been issued for consideration other than cash in terms of the schemes of amalgamation of erstwhile Shree Vrajesh Textile Mills Pvt.Ltd. and Indabrador Ltd. respectively with the company. And 43,37,438 equity shares were issued as bonus shares, by capitalisation of reserves of Rs. 428,74,380 and share premium account Rs.500,000/-.

**SCHEDULES TO THE BALANCE SHEET**

Schedule 2	As at 31-03-2009		As at 31-03-2008	
	Rupees	Rupees	Rupees	Rupees
<b>RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
on revaluation of certain assets as per last Balance Sheet	66,648,288		72,042,535	
Less: deduction for sale of TDR	-		4,704,449	
Less: Amount Transferred to Profit & Loss A/c	<u>624,452</u>		<u>689,798</u>	
		66,023,836		66,648,288
Preference Shares Redemption Reserve: As per last Balance Sheet		956,000		956,000
Cash subsidy received from Govt. of Gujarat		2,500,000		2,500,000
<b>General Reserve</b>				
As per last balance sheet	644,442,613		286,947,719	
Transferred from Profit & Loss Account	<u>319,100,137</u>	963,542,749	<u>357,494,894</u>	644,442,613
Profit & Loss Account		5,000,000		5,000,000
<b>T O T A L :-</b>		<u><u>1,038,022,585</u></u>		<u><u>719,546,901</u></u>

**Schedule 3**
**SECURED LOANS**
**FROM BANKS:**

HDFC Bank Ltd. (Over draft facility against lien over Debt Mutual Funds)	137,231,998	NIL
Axis Bank Ltd. (Cash credit facility against Hypothecation of all Current assets and mortgage of a part of immovable property)	31,010,682	NIL

<b>T O T A L :-</b>	<u><u>168,242,680</u></u>	<u><u>NIL</u></u>
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**SCHEDULE '4'**

FIXED ASSETS		GROSS BLOCK			DEPRECIATION				Net Block as at	
Sr No	Particulars	As at 01-04-2008	Additions	Deductions/ Transfers	As at 31-03-2009	Up to 31-03-2008	For the year	Deduction/ Transfer	Up to 31-03-2009	
1	Land Freehold	59,867,988	269,000	-	60,136,988	-	-	-	-	59,867,988
2	Buildings	183,565,309	35,925,628	-	219,490,937	129,714,443	5,846,986	-	135,561,429	53,850,866
3	Buildings at Worli (under subsidised Housing Scheme)	2,333,224	-	-	2,333,224	1,681,725	32,575	-	1,714,300	651,499
4	Plant & Machinery	257,139,280	8,041,566	-	265,180,846	113,647,484	8,811,916	-	122,459,400	143,491,796
5	Electrical Installations	21,557,535	2,999,728	-	24,557,263	10,055,564	987,282	-	11,042,846	11,501,971
6	Pattern & Mouldings	7,600,499	-	-	7,600,499	7,423,559	53,082	-	7,476,640	176,940
7	Furniture, Fixture & Office Equipments	20,663,821	2,325,824	-	22,989,645	12,088,686	3,040,468	-	15,129,154	8,575,135
8	Vehicles	10,702,913	8,861,569	772,850	18,791,632	6,368,129	3,026,826	617,532	8,777,422	4,334,784
9	Technical Knowhow	2,392,126	-	-	2,392,126	2,392,126	-	-	2,392,126	-
10	Laboratory Equipments	161,038	-	-	161,038	133,249	3,865	-	137,114	27,789
<b>Total- Rupees</b>		<b>565,983,733</b>	<b>58,423,315</b>	<b>772,850</b>	<b>623,634,198</b>	<b>283,504,965</b>	<b>21,803,001</b>	<b>617,532</b>	<b>304,690,431</b>	<b>282,478,768</b>
11	Capital WIP- IT Bldg. No.3.	19,023,357	9,205,330	-	28,228,687	-	-	-	-	19,023,357
Vishnoli Project		17,349,128	12,473,384	29,410,342	412,170	-	-	-	-	17,349,128
<b>Grand Total- Rupees</b>		<b>602,356,218</b>	<b>80,102,029</b>	<b>30,183,192</b>	<b>652,275,055</b>	<b>283,504,965</b>	<b>21,803,001</b>	<b>617,532</b>	<b>304,690,431</b>	<b>318,851,253</b>
Previous Year Rupees :-		562,746,812	45,720,464	6,111,058	602,356,218	267,067,944	17,616,239	1,179,219	283,504,964	318,851,253

**Notes :**

- Gross Block : Plant & Machinery and Electrical Installation at net value after deducting depreciation upto 31.3.1960 and thereafter at cost/book value (less sales) and other assets at book value.
- Depreciation : (a) Depreciation on Plant & Machinery and Electrical Installation have been provided on straight line basis and on other assets on written down value basis.  
(b) Depreciation on Technical Know how amortised @ 1/6 p.a.  
(c) Assets valuing Rs. 5000/- or less has been depreciated at 100% in respect of both divisions.
- Land-Freehold includes Rs. 8,99,623/- in the name of Mr. Sumant J Patel for which conveyance is yet to be completed.
- Building at Karamsad unit are on lease hold land. Lease for a period of 55 years from 12th December 1973 with no provision for renewals. The buildings are being depreciated at 10% per annum on diminishing balance on the assumption that the lease will be renewed.



**Schedule 5**

<b>INVESTMENTS (AT COST)</b>	<b>As at 31.3.2009 Rupees</b>	<b>As at 31.3.2008 Rupees</b>
<b><u>I. Fixed Maturity Plans</u></b>		
ABNAMRO FMP M182YD (Nil) (Previous Year 600000) Units of Rs. 10/- Each	-	6,000,000
ABNAMRO FMP M183RD (Nil) (Previous Year 500000) Units of Rs. 10/- Each	-	5,000,000
Fortis FTP Series 13 Plan B Inst. Growth (500000) (Previous Year Nil) Units of Rs. 10/- Each	5,000,000	-
Fortis FTP Series 13 Plan B Regular Growth (500000) (Previous Year Nil) Units of Rs. 10/- Each	5,000,000	-
Birla Fixed Term Plan Series W (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Birla Fixed Term Plan Series Y (Nil) (Previous Year 400000) Units of Rs. 10/- Each	-	4,000,000
Birla Fixed Term Plan Series T (Nil) (Previous Year 350000) Units of Rs. 10/- Each	-	3,500,000
DSP BlackRock FMP - 12 M Series 3 - Regular Growth (1000000) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-
DSP BlackRock FMP - 12 M Series 2 - Institutional Growth (1000000) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-
DWS Fixed Term Fund Series 54 - FMP Institutional Growth (1000000) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-
Franklin India Fixed Horizon Fund Series II - Plan (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
Franklin Templeton Fixed Horizon Fund Series IX Plan C (1000000) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-
Franklin Fixed Tenure Fund Series VII (Nil) (Previous Year 600000) Units of Rs. 10/- Each	-	6,000,000
Franklin Tempelton F Horizon F Series XI P C 367D Tenure (3000000) (Previous Year Nil) Units of Rs. 10/- Each	30,000,000	-
Franklin Tempelton Fixed Horizon Fund Series IX Plan D (1000000) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-
Franklin Tempelton Fixed Horizon Fund Series VIII Plan A (1000000) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-
Grindlays SSI Short Term (Nil) (Previous Year 973008.738) Units of Rs. 10/- Each	-	10,000,000
HDFC Fixed Maturity Plan Series V -Units (Nil) (Previous Year 1020000) Units of Rs. 10/- Each	-	10,200,000
HDFC Fixed Maturity Plan 370D August 2008 (1000000) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-
ICICI Prudential FMP Series 36-Units (Nil) (Previous Year 1000000) Units of Rs. 10/- Each	-	10,000,000
ICICI Prudential FMP Series 38-Units (Nil) (Previous Year 500000) Units of Rs. 10/- Each	-	5,000,000
ICICI Prudential FMP Series 47 (1 Year) Plan B - Retail (1000000) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-
ICICI Prudential FMP Series 47 (1 Year) Plan B - Institutional (1000000) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-
IDFC FMP Yearly Series 26 (1000000) (Previous Year Nil) Units of Rs. 10/- Each	10,000,000	-

<b>INVESTMENTS (AT COST)</b>	<b>As at 31.3.2009 Rupees</b>	<b>As at 31.3.2008 Rupees</b>
Kotak FMP 12M Series 8 (1000000) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
Kotak FMP 12M Series 9 Retail - Growth (1500000) (Previous Year Nil) Units of Rs.10/- Each	15,000,000	-
LIC FMP 36 Series 14 Months Div (1000000) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
LIC FMP 43 (13 Months) Series (2000000) (Previous Year Nil) Units of Rs.10/- Each	20,000,000	-
LIC FMP Series 20 (Nil) (Previous Year 500000) Units of Rs.10/- Each	-	5,000,000
LIC FMP Series 31 (Nil) (Previous Year 1000000) Units of Rs.10/- Each	-	10,000,000
LIC FMP Series 42 - 13 Months (D) (1000000) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
LIC MF Interval Fund Series 1- Annual Growth Plan (1000000) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
Religare FMP 375 Days Series XIV - Inst. Growth (1000000) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
Religare FMP 375 Days Series XV - Inst. Growth (500000) (Previous Year Nil) Units of Rs.10/- Each	5,000,000	-
Religare FMP 375 Days Series XV - Regular Growth (500000) (Previous Year Nil) Units of Rs.10/- Each	5,000,000	-
Reliance Fixed Horizon Fund IX Series 2-15 Mths - G (1000000) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
Reliance Fixed Horizon Fund - X Series 1 Growth (1000000) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
Reliance Fixed Horizon Fund - X Series 2 Growth (5000000) (Previous Year Nil) Units of Rs.10/- Each	50,000,000	-
Reliance Fixed Horizon Fund - X Series 3 Dividend (4000000) (Previous Year Nil) Units of Rs.10/- Each	40,000,000	-
SBI Debt Fund Series = 15 Months (Nil) (Previous Year 400000) Units of Rs.10/- Each	-	4,000,000
SBI Debt Fund Series - 13 Mths - 8 - Retail Growth (1000000) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
SBI MF DFS - 370 Days - 2 Retail Growth (5000000) (Previous Year Nil) Units of Rs.10/- Each	50,000,000	-
Sundaram BNP Fixed Term Plan K Inst. - Growth (250000) (Previous Year Nil) Units of Rs.10/- Each	2,500,000	-
Sundaram BNP Fixed Term Plan K Retail - Growth (250000) (Previous Year Nil) Units of Rs.10/- Each	2,500,000	-
Sundaram BNP Paribas Fixed Term Plan Series XX (Nil) (Previous Year 350000) Units of Rs.10/- Each	-	3,500,000
Sundaram BNP Paribas Fixed Term Plan Series XXX (Nil) (Previous Year 1000000) Units of Rs.10/- Each	-	10,000,000
Sundaram BNP Paribas Fixed Term Plan Series 16 Inst. Div. (1000000) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
Sundaram BNP Paribas Fixed Term Plan Series XXVIII (Nil) (Previous Year 1000000) Units of Rs.10/- Each	-	10,000,000
TATA Fixed Horizon Fund Series 18 Scheme C (1000000) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
<b>TOTAL</b>	<b>430,000,000</b>	<b>122,200,000</b>

<b>INVESTMENTS (AT COST)</b>	<b>As at 31.3.2009 Rupees</b>	<b>As at 31.3.2008 Rupees</b>
<b>II. DEBT FUNDS</b>		
<b>A. INCOME FUNDS</b>		
Birla Income Plus Fund - Dividend Qrtly (1278966.844) (Previous Year 471564.580) Units of Rs.10/- Each	15,000,000	5,000,000
Birla Sunlife Income Fund - Div Qrtly (3136211.14) (Previous Year 4,69,958.279) Units of Rs.10/- Each	35,500,000	5,000,000
Birla Sunlife Dynamic Bond Fund - Retail - Monthly Div (1933347.942) (Previous Year Nil) Units of Rs.10/- Each	20,000,000	-
Birla Sunlife Dynamic Bond Fund - Retail - Growth (706444.184) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
HDFC Income Fund (1050888.729) (Previous Year Nil) Units of Rs.10/- Each	11,627,865	-
ICICI Prudential Income Fund - Dividend Quarterly-Units (6299424.453) (Previous Year 436496.589) Units of Rs.10/- Each	82,100,000	5,000,000
IDFC SSIF Short Term Monthly Divdend (3895120.000) (Previous Year Nil) Units of Rs.10/- Each	39,364,124	-
IDFC SSIF ST - Plan B - Monthly Divdend (998233.128) (Previous Year Nil) Units of Rs.10/- Each	10,000,000	-
ING Income Fund - Institutional - Qty Dividend (1965872.454) (Previous Year Nil) Units of Rs.10/- Each	20,000,000	-
ING Income Fund - Regular - Qty Dividend (494969.312) (Previous Year Nil) Units of Rs.10/- Each	5,500,000	-
Reliance Income Fund Retail Plan Monthly Dividend (1479435.495) (Previous Year Nil) Units of Rs.10/- Each	15,550,000	-
Reliance Income Div. Qrtly (1394151.466) (Previous Year 395267.127) Units of Rs.10/- Each	20,200,000	5,000,000
TATA Income Fund TIFD - Periodic Div. (Nil) (Previous Year 552997.193) Units of Rs.10/- Each	-	7,992,229
<b>TOTAL</b>	<b>284,841,989</b>	<b>27,992,229</b>
<b>B. LIQUID FUNDS</b>		
DSP BlackRock Liquidity Fund - Regular Plan - Growth (4568.695) (Previous Year 4568.695) Units of Rs.10/- Each	83,796	83,796
Franklin Templeton Treasury Management Growth Plan (Nil) (Previous Year 54.978) Units of Rs.10/- Each	-	102,651
Franklin Templeton India Money Market Account (Nil) (Previous Year 459828838) Units of Re.1/- Each	-	459,828,838
HDFC Cash Management Fund Saving Plan Growth (7211.853) (Previous Year 7211.853) Units of Rs.10/- Each	113,047	119,399
<b>TOTAL</b>	<b>196,843</b>	<b>460,134,684</b>
<b>C. SHORT TERM FUNDS</b>		
Franklin Life Stage for 50's Plus (207668.793) (Previous Year 926391.333) Units of Rs.10/- Each	2,500,000	10,925,944
Birla Sunlife Short Term (Nil) (Previous Year 1043650.101) Units of Rs.10/- Each	-	10,519,471
Franklin Templeton India Short Term Income (10580.433) (Previous Year 9701.943) Units of Rs.10/- Each	11,448,892	10,502,074

<b>INVESTMENTS (AT COST)</b>	<b>As at 31.3.2009 Rupees</b>	<b>As at 31.3.2008 Rupees</b>
Franklin Templeton India Short Term Income Plan Monthly (27656.988) (Previous Year Nil) Units of Rs.10/- Each	30,000,000	-
HDFC Floating Rate Income Fund (Nil) (Previous Year 1100028.286) Units of Rs.10/- Each	-	11,089,275
ICICI Prudential Short Term Plan DF - Reinvest (3858116.125) (Previous Year Nil) Units of Rs.10/- Each	45,536,928	-
ICICI Prudential Short Term Dividend Fortnightly Units (Nil) (Previous Year 338700.609) Units of Rs.10/- Each	-	5,265,695
Optimix Dynamic (ING Vysya) Fund (Nil) (Previous Year 250000) Units of Rs.10/- Each	-	2,500,000
Reliance Short Term Fund Div. Qrtly (1524587.790) (Previous Year Nil) Units of Rs.10/- Each	20,000,000	-
Reliance Short Term Fund - Retail Plan - Dividend Plan (2823246.679) (Previous Year Nil) Units of Rs.10/- Each	30,000,000	-
TATA Short Term Bond Growth (Nil) (Previous Year 721818.405) Units of Rs.10/- Each	-	10,000,000
Kotak Bond Regular - Dividend Qtrly (Nil) (Previous Year 379339.703) Units of Rs.10/- Each	-	4,000,000
<b>TOTAL</b>	<b>139,485,820</b>	<b>64,802,459</b>
<b>Total for Debt Funds</b>	<b>424,524,652</b>	<b>552,929,372</b>

### **III. EQUITY FUNDS**

#### **A. BALANCE FUNDS**

DSP BlackRock Balance Fund - Dividend (404058.791) (Previous Year 404058.791) Units of Rs.10/- Each	10,000,000	10,000,000
HDFC Prudence Fund - Dividend (747200.097) (Previous Year 747200.097) Units of Rs.10/- Each	22,575,599	22,575,599
Kotak Balance Fund - Dividend (714441.132) (Previous Year 714441.132) Units of Rs.10/- Each	17,500,000	17,500,000
SBI Magnum Balance Fund - Dividend (222524.580) (Previous Year 222524.580) Units of Rs.10/- Each	7,500,000	7,500,000
SBI Magnum Balance Fund - Growth (101740.635) (Previous Year 101740.635) Units of Rs.10/- Each	5,000,000	5,000,000
TATA Balance Fund (148279.367) (Previous Year 148279.367) Units of Rs.10/- Each	7,500,000	7,500,000
<b>TOTAL</b>	<b>70,075,599</b>	<b>70,075,599</b>

#### **B. EQUITY FUNDS**

DSP BlackRock Equity Fund - Regular Plan - Dividend (360882.023) (Previous Year 360882.023) Units of Rs.10/- Each	15,508,962	15,508,962
DSP BlackRock India TIGER Fund - Regular Plan - Div (460243.174) (Previous Year 460243.174) Units of Rs.10/- Each	11,400,000	11,400,000
DSP BlackRock India Tiger Fund - Regular Plan - Growth (14132.278) (Previous Year 14132.278) Units of Rs.10/- Each	600,000	600,000
DSP BlackRock World Gold Fund - Regular Plan - Div (174071.676) (Previous Year 174071.676) Units of Rs.10/- Each	2,500,000	2,500,000
Fidelity India Special Situations Fund - Div. (147736.674) (Previous Year 147736.674) Units of Rs.10/- Each	2,500,000	2,500,000
Franklin India Templeton Bluechip Fund (165932.855) (Previous Year 163154.947) Units of Rs.10/- Each	6,611,055	6,500,000

<b>INVESTMENTS (AT COST)</b>	<b>As at 31.3.2009 Rupees</b>	<b>As at 31.3.2008 Rupees</b>
Franklin India Templeton Flexi Cap Fund (274418.860) (Previous Year 274418.860) Units of Rs.10/- Each	5,250,000	5,250,000
Franklin India Templeton High Growth Companies Fund (202155.789) (Previous Year 446654.567) Units of Rs.10/- Each	2,500,000	5,000,000
Franklin India Templeton Prima Fund (32225.678) (Previous Year 32225.678) Units of Rs.10/- Each	2,207,946	2,207,946
HDFC Equity Fund (183686.897) (Previous Year 177745.755) Units of Rs.10/- Each	7,240,949	7,000,000
HDFC Premier Multicap Fund (Nil) (Previous Year 16,951.086) Units of Rs.10/- Each	-	250,070
HDFC Top 200 Fund - (150899.795) (Previous Year 150899.795) Units of Rs.10/- Each	6,500,000	6,500,000
HSBC Equity Fund (79606.988 units) (Previous Year 79606.988) Units of Rs.10/- Each	3,500,000	3,500,000
ICICI Prudential Infrastructure Fund (173277.869) (Previous Year 151380.918) Units of Rs.10/- Each	3,333,196	3,106,125
J M Basic Fund - Dividend (83630.780) (Previous Year 83630.780) Units of Rs.10/- Each	2,500,000	2,500,000
Reliance Banking Fund (280924.708) (Previous Year 280924.708) Units of Rs.10/- Each	7,500,000	7,500,000
Reliance Diversified Power Sector Fund (163073.596) (Previous Year 163073.596) Units of Rs.10/- Each	7,500,000	7,500,000
Reliance Growth Fund Dividend (180378.419) (Previous Year 180378.419) Units of Rs.10/- Each	10,000,000	10,000,000
Reliance Vision Fund (165021.424) (Previous Year 165021.424) Units of Rs.10/- Each	8,500,000	8,500,000
SBI Magnum Global Fund (151194.436) (Previous Year 151194.436) Units of Rs.10/- Each	5,000,000	5,000,000
Sundram Select Midcap Fund (309158.025) (Previous Year 309158.025) Units of Rs.10/- Each	5,500,000	5,500,000
UTI Services Industries Fund - Dividend Plan - Payout (186361.202) (Previous Year 186361.202) Units of Rs.10/- Each	6,556,634	6,556,634
<b>TOTAL</b>	<b>122,708,742</b>	<b>124,879,736</b>

#### **C. MIP FUNDS**

Birla Sunlife MIP - Dividend (214750.803) (Previous Year 214750.803) Units of Rs.10/- Each	2,500,000	2,500,000
DBS Chola MIP Fund (Nil) (Previous Year 80977.561) Units of Rs.10/- Each	-	1,000,000
Franklin Templeton India MIP (211643.795) (Previous Year 211643.795) Units of Rs.10/- Each	2,500,000	2,500,000
HDFC MIP Long Term Plan Quarterly Dividend (1103074.418) (Previous Year 1103074.418) Units of Rs.10/- Each	12,734,367	12,734,367
HSBC MIP Savings Fund (298013.795) (Previous Year 298013.795) Units of Rs.10/- Each	3,500,000	3,500,000
ICICI Prudential Income Multiplier Fund (1117210.644) (Previous Year 1117210.644) Units of Rs.10/- Each	13,250,000	13,250,000
Kotak Income Plus Dividend (839047.479) (Previous Year 839047.479) Units of Rs.10/- Each	9,000,000	9,000,000



<b>INVESTMENTS (AT COST)</b>	<b>As at 31.3.2009 Rupees</b>	<b>As at 31.3.2008 Rupees</b>
Kotak Income Plus Growth (Nil) (Previous Year 388253.017) Units of Rs. 10/- Each	-	5,000,000
Principal MIP - Dividend Payout Quarterly (210216.523) (Previous Year 210216.523) Units of Rs. 10/- Each	2,500,000	2,500,000
UTI MIS Advantage - Dividend (Nil) (Previous Year 427878.254) Units of Rs. 10/- Each	-	5,113,616
<b>TOTAL</b>	<b>45,984,367</b>	<b>57,097,983</b>
<b>Total for Equity Funds</b>	<b>238,768,707</b>	<b>252,053,318</b>
<b>IV - EQUITIES</b>		
<b>A - EQUITY SHARES (QUOTED)</b>		
15,000 (Previous Year 12,500) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Astral Poly Tech	2,011,471	1,613,675
3,400 (Previous Year 2,000) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Bombay Dyeing & Mfg Co. Ltd	1,449,249	752,971
Nil (Previous Year 13,400) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Deepak Fertilisers & Petrochem Ltd	-	998,626
Nil (Previous Year 2,000) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Gas Authority of India Ltd.	-	734,228
500 (Previous Year Nil) Equity Shares Of Rs. 10/- Each, Fully Paid Up of HDFC Bank Ltd	585,627	-
Nil (Previous Year 7,000) Equity Shares Of Rs. 1/- Each, Fully Paid Up of ITC Ltd	-	1,227,220
500 (Previous Year Nil) Equity Shares Of Rs. 2/- Each, Fully Paid Up of Larsen & Toubro Ltd	568,081	-
13,000 (Previous Year 10,000) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Phoenix Lamps Ltd ( Formally known as Halonix Ltd)	1,605,323	1,225,441
7,500 (Previous Year 6,250) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Precision Wires India Ltd	894,756	850,888
500 (Previous Year 500) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Reliance Industries Ltd	150,062	150,062
12,500 (Previous Year 13,000) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Sarla Performance Fibers Ltd	1,494,388	1,535,178
23,500 (Previous Year Nil) Equity Shares Of Rs. 1/- Each, Fully Paid Up of Sundram Fasteners	539,392	-
4,400 (Previous Year Nil) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Swaraj Engines	858,181	-
3,000 (Previous Year 1,500) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Trent Ltd	1,853,375	1,197,290
Nil (Previous Year 3,000) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Tata Chemicals Ltd	-	859,152
370 (Previous Year 74 OF Rs. 10/- each) Equity Shares of Rs. 2/- Each, Fully Paid Up of Larsen & Toubro Ltd	148	148
59 (Previous Year 59) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Ultra Tech Cement Ltd	410	410
450 (Previous Year 450) Equity Shares Of Rs. 10/- Each, Fully Paid Up of Greaves Cotton Ltd	3,600	3,600
<b>TOTAL</b>	<b>12,014,063</b>	<b>11,148,889</b>

INVESTMENTS (AT COST)	As at 31.3.2009 Rupees	As at 31.3.2008 Rupees
<b>B. EQUITY SHARES (UNQUOTED)</b>		
2250 (Previous Year 2250) Equity Shares of face value of Rs. 100 each of NSE Housing & Investment Pvt Ltd	225,000	225,000
<b>Total of Equity Shares (Quoted &amp; Unquoted)</b>	<b>12,239,063</b>	<b>11,373,889</b>
<b>V. GOVERNMENT SECURITIES (UNQUOTED)</b>		
10.Nos. 5 1/2 years Kisan Vikas Patra of the value of Rs. 10,000 each pledge with BMC for connection (matured)	100,000	100,000
<b>VI. IN EQUITY SHARES (UNQUOTED)</b>		
5 Shares of The Karamsad Urban Co-op Bank of the face value of Rs. 10/- each, fully paid up	50	50
7 Shares (Including 2 bonus Shares of Charotar Nagrik Sahakari Bank Ltd. Of the face value of Rs. 50/- each fully paid up	250	250
5 shares of Charotar Gas Sahakari Mandali of the face value of Rs. 500 each, fully paid up	2,500	2,500
<b>TOTAL</b>	<b>2,800</b>	<b>2,800</b>

INVESTMENTS (AT COST)	As at 31.3.2009 Rupees COST	As at 31.3.2008 Rupees COST
<b>AGGREGATE AMOUNT OF :</b>		
(I) FMP'S	430,000,000	122,200,000
(II) DEBTS FUNDS		
A. INCOME FUNDS	284,841,989	27,992,229
B. LIQUID FUNDS	196,843	460,134,684
C. SHORT TERM FUNDS	139,485,820	64,802,459
(III) EQUITY FUNDS		
A. BALANCE FUNDS	70,075,599	70,075,599
B. EQUITY FUNDS	122,708,742	124,879,736
C. MIP FUNDS	45,984,367	57,097,983
(IV) EQUITY SHARES		
A. QUOTED	12,014,063	11,148,889
B. UNQUOTED	225,000	225,000
(V) GOVERNMENT SECURITIES (UNQUOTED)	100,000	100,000
(VI) EQUITY SHARES (UNQUOTED)	2,800	2,800
<b>TOTAL</b>	<b>1,105,635,223</b>	<b>938,659,389</b>

Note :

Market Value for quoted investments is **Rs. 59,14,595/-** (previous year Rs.1,35,40,798/-) and mutual funds investment is **Rs.1,01,74,84,634/-** (previous year Rs.90,42,48,104/-)

Schedule 6	As at 31-03-2009		As at 31-03-2008	
	Rupees	Rupees	Rupees	Rupees
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>				
<b>A. CURRENT ASSETS:</b>				
1. Interest accrued on Investments		3,779,485		5,620,183
2. Stores and Spares (At cost - As per inventory taken, valued & certified by the Managing Director)		559,965		787,678
3. Stock-in-trade (As per inventory taken, valued & certified by the Managing Director):				
a) Raw materials (At cost including components at estimated cost)	12,271,422		13,704,941	
b) Semi-finished goods (At cost)	<u>39,129,998</u>	51,401,420	<u>36,362,928</u>	50,067,869
4. Sundry debtors (unsecured) (subject to reconciliation & confirmations)				
Debts outstanding for a period exceeding six months				
a) Considered good:	21,216,936		43,446,830	
b) Considered doubtful not provided for	-		-	
	<u>21,216,936</u>		<u>43,446,830</u>	
c) Other debts:				
Considered good:	<u>74,087,360</u>	95,304,296	<u>31,328,012</u>	74,774,842
5. Other receivables		2,019,253		4,300,358
6. Cash and bank balances				
a) Cash on hand	26,898		36,275	
b) Bank balances with scheduled banks				
i) In current accounts	8,529,564		18,763,428	
ii) In fixed deposits	<u>117,812,683</u>	<u>126,369,145</u>	<u>84,100,000</u>	<u>102,899,703</u>
<b>TOTAL : 'A'</b>		<u><u>279,433,564</u></u>		<u><u>238,450,633</u></u>
<b>B. LOANS AND ADVANCES:</b>				
(Unsecured, considered good, unless otherwise stated)				
(Subject to reconciliation & confirmations)				
1 i) Advances recoverable in cash or in kind or for value to be received		33,751,877		16,018,708
ii) Advances against capital expenditure		175,045,770		2,217,100
iii) Balance with central excise		1,125,916		427,058
2. Tax deducted at source and advance tax		360,958,238		230,945,595
3. Deposits with public bodies (Subject to confirmations)		7,542,310		6,836,157
4. Other deposits (subject to confirmations)		716,574		497,606
<b>TOTAL : 'B'</b>		<u><u>579,140,685</u></u>		<u><u>256,942,224</u></u>
<b>A. CURRENT ASSETS</b>		<u><u>279,433,564</u></u>		<u><u>238,450,633</u></u>
<b>B. LOANS AND ADVANCES</b>		<u><u>579,140,685</u></u>		<u><u>256,942,224</u></u>
<b>TOTAL :-</b>		<u><u>858,574,249</u></u>		<u><u>495,392,857</u></u>



Schedule 7	As at 31-03-2009		As at 31-03-2008	
	Rupees	Rupees	Rupees	Rupees
<b>CURRENT LIABILITIES &amp; PROVISIONS:</b>				
<b>A) Current Liabilities</b>				
Sundry creditors (Subject to reconciliation & confirmations) (Refer note no. 5 in schedule 13)		74,846,919		104,292,812
Other liabilities (include Rs.14,877,139/- due to directors)		35,351,920		46,235,970
Advance against orders		17,512,025		51,341,614
Advance compensation from licencees		3,615,348		3,405,705
Advance from IT Park licencees		13,125,996		53,538,650
Advance from Convention & Exhibitions organizers		165,042,417		112,160,474
Security deposit from exhibitors		15,252,073		2,162,773
Security deposit from IT Park licencees		10,103,135		61,093,576
Security deposit from licencees		176,388,782		141,845,450
Unclaimed dividend		2,601,353		1,695,766
<b>B) Provisions</b>				
Provision for compensation		127,108,000		131,000,000
Provision for taxation		376,163,922		238,894,809
Proposed dividend		8,455,195		8,455,195
Tax on proposed dividend		1,436,960		1,436,960
Provision for gratuity		9,109,000		8,291,000
Provision for leave encashment		1,429,000		1,217,000
<b>T O T A L :-</b>		<b>1,037,542,045</b>		<b>967,067,754</b>

<b>Schedule 8</b>				
<b>Miscellaneous expenditure</b> (To the extent not written off or adjusted)				
<b>Deferred Revenue Expenditure</b>				
Opening Balance	19,652,917		34,878,656	
Less Written off during the year	9,826,461	9,826,456	15,225,739	19,652,917
<b>T O T A L :-</b>		<b>9,826,456</b>		<b>19,652,917</b>

<b>Schedule 9</b>				
<b>SALES, SERVICES &amp; OTHER INCOME:</b>				
<b>A. Industrial Capital Goods Division:</b>				
Sales of products	298,370,609		311,505,707	
Less: excise duty	32,032,963		38,312,931	
Net sales		266,337,646		273,192,776
Engineering fees, services & other charges		13,270,701		10,590,100
Gross (TDS Rs. 87,141/-) (P.Y.Rs. 60,011/-)				
<b>TOTAL :-</b>		<b>279,608,347</b>		<b>283,782,876</b>

Schedule 9 (contd...)	As at 31-03-2009		As at 31-03-2008	
	Rupees	Rupees	Rupees	Rupees
<b>B. Income From Convention &amp; Exhibition</b>				
Centre, Information Technology Park & Realty Division:				
Convention & Exhibition Centre				
Gross (TDS Rs. 9,19,39,662/-) (P.Y Rs. 11,61,98,934/-)		349,615,729		496,324,633
Information Technology Park				
Gross (TDS Rs. 3,20,69,980/-) (P.Y. Rs. 2,99,82,638/-)		136,838,352		103,373,169
Realty Division				
Gross (TDS Rs. 37,07,823/-) (P.Y Rs. 37,06,921/-)		84,921,891		63,326,109
<b>TOTAL :-</b>		<b>571,375,972</b>		<b>663,023,911</b>
<b>C. Income from Investments:</b>				
Profit on sale of shares (LT)		-		3,007,089
Profit on sale of shares (ST)		-		825,878
Profit on redemption of mutual fund		-		22,449,827
Dividends received		60,765,798		39,171,013
<b>TOTAL :-</b>		<b>60,765,798</b>		<b>65,453,807</b>
<b>D. Other Income:</b>				
Discount received		-		50,124
Interest received (Gross)		558,231		-
Interest on bank FDs		7,194,803		10,084,490
(TDS Rs. 17,46,609/- PY Rs. 21,10,635/-)				
Interest on I tax refund		-		1,187,660
Sale of scrap		3,821,622		1,503,076
Sundry creditors/liabilities written off		3,329		138
Miscellaneous receipts		5,427,727		1,268,149
Other income		2,030,957		749,647
Profit on sale of TDR		-		25,434,741
Profit on sale of assets		39,682		10,000
Profit on sale of Worli flat		-		949,275
Bad debts w/off now recovered		16,087,181		227,975
Training charges received		-		50,000
<b>TOTAL :-</b>		<b>35,163,532</b>		<b>41,515,275</b>
<b>A. Industrial Capital Goods Division</b>		<b>279,608,347</b>		<b>283,782,876</b>
<b>B. Income From Convention &amp; Exhibition</b>		<b>571,375,972</b>		<b>663,023,911</b>
Centre, IT Park & Realty				
<b>C. Income from Investments</b>		<b>60,765,798</b>		<b>65,453,807</b>
<b>D. Other Income</b>		<b>35,163,532</b>		<b>41,515,275</b>
<b>TOTAL :-</b>		<b>946,913,649</b>		<b>1,053,775,868</b>

Schedule 10	As at 31-03-2009		As at 31-03-2008	
	Rupees	Rupees	Rupees	Rupees
<b>MANUFACTURING &amp; ESTABLISHMENT EXPENSES:</b>				
A. Materials consumed and (increase)/decrease in stock :				
1. Raw materials and components consumed:				
Opening stock	13,704,941		12,302,010	
Add : purchases and expenses	158,579,645		162,683,544	
	<u>172,284,586</u>		<u>174,985,554</u>	
Less : closing stock	<u>12,271,422</u>	160,013,164	<u>13,704,941</u>	161,280,613
2. (Increase)/Decrease in Stocks:				
Opening stock:				
Finished goods	-		-	
Semi-finished goods	<u>36,362,928</u>		<u>23,663,270</u>	
	<u>36,362,928</u>		<u>23,663,270</u>	
Less : Closing stock				
Finished goods	-		-	
Semi-finished goods	<u>39,129,998</u>		<u>36,362,928</u>	
		(2,767,070)		(12,699,658)
B. Stores and spares consumed		11,212,904		7,600,961
C. Power and fuel		21,821,329		20,465,415
D. Erection & fabrication		6,583,503		5,934,776
E. Employees' remuneration & benefits:				
Salaries, Wages, Bonus and Allowances	35,853,092		34,664,190	
Compensation for VRS	82,661		319,313	
Contribution to Provident Fund and Family Pension Fund (including PF and Administrative charges)	2,197,465		1,923,393	
Workmen and Staff Welfare Expenses (including ESIC)	2,614,847		3,019,533	
Gratuity	<u>1,338,455</u>	<u>42,086,520</u>	<u>9,875,802</u>	<u>49,802,231</u>
<b>T O T A L :-</b>		<u><u>238,950,350</u></u>		<u><u>232,384,338</u></u>

<b>Schedule 11</b>				
<b>ADMINISTRATIVE, SELLING &amp; GENERAL EXPENSES</b>				
Printing, stationery, postage, telegrams and telephones		6,740,963		6,012,851
Rent		314,196		296,519
Rates, taxes & water charges (Refer note no. 9 in schedule '13')		16,377,215		4,079,318
Advertisement, sales promotion and subscription		2,271,037		1,349,614
Insurance (Net)		829,047		490,400
BMC permission charges		21,553,650		20,142,095
Repairs and maintenance of :				
Buildings & property	53,126,909		73,354,199	
Plant & machinery	376,760		20,711	
Other assets	<u>593,801</u>	<u>54,097,470</u>	<u>1,412,255</u>	<u>74,787,165</u>

Schedule 11 (contd...)	As at 31-03-2009		As at 31-03-2008	
	Rupees	Rupees	Rupees	Rupees
Freight and transport charges		5,782,031		2,268,887
Export expenses		841,070		2,083,453
Exchange loss		18,596		9,980
Motor car expenses		1,061,095		1,612,985
Travelling and conveyance expenses		7,600,254		7,358,097
Directors travelling expenses		686,313		493,082
Bank charges & guarantee commission including processing fees		3,633,220		1,823,850
<b>Auditor's Remuneration:</b>				
Audit fees	500,000		345,000	
Certification work	95,000		20,000	
Out of pocket expenses	5,000	600,000	5,000	370,000
Legal, professional and technical, consultation fees		9,162,533		12,146,291
Donations		26,262,578		14,775,000
<b>Managerial Remuneration</b>		19,885,487		18,212,125
(Refer note no. 11 in Schedule 13)				
Claim for Compensation paid/provided		-		65,000,000
Loss on redemption of mutual fund	2,765,094		-	
Loss on sale of shares (long term)	131,411		-	
Loss on sale of shares (short term)	276,350	3,172,855	-	-
Security transaction tax		18,658		-
Commission & brokerage		2,281,093		1,669,855
Electricity expenses		1,631,570		304,159
LD Charges		3,173,681		901,714
Sundry balance w/off		295,708		3,245,422
Bad debts w/off		15,810,515		4,593,856
Security charges		3,481,307		2,349,659
Miscellaneous expenses		2,202,042		6,033,580
<b>T O T A L :-</b>		<b>209,784,184</b>		<b>252,409,957</b>

## Schedule 12

### INTEREST

On secured loans from banks	13,920,130	2,170,126
On others	2,302,707	3,992,708
<b>T O T A L :-</b>	<b>16,222,837</b>	<b>6,162,834</b>

**Schedule 13**

Notes forming part of the accounts for the year ended 31 March 2009.

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 889,045,770/- (previous year Rs. 5,194,100/-) against which an advance of Rs. 175,045,770/- (previous year Rs. 2,217,100/-) has been paid.
- Contingent liabilities not provided for in respect of (a) counter guarantees given by the company of banks in respect of Indian bank guarantees given by them on company's behalf Rs. 27,562,157/- (previous year 26,689,893/-) (b) Foreign bank guarantees given by bank on company's behalf Rs.337,544/- (US\$ 6,625/-) (previous year Rs. Nil) and (c) Property tax in dispute - Rs.145,992,315/-
- Income tax assessment is completed up to the assessment year 2006-2007. The Company does not expect any additional liability for the pending assessments.
- Sales tax assessment is completed for Maharashtra up to the financial year 2003-2004, and for Gujarat up to the financial year 2004-2005. The company does not expect any additional liability for the pending assessments.
- (a) According to the information and explanations given by the management there are no dues to SSI units which are outstanding for more than 30 days as on 31 March, 2009 including the interest if any, thereon.  
(b) The Company is in process of identifying enterprises covered under the micro, small and medium enterprises development act, 2006. Accordingly, the disclosure in respect of the amount payable to such micro, small and medium enterprises as on 31 March, 2009 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.
- Claims against the Company contested at various courts amounting to Rs.1,764.19 Lacs (previous year Rs. 1,823.20 Lacs) against which the Company has made total provision of Rs. 1,271.08 Lacs (previous year Rs.1,310.00 Lacs) as per management's estimation of expected liability as advised by legal opinions.
- Provision for income tax is made after considering exemptions and deductions available under the income tax act, 1961, as advised by tax consultants.
- Company has incurred Rs. 171.32 Lacs expenditure towards renovation and repairs for its exhibition halls and debited in revenue expenses of repairs and maintenance.
- Rates, taxes & water charges include Rs. 12,500,000/- (previous year Rs.nil) pertain to prior periods.
- Legal, professional and technical consultation fees includes Rs. 150,000/- (previous year Rs. 10,000/-) paid to a firm in which auditors are partners.

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

	2008-2009 Rs.	2007-2008 Rs.
a) Chairman & Managing Director		
i) Salary	2,400,000	1,680,000
ii) Perquisites	128,304	-
iii) Furnishing Allowance	1,461,736	-
iv) Commission	14,561,910	16,442,125
b) Executive Director		
i) Salary	900,000	-
ii) Perquisites	130,577	-
iii) Furnishing Allowance	12,960	-
iv) Commission	-	-
c) Jt. Managing Director		
i) Commission	-	-
<b>SUB-TOTAL</b>	<b>19,595,487</b>	<b>18,122,125</b>
d) Other Directors		
Sitting Fees	290,000	90,000
<b>TOTAL</b>	<b>19,885,487</b>	<b>18,212,125</b>

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

Profit as per Profit & Loss Account		460,777,730
Add: Managerial remuneration & commission	19,595,487	
Depreciation as per books	21,178,548	
Prior period income (net)	14,850,247	516,402,012
Less: <b>Deduction under Sections 349 &amp; 350</b>		
Depreciation under section 350	21,178,548	
VRS w/off	9,826,461	31,005,009
<b>Net Profit in accordance with sections 198 (1) and 349 of the Company's Act, 1956.</b>		<b>485,397,003</b>
Commission @ 3% on net profit of		
<b>Rs. 485,397,003/-</b>		14,561,910
(Jt. MD has decided not to draw any commission as against <b>Rs. 24,269,850/-</b> to which she is entitled as per terms.)		Nil
Salary & Perquisites to Chairman and Mg. Director		3,990,040
Salary & Perquisites to Executive Director		1,043,537
<b>Salary &amp; Commission of Chairman and Directors</b>		<b>19,595,487</b>

- Pursuant to the Accounting Standard 22- Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, which is mandatory with effect from 1 April 2002. The deferred tax asset/liability has been reassessed in view of the various appeals, decisions and consequential effect on carry forward losses as well as revision in tax rate applicable. Accordingly net liability as on 31.03.2009 is worked out to **Rs.7,353,282/-** as computed below. Since the company has a deferred tax liability balance of **Rs.15,481,793/-** as on 31.03.2008 in the Balance Sheet, **Rs.8,128,511/-** has been credited in the Profit & Loss account.

The major components of Deferred Tax Assets and Liabilities as at **31 March 2009** are as follows:

<b>Deferred Tax Liability (Net) as on 01.04.08</b>	<b>15,481,793</b>
Add: Adjustments for the year	
(a) Depreciation	
Depreciation as per Company's Act	21,178,548
Depreciation as per Income Tax Act	<u>25,398,361</u>
Income Tax @ 33.99%	4,219,813
	<u>1,434,314</u>
<b>Deferred Tax Liability</b>	<b>16,916,107</b>
Less: Deferred Tax Assets	
Disallowance u/s 14A	5,344,714
Other Disallowances	
(a) PF	167,125
(b) Previous year expenses	14,901,848
(c) Gratuity:	
Charged as per books	1,338,455
Less: Allowable as per Income Tax	<u>1,296,782</u>
	41,673
(d) Leave Encashment	
Charged as per books	381,123
Less: Allowable as per Income Tax	<u>169,123</u>
	212,000
(e) Bonus	
Charged as per books	667,461
Less: Allowable as per Income Tax	<u>430,085</u>
	237,376
(f) VRS	
As per books	9,826,461
Less: Allowable as per Income Tax	<u>2,596,966</u>
	<u>7,229,495</u>
	<u>28,134,231</u>
Income Tax @ 33.99%	<u>9,562,825</u>
<b>Deferred Tax Asset</b>	<b>9,562,825</b>
<b>Deferred Tax Liability (Net) as on 31.03.09</b>	<b>7,353,282</b>
Net Credit to Profit & Loss Account	(8,128,511)

13. Prior period income includes:

		<b>As on 31.03.2009</b>
	<b>Rupees</b>	<b>Rupees</b>
Prior period income:		
Excess provision of gratuity no longer required	776,328	
Sundry creditors no longer payable written back	23,103,255	
Excess provision of compensation written back	<u>2,218,308</u>	26,097,891
Prior period expenses:		
Lease rent & other exps. provided for earlier years	74,655	
Sales Tax of earlier years	8,201,447	
Income Tax assessment dues of earlier years	603,014	
Provident Fund interest of earlier years paid to PF Trust	<u>2,368,528</u>	11,247,644
<b>Prior period income (Net)</b>		<b>14,850,247</b>

14. Earnings per share:

	<b>2008-2009 (Rs. In Lacs)</b>	<b>2007-2008 (Rs. In Lacs)</b>
a) Profit after tax and adjusting extra ordinary items	<b>3,280.30</b>	3,673.87
b) Number of equity shares outstanding	<b>7,045,996</b>	7,045,996
c) Face Value of each equity share (Rs.)	<b>10</b>	10
d) Basic and diluted earnings per share (Rs.)	<b>46.56</b>	52.14

15. Related Party Disclosures:

a) List of Related Parties and Relationships

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

15. b) Related Party Transactions :

Transactions	NSE Housing & Investments Pvt. Ltd	Chandler & Price (I) Pvt. Ltd	JVP Industrial Training Institute	J V Patel Charitable Trust	Jethabai V Patel & Co	Key Management Personnel
Rendering services	-	-	-	-	-	-
Rent income	-	<b>60,000.00</b>	-	-	-	-
Purchases	-	-	-	-	-	-
Lease rent paid	-	-	-	-	<b>24,000.00</b>	-
Remuneration paid	-	-	-	-	-	<b>3,300,000.00</b>
Perquisites paid	-	-	-	-	-	<b>1,733,577.00</b>
Commission paid	-	-	-	-	-	<b>14,561,910.00</b>
Compensation paid	-	-	-	-	-	-
<b>Credit balances as on 31.03.2009</b>	-	<b>868,942.00</b>	-	-	<b>23,417.37</b>	-
<b>Debit balances as on 31.03.2009</b>	<b>49,422.00</b>	-	<b>98,000.00</b>	<b>90,000.00</b>	-	-



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

16. Segment information for the year ended 31<sup>st</sup> March 2009:

<b>Revenue by Industry Segment</b>	(Rs. in Lacs.)
Engineering Divisions	3,061.43
Bombay Exhibition Centre/Realty Division	6,407.71
<b>Total</b>	<b>9,469.14</b>
Less: Inter-Segment revenue	-
<b>Net revenue from Operations</b>	<b>-</b>
<b>Segment profit before tax and Interest</b>	
Engineering Divisions	311.56
Bombay Exhibition Centre/Realty Division	4,296.22
<b>Total Operating Profit Before Tax</b>	<b>4,607.78</b>

17. a) Disclosure required by Accounting Standard (AS 29) "Provisions, Contingent Liabilities and Contingent Assets" as on 31.03.2009.

<b>Particular</b>	<b>As on 31.03.2009 Rupees</b>	<b>As on 31.03.2008 Rupees</b>
i) Provision for Compensation:		
Opening Balance as on 01-04-2008	131,000,000	66,000,000
Add: Provision for the year	-	65,000,000
Less: Adjusted on settlement	3,899,000	-
<b>Closing balance as at 31-03-2009</b>	<b>127,101,000</b>	<b>131,000,000</b>
ii) Provision for Gratuity :		
Opening Balance as on 01-04-2008	8,291,000	-
Add: Provision for the year	1,338,455	8,291,000
Less: Paid during the year	520,455	-
<b>Closing balance as at 31-03-2009</b>	<b>9,109,000</b>	<b>8,291,000</b>
iii) Provision for Leave Encashment :		
Opening Balance as on 01-04-2008	1,217,000	-
Add: Provision for the year	381,123	1,217,000
Less: Paid during the year	169,123	-
<b>Closing balance as at 31-03-2009</b>	<b>1,429,000</b>	<b>1,217,000</b>

17. b) Disclosure required by Accounting Standard (AS 15) "Actuarial Valuation of Gratuity Liability" as on 31.03.2009

	<b>2009</b>
<b>I) Assumptions:</b>	
Discount Rate	8.00%
Rate of Increase in Compensation levels	6.00%

<b>II) Table Showing Change in Benefit Obligation:</b>	
Projected Benefit Obligations (PBO)	
at the beginning of the year	8,291,000
Interest Cost	-
Service Cost	553,806
Benefit Paid	(520,455)
Actuarial (gain) loss on obligations	784,649
PBO at the end of the year	9,109,000

<b>III) Tables of Fair Value of Plan Assets:</b>	
Fair Value of Plan Assets	
at the beginning of the year	-
Expected Return on Plan Assets	-
Contributions	520,455
Benefit Paid	(520,455)
Gain/(loss) on Plan Assets	-
Fair Value of Plan Assets	
at the end of the year	-

**IV) The amounts to be recognized in Balance Sheet and Income Statement and the related Analysis:**

Present Value of Obligation	9,109,000
Fair Value of Plan Assets	-
Difference	9,109,000
Unrecognised Actuarial gain (losses)	-
Unrecognised Transitional Liability	-
Liability Recognised in Balance Sheet	9,109,000

<b>V) Net Periodic Cost:</b>	
Current Service Cost	553,806
Interest Cost	-
Expected Return on Plan Assets	-
Net Actuarial (gain) loss recognized in the year	784,649
Expenses recognized in the Income Statement	1,338,455

<b>VI) Movements in the liability recognized in the Balance Sheet:</b>	
Opening Net Liability	8,291,000
Expense as above	1,338,455
Contributions paid	(520,455)
Closing Net Liability	9,109,000



17. c) Disclosure required by Accounting Standard (AS 15) "Actuarial Valuation of Leave Encashment" as on 31.03.2009

	<u>2009</u>
<b>I) Assumptions:</b>	
Discount Rate	8.00%
Rate of Increase in Compensation levels	6.00%
<b>II) Table Showing Change in Benefit Obligation:</b>	
Projected Benefit Obligations (PBO) at the beginning of the year	1,217,000
Interest Cost	-
Service Cost	198,540
Benefit Paid	(169,123)
Actuarial (gain) loss on obligations	182,583
PBO at the end of the year	1,429,000
<b>III) Tables of Fair Value of Plan Assets:</b>	
Fair Value of Plan Assets at the beginning of the year	-
Expected return on Plan Assets	-
Contributions	169,123
Benefit Paid	(169,123)
Gain/(Loss) on Plan Assets	-
Fair Value of Plan Assets at the end of the year	-
<b>IV) The amounts to be recognized in Balance Sheet and Income Statement and the related Analysis:</b>	
Present Value of Obligation	1,429,000
Fair Value of Plan Assets	-
Difference	1,429,000
Unrecognised Actuarial gain (losses)	-
Unrecognised Transitional Liability	-
Liability Recognised in Balance Sheet	1,429,000
<b>V) Net Periodic Cost:</b>	
Current Service Cost	198,540
Interest Cost	-
Expected Return on Plan Assets	-
Net Actuarial (gain) loss recognized in the year	182,583
Expenses recognized in the Income Statement	381,123
<b>VI) Movements in the liability recognized in the Balance Sheet:</b>	
Opening Net Liability	1,217,000
Expense as above	381,123
Contributions paid	(169,123)
Closing Net Liability	1,429,000

	<b>2008-09</b>	2007-08
	<b>Rupees</b>	Rupees
18. A) Earning in Foreign exchange		
i) F.O.B. value of exports	<b>12,465,707.00</b>	19,592,357.00
ii) Other Income	<b>110,565.00</b>	Nil
B) Value of Imports on CIF BASIS		
Raw Materials (including Components)	<b>265,422.00</b>	Nil
C) Remittances or expenditure in foreign Currency		
i) Travelling	<b>190,125.00</b>	257,112.00
ii) Membership & Subscription	<b>139,922.61</b>	101,347.00
iii) Others	<b>170,953.25</b>	55,585.00

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

20. Figures in brackets related to previous year.

As per our report of even date	For and on behalf of the Board
For Shah & Co.	Sumant Patel
Chartered Accountants	Chairman & Mg. Director
	Ram Tarneja
	Director
	K S Srinivasa Murthy
	Director
	M. K. Chouhan
	Director
	Sudha Patel
	Jt. Mg. Director
	Krishna Patel
	Executive Director
	Mohan Parikh
	Director
	Mumbai, 27 June 2009



**Auditors' Report**

To  
The Members of Nesco Limited,

We have audited the attached Balance Sheet of **Nesco Limited** as at 31 March, 2009 and the Profit and Loss Account & the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our Opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
  - (c) The Balance Sheet, the Profit & Loss Account and the Cash flow statement referred to in this report are in agreement with the books of accounts.
  - (d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash flow statement dealt with by this report generally comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956.
  - (e) On the basis of the written representations received from the Directors' as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our information and according to explanations given to us, the said Balance Sheet and the Profit & Loss Account read together with the notes in schedule 13 give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles, generally accepted in India :
    - (i) In the case of Balance Sheet, of the state of affairs of the Company as on 31st March 2009,
    - (ii) In the case of the Profit & Loss Account of the "Profit" of the Company for the year ended on that date.
- AND
- (iii) In the case of the Cash Flow Statement of the Cash flows for the year ended on that date.

For Shah & Company  
Chartered Accountants

(Hemendra N. Shah)  
Partner  
M. No. 8152

Mumbai, 27 June 2009

**Annexure to the Auditors' Report**

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

- i) (a) The Company is updating records to show particulars of quantitative details and situation of its fixed Assets maintained with effect from 1.4.1970.  
(b) We are informed that physical verification will be conducted after records are updated.  
(c) The Company has not disposed off substantial part of fixed assets during the year.
- ii) (a) As explained to us the inventories have been physically verified by the Management at the end of the year.  
(b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) We are not in position to opine whether the discrepancies noticed on physical verifications of stocks as compared to book records were material or not as the book records are not updated.
- iii) (a) According to the information and explanations given to us the Company during the year has not granted any loans secured or unsecured to companies, firms or other parties as per the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4(iii) (b) (c) and (d) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.  
(b) The Company has not taken any loans secured or unsecured from companies, firms or other parties as per the register maintain under section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (iii) (e) and (f) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that in few cases of purchases where the items are of special nature for which no comparable quotations are available, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purpose of inventory and fixed assets and for the sale of goods. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- v) (a) According to the information and explanation provided by the management, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods, materials or services and sale of goods, materials or services, as per register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. Five Lakhs or more in respect of any party.
- vi) The company has not accepted any deposits from the public and therefore the provisions of clause (vi) of the Companies (Auditor's Report) order, 2003 are not applicable to Company.
- vii) In our opinion, the Company has a formal internal audit system, which needs to be strengthen, commensurate with the size and nature of its business.
- viii) We are informed that the Central Govt. has not prescribed maintenance of cost records under clause (d) of subsection (1) of section 209 of the Companies Act, 1956 for any of the products of the Company.
- ix) (a) According to the records of the Company and as per the information and explanations given to us the Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service duty, custom duty, excise duty cess and other material statutory dues as applicable with the appropriate authorities during the year. The Company has not deposited unclaimed Dividend of Rs. 14,835/- to Investor Education and Protection fund.

- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears as at 31st March, 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us by the management, there are no dues of the income tax, sales tax, wealth tax, service tax, custom duty and excise duty which have not been deposited on account of any dispute.
- x) The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current year and in the immediately preceding financial year.
- xi) According to the information and explanations given to us the Company has not defaulted in repayment of dues to banks.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to Chit fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the Company.
- xiv) According to the information and explanations given to us, the Company is not a dealer or trader in securities. The company has invested surplus funds in marketable securities and mutual funds, and has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made there in. The investment in marketable securities and mutual funds have been held by the company in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.
- xvi) According to the information and explanations given to us , the term loans have been applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company we report that no funds so raised on short term basis have been used for long term investments.
- xviii) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) According to the information and explanations given to us by the management, no material fraud on or by the Company has been noticed or reported during the year.

For Shah & Company  
Chartered Accountants

(Hemendra N. Shah)  
Partner  
M. No. 8152

Mumbai, 27 June 2009

**SIGNIFICANT ACCOUNTING POLICIES****1. General**

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

**2. Revenue recognition**

Income & expenditure are generally accounted on accrual basis.

**3. Foreign currency transactions**

- i) Fixed assets are translated into rupees at the rates prevailing on the date of purchase/acquisition.
- ii) Foreign currency liabilities for acquisition of fixed assets are stated at the rate prevailing on the date of purchase/acquisition.
- iii) Other transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Exchange difference between the rates applicable on the date of transaction and the rate actually realized/paid are recognized as income/expense in the Profit and Loss Account.

**4. Fixed assets and depreciation**

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

**5. Investments**

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

**6. Inventories**

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

**7. Retirement benefits**

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

**8. Income**

Income from Realty division is considered on accrual basis except in the case of rent of building at Worli under subsidised Housing Scheme on account of uncertainties of its recovery.

**9. Deferred taxes on income**

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

**10. Impairment of assets**

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

**11. Segment accounting policies**

Segment accounting policies are in line with the accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting.

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

**12. Other accounting policies**

These are considered with generally accepted accounting principles.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**  
**CLAUSE 32 OF THE LISTING AGREEMENT**

	Year Ended 31.03.2009 (Rupees in Lacs)	Year Ended 31.03.2008 (Rupees in Lacs)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before tax and extraordinary items</b>	<b>4,607.78</b>	<b>5458.92</b>
<b>Adjustment for :</b>		
Depreciation	211.78	169.26
Interest (net)	84.70	(39.21)
Income from Investment	(607.66)	(654.53)
Sundry debtors written off	161.06	43.66
(Profit)/Loss on sale of fixed assets (net)	(0.40)	(263.93)
Operating profit before working capital changes	<u>4,457.26</u>	<u>4,714.17</u>
<b>Adjustment for :</b>		
(Increase)/Decrease in Inventory	(11.05)	(142.41)
(Increase)/Decrease in trade & other receivable	(3,386.06)	(1,558.70)
(Increase)/Decrease in deferred expenditure	98.26	152.26
Increase/(Decrease) in deferred tax liability	(81.28)	69.34
Increase/(Decrease) in trade payables	704.74	4,426.51
Cash generated from operation	<u>1,781.87</u>	<u>7,661.17</u>
Interest Paid	<u>(162.23)</u>	<u>(61.63)</u>
<b>Cash flow before extraordinary item</b>	<u>1,619.64</u>	<u>7,599.54</u>
<b>Extraordinary item:</b>		
Debtors written off	(161.06)	(43.66)
Provision for taxation	(1,450.00)	(1,550.00)
Provision for deferred tax	81.28	(69.34)
Provision for dividend (including tax)	(98.92)	(98.92)
Fringe benefit tax	(9.00)	(6.31)
Excess provision of IT w/back	9.62	-
Deferred revenue expenditure w/off	(98.26)	(152.26)
Prior years adjustment (net)	148.50	(7.18)
<b>Net Cash from Operating Activities - [A]</b>	<u>41.80</u>	<u>5,671.87</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(506.91)	(457.20)
Purchase of Investments	(1,669.76)	(5,821.77)
Sale of Fixed Assets	1.95	266.14
Interest received	77.53	100.84
Income from Investments	607.66	654.53
<b>Net Cash (used in)/from Investing Activities - [B]</b>	<u>(1,489.53)</u>	<u>(5,257.46)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Calls in Arrears		-
Proceeds from Long Term & Other Borrowings	1,682.43	-
<b>Net Cash Flow used in Financing Activities - [C]</b>	<u>1,682.43</u>	<u>-</u>
<b>NET INCREASE IN CASH/CASH EQUIVALENTS (A+B+C)</b>	<b>234.70</b>	<b>414.41</b>
<b>Cash/Cash Equivalent at the beginning of the year</b>	<b>1,028.99</b>	<b>614.58</b>
<b>Cash/Cash Equivalent at the end of the year</b>	<b>1,263.69</b>	<b>1,028.99</b>

**NOTES ON CASH FLOW STATEMENT :**

- 1 Proceeds from long term & other borrowings are shown net of repayments.
- 2 Cash and cash equivalents represent Cash and Bank balance only.

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

Hemendra N. Shah  
Partner  
Membership No.8152  
Mumbai, 27 June 2009

For and on behalf of the Board

Sumant Patel	Chairman & Mg. Director
Ram Tarneja	Director
K S Srinivasa Murthy	Director
M. K. Chouhan	Director
Sudha Patel	Jt. Mg. Director
Krishna Patel	Executive Director
Mohan Parikh	Director

Mumbai, 27 June 2009

# Annual Report 2008 - 2009

## Information pursuant to part IV of Schedule VI to Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile

### I Registration details

Registration No. 4886 State Code 11  
Balance Sheet Date 31-03-09  
Date Month Year

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

Public Issue NIL Right issue NIL  
Bonus Issue NIL Private Placement NIL

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

**Total Liabilities** 12840.78 **Total Assets** 12840.78  
**Sources of Funds**  
Paid up capital 704.60 Reserves & Surplus 10380.22  
Secured Loan 1682.43 Unsecured Loan NIL  
Deferred Tax Liability 73.53

### Application of Funds

Net Fixed Assets 3475.85 Investments 11056.35  
Net Current Assets (1789.68) Misc. Expenditure 98.26  
Accumulated Loses NIL

### IV Performance of the Company (Rs. In Lacs)

Turnover (Including other income) 9469.14 Total Expenditure 4861.36  
+ - + -  
a a  
Profit/Loss Before Tax 4607.78 Profit/Loss After Tax 3230.06  
Earning per Share in Rs. 46.56 Dividend Rate % 12

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

Item Code No. (HS Code) 8445  
Products Description ENGINERING EQUIPMENT  
Item Code No. (HS Code) 8462  
Products Description EXHIBITION CENTRE  
Item Code No. (HS Code) 8413  
Products Description REALTY

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

Hemendra N. Shah  
Partner  
Membership No.8152  
Mumbai, 27 June 2009

For and on behalf of the Board

Sumant Patel Chairman & Mg. Director  
Ram Tarneja Director  
K S Srinivasa Murthy Director  
M. K. Chouhan Director  
Sudha Patel Jt. Mg. Director  
Krishna Patel Executive Director  
Mohan Parikh Director  
Mumbai, 27 June 2009