nelco

unlock potential

A TATA Enterprise

81st ANNUAL REPORT
2023-24

Connecting seamlessly...

no matter where you go

nelco
unlock potential
A TATA Enterprise

Creating a world where ‘remote’ as a terminology does not exist

Enabling ‘Digital Acceleration’ even in remote areas with new-age Satcom Services

Building a digital world
...in the skies

Enabling financial inclusion and extending reach of Govt. programs

Expanding the reach of quality education to remotest areas

Enabling access to business critical applications at sea

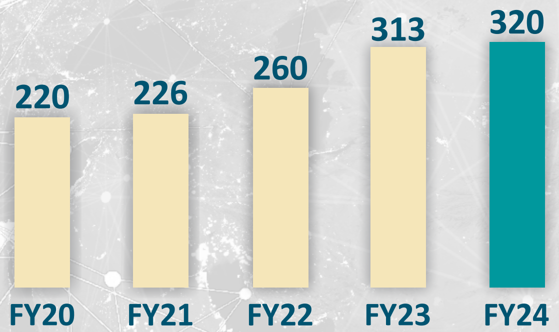
Extending the reach of telecom in difficult-to-serve regions

Providing critical communication in disaster-affected areas

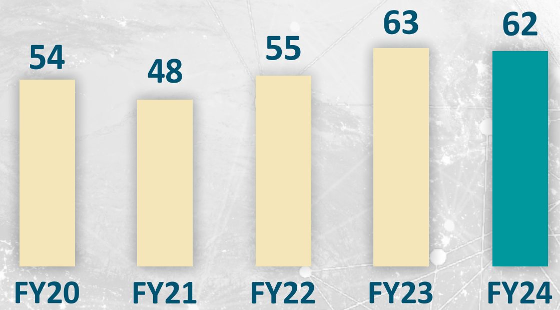
India’s leading and Innovative Satellite Communication service provider

Highlights of Nelco-Consolidated

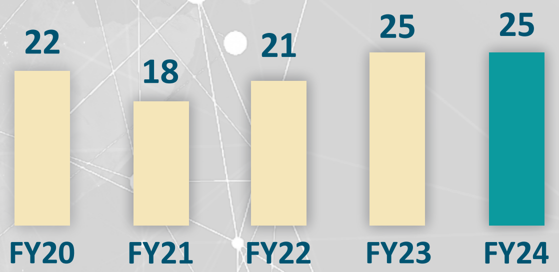
REVENUE (Rs Cr)



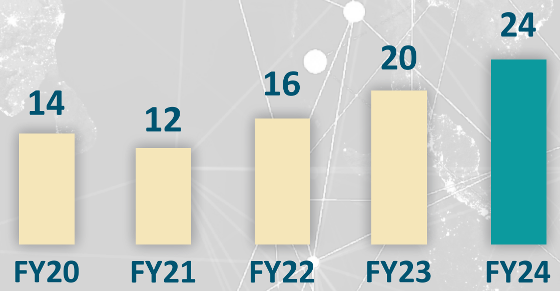
EBIDTA (Rs Cr)



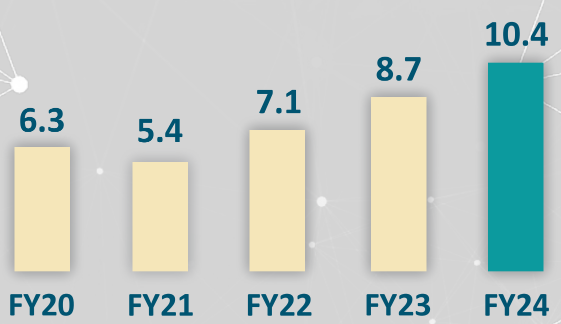
ROCE (%)



PAT (Rs Cr)



EPS (Rs)



CORPORATE INFORMATION

(As on 23rd April 2024)

Chairman Emeritus	R. N. Tata
Board of Directors	Mr. A.S. Lakshminarayanan, Chairman Mr. P.J.Nath, Managing Director & CEO Mr. K. Narasimha Murthy Dr. Lakshmi Nadkarni Mr. Ajay Kumar Pandey Mr. Saurabh Ray
Chief Financial Officer	Mr. Malav Shah
Company Secretary & Head - Legal	Mr. Girish V Kirkinde (upto 30th April 2024) Mr. Ritesh N Kamdar (w.e.f. 14th May 2024)
Share Registrars	Link Intime India Private Limited (formerly known as TSR Consultants Private Limited) C-101, 1st Floor, 247 Park, Vikhroli West, Mumbai 400 083. Tel : 022 66568484, Fax : 022 66568494 Email: csg-unit@tcplindia.co.in Website: www.tcplindia.co.in
Statutory Auditors	S.R. Batliboi & Associates LLP, Chartered Accountants
Bankers	Bank of India Union Bank of India ICICI Bank Ltd. Axis Bank Ltd. Mizuho Bank Ltd.
Registered Office	EL-6, TTC Industrial Area, MIDC Electronics Zone, Mahape, Navi Mumbai – 400 710 Email: services@nelco.in Investor relations : ritesh.kamdar@nelco.in Website: www.nelco.in Tel: +91 22 6739 9100
Corporate Identity No. (CIN)	L32200MH1940PLC003164

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Opt for receiving Annual Reports and other communications in electronic mode and make the world a cleaner, greener and healthier place to live in.

Please register your consent for this **csg-unit@tcplindia.co.in**

This Annual Report can be viewed under the 'Investor Relations' section on the Company's website: **www.nelco.in**

Contents

81st Annual General Meeting

Date : Tuesday, 25th June 2024

Time : 3:30 p.m. (IST)

NOTICE

The **EIGHTY FIRST ANNUAL GENERAL MEETING** of **NELCO LIMITED** will be held on Tuesday, the 25th day of June, 2024 at 3.30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2024 together with the Reports of the Board of Directors and the Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended 31st March, 2024 together with the Report of the Auditors thereon.

3. To declare a dividend on Equity Shares for the financial year ended 31st March, 2024.

4. To appoint a Director in place of Mr. A.S. Lakshminarayanan (DIN 08616830) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Revision in the terms of remuneration of Mr. P.J Nath (DIN: 05118177) Managing Director & CEO

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in partial modification of the Resolution no. 5 passed at the Annual General Meeting of the Company held on 22nd June 2021 for the reappointment and terms of remuneration of Mr. P.J.Nath (DIN: 05118177), Managing Director & CEO of the Company and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 (the 'Act') (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the revision in the remuneration of Mr. P.J.Nath, Managing Director & CEO of the Company, by way of payment of ₹ 28,51,263/- as Long-Term Performance-based Incentive Plan (LTIP) which is over and above his existing approved remuneration.

RESOLVED FURTHER THAT pursuant to the provisions of Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof from time to time), approval of the Company be and is hereby accorded to pay the incentive as mentioned above, to the MD & CEO of the Company, in the event of inadequacy of profits in the financial year 2023-24.

RESOLVED FURTHER THAT all other terms and conditions of the LTIP Scheme as approved by the Board shall be applicable for payment of this Incentive to Mr. Nath.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution".

6. Re-appointment of Mr. P. J. Nath (DIN: 05118177) as Managing Director & CEO

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for the reappointment and terms of remuneration of Mr. P. J. Nath as Managing Director & Chief Executive Officer (DIN: 05118177) of the Company for a period commencing from 13th June 2024 to 28th February 2027 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and upon the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Nath.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

7. Ratification of Cost Auditor's Remuneration

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,25,000 (Rupees one lakh twenty-five thousand) plus GST and reimbursement of out of pocket expenses on actual basis incurred in connection with the audit, payable to M/s. P. D. Dani & Associates (Firm Registration No. 000593), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2023-24."

By Order of the Board of Directors

Girish V. Kirkinde
Company Secretary & Head – Legal
ACS 7493

Navi Mumbai, 23rd April 2024

Registered Office:
EL-6, TTC Industrial Area, MIDC Electronics Zone,
Mahape, Navi Mumbai – 400 710
CIN: L32200MH1940PLC003164
Tel.: 91 22 67399100 Fax.: 91 22 67398787
E-mail: services@nelco.in
Website: www.nelco.in

NOTES:

1. The Ministry of Corporate Affairs ("MCA") inter-alia vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 (collectively referred to as "MCA Circulars") has permitted the holding of the Annual General Meeting through Video Conferencing ("VC") or through other audiovisual means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 81st Annual General Meeting ("Meeting" or "AGM") of the Company is scheduled to be held through VC / OAVM on Tuesday, 25th June, 2024, at 3:30 a.m. (IST). The proceedings of the AGM deemed to be conducted at the Registered Office of the Company situated at EL-6, TTC Industrial Area, Electronics Zone, MIDC, Mahape, Navi Mumbai – 400 710.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**

3. The relative Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 5 to 7 of the Notice, is annexed hereto. As per the provisions of Clause 3.A.III. of the General Circular No. 20/ 2020 dated 5th May 2020, the matter of Special Business as appearing at Item No. 5 to 7 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forming part of this Notice. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM are also annexed. Requisite declarations have been received from Director for seeking appointment/re-appointment.

4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. Institutional Investors, who are Members of the Company, are encouraged to attend the 81st AGM through VC / OAVM mode and vote electronically. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutiniser by e-mail at nelco.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. In line with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2023-24 is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories and physical copies to those shareholders who request for the same. The Notice convening the 81st AGM has been uploaded on the website of the Company at www.nelco.in and may also be accessed from the relevant section of the websites of BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

8. Book Closure and Dividend:

i) The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 11th June 2024 to Monday, 17th June 2024 both days inclusive. Record date is Monday, 10th June 2024. The dividend of ₹ 2.20 per equity share of ₹ 10 each (i.e. 22%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS'), wherever applicable, on or after Friday, 28th June 2024 as under:

To all the Beneficial Owners as at the end of the day on Monday, 10^{th} June 2024 as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/Registrar and Share Transfer Agent on or before the close of business hours on Monday, 10^{th} June 2024.

ii) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1^{st} April 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') in case held in electronic form or in case shares are held in physical form, with the Company by sending documents through e-mail by Friday, 7^{th} June 2024. For the detailed process, please click here https://www.nelco.in/pdf/disclosure-of-events/notice-13-05-2024.pdf

iii) Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to mail the following documents to Company's Registrars and Transfer Agents, Link Intime Private Limited, so that it reaches them latest by Friday, 7^{th} June 2024:

a. signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

- Name and Branch of Bank and Bank Account type;
- Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
- 11 digit IFSC Code.

b. self-attested copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

c. self-attested copy of the PAN Card; and

d. self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

iv) Shareholders holding physical securities are requested to note that SEBI, vide its circular dated 3rd November 2021 (subsequently amended by circulars dated 14 December 2021, 16 March 2023 and 17 November 2023) mandated that the security holders, holding securities in physical form, whose folio(s) do not have PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account Details, Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from 1st April 2024, upon their furnishing all the aforesaid details in entirety to Registrar and transfer Agent.

v) Members are requested to note that, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details of unclaimed dividend and shares transferred to IEPF, please refer to Company's website viz. www.nelco.in. Members who have not yet encashed their dividend warrant(s) for the financial year 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23 are requested to make their claims to the Company accordingly, without any delay.

9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at https://www.nelco.in/investor-relation/shareholder-information.php and on the website of the Company's Registrar and Transfer Agents, Link Intime Private Limited ("Link Intime") at https://www.tcplindia.co.in/. It may be noted that any service request can be processed only after the folio is KYC Compliant.

10. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Link Intime, for assistance in this regard.

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Link Intime at csg-unit@tcplindia.co.in in case the shares are held in physical form, quoting their folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.

12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. The said forms can be downloaded from the Company's website at www.nelco.in. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA at mail to csg-unit@tcplindia.co.in in case the shares are held in physical form, quoting your folio number.

13. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to ritesh.kamdar@nelco.in by mentioning their DP ID & Client ID/Physical Folio Number.

14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

15. To support the 'Green Initiative', the Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime in case the shares are held by them in physical form.

Process for registering e-mail addresses to receive this Notice electronically and cast votes electronically:

i. Registration of e-mail addresses with Link Intime: The Company has made special arrangements with Link Intime for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/DPs are required to provide the same to Link Intime on or before 5.00 p.m. (IST) on Thursday, 20th June 2024.

Process to be followed for registration of e-mail address is as follows:

a. Visit the link https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html

b. Select the Name of the Company from dropdown

c. Enter the Folio No./DP ID, Client ID, Shareholder Name, PAN details, Mobile no. and E-mail id. Shareholders holding shares in physical form are required to additionally enter one of their share certificate numbers.

d. System will send OTP on mobile no and email id.

e. Enter OTP received on mobile no and email id.

f. The system will then confirm the e-mail address for the limited purpose of service of Notice of AGM and Annual Report 2023-24.

The above system also provides a facility to the Members holding shares in physical form to upload a self-attested copy of their PAN Card, if the PAN details are not updated in accordance with the requirements prescribed by SEBI.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for FY 2023-24 along with the e-Voting user ID and password. In case of any queries, Members may write to evoting@nsdl.co.in.

ii. **Registration of e-mail address permanently with Company/DP:** Members are requested to register the same with their concerned DPs, in respect of electronic holding and with Link Intime, in respect of physical holding, by writing to them at csg-unit@tcplindia.co.in. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/ Link Intime to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.

iii. Alternatively, Members may also send an e-mail request to evoting@nsdl.co.in along with the following documents for procuring user id and password and registration of e-mail addresses for e-Voting for the resolutions set out in this Notice:

- **In case shares are held in physical form**, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.

- **In case shares are held in demat form**, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.

iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

16. Remote e-Voting before/during the AGM:

i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if it/they have been passed at the AGM.

ii. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Tuesday, 18th June 2024 may cast their vote by remote e-Voting. A person who is not a Member as on the cutoff date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. Tuesday, 18th June 2024, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in.

iii. The remote e-Voting period commences on Friday, 21st June 2024 at 9.00 a.m. (IST) and ends on Monday, 24th June 2024 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, 18th June 2024.

iv. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

v. The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

17. Other instructions

(i) Mr. P. N. Parikh, Company Secretary (FCS No. 327) or failing him Mr. Mitesh Dhabliwala, Company Secretary (FCS No. 8331) of M/s. Parikh and Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer by the Board for providing facility to the Members of the Company to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.

(ii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility.

(iii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will acknowledge the receipt of the same and declare the result of the voting forthwith.

(iv) The results will be declared within 48 hours of conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.nelco.in and on the website of NSDL: www.evoting.nsdl.com immediately after the results are declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE").

(v) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Tuesday, 25^{th} June 2024.

(vi) All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM upon log-in to NSDL e-Voting system at https://www.evoting.nsdl.com

18. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:

A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

ii. Members are encouraged to join the Meeting through Laptops for better experience.

iii. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

v. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 81^{st} AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at ritesh.kamdar@nelco.in before 3.00 p.m. (IST) on Saturday, 22^{nd} June 2024. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

vi. Members who would like to express their views/ask questions as a speaker at the Meeting may **pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at ritesh.kamdar@nelco.in between Tuesday, 18^{th} June 2024 (9.00 a.m. IST) and Saturday, 22^{nd} June 2024 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM**.

vii. Members who need technical assistance before or during the AGM to access and participate in the Meeting may contact NSDL on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Abhijeet Gunjal at evoting@nsdl.co.in.

B. INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/DURING THE AGM

The instructions for remote e-Voting before the AGM are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

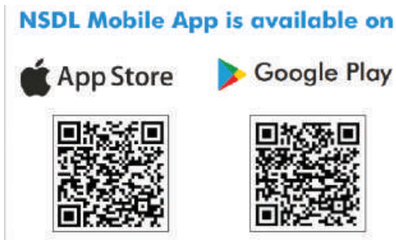
Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**	a. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. b. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon **"Login"** which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	d. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with **CDSL**.	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
i. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
ii. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
iii. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.
d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for e-Voting during the AGM are as under:

i. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.

ii. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

iii. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

General Guidelines for Members:

i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

ii. In case of any queries/grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available in the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Abhijeet Gunjal at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to ritesh.kamdar@nelco.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to ritesh.kamdar@nelco.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

By Order of the Board of Directors

Girish V. Kirkinde
Company Secretary & Head – Legal
ACS 7493

Navi Mumbai, 23rd April 2024

Registered Office:
EL-6, TTC Industrial Area, MIDC Electronics Zone,
Mahape, Navi Mumbai – 400 710
CIN: L32200MH1940PLC003164
Tel.: 91 22 67399100 Fax.: 91 22 67398787
E-mail: services@nelco.in
Website: www.nelco.in

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 5 to 7 of the accompanying Notice dated 23rd April 2024.

<u>Item No.: 5 Revision in terms of remuneration of Mr. P.J Nath (MD & CEO):</u>

Based on the recommendation made by the Nomination and Remuneration Committee (NRC), the Board at its meeting held on 24th April 2023 approved the Long-Term Incentive Plan (LTIP) to the identified employees of the Company including Managing Director & CEO which is based on the Company parameters and the performance to be considered linked with long-term goals.

The Members of the Company by passing the Special Resolution at the Annual General Meeting held on 22nd June 2021 had approved the reappointment of Mr. P. J. Nath (DIN: 05118177) as the Managing Director & Chief Executive Officer (MD & CEO) for a period of 3 years at a remuneration and on the terms and conditions extracts of which are as under:

1. Term and Termination:

1.1 From 13th June 2021 to 12th June 2024.

1.2 The Agreement may be terminated earlier, without any cause, by Mr. Nath or the Company by giving six months' notice of such termination to the other party or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.

2. Duties and Powers:

2.1 The Managing Director & CEO shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries, including performing duties as assigned to the Managing Director & CEO from time to time by serving on the Boards of such associated companies and/or subsidiaries or any other executive bodies or any committees of such a company.

2.2 The Managing Director & CEO shall not exceed the powers so delegated by the Board pursuant to clause 2.1 above.

2.3 The Managing Director & CEO undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

2.4 Mr. Nath shall undertake his duties from such location as may be directed by the Board.

3. Remuneration:

3.1 So long as the Managing Director & CEO performs his duties and conforms to the terms and conditions contained in the Agreement, he shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force.

a) <u>Basic Salary</u>: ₹ 5,67,000/- per month upto a maximum of ₹ 10,00,000/- per month, with authority to the Board to fix his salary within the said maximum amount from time to time. The annual increments which will be effective 1st April each year, will be decided by the Board based on recommendation of the NRC and will be merit-based and taking into account the Company's performance as well.

b) Benefits, Perquisites, Allowances: In addition to the Salary referred to in (a) above, Managing Director & CEO shall be entitled to:

(i) House Rent, House Maintenance and Utility Allowances aggregating 85% of basic Salary per annum.

(ii) Hospitalization, Telecommunication & other facilities:

- Reimbursement of hospitalization and major medical expenses incurred as per Company Rules including Mediclaim insurance premium for insurance coverage upto ₹ 25 lakhs (floater coverage).

- Telecommunication facilities including broadband, internet and mobile as per the Rules of the Company.

(iii) a car along with driver for official and personal uses with reimbursement of fuel charges and maintenance costs at actual. The value of the car to be provided shall not exceed ₹ 20.00 lakhs (ex-showroom)

or

In case he opts to use his own car, he will be entitled for fixed allowance of ₹ 41,720/- and ₹ 45,000/- (for fuel and maintenance). The driver will be provided by the Company.

The Board may revise the said fixed car allowances as per the base cost calculation, as and when necessary.

(iv) Other perquisites and allowances given below subject to a maximum of 55% of basic Salary per annum. This includes:

a.	Medical allowance	– 8.33%
b.	Leave Travel Concession/Allowance	- 8.33%
c.	Meal vouchers and Other Allowances	- 33.34%
d.	Personal Accident Insurance Premium	} @ actual subject
e.	Annual club membership fees	} to a cap of 5%

(v) Contribution to Provident Fund and Gratuity as per the Rules of the Company.

(vi) The MD & CEO shall be entitled to privilege, sick and casual leave in accordance with the Rules of the Company. The carry forward and encashment of leave earned but not availed by MD & CEO would be in accordance with the Rules of the Company.

(vii) The MD & CEO will also enjoy all benefits of continuity of service with regard to Gratuity and other benefits for the purposes of which the date of joining shall be the date on which he joined as Chief Executive Officer of the Company.

(viii) It is clarified that the details mentioned under Car, Hospitalization, Telecommunication and other facilities, shall not be included in computation of Annual Fixed Compensation.

c) Performance Linked Payment (PLP):

In addition to the Basic Salary, Benefits, Perquisites & Allowances, Mr. Nath will be paid annually such remuneration by way of performance linked payment subject to a maximum of 78% of Annual Fixed Compensation based on certain performance criteria and such other parameters as may be considered appropriate by the Board from time to time.

An indicative list of factors that may be considered for determination of the extent of Performance linked payment by the Board (as recommended by the NRC) are:

- The Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time;
- Industry benchmarks of remuneration;
- Performance of the individual.

Commission: In addition to Salary, Benefits, Perquisites, Allowances, the Managing Director & CEO would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the Managing Director & CEO will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

The aforesaid Performance Linked Payment would be payable only when the Company will not be paying the commission.

3.2 Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits, or its profits are inadequate, the Company will pay to the Managing Director & CEO remuneration by way of Salary, Benefits, Perquisites and Allowances and performance linked payment as specified above.

3.3 Insurance: The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire Term, subject to the terms of such policy in force from time to time.

Approval of the Members is now being sought for the payment of ₹ 28,51,263/- (over and above his existing approved remuneration) as Long-Term Performance-based Incentive to Mr. P.J. Nath, Managing Director and CEO which is 20% of the total Incentive amount of ₹ 1,42,56,318/- (being 70% of the Fixed CTC of FY'23 as approved under LTIP Scheme of the Company).

Necessary disclosures as required under Schedule V of the Act are given in "Annexure A" to this notice.

Details pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given in "Annexure B"

Other than Mr. Nath and his relatives, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Special Resolution at Item No.5 of the accompanying Notice.

Mr. Nath is not related to any Director or KMP of the Company.

The Board is of the view that the remuneration payable to him under the LTIP Scheme is commensurate with his abilities and experience and, accordingly, commend the Resolution at Item No.5 of the accompanying Notice for approval by the Members of the Company.

Item No. 6: Reappointment of Mr. P. J. Nath as Managing Director & CEO:

Mr. P.J.Nath (DIN No: 05118177) was reappointed as Managing Director & CEO of the Company by the Members at the 78th Annual General Meeting held on 22nd June 2021, for a period of 3 years commencing from 13th June 2021 upto 12th June 2024.

Based on the recommendation of the Nomination and Remuneration Committee (NRC) and pursuant to the performance evaluation of Mr. Nath as a Member of the Board and considering his background, experience and contribution, which would be beneficial to the Company, the Board, at its meeting held on 23rd April 2024, approved his re-appointment as Managing Director & CEO of the Company, for a period commencing from 13th June 2024 upto 28th February 2027 (the date on which he is scheduled to superannuate from the services of the Company on completion of 65 years of age), subject to approval of the Members. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received from Mr. Nath (i) Consent to act as a Director & Key Managerial Personnel (KMP) in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (the Rules); (ii) Intimation in Form DIR-8 in terms of the Rules to the effect that he is not disqualified under the provisions of Section 164(2) of the Act; (iii) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any order passed by Securities and Exchange Board of India or any other such authority.

Further, on the recommendation of the NRC, the Board at its meeting held on 23rd April 2024, approved the terms and conditions of Mr. Nath's re-appointment, subject to the approval of the Members.

A brief profile of Mr. Nath is given below:

Mr. Nath, aged 62 years, joined the Company on 21st February 2011, as Chief Executive Officer. He was appointed as Executive Director & CEO effective from 13th June 2012. He was re-designated as Managing Director & CEO effective from 1st June 2017. Mr. Nath has a Master of Management Studies (MMS) degree from BITS Pilani and over the years have acquired specialized knowledge in his field of profession. He has over 36 years of professional experience in the Enterprise market, during which he has worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. He has been in leadership roles for the past 26 years. His varied experience over such long period has resulted into a wide and deep understanding of all the aspects of business. This enables him to drive operational excellence and strategic growth in the organization and deliver effectively across the breadth of responsibilities.

As the MD & CEO he is responsible for managing the day-to-day business affairs of the Company as well as planning & achieving its long-term strategic growth. This includes formulation & implementation of strategic business plans, brand strategy, designing & implementing effective organization structure, ramping up visibility of the Company with the external customers and partners, forging alliances with global players, establishing strong business & operational processes, risk management and overseeing various compliances.

Under the leadership of Mr. Nath, the Company and its wholly owned subsidiary, Nelco Network Products Ltd. achieved continuous improvement in operating parameters and registered robust operating performance year-on-year, especially in past 3 years, which has reflected in improved operating profits. Mr. Nath has also successfully led the restructuring of the Company and turned it into a profitable and healthy Satcom Service Company. His sustained and focused efforts on improving operational performance, strengthening relationships with global partners as well as key stakeholders, and improving internal processes have led to achieving of financial performance goals. He has actively led the regulatory and advocacy efforts to ensure smooth working relationships with Government and the various regulatory bodies. He has brought in increased focus on Customer centricity, which has led to the Company having an extremely loyal set of customers and sustained leadership in some of the key market segments in the country. Due to the foresight about the future trends in the industry brought in by him, the Company was the first to start the Commercial services for Aero IFC and Maritime communication in the Country in early 2020 and continues to be a dominant player in these segments till date. Some of the best-known global players are partnering with the Company in these two businesses.

Under the leadership of Mr. Nath, the Company has increased its Satellite infrastructure multi-fold in the last 4 years and is well geared to have accelerated growth in the coming years. There are also a number of new areas in which the Company has started expanding and has the potential for growing into major business lines in the future.

The Standalone Profit / (Loss) Before Tax has grown from ₹ (16.17) crores in FY 2011 to ₹ 30.24 crores in FY 2024. The Company at a Consolidated basis has successfully been profitable at Operating PBDIT of ₹ 61.75 crores and PBT of ₹ 33.51 crores in FY 2024. The Net worth of the Company is also at its highest ever at ₹ 117.75 crores as on 31st March 2024.

One of the main objectives of reappointing Mr. Nath is to help the Company sustain its market leadership in the key high growth segments as well as build leadership positions in newer areas and to lead the Company to the next level of accelerated growth.

The principal terms and conditions of Mr. Nath's reappointment as Managing Director & Chief Executive Officer (hereinafter referred to as 'Mr. Nath' or the 'Managing Director and CEO') and the main clauses of the agreement to be executed between the Company and Mr. Nath are as follows:

1. Term and Termination:

1.1 From 13th June 2024 to 28th February 2027.

1.2 The Agreement may be terminated earlier, without any cause, by either Party by giving six months' notice of such termination to the other Party or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.

2. Duties and Powers:

2.1 The Managing Director & CEO shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries, including performing duties as assigned to the Managing Director & CEO from time to time by serving on the Boards of such associated companies and/or subsidiaries or any other executive bodies or any committees of such a company.

2.2 The Managing Director & CEO shall not exceed the powers so delegated by the Board pursuant to clause 2.1 above.

2.3 The Managing Director & CEO undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

2.4 The Managing Director & CEO shall undertake his duties from such location as may be directed by the Board.

3. Remuneration:

3.1 So long as the Managing Director & CEO performs his duties and conforms to the terms and conditions contained in the Agreement, he shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force.

A) Basic Salary: ₹ 8,21,000/- per month upto a maximum of ₹ 15,00,000/- per month, with authority to the Board to fix his salary within the said maximum amount from time to time. The annual increments which will be effective 1st April each year, will be decided by the Board based on recommendation of the NRC and will be merit-based and taking into account the Company's performance as well.

B) Benefits, Perquisites, Allowances: In addition to the Salary referred to in (a) above, Managing Director & CEO shall be entitled to:

a) Rent-free residential accommodation (furnished or otherwise), the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of basic Salary per annum. (in case residential accommodation is not provided by the Company).

b) Hospitalization, Transport, Telecommunication & other facilities:

i. Reimbursement of hospitalization and major medical expenses incurred as per Company Rules including Mediclaim insurance premium for insurance coverage upto ₹ 30 lakhs (floater coverage).

ii. a car along with driver for official and personal uses with reimbursement of fuel charges and maintenance costs at actual. The value of the car to be provided shall not exceed ₹ 60.00 lakhs (ex-showroom).

or

In case he opts to use his own car, he will be entitled for fixed allowance of ₹ 45,000/- and ₹ 50,000/- (for fuel and maintenance). The driver will be provided by the Company.

The Board may revise the said fixed car allowances as per the base cost calculation, as and when necessary.

iii. Telecommunication facilities including broadband, internet and mobile as per the Rules of the Company.

c) Other perquisites and allowances given below subject to a maximum of 55% of basic Salary per annum. This includes:

i.	Meal vouchers and Allowances	- 33.34%
ii.	Leave Travel Concession/Allowance	- 8.33%
iii.	Medical allowance	- 8.33%
iv.	Personal Accident Insurance Premium	} @ actual subject
v.	Annual club membership fees	} to a cap of 5%

d) Contribution to Provident Fund and Gratuity as per the Rules of the Company.

e) The MD & CEO shall be entitled to privilege, sick and casual leave in accordance with the Rules of the Company. The carry forward and encashment of leave earned but not availed by MD & CEO would be in accordance with the Rules of the Company.

f) The MD & CEO will also enjoy all benefits of continuity of service with regard to Gratuity and other benefits for the purposes of which the date of joining shall be the date on which he joined as Chief Executive Officer of the Company.

g) It is clarified that the details mentioned under Car, Hospitalization, Telecommunication and other facilities, shall not be included in computation of Annual Fixed Compensation.

C) <u>Performance Linked Payment (PLP):</u>

In addition to the Basic Salary, Benefits, Perquisites & Allowances, Mr. Nath will be paid annually such remuneration by way of performance linked payment subject to a maximum of 78% of Annual Fixed Compensation based on certain performance criteria and such other parameters as may be considered appropriate by the Board from time to time. An indicative list of factors that may be considered for determination of the extent of Performance linked payment by the Board (as recommended by the NRC) are:

- The Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time;
- Industry benchmarks of remuneration;
- Performance of the individual.

Commission: In addition to Salary, Benefits, Perquisites, Allowances the Managing Director & CEO would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the Managing Director & CEO will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

The aforesaid Performance Linked Payment would be payable only when the Company will not be paying the Commission.

D) Incentive under the Long Term Incentive Program ("LITP")

In addition to the Basic Salary, Benefits, Perquisites & Allowances, PLP/Commission, Mr. Nath will be paid an incentive of ₹ 1,42,56,318/- being 70% of the Fixed CTC of FY'23 which would be payable in the ratio of 20% (in FY24-25, subject to the approval of shareholders at this Annual General Meeting) and subsequently 20% and 60% in FY 2025-26 and FY 2026-27 respectively based on the criteria and as per the terms and conditions of the LTIP Scheme. Further, he will also be entitled to any additional Incentive schemes including under any new / revised LTIP Scheme in future, which may be approved by the Board on the recommendation of the NRC.

E) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits, or its profits are inadequate, the Company will pay to the Managing Director & CEO remuneration by way of Salary, Benefits, Perquisites and Allowances, performance linked payment/Commission and Incentive under the LTIP as specified in A, B, C, and D above.

F) Insurance: The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire Term, subject to the terms of such policy in force from time to time.

4. Other Terms of Re-appointment

(i) Variation

The terms and conditions of the re-appointment of the Managing Director & CEO and/or the Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director & CEO, subject to such approvals as may be required.

(ii) Selling Agency

The Managing Director & CEO, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

(iii) Summary termination of employment

The employment of the Managing Director and CEO may be terminated by the Company without notice or payment in lieu of notice:

a. if the Managing Director and CEO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or

b. in the event of any serious or repeated or continuing breach (after warning) or non-observance by the Managing Director & CEO of any of the stipulations contained in the Agreement; or

c. in the event the Board expresses its loss of confidence in the Managing Director & CEO.

(iv) Termination due to physical / mental incapacity

In the event the Managing Director & CEO is not able to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

(v) Resignation from directorships

Upon the termination by whatever means of his employment under the Agreement:

a. the Managing Director & CEO shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company;

b. the Managing Director & CEO shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

(vi) Personnel Policies

All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director & CEO, unless specifically provided otherwise.

(vii) Agreement co-terminus with employment/directorship

If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Nath will cease to be the Managing Director & CEO and cease to be a Director of the Company. If at any time, the Managing Director & CEO ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & CEO and the Agreement shall forthwith terminate. If at any time, the Managing Director & CEO ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director & CEO of the Company.

(viii) The terms and conditions of re-appointment of the Managing Director & CEO also include adherence with the Tata Code of Conduct, no conflict of interest with the Company, other Directorships, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality.

The remuneration paid/payable to the Managing Director & CEO for FY 2023-24 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by him.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, and Regulation 17(1C) of the Listing Regulations, the terms of re-appointment and remuneration of the Managing Director & CEO as specified above are now being placed before the Members for their approval by way of Special Resolution.

Other than Mr. Nath and his relatives, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the Resolution at Item No.6 of the accompanying Notice. Mr. Nath is not related to any other Director or KMP of the Company.

The Directors are of the view that the reappointment of Mr. Nath as Managing Director & CEO will be beneficial to the functioning and future growth opportunities of the Company. The remuneration payable to him is commensurate with his abilities and experience and accordingly, the Board commend the Special Resolution at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

The Managing Director & CEO satisfies all the conditions set out in Part –I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for reappointment. He is not disqualified from being a Director in terms of Section 164 of the Act. Necessary disclosures as required under Schedule V of the Act are given in "Annexure A".

Details pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given in "Annexure B"

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

Item No.: 7

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the appointment of M/s. P.D.Dani & Associates (PDA) (Firm Registration No. 000593) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for FY 2023-24, at a remuneration of ₹1,25,000 (Rupees One Lakh Twenty Five Thousand) plus GST and reimbursement of out of pocket expenses on actual basis incurred in connection with the audit. They have vast experience in the field of cost audit. Pursuant to Section 148(3) of the Act, approval by the Members is required for the payment of above remuneration to the cost auditor.

The Board recommends the Ordinary Resolution at Item No.7 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company. None of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested in the Resolution at Item No.7 of the accompanying Notice.

By Order of the Board of Directors

Girish V. Kirkinde
Company Secretary & Head – Legal
ACS 7493

Navi Mumbai, 23rd April 2024

Registered Office:
EL-6, TTC Industrial Area, MIDC Electronics Zone,
Mahape, Navi Mumbai – 400 710
CIN: L32200MH1940PLC003164
Tel.: 91 22 67399100 Fax.: 91 22 67398787
E-mail: services@nelco.in
Website: www.nelco.in

Annexure A to the Notice of Annual General Meeting

Information pursuant to Schedule V of the Act

I. General Information:

1. Nature of Industry: Electronics and Telecommunications activities

2. Date of /expected date of commencement of commercial production:

   The Company was incorporated on 31st August, 1940 and started commercial production immediately.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus: Not applicable.

4. Financial performance based on given indicators:

(₹ in lakhs)

Particulars	FY 2023-24	FY 2022-23	FY 2021-22	FY2020-21	FY 2019-20
Consolidated Revenue from Operations (Gross)	32,030	31,333	26,007	22,612	21,993
Standalone Revenue from Operations (Gross) **	22,268	19,704	14,316	13,112	3,833
Consolidated Profit/ (Loss)	2,367	1,985	1,6081	1,236	1,438
Standalone Profit/(Loss)	2,127	2,088	1,022	924	827
Profit/Loss pursuant to Section 198 of the Companies Act, 2013	902	Nil	Nil	Nil	Nil

**Continuing operations.

5. Foreign investments or collaborators, if any:

   The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors mainly comprise of investors in the Company because of past issuances of shares and secondary market purchase.

II. Information about the Appointee:

1. Background details

   Mr. Nath, aged 62 years, joined the Company on 21st February 2011, as Chief Executive Officer. He was appointed as Executive Director & CEO effective from 13th June 2012. He was re-designated as Managing Director & CEO effective from 1st June 2017. Mr. Nath is a professional having a graduate level qualification with expert and specialized knowledge in the field of his profession. He has a Master of Management Studies (MMS) degree from BITS Pilani. He has over 36 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 26 years he has been in leadership roles. His varied experience over such long period has resulted into a wide and deep understanding of all the aspects of business. This enables him to drive operational excellence and strategic growth in the organization and deliver effectively across the breadth of responsibilities.

2. Past Remuneration

(₹ in lakhs)

Particulars	FY 2023-24	FY 2022-23
Basic Salary	83.15	75.25
Perquisites & Allowance including car	125.70	112.57
Retirals (PF + Gratuity)	13.98	12.65
Performance Linked Payment	150.74	134.93
Total	**373.57**	**335.40**

Contribution to Provident Fund, Gratuity as per the Rules of the Company.

Leave and encashment of un-availed leave as per the Rules of the Company.

3. Recognition or Awards

During his professional career, Mr. Nath, on multiple occasions has received recognitions and appreciations for building up new businesses as well as turning around existing businesses. His contribution has also been recognized in the turning around of the Company and putting it in the path of profitable growth by focusing on the Satellite communication services business and taking leadership position in some of the important markets.

4. Job Profile and his suitability

Taking into consideration the size of the Company, the complex nature of its operations, the strategic and operational restructuring and transformation required and Mr. Nath's broad functional and general management skills, his rich experience of over 36 years in growing organizations and developing new markets, the Board reappointed Mr. Nath effective from 13th June 2024. Also, as a Director, he is nominated on the Board of Company's wholly owned Subsidiary and Associate Company.

5. Remuneration proposed

Please refer to the principal terms of remuneration as mentioned herein above of this Notice. In monetary terms the proposed remuneration for tenure from 13th June 2024 to 28th February 2027 is given hereunder:

Particulars	13th June 2024 to 31st March 2025 (₹ in Lakhs)	1st April 2025 to 31st March 2026 (₹)	1st April 2026 to 28th February 2027 (₹)
Basic Salary	81.56	8,21,490 (per month) + Increment*	
Perquisites & Allowance including car	123.62	140% of Basic Salary + Car Allowance	
Retirals (PF + Gratuity)	13.71	16.81% of Basic Salary	
Performance Linked Payment	163.38	Upto 78% of Fixed CTC #	
Total	382.27		

Assumed at maximum level of 78% of Fixed CTC or Commission as the case maybe.

Fixed CTC is sum of Basic + Perquisites & Allowance (excluding car allowance) + Retirals.

* Actual Basic salary would be decided by the Board subject to performance and within the said maximum Basic salary of ₹ 15,00,000/- per month. The remaining salary components are a function of the Basic salary & Fixed CTC as given above. The Company's annual increment cycle is currently applicable from 1st April to 31st March.

Incentive under the Long Term Incentive Program ("LITP")

In addition to the Basic Salary, Benefits, Perquisites & Allowances, PLP/Commission, Mr. Nath will be paid an incentive of ₹ 1,42,56,318/- being 70% of the Fixed CTC of FY'23 which would be payable in the ratio of 20% (in FY24-25, subject to the approval of shareholders at this Annual General Meeting) and subsequently 20% and 60% in FY 2025-26 and FY 2026-27 respectively based on the criteria and as per the terms and conditions of the LTIP Scheme. Further, he will also be entitled to any additional Incentive schemes including under any new / revised LTIP Scheme in future, which may be approved by the Board on the recommendation of the NRC

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

   Considering the industry in which the Company operates, the size of the business as well as the profile of Mr. Nath and the responsibilities shouldered by him, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other companies in the industry.

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel or other directors, if any:

   Mr. Nath has joined the Company in a professional capacity and meets the criteria of a professional director with appropriate qualifications, does not hold any securities of the Company and is not related to the promoters or any director of the Company. Besides the remuneration paid/payable to Mr. Nath, he does not have any other pecuniary relationship with the Company or with the managerial personnel or other directors of the Company.

III. Other information

1. Reasons for inadequate profits in earlier years:

   The Company has been making profits every year since Financial Year 2013-14 and the profits have been growing year on year. The reason for inadequate profits under Section 197 is due to the accumulated losses of the past periods. The Company suffered losses in the past, mainly from some of the businesses which were not able to generate profits due to the market conditions. The Company divested these loss-making businesses and since then making profits consistently year on year.

2. Steps taken by the Company to improve performance:

   The Company has divested all its loss-making businesses except one, which is being run on a maintenance mode to honour the warranty and annual maintenance commitments as per the contract. The Company has been focusing only on the profitable business of Satellite communication services, which has large growth prospects globally and in India.

   Under the leadership of Mr. Nath, the Company has transformed itself to become a major Satellite communication service provider. The Company has demonstrated its agility in creating new businesses and solutions and delivering value to customers and global partners. The Company is a leading Satellite Communication service provider in the country and serves industry leaders in most of the major segments of the Enterprise market. The Company has also established itself as a leading In-Flight and Maritime Communications (IFMC) player, serving both Aero IFC and Maritime communication services in India. The Company is offering Aero IFC services currently, enabling more than 1500 international aircrafts flying over India to provide Wi-Fi onboard the aircrafts and will offer similar services for the domestic aviation sector in near future. The Company has been a lead adopter of Satcom technologies and will continue to leverage global technology advancements to serve a larger number of segments and applications using GSO and NGSO networks, software defined satellites, new-age electronics and many more technologies as and when these are available. The Company has partnered with multiple global players and will continue to have more partnerships in future to enhance its offerings and reach. The Company continuously explores newer Satcom technologies and services and markets where Satcom can be used effectively. The Company is developing newer verticals in the Enterprise market and planning to expand into newer segments in future.

In addition, the Company has been making continuous investment in augmenting its infrastructure for providing reliable and high quality Satcom services. The Company has currently deployed the latest technologies for its multiple satellite gateways in Mahape and Dehradun. The Company has also deployed High Throughput Satellite (HTS) capacities on Indian and foreign satellites, apart from the conventional wide-beam FSS satellites, which is expanding the market opportunities of the Company. The Company has been augmenting the satellite bandwidth capacity for serving the growing needs of its customers.

With all these initiatives the Company will be able to have even faster growth and further strengthen its position in the market.

Mr. Nath is actively involved in discussions with the Govt. and telecom regulators, important industry bodies associated with the Satellite industry to bring about progressive regulatory regime in the country to facilitate faster growth in the Space sector. The Company has been growing its revenue steadily and made very healthy profits for last Nine Financial Years. Based on all the strategies deployed and the various initiatives taken, it is expected that the Company would grow at a fast pace in the short to medium term.

3. Expected increase in productivity and profits in measurable terms:

With expanded business lines including IFMC, augmented infrastructure, changing regulatory framework in the country, future expansion to markets beyond India and the various initiatives being taken up, the Company expects to significantly step up its operating and financial performance in the coming years. The Company also has a very ambitious growth plan for the next 5 years. It is difficult to predict the increase in revenue and profit of the Company for future years, as there are external dependencies on regulatory changes by the Govt., which are difficult to predict accurately in terms of timelines.

The NRC currently comprising of three independent directors [viz. Dr. Lakshmi Nadkarni (as Chairperson of the Committee), Mr. K. Narasimha Murthy, and Mr. Ajay Kumar Pandey], and Mr. Saurabh Ray (Non-Executive-Non-Independent Director) reviews and recommends the revision in the remuneration on a yearly basis. This review is based on the Balance Score Card that includes the performance of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, revenue, EBITDA, cash flows, customer satisfaction, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-a-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent HR agencies on comparative industry remuneration and practices. The decisions taken at the NRC and the Board are within the broad framework of remuneration as approved by the Members.

The Company remains committed to pursue the long-term interest of all stakeholders, including the Company's Members and employees. To be able to achieve these objectives it is necessary to recruit and retain proven high calibre management team on a sustainable basis. This requires that the Company's leadership and talent base are appropriately remunerated, notwithstanding cyclical phases. This is particularly important when the Company has ongoing significant turnaround and growth strategies under execution.

Annexure B to the Notice of Annual General Meeting

Details/Brief resume of the Director seeking appointment / re-appointment at Annual General Meeting [Pursuant to Regulations 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 on General Meetings.

Name of the Director	Mr. A.S. Lakshminarayanan	Mr. P.J.Nath
DIN	08616380	05118177
Date of Birth (Age)	13th April 1961 (63 Years)	1st February 1962 (62 years)
Date of Appointment	29th May 2022	13th June 2012
Expertise in Specific Functional Area	Deep understanding of the global technology market and enterprises' growing digital needs	He has over 36 years of professional experience in the Enterprise market, during which he worked in reputed IT & Telecom companies. During his career he has worked in many different roles encompassing Sales, Product Management, Customer Support, Project Management, Business Head and CEO. The past 26 years he has been in leadership roles. His varied experience over such long period has resulted into a wide and deep understanding of all the aspects of business. This enables him to drive operational excellence and strategic growth in the organization and deliver effectively across the breadth of responsibilities.
Qualifications	Degree in Mechanical Engineering from BITS, Pilani Alumnus of London Business School	Graduate from BITS Pilani in Master of Management Studies (MMS)
Terms and conditions of appointment or re-appointment	Re-appointment in terms of section 152(6) of the Companies Act, 2013	As mentioned in the Explanatory statement attached to the notice of AGM dated 23rd April 2024
Relationship between Directors, Manager and other Key Managerial Personnel inter se	Mr. Lakshminarayanan is not related to any other Directors, Manager and other Key Managerial Personnel of the Company.	Mr. Nath is not related to any other Directors, Manager and other Key Managerial Personnel of the Company.
Directorship held in other Companies (excluding Foreign Companies)	Tata Communications Ltd. Tata Teleservices Ltd. Tata Teleservices (Maharashtra) Ltd.	Nelco Network Products Ltd. Technopolis Knowledge Park Ltd. Piscis Networks Pvt. Ltd.

Committee positions held in other Companies	Tata Communications Ltd. Member • Corporate Social Responsibility Committee • Stakeholders Relationship Committee Tata Teleservices Ltd. Member • Nomination and Remuneration Committee • Finance Committee • Empowered Committee • Share / warrant / Debenture Allotment & Transfer Committee Tata Teleservices (Maharashtra) Ltd. Member • Nomination and Remuneration Committee	Nil
Remuneration	Sitting fees paid to Mr. Lakshminarayanan for FY 2023-24 is ₹ 1,20,000.	As mentioned in the Explanatory Statement to the Notice dated 23rd April 2024 and also in Report on Corporate Governance.
Details of Remuneration sought to be paid	Sitting fees will be paid to Mr. Lakshminarayanan as approved by the Board	As mentioned in the Explanatory Statement to the Notice dated 23rd April 2024.
Name of the listed entities for which the person has resigned in the past three years	Tejas Networks Limited	None
No. of meetings of Board attended during the year	6	6
No. of shares held (a) Own (b) For other persons on a beneficial basis	Nil	Nil

DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in presenting Eighty First Annual Report of Nelco Limited (Company or Nelco) alongwith the Audited Statement of Accounts for the year ended 31st March 2024.

1. Financial Results

(₹ in lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		FY2023-24	FY2022-23	FY2023-24	FY2022-23
a	Revenue from operations	22,268	19,704	32,030	31,333
b	Other income	236	268	236	257
c	Total income	22,504	19,972	32,266	31,590
d	Operating expenditure	17,947	15,635	26,091	25,257
e	Profit before finance cost, depreciation & amortisation and share of profit from associate and tax (PBITDA)	4,557	4,337	6,175	6,333
f	Less: Finance cost	249	337	657	773
g	Less: Depreciation & amortization	1,284	1,065	2,214	2,778
h	Total finance cost and depreciation & amortization (f+g)	1,533	1,402	2,871	3,551
i	Profit before share of profit from associate and tax (e-h)	3,024	2,935	3,304	2,782
j	Share of profit from associate	-	-	47	-
k	Net profit before tax (i+j)	3,024	2,935	3,351	2,782
l	Current / deferred tax expenses	897	847	984	797
m	Net profit after tax (k-l)	2,127	2,088	2,367	1,985
n	Add: Other comprehensive income/(expenses) (net of tax)	(10)	(19)	(8)	(24)
o	Total Comprehensive Income (m+n)	2,117	2,069	2,359	1,961

2. Dividend

The Directors of your Company recommend for FY 2023-24, a dividend of ₹ 2.20/- per share of ₹ 10/- each i.e. 22% (previous year ₹ 2.00 per share i.e. 20%) subject to the approval of the Members at the ensuing AGM. If approved, the total dividend outgo for FY 2023-24 would amount to ₹ 502.00 lakhs (previous year ₹ 456.37 lakhs).

According to Regulation 43A of the Listing Regulations, the top 1000 listed entities based on market capitalization, calculated as on 31st March of every financial year are required to formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports. Accordingly, the Dividend Policy of the Company can be accessed using the following link: https://www.nelco.in/pdf/Policies/dividend-distribution-policy.pdf

3. Financial Performance and the state of the Company's affairs

3.1. Standalone

On a Standalone basis, your Company achieved revenue of ₹ 22,268 Lakhs in FY 2023-24 from Operations as against ₹ 19,704 Lakhs in FY 2022-23 i.e. increased by 13% over previous year.

In FY 2023-24 the Company earned net profit after tax of ₹ 2,127 Lakhs from the Operations as against net profit after tax of ₹ 2,088 Lakhs in FY 2022-23. This was due to increase in service revenue and improved margins.

3.2. Consolidated

On a Consolidated basis, revenue from Operations was ₹ 32,030 Lakhs in FY 2023-24 as against ₹ 31,333 Lakhs in FY 2022-23 i.e. increase by 2.22% over previous year.

The segment wise performance (Consolidated) from Operations for the year was as follows:

Based on evaluation of key financial parameters, the Company believes that it operates in only one reportable segment i.e. Network Systems and accordingly the financial results are reported as single reportable segment.

The Company earned a net profit after tax of ₹ 2,367 Lakhs from Operations as against net profit after tax of ₹ 1,985 Lakhs in FY 2022-23 i.e. increased by 19% . No material changes and commitments have occurred after the close of the year under review till the date of this Report which affect the financial position of the Company.

The Company has strengthened its overall position in the market with a higher share of the incremental business in Enterprise, Government and IFMC segments.

The Company continuously evaluates opportunities for investment and augmentation of its technology, satellite network capabilities and ground infrastructure, developing new products and services for enabling ubiquitous, reliable, secure, and high-quality connectivity through Satcom services. Towards this objective, the Company has invested in Piscis Networks Pvt. Ltd., an original equipment manufacturer for SDWAN technology. Also, during the year, the satellite bandwidth capacity has grown by around 23% over the total capacity available in the previous year. Additionally, the Company has made an advance booking for large satellite capacity on a High-Throughput Satellite, which will be operationalized in FY25. This will enable the Company to serve newer segments and use-cases with its Satcom services.

3.3. Operations

Information in detail has been given in the Management Discussion & Analysis which forms a part of this report.

4. Reserves

The Board of Directors has decided to retain the entire amount of profit for Financial Year 2023-24 in the statement of profit and loss.

5. Subsidiary & Associate Company

5.1. The Company has a wholly owned subsidiary - Nelco Network Products Ltd. (NNPL) and an associate company - Piscis Networks Pvt. Ltd. (PISCIS) as on 31st March 2024.

Subsidiary Company

The revenue of NNPL for FY 2023-24 was ₹ 9,989 Lakhs (previous year ₹ 11,658 Lakhs) and profit after tax was ₹ 222 Lakhs (previous year loss after tax was ₹ 113 Lakhs) and the accumulated reserve and surplus since incorporation was ₹ 3,488 Lakhs.

Associate Company

During the year 2023-24 Company has acquired 31.72% of equity stake in PISCIS. The revenue of PISCIS for FY 2023-24 was ₹ 809 Lakhs (previous year ₹ 100 Lakhs) and profit after tax was ₹ 233 Lakhs (previous year loss after tax was ₹ 43 Lakhs). This was due to increase in sale of number of SDWAN routers and corresponding recurring service revenue therefrom. The Company's share of profit in associate for FY 2023-24 was ₹ 47 Lakhs (previous year ₹ Nil).

As required under Section 129(3) of the Companies Act, 2013 (Act), a report on the financial performance of NNPL & PISCIS in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiary Company, are available on the website of the Company https://www.nelco.in/investor-relation/financial.php.

The Policy for determining material subsidiaries of the Company has been provided in the following link: https://www.nelco.in/pdf/Policies/Policy%20for%20determining%20Material%20Subsidiaries.pdf

6. Directors and Key Managerial Personnel

During the year under review, there was no change in the composition of the Board. In accordance with the requirements of the Companies Act 2013 and the Company's Articles of Association, Mr. A.S. Lakshminarayanan retires by rotation and is eligible for re-appointment. Members' approval is being sought at the ensuing AGM for his re-appointment.

Further, on the recommendation of the Nominations, HR & Remuneration Committee, the Board of Directors of the Company approved the reappointment of Mr. P. J. Nath as Managing Director & CEO for a period from 13th June 2024 to 28th February 2027. The reappointment as also the terms thereof (including remuneration) has been placed for approval of the Members at the ensuing AGM of the Company scheduled to be held on 25th June 2024.

Independent Directors

In terms of Section 149 of the Act, Mr. K. Narasimha Murthy, Dr. Lakshmi Nadkarni and Mr. Ajay Kumar Pandey are the Independent Directors of the Company.

In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based upon the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience (including the proficiency) and expertise in their respective fields and that they hold highest standards of integrity.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

Additional information and brief profile as stipulated under Listing Regulations and Secretarial Standards-2 on General Meetings with respect to Directors seeking appointment/reappointment is annexed to the Notice of AGM.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Company as on 31st March 2024 are:

- Mr. P.J. Nath, Managing Director & CEO
- Mr. Malav Shah, Chief Financial Officer
- Mr. Girish Kirkinde, Company Secretary & Head-Legal

  Mr. Girish V. Kirkinde, Company Secretary & Head- Legal will be superannuated from the services of the Company on 30th April 2024. On the recommendation of Nominations and Remuneration Committee, the Board approved the appointment of Mr. Ritesh N. Kamdar as Company Secretary & Head-Legal and Key Managerial Personnel effective from 14th May 2024.

Number of Board meetings

During the year under review, six Board Meetings were held. For further details, please refer Report on Corporate Governance.

Governance Guidelines

The Company has adopted Governance Guidelines on Board Effectiveness. The said Guidelines covers aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. It also includes aspects relating to nomination, appointment, induction and development of Directors, Director Remuneration, subsidiary oversight, Code of Conduct, Board Effectiveness Review and mandates of Board Committees.

7. Annual Evaluation of Board Performance and Performance of its Committees and Individual Directors

As required under the Act and Listing Regulations, the Board has carried out formal annual evaluation of the performance of the Board, its Committees and of individual Directors. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the board after seeking inputs from the Committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January 2017.

In a separate meeting of Independent Directors, performance of non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, considering the views of Managing Director & CEO and non-Executive Directors.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the Board meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Based on inputs received from the Board members, it emerged that the Board had a good mix of competency, experience, qualifications and diversity. Each Board member contributed in his/her own manner to the collective wisdom of the Board, keeping in mind his/her own background and experience. There was active participation and adequate time was given for discussing strategy. Overall, the Board was functioning very well in a cohesive and interactive manner.

7.1. Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following substantive Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee (AC)
- Nominations and Remuneration Committee (NRC)
- Stakeholders Relationship Committee (SRC)
- Risk Management Committee (RMC)

Details of composition, terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance which forms part of the Annual Report. Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board.

The details of the familiarization programs for Independent Directors are disclosed on the Company's website and the web link for the same is: https://www.nelco.in/pdf/Policies/familarization-programme-23-24.pdf

The Company has adopted a Code of Conduct for its Non-Executive Directors including a code of conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Act. The Company has also adopted the Tata Code of Conduct for its employees including the Managing and Executive Directors. The above codes can be accessed on the Company's website at https://www.nelco.in/investor-relation/corporate-governance.php.

In terms of the Listing Regulations, all Directors and senior management personnel have affirmed compliance with their respective codes. The CEO & Managing Director has also confirmed and certified the same, which certification is provided at the end of the Report on Corporate Governance.

7.2. Remuneration Policy for the Directors, Key Managerial Personnel and other Employees

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the NRC is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Board Diversity, which is reproduced in Annexure-I forming part of this report and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company is available on the websites of the Company at https://www.nelco.in/pdf/Policies/Remuneration%20Policy%20for%20Directors,%20KMP%20and%20Other%20employees.pdf.

Salient Features of this policy are as under: -

- The philosophy for remuneration of Directors, Key Managerial Personnel ("KMP") and all other employees of Nelco Ltd. ("Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.
- Independent Directors ("ID") and non-independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Overall remuneration should be reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- The extent of overall remuneration to Managing Director ("MD")/ Executive Directors("ED")/ KMP/ rest of the employees should be sufficient to attract and retain talented and qualified individuals suitable for every role.
- The remuneration mix for the MD/EDs is as per the contract approved by the shareholders.
- In addition to the basic/fixed salary, the company provides to other KMPs and employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible and also performance linked bonus.
- Remuneration is payable to Director for services rendered in professional capacity and which NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

- There is no change in the aforesaid policies during the year under review.
- Except the Performance Linked Payment (PLP) which is a part of his Cost to the Company (CTC), the Managing Director & CEO has neither received any commission from the Company nor from its Holding or Subsidiary Company.

7.3. Particulars of Employees and Remuneration

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules) are provided in Annexure - II (A) forming part of this Report.

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure II (B) forming part of this report. None of the employees listed in the said Annexure II (B) is related to any Director of the Company. In terms of proviso to Section 136(1) of the Act, this Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said Statement is also open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

8. Significant and material Orders passed by the Regulators or Courts or Tribunal

No significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

Corporate Governance, Management Discussion & Analysis and Business Responsibility and Sustainability Report (BRSR)

As per Listing Regulations, the Corporate Governance Report with the Secretarial Auditors' Certificate thereon and the Management Discussion and Analysis are attached, which forms part of this Annual Report.

Pursuant to Regulation 34 of the Listing Regulations, the BRSR, initiatives taken from an environmental, social, governance and sustainability perspective in the prescribed format is attached as a separate section of this Annual Report.

Vigil Mechanism

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Tata Code of Conduct (TCOC), any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the TCoC cannot be undermined.

Pursuant to Section 177(9) of the Act and Regulation 4(2)(d)(iv) of the Listing Regulations, a Whistle-blower Policy and Vigil Mechanism was established for Directors, employees and stakeholders to report to the Management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC)/Chairman of the Audit Committee of the Company for redressal. The policy has been posted on the Company's website at https://www.nelco.in/pdf/Policies/Whistle%20Blower%20Vigil%20Mechanism%20Policy.pdf. The Company affirms that no personnel have been denied access to the Audit Committee.

9. Risks and Concerns

The Company is faced with risks of different types including strategic, financial, regulatory and operational. Each of the risks need different approaches for mitigation and management. Details of various risks faced by the Company are provided in Management Discussion & Analysis.

9.1. Risk Management Framework and Internal Financial Controls

Risk Management Framework: The Company has established a risk management framework and policy based on which risks are identified and assessed across its business segments. The Risk Management Committee (RMC) of the Board was constituted in FY22 to enhance the focus on risk identification and mitigation. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Company's key risks are discussed with RMC on a half yearly basis.

The Audit Committee and Board have an additional oversight in key strategic and financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The internal Risk Management Committee at the Company level which comprises of the CEO, CFO, Chief Risk Officer and key business and operations heads, ensures that existing and future risk exposures of the Company are identified, assessed, quantified, minimized, managed and appropriately mitigated. The Company's framework of risk management process provides clear basis for informed decision making at all levels of the organization on an ongoing basis, having duly evaluated likely risks and their mitigation plans being controllable and within risk appetite of the Company. There are no elements of risk, which in the opinion of the Board may impact the existence of the Company.

Internal Financial Control and Systems: The Company has an internal financial control system, commensurate with the nature of its business, the size and complexity of its operations and as such the internal financial controls with reference to the Financial Statements are adequate. The Company has appointed independent Chartered Accountant firm as Internal Auditors who audits governance, risk management and internal controls and processes. The Internal Auditors present their findings to the Audit Committee. Testing of Internal Financials Controls also form a part of internal audit schedule. The scope and authority of internal audit is defined in Audit Committee Charter adopted by the Company.

As per the Audit Committee Charter adopted by the Board and as per provisions of Section 177 of the Companies Act, 2013 (the Act) one of the responsibilities of the Audit Committee is to review the effectiveness of the Company's Internal control system, including Internal Financial Controls. Internal controls have been discussed in detail in Management Discussion & Analysis in this report. The Company has implemented robust processes to ensure that all internal financial controls are effectively working. On review of the internal audit observations and action taken on audit observations, there are no adverse observations having material impact on financials, commercial implications or material non-compliances which have not been acted upon. In addition, the statutory auditors carry out an audit at quarterly intervals and these reports also have not indicated any adverse findings.

Process Robustness: The Company also carries out business excellence assessments and process deep dives through external agencies to establish and improve efficiency and effectiveness of processes in various key functions. The Company assesses the process maturity and robustness for its key functions on the following:

- Process documentation and workflow
- Process measures and controls (manual/system driven) including maker-checker mechanisms
- Performance tracking for key measures/metrics
- Initiatives taken for process improvements

The Company also carries out internal audits and process deep dives through external agencies to establish and improve efficiency and effectiveness of processes in various key functions. On review of the internal audit observations and action taken on audit observations, there are no adverse observations having material impact on financials, commercial implications or material non-compliances which have not been acted upon. In addition, the statutory auditors carry out an audit at quarterly intervals and these reports also have not indicated any adverse findings.

10. Sustainability

10.1. Corporate Social Responsibility

Owing to the losses as per the calculation of net profit under Section 198 of the Act, the Company was not required to spend any amount statutorily towards CSR activities. However, the Company actively participates in Volunteering activities organised under Tata Volunteering Week and Pro-engage. In FY24, Nelco registered 500+ hours of volunteering through various CSR initiatives in different cities of India. The Company catered to around 800 beneficiaries from different NGOs across India.

The Company has also engaged in sponsoring 2 NGOs :

a) for Skill enablement of Youths – sponsoring 10 Youths who are being familiarized with skills for their future growth,

b) Sponsoring for Mid-day meal of approx. 200 children.

The disclosures as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are set out in Annexure VI of this report

10.2. Safety, Health and Environment

The Company placed utmost importance to establish a safe work environment for its employees, contractual workforce, suppliers, visitors and partners. Specific focus was given to determine safety standards on Office Safety, Field Safety, Working at Height safety & Electrical and Fire Safety. Employees are encouraged to report observations & Incidences on the Online Safety reporting portal for taking preventive & corrective measures.

The Company adopts a proactive and responsible approach to safeguard the welfare of its employees. Communication on health tips, virtual seminars on health topics, fitness related sessions, Doctors availability in the premise, Health check-up packages are some of the services available for employees and families. Employees have been covered under the Group Term Life policy in the year and this is a step towards employee care & well-being.

All hygiene specific guidance in office are ensured. The Company continued the hybrid model for working during the year while ensuring productivity is not compromised.

11. Human Resources

As on 31st March 2024, the Company had an employee strength of 94. During the year under review, 12 employees were recruited and 12 employees were separated.

Various people related initiatives were undertaken by the Company during the year to enable organizational growth through people care and development which include:

- Engagement & Empowerment: The Company utilises multiple platforms that encourage open communication amongst employees and allow them to voice their opinion. Every year Employee Engagement Surveys are conducted to enable people to voice out their views, concerns and suggestions for making the workplace better for everyone. Ideas Portal is a platform where employees share ideas which are further evaluated and translated into actions wherever feasible. Knowledge sessions, employee welfare and sports activities are conducted from time to time to ensure continuous learning, team bonding and motivation. People are encouraged to participate in the Company's Improvement projects where they get an opportunity to ideate and provide solutions to existing problems and thus, support the Company in making improvements and achieving its objectives.

- Reward & Recognition (R&R): The Company promotes Recognitions at all levels. Initiatives like Appreciation week, Quarterly awards which includes Individual & Team awards ensures that employee contributions are acknowledged timely. Nelco Innovista awards is an internal platform which encourages creativity and rewards participants for their out of the box thinking and innovative minds. Recently, the R&R categories (including Innovation Awards) were revamped to make the process more inclusive and effective.

- Capability Development: Company focuses on overall capability building of functional, managerial and behavioural skills during the Annual Strategic planning exercise and Performance management process. The Company has been committed towards building the skill levels of employees through organizing inhouse, residential and virtual workshops and fulfilling the training requirements through e-learning platforms. Employees were also encouraged to undergo trainings of their choice available on the eLearning portal, apart from the training needs identified by their managers. The Company engaged into competency mapping exercise to build a robust framework of necessary skills and knowledges in order to grow and stay competitive in the market.

  Nelco focuses on fostering a culture of innovation. Innovative mindsets are encouraged through competitions like Tata Innovista, where employees showcase creative ideas/actions in business, process or technology. In order to bring more vigour and encourage innovation, the company revamped the Recognition policy by adding more category of awards to the Innovation category.

- Performance & Talent Management: Employee performance is monitored and managed through rigorous processes of Performance Appraisal. Mapping the SMART goals in the online system ensures that Goals are properly maintained and tracked for improving the people's, departments' and overall organization's productivity. Continuous performance dialogues are encouraged between managers and their teams with focus on guiding and training first time managers through performance coaching. The employees receive their performance rating at the end of the Annual Appraisal process which is instrumental in deciding their progress in the organization. The Performance linked pay encourages employees to perform to their best capabilities for getting higher rewards. Talent management framework is rolled out for High-Potential employees which help them to grow in the organization faster.

- The Company organises best practices session in association with the Tata Groups TBExG team, as part of their Continuous improvement Projects. The sessions help us in gaining additional knowledge on the various processes taken up in our Improvement Projects and implementing them. The objective being improvement from the current state by adopting various tools/ methodologies and by learnings through best practices across Group companies.

- Succession Planning: The Company has a well-defined Succession Planning process. Successors have been identified for critical positions (for N & N-1 level) in the Company and are being groomed for taking over higher responsibilities in the next 3-4 years through focused interventions.

- The Company is strongly focused on Digitalization and Data excellence. Digitalization as a separate function focuses on implementing technology driven processes and systems to streamline operations and thus improve overall organization efficiency. The company has organised workshops / best practice session on data excellence to bring rigour to the data management in the company. Reverse digital mentoring sessions are organised by the company in order to spread the knowledge and help the employees in implementing these applications for bringing more efficiency in their work. This also promotes youngsters to show their technical capabilities.

- The Company has an instituted Policy on Prevention of Sexual Harassment (POSH), which seeks to govern the guidelines and grievance redressal procedures as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As per policy, a Complaints Redressal Committee/Internal Complaints Committee exists in the Company with inclusion of an external lady member. POSH related sessions were conducted for employees and allied resources. No complaints related to POSH have been received during the year.

12. Credit Rating

During the year CRISIL has assigned ratings for long term and short-term bank facilities of the Company to CRISIL A Stable and CRISIL A1 respectively.

13. Loans, Guarantees, Securities and Investments (LGSI)

Details of LGSI covered under the provisions of Section 186 of the Act are given in Annexure III forming part of this report.

14. Foreign Exchange – Earnings and Outgo

(₹ in lakhs)

Particulars – Standalone	Year ended 31st March 2024	Year ended 31st March 2023
Foreign Exchange Earnings	9,557	8,426
Foreign Exchange Outflow	1,495	1,489

15. Auditors

Members of the Company at the AGM held on 13th August 2020, approved the appointment of S.R. Batliboi & Associates LLP, Chartered Accountants, (ICAI Firm Registration No. 101049W/E300004), as the statutory auditors of the Company for a period of 5 years commencing from the conclusion of the 77th AGM held on 13th August 2020 until the conclusion of 82nd AGM of the Company to be held in the year 2025.

16. Auditors' Report

The standalone and the consolidated financial statements of the Company have been prepared in accordance with applicable Indian Accounting Standards (Ind AS) notified under Section 133 of the Act. The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers. The Notes to the Accounts referred to in the Auditors' report are self-explanatory and therefore do not call for any further clarification under section 134(3)(f) of the Act.

During the year under review, neither the statutory auditors nor the secretarial auditors has reported to the Audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

17. Cost Auditor and Cost Audit Report

Your Board has appointed M/s. P.D.Dani and Associates (Firm Registration No. 000593), Cost Accountants, as Cost Auditors of the Company for conducting cost audit for the FY 2023-24. A resolution seeking approval of the Members for ratifying the remuneration of ₹ 1,25,000 (Rupees One Lakh Twenty-Five thousand) plus GST and reimbursement of out-of-pocket expenses on actual basis payable to the Cost Auditors for FY24 is provided in the Notice to the ensuing 81st AGM. As specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, the Company has maintained cost accounts and records.

18. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made thereunder M/s. Bhandari & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of the Company to carry out the secretarial audit for FY 2023-24. The report of the Secretarial Auditors for FY 2023-24 is enclosed as Annexure- IV forming part of this Report. There has been no qualification, reservation or adverse remarks in the Report of the Secretarial Auditors.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

As per the requirements of the Listing Regulations, Practicing Company Secretaries have undertaken secretarial audit for FY 2023-24 of Nelco Network Products Ltd., the material unlisted subsidiary of the Company. As per the Audit Report (Annexure- IV-A) the said subsidiary had complied with the applicable provisions of the Act, Rules, Regulations, and Guidelines and that there were no deviations or non-compliances.

19. Conservation of Energy and Technology Absorption

The information on conservation of energy and technology absorption stipulated under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is given in Annexure – V forming part of this report.

20. Related Party Transactions

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same is available on the Company's website: https://www.nelco.in/pdf/Policies/Related%20Party%20Transaction%20Policy.pdf

All related party transactions entered during the year under review were on an arm's length basis and were in the ordinary course of business. All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. There were no other materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel and Body Corporate(s) which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of these Related Party Transactions as required under Section 134 (3) (h) of the Act in Form AOC 2 is not applicable for the year under review. The details of the transactions with related parties are provided in the accompanying Financial Statements.

21. Deposits

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

22. Annual Return

Pursuant to Section 92 of the Act read with the appliable Rules, the Annual Return for the year ended 31st March 2024 can be accessed on the Company's website at the following link: https://www.nelco.in/investor-relation/disclosures-under-regulation46-of-the-sebi-lodr/annual-return.php

23. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, secretarial auditors and external agencies including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the period under review.

Accordingly, pursuant to Section 134(5) of the Companies Act 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts for the year ended 31st March 2024 the applicable accounting standards had been followed along with proper explanation relating to material departures.

b) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the Company for the period ended 31st March 2024 and of the profit of the Company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) they have prepared the annul accounts under review on a going concern basis.

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. General

During the year under review, there has been no change in the nature of business of the Company. Further, there has been no details, which shall be required to be given as regard to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, as no such events have occurred.

25 Acknowledgment

The Board of Directors thank the Company's shareholders, customers, vendors, business partners, bankers and financial institutions for their continuous support.

The Directors also thank the Government of India, Dept. of Telecommunications, Dept. of Space, various Ministries, Regulatory Authorities, and their departments for co-operation.

We appreciate and value the contributions made by all our employees.

On behalf of the Board of Directors

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

Mumbai, 23rd April 2024

Annexure – I : Board Diversity Policy

(Ref: Board's Report, Section 7.2)

1. PURPOSE

This Board Diversity Policy ('Policy') sets out the approach to diversity on the Board of Directors ('Board') of Nelco Ltd. ('Nelco').

2. SCOPE

This policy applies to the Board. It does not apply to employees generally.

3. POLICY STATEMENT

Nelco recognizes and embraces the importance of a diverse Board in success. Nelco believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that Nelco retains its competitive advantage.

Nelco believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including to: -

- drive business results
- make corporate governance more effective
- enhance quality and responsible decision-making capability
- ensure sustainable development and
- enhance the reputation of Nelco

The Nominations, HR and Remuneration Committee ('Committee') is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

While all appointments to the Board will continue to be made on merit, the Committee will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for Board membership, as well as in evaluating the Board and its individual members.

Further, the Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute which does not speak to such person's ability to perform as a Board member.

Accordingly, the Committee shall:

- access the appropriate mix of diversity, skills, experience, and expertise required on the Board and assess the extent to which the required skills are represented on the Board,
- make recommendations to the Board in relation to the appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board, and
- periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

The Board shall have an optimum combination of executive, non-executive and independent directors in accordance with requirements of the Article of Association of Nelco, the Companies Act, 2013, Listing Regulations and the statutory, regulatory and contractual obligations of Nelco.

The effective implementation of this Policy requires that shareholders are able to judge for themselves whether the Board as constituted is adequately diverse. To this end, Nelco shall continue to provide sufficient information to shareholders about the size, qualifications and characteristics of each Board member.

4. RESPONSIBILITY AND REVIEW

The Committee will review this Policy periodically and recommend appropriate revisions to the Board.

Annexure- II(A): Disclosure of Managerial Remuneration

(Ref: Board's Report, Section 7.3)

(a) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:

Name of the Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year
Non-Executive Directors	
Mr. K. Narasimha Murthy	0.8
Dr. Lakshmi Nadkarni	0.9
Mr. Ajay Kumar Pandey	1.0
Mr. A.S.Lakshminarayanan	0.1
Mr. Saurabh Ray	0.3
Executive Director	
Mr. P. J. Nath, Managing Director & CEO	30.5

Note: Remuneration includes sitting fees and Performance Linked Payment (PLP) wherever applicable. The PLP for FY 2023-24 will be paid during FY 2024-25.

(b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of the Director and Key Managerial Personnel	% increase in remuneration in the financial year
Mr. K. Narasimha Murthy*	-25%
Dr. Lakshmi Nadkarni*	-19%
Mr. Ajay Kumar Pandey*	-21%
Mr. A.S.Lakshminarayanan	11%
Mr. Saurabh Ray	0%
Mr. P. J. Nath, Managing Director & CEO	11%
Mr. Girish V. Kirkinde, Company Secretary & Head – Legal	12%
Mr. Malav Shah, Chief Financial Officer	9%

*There were less number of meetings held during the year under review as compared to last year.

(c) Percentage increase in the median remuneration of employees in the Financial year 2023-24: 18.04%

(d) Number of permanent employees on the rolls of Company as on 31st March 2024: 94

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

Particulars	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	12.41% (on CTC)
Average increase in remuneration of managerial personnel	10.79% (on CTC)

(f) Affirmation that the remuneration is as per the remuneration policy of the company:

It is affirmed that the remuneration is as per the 'Remuneration policy for Directors, Key Managerial Personnel and other employees' adopted by the Company.

On behalf of the Board of Directors

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

Mumbai, 23rd April 2024

Annexure – III Details of Loans, Guarantee, Securities & Investment covered under Section 186 of the Act

(Ref: Board's Report Section 13)

a) The Company has not given any loans during the year.

b) The Company has made following investment during the year:

Sl. No.	Financial year	Investment made in	(Amount ₹ in Lakhs)	Nature of Transactions
1.	2023-24	Piscis Networks Private Limited	304	Nelco has made strategic investment by acquiring 31.72% of shareholding (5029 shares).

Annexure – IV

(Ref: Board's Report Section 18)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
NELCO LIMITED
CIN: L32200MH1940PLC003164

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2024 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings#.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

 # The Regulations or Guidelines, as the case may be were not applicable for the period under review.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'].

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

We further report that -

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

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

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

We further report that during the audit period, the Company has acquired 5,029 equity shares of ₹10/- each of Piscis Networks Private Limited ("Piscis"), representing 31.72% of the paid up capital of Piscis.

For **Bhandari & Associates**
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 611/2019

Manisha Maheshwari
Partner
ACS No.: 30224; C P No.: 11031
Mumbai | April 23, 2024
UDIN: A030224F000218401

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

'Annexure A'

To
The Members,
NELCO LIMITED
CIN: L32200MH1940PLC003164

Our Secretarial Audit Report for the financial year ended March 31, 2024 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Bhandari & Associates**
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 611/2019

Manisha Maheshwari
Partner
ACS No.: 30224; C P No.: 11031
Mumbai | April 23, 2024
UDIN: A030224F000218401

Annexure – IV-A

(Ref: Board's Report Section 18)

SECRETARIAL AUDIT REPORT - NELCO NETWORK PRODUCTS LIMITED

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

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

To
The Members,
NELCO NETWORK PRODUCTS LIMITED
CIN: U32309MH2016PLC285693

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2024** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings#.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011#;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015#;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021#;

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client#;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

 # The Regulations or Guidelines, as the case may be were not applicable for the period under review.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if applicable#.

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

We further report that -

The Board of Directors of the Company is comprising of Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

We further report that during the audit period, the Company has no specific events/actions, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **Bhandari & Associates**
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 611/2019

Manisha Maheshwari
Partner
ACS No: 30224; C P No.: 11031
Mumbai | April 23, 2024
UDIN: A030224F000218555

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

'Annexure A'

To
The Members,
NELCO NETWORK PRODUCTS LIMITED
CIN: U32309MH2016PLC285693

Our Secretarial Audit Report for the Financial Year ended on 31st March 2024 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Bhandari & Associates**
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 611/2019

Manisha Maheshwari
Partner
ACS No: 30224; C P No.: 11031
Mumbai | April 23, 2024
UDIN: A030224F000218555

Annexure V – Conservation of Energy and Technology Absorption

(Ref: Board's Report, Section 19)

A. Conservation of Energy

(i) The steps taken for impact on conservation of energy: Although energy is not a major element of the cost for the Company, constant endeavours have been made to conserve energy and consequently minimize power and diesel costs.

(ii) The steps taken by the Company for utilizing alternate sources of energy: Power requirement of company is low to utilize alternate sources of energy at the current juncture.

(iii) The capital investment on energy conservation equipment: Nil

B. Technology Absorption

(i) Efforts made towards Technology Absorption:

The major thrust of technology absorption has been in the areas of VSAT services. The company is technology agnostic and always endeavours to deploy latest technologies available globally. Proof of Concept (POC) is being carried out for new breed of baseband technologies. The Company's wholly owned subsidiary, Nelco Network Products Ltd. has become operational with Inflight and Maritime Connectivity (IFMC) services in India. Company has built up the required infrastructure and skill/resources augmentation to provide these services.

Future plan of action: The Company is building expertise on various digital technologies for improving quality of service and customer experience as well as creating newer services in the future.

Technology absorption, adaptation and innovation: Constant endeavours are being made towards technology absorption, adaptation and innovation. The Company is actively engaged with the global satellite operators and technology manufacturers in evaluating the latest technologies and solutions available globally. The Company plans to bring some of the new technologies into the country as and when the domestic regulations open up and is in discussion with multiple global technology providers regarding the same.

(ii) Benefits derived:

The Company has increased its customer base in multiple market segments within the Enterprise sector as well as the IFMC sector, due to its efforts in absorbing newer technologies.

(iii) Expenditure incurred on Research and Development.

Revenue and recurring expenditure: Nil

(iv) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a. Technology imported: The Company has not imported any technology in the last 3 years.
b. Year of Import: NA
c. Has technology been fully absorbed: NA
d. It not fully absorbed, areas where this has not taken place, reasons thereof and future of action: NA

C. Foreign Exchange earnings and outgo (Standalone)

	₹ in Lakhs
Total foreign exchange earned:	9,557
Total foreign exchange used:	1,495

ANNEXURE VI

Annual Report on CSR Activities
(Ref: Board's Report Section 10.1)

1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy,:

The Company's Corporate Social responsibility policy integrates social commitment with best corporate practices. The policy comprises a set of rules adopted by Nelco's Board of Directors. Under the framework of the policy, the sectors and issues focused by the Company shall fall under the purview of activities specified in the Schedule VII of the Companies Act, 2013 in the areas of Education, Health and Sanitation, Enhancement of livelihood & Skill Building, support to weaker section of society and those approved by the Board from time to time. The geographical focus of the Company's CSR activities will be the whole of India. However, the company shall give preference to the local area and areas around it where the Company or its Parent Company operates. CSR activities will be implemented by the Company itself or through collaboration with Tata Group of Companies, Tata Trust, Other Corporate entities, Societies and Government institutions etc. as may be permitted under the Act and Rules made thereunder. Web link of CSR Policy: https://www.nelco.in/pdf/Policies/CSR%20Policy.pdf

2. Composition of CSR Committee: Not Applicable

The MCA on January 22, 2021, notified the Companies (Amendment) Act, 2020, pursuant to which Section 135(9) was inserted in the Companies Act, 2013 ("Act"), wherein if the amount required to be spent by a company as CSR Expenditure does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of CSR Committee provided under this section shall, in such cases, be discharged by the Board of Directors of the company.

Considering the aforesaid relaxation provided by MCA, the Board at its meeting held on 21st February 2023, dissolved the Corporate Social Responsibility Committee of the Company with immediate effect.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.nelco.in

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:-

The Company was not required to implement, monitor and report any CSR activities, during the year under review.

5. (a) Average net profit of the company as per sub-section (5) of section 135:-

Not applicable, as Company have incurred losses (based on calculations made as per Section 198 of the Act) in last three financial years.

(b) Two percent of average net profit of the company as per sub-section (5) of section 135. :- The Company was not required to spend mandatory 2% CSR expenditure for the year ended March 31, 2024, due to reasons mentioned in item 5 above

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years :- N.A.

(d) Amount required to be set-off for the financial year, if any :- N.A.

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. :- N.A.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) :- N.A.

(b) Amount spent in Administrative Overheads :- N.A.

(c) Amount spent on Impact Assessment, if applicable :- N.A.

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] :- N.A.

(e) CSR amount spent or unspent for the Financial Year: N.A.

Total Amount Spent for the Financial Year. (in ₹ in lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
-	-	-	-	-	-

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years	-
	[(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
-	-	-	-	-	-			-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ■ No

If Yes, enter the number of Capital assets created/ acquired : Nil

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: N.A.

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
-	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:** N.A.

P. J. Nath
Manging Director & CEO
DIN : 05118177

Management Discussion & Analysis (MDA)

MACRO-ECONOMIC SITUATION

The Indian economy continues its strong performance and is on track for its growth trajectory. According to estimates by the National Statistical Office, the growth rate of the Indian GDP in 2023-24 is estimated at 7.6 percent, which is higher than the growth rate of 7 percent in 2022-23. The resilience of Indian economy is especially promising, considering the overall global economic slowdown, increasing geopolitical tensions (Russia-Ukraine war, increasing conflicts in Middle East, etc.) and realignment of global supply chain networks.

As per the IMF, India is likely to become the third-largest economy in 2027. This shows the traction gained by the Indian economy despite the global headwinds. This also shows that the strength and resilience of the Indian economy is aligned to the government's roadmap of 'Viksit Bharat 2047' to transform India into a fully developed nation by 2047. The Indian government continues to focus on structural reforms and policy initiatives aimed at promoting inclusive growth, sustainable development, and resilience, and infrastructure development to enhance competitiveness, attract investments, and foster innovation across sectors.

The Indian space economy is set to grow multifold. The opening up of the Space sector to private participation, relaxation of FDI norms in Space-related activities, a more conducive regulatory landscape, and strong efforts to building a supportive ecosystem for Space start-ups will be the key boosters for this growth. The Indian Space Policy, released in 2023, will enable end-to-end participation of private players and non-government entities (NGEs) across the Space value chain - both upstream (such as satellite manufacturing and launch services) and downstream (ground segment, satellite-enabled services, and space applications such as earth observation). The success of the Chandrayaan-III mission and the plans for the much-anticipated Gaganyaan mission have generated unprecedented excitement regarding the Indian Space sector. Space-related activities have gathered strong momentum with the allocation of ~INR 7000 Crores to Space research in the Interim Budget, which could get a further boost in the full Budget (to be presented in July'24) following the general elections this year.

The Budget also demonstrates a clear intent for India's green energy transition, with significant increase in the allocation for solar and wind power (as compared to last year). The government would also provide viability gap funding (VGF) for the initial capacity of 1 GW of offshore wind power, which holds the potential to open up large opportunities for the wind sector. Initiatives such as subsidies, greater push for electric vehicles (EVs) in the public transport segment, and substantial Budget allocation have also been announced for strengthening the EV ecosystem by supporting manufacturing and charging infrastructure in the country. These will be key enablers in India's journey towards its 2030 renewable energy and 2070 net-zero targets.

Providing better standards of social development through affordable healthcare to all citizens, through schemes such as 'Ayushman Bharat', is a key pillar of the Indian economic growth. There is also significant Govt. focus on expanding access to comprehensive healthcare services, particularly in rural and underserved areas, through the establishment of over 1.6 lakh health and wellness centres across the nation. In addition, the telemedicine market growth forecast estimates the industry to be USD 5.4 billion by 2025. AI applications in healthcare are also expected to witness rapid growth.

Digital inclusivity through robust connectivity will be imperative for driving financial inclusion across the country. The Govt. has taken up many initiatives which require effective communication to the remotest parts of the country.

The ubiquitous reach of Satellite Communication (Satcom) and its uninterrupted connectivity will be a key enabler for all such initiatives to be successful in India.

COMPANY STRATEGY AND DIRECTIONS:

Business Strategy:

The Company aims to create a world where distance is not a barrier, and people in the remote areas are digitally connected, there are advancements through real-time connectivity, supply chains are better integrated, efficient and smart, critical communication is available in disaster hit areas very quickly and many more such endeavours to 'connect people'.

The Company aims to be the most customer centric digital solution provider, bringing the benefits of the digital revolution to unserved and under-served customers using Satellite Communication (Satcom or VSAT), in India and beyond. The Company creates value for customers by adopting the Satcom technologies best suited for their applications and creating customized products and services through partnerships in multiple technologies. The Company is fulfilling the objectives of businesses and government in harnessing the potential of rural and remote areas by 'connecting the unconnected'.

BUSINESS STRATEGY AND DIRECTIONS:

Industry Structure and Development:

The Satcom industry in India is on a strong growth path, backed by policy propulsion and private sector participation in the last few years. Indian government has been actively promoting its space sector ambitions. It aims to significantly increase India's share in the global space economy. The industry, which has been highly regulated so far, has seen highly anticipated and welcome changes in 2023, which has turned out to be a pivotal one in India's Satcom journey. The Telecom Act was passed in 2023 and is set to streamline the administrative allocation of satellite spectrum. The Indian Space Policy was another significant development in the past year. This will enable the private sector to play a crucial role going forward, as the demand for Space services (including Satcom) is set to witness an exponential ascent, fuelled by the higher demand for data-intensive applications, remote connectivity needs, and the rapidly expanding digital footprint of businesses.

Advancements in satellite and space technologies will be a key thrust for this growth engine. Globally, delivery of Satcom services is moving towards a multi-orbit architecture, where geostationary (GSO) and non-geostationary (NGSO – which includes Low Earth Orbit LEO and Medium Earth Orbit MEO) satellites co-exist. Software-defined new-age satellites have flexible footprint, power and capacity which are portable across spot beams. Ground infrastructure is also witnessing major developments globally such as virtualized ground networks and electronically steered antennas (ESAs). Satellite Gateways are becoming more software-based with hardware getting standardised and virtualized to enable intelligent traffic management. The Company has partnered with multiple global players to take advantage of such developments and will continue to have more partnerships in future to enhance its offerings and reach.

Market Opportunities:

The Satcom market, both globally and in India, is witnessing several emerging opportunities driven by technological advancements, evolving consumer demands, and global trends. Some of the high growth and emerging market opportunities in the country include:

Maritime and Aviation Connectivity:

The maritime and aviation industries are experiencing increasing demand for reliable and high-bandwidth communication solutions to support navigation, safety, and passenger connectivity requirements. Satellite communication services offer an ideal solution for delivering seamless connectivity to ships and airplanes, enabling real-time data exchange and communication services.

Connectivity in Rural and Under-served Areas:

India has the world's second largest number of mobile connections, highest number of digital payments and conducted the fastest 5G roll-out. However, there are still large parts of India that remain digitally unconnected. Satellite communication services offer a cost-effective and scalable solution for bridging this connectivity gap, enabling socio-economic development, financial inclusion, skill development and healthcare penetration due to its ability of rapid deployment, reliability, consistency, flexibility and scalability of services across all regions and terrains.

Defense and Security Applications:

Satcom plays a critical role in Defence and security applications, including communication and surveillance. The Indian Defence and security sectors have significant requirements for Satcom based services, including military communications, border surveillance, maritime surveillance, disaster response, and intelligence gathering. The Company believes that newer opportunities will open up for private sector Satcom service providers to cater to the Defence and security sectors in the future.

Broadband Internet Services:

With the growing demand for high-speed internet connectivity, in semi-urban and rural areas, Satcom can provide broadband internet services to consumers and SMEs in such areas. Newer generation satellites which are likely to be available in India for commercial use in the coming years, will make such applications viable. These will lead to further growth of the Satcom industry.

Internet of Things (IoT) Connectivity:

The proliferation of IoT devices across various industries, including agriculture, transportation, healthcare, and manufacturing, presents a significant opportunity for satellite communication services. Satellites can provide ubiquitous connectivity in remote or underserved areas where traditional terrestrial networks are not available, enabling seamless data transmission for IoT applications.

5G Backhaul and Rural Connectivity:

With the deployment of 5G networks, there is a growing need for backhaul solutions to support high-speed data transmission and connectivity in urban as well as rural areas. Satellite communication services can complement terrestrial networks by providing backhaul solutions for 5G infrastructure, extending connectivity to underserved or remote regions where terrestrial coverage is limited.

Disaster Recovery and Emergency Response:

Natural disasters, humanitarian crisis, and emergency situations often disrupt terrestrial communication networks, making it challenging to coordinate relief efforts and provide essential services. Satellite communication services can play a crucial role in disaster recovery and emergency response by enabling resilient communication infrastructure that can quickly restore connectivity and support emergency communications, remote monitoring, and coordination efforts.

Overall, the satellite communication services market is poised for significant growth and innovation, driven by these emerging market opportunities and the increasing demand for connectivity, mobility, and digital transformation across various sectors and regions.

Key Strategic Priorities:

The Company has been focusing on driving long-term sustainable growth and the key strategic priorities include:

Expansion of Service Offerings:

The Company continues to expand its service portfolio to address the evolving needs of customers, including the introduction of solutions tailored to various industry verticals. The Company has demonstrated its agility in creating new businesses and solutions and delivering value to customers and global partners. Nelco continuously explores newer Satcom technologies and services and markets where Satcom can be used effectively. The Company is developing newer verticals and plans to expand into newer segments in future. The Company is also focusing on developing bespoke customized indigenous products and services, best suited for the requirements of various new segments and applications.

Investment in augmenting infrastructure: The Company continuously evaluates opportunities for investment and augmentation of its technology, satellite network capabilities and ground infrastructure for enabling ubiquitous, reliable, secure, and high-quality connectivity through Satcom services. Towards this objective, the Company has deployed the latest technologies for its multiple satellite gateways. The Company has also deployed capacities on Indian and foreign High Throughput Satellite (HTS) as well as new-age wide-beam FSS satellites, which is expanding the market opportunities for the Company. A new teleport was operationalized in October 2023 at Dehradun. These investments are aimed at improving scalability to support the growing demand for satellite communication services.

During the year, the satellite bandwidth capacity has grown by around 23% over the previous year. Additionally, the Company has made an advance booking for large satellite capacity on a High-Throughput Satellite, which will be operationalized in FY25.

The Company has all the relevant licenses issued by the Department of Telecommunications (DoT), Govt of India, to operate the Satcom services in India and cater to the needs of a wide market segment. The Company will apply for any additional licenses required for offering any new services as per the prevailing regulations in the country.

Partnerships and Alliances:

Strategic partnerships and alliances play a crucial role in the Company's growth strategy. The Company has strengthened its collaborations with leading global service providers in various sectors, technology providers, satellite players, and industry stakeholders to leverage complementary strengths, enhance market reach, and unlock new opportunities for growth. The Company continues to engage with multiple global players in the Satcom value chain to forge partnerships for building competitive differentiators.

Focus on Innovation:

Innovation remains at the forefront of the Company's business strategy. The Company is a lead adopter of latest Satcom technologies and develops next-generation solutions customized in Indian market context to stay ahead of industry trends. The Company focuses on delivering innovative solutions and services that address the evolving needs of customers in each of the market segments.

PERFORMANCE:

The Company operates in only one reportable segment, which is Network Systems, consisting of Satcom Services (including equipment sale, maintenance, and other allied services). The Company has a wholly owned subsidiary viz. Nelco Network Products Ltd. (NNPL).

The current period under review is from 1st April 2023 to 31st March 2024

During the period under review, the revenue of the Company on consolidated basis was ₹ 320 Crores as against ₹ 313 Crores in the previous year. On a standalone basis the revenue for the business was ₹ 223 Crores as against ₹ 197 Crores in the previous year.

The Company has approximately 30% share in terms of industry's revenue. The Company has strengthened its overall position in the market with a higher share of the incremental business in Enterprise and IFMC segments.

The Company is driving initiatives to address the growing Satcom requirement in the country, including building newer solutions and services. Further, the Company revamped its processes during the year for better operational efficiency and more agile and flexible operations. Going forward the Company plans to leverage on the digital and analytics solutions to help in improving its responsiveness to its customers, improve the operational efficiencies and create more solutions and services.

OUTLOOK:

The outlook for the Indian Satcom industry is highly optimistic with significant growth potential. This has been enabled by the strong backing from the Govt. for the development of the sector, technology advancements and opening of regulatory landscape, among other factors.

The Company believes that the growth of Satcom deployment will be strong in mature existing segments such as BFSI, Aero IFC and Maritime. Nelco aims to sustain its leadership position in these segments and build on its market share. The outlook is also positive for many of the newer emerging segments. The domestic aviation sector in India is expected to adopt IFC services in the next 2 years. The Company plans to leverage Satcom potential for scaling up in these verticals. The LEO services are expected to be operational in the country in FY25, which has the potential to significantly expand the market and open newer verticals for Satcom services.

The Company also offers turnkey solutions for Satellite Communication involving setting up of dedicated and private networks for large organizations, particularly in the Govt & PSU sector. The Company has vast experience in building and running operations and maintenance of large communication networks involving multiple Satcom technologies.

The Company continually evaluates and develops new products and services based on current and future requirements. Towards this objective, Company has invested in Piscis Networks Pvt. Ltd., an original equipment manufacturer for SDWAN technology. The Company is also firming up its plans for offering services beyond India.

Significant changes in key financial ratios as compared to the previous financial year are as under:

At Consolidated level	At Standalone level
Decrease in debt equity ratio from 0.36 (FY23) to 0.27 (FY24) is on account of increase in profitability and better working capital management by the Company.	Decrease in debt equity ratio from 0.16 (FY23) to Nil (FY24) is on account of increase in profitability and better working capital management by the Company.
Increase in interest coverage ratio from 9.37 times (FY23) to 10.19 times (FY24) is on account of increase in profitability and decrease in interest cost due to reduction in borrowings.	Decrease in interest coverage ratio from 25.51 times (FY23) to 23.13 times (FY24) is on account of increase in finance cost.
Return on capital employed is same i.e. 25% in FY23 and FY24.	Return on capital employed is same i.e. 28% in FY23 and FY24.
Net profit margin increased from 6% in FY 23 to 7% in FY 24.	Net profit margin decreased from 11% in FY23 to 10% in FY24.

There has been no significant change in return on net-worth as compared to the immediately preceding financial year.

RISKS, THREATS AND CONCERNS

Structural Risks

- **Infrastructure:** The Company's infrastructure is vulnerable to interruptions caused by earthquakes, floods, heavy rainfall, catastrophes, power outages, fire and other similar events. Information technology system failures, security breaches or human errors can affect the quality of services and impact customer satisfaction. In addition, any major satellite failure can impact the entire network running on that satellite, till an alternate allocation is made available by the satellite operator.

- **Regulatory Environment:** Since the Satcom sector is regulated by the Department of Telecom and the Department of Space, any major unfavorable changes in the regulations could impact multiple areas like addressable market, profitability, etc. This may however not be very pronounced as the focus of the Government is on liberalizing and the growth of the space sector in India.

Volatility Risks

- **Exchange rate fluctuations:** The exchange rate fluctuations impact the profitability of operations since a large part of Satcom equipment is imported. Also, the contracts for transponder capacities on foreign satellites have a forex exposure, even though the transponder space is provided by NSIL.

- **Volatility of demand:** The health and vagaries of the end user segments impact the demand for Satcom services. Since the Company has a dependence on several market segments for revenue and profitability in the coming year, volatility, downturn, or financial distress in any of these segments may affect its performance in the short term.

- **Supply chain volatility:** Semiconductor shortage, which was triggered by supply chain disruption during Covid-19 in 2021 and during Russia- Ukraine conflict in 2022 impacted the Company in the short term. Any such sudden disruption of global and domestic supply chains poses a risk for the Company.

Operating Risks

- **Technology Risk:** Due to the proprietary nature of Satcom technology, the Company is dependent on a limited number of technology providers for hardware. Any sudden technological obsolescence or disruption in supply poses a risk for the operations. Changing over to alternate technologies in the event of such a situation would involve migration time and additional cost, impacting profitability in the short term.

- **Competition Risks:** Competition in the India Satcom market is intensifying with more existing and emerging players, and more expected as the Satcom market further opens up to foreign service providers. This may impact the Company's market share and/or profitability levels.

Risk Management

With the main objective of ensuring sustainable and profitable business growth and improving governance processes, the Company has established a risk management policy based on which risks are identified proactively and assessed across its businesses. The Risk management Committee at the Company level which comprises of the MD & CEO, CFO, Chief Risk Officer and key business and operations executives, ensures that existing and future risk exposures of the Company are identified, assessed, quantified and appropriate mitigation plans are put in place to minimize the risk impact. The Company's framework of risk management process helps in informed decision making at all levels of the organization on an ongoing basis. The Company has been percolating Risk Management in each of its functions to proactively manage uncertainty and changes in business environment while mitigating risk impact and capitalizing on opportunities. The Risk Management Committee of the Board focuses on existing and emerging risks. The Company's key risks are discussed with the Risk Management Committee of the Board three times a year.

The Company employs various policies, processes, and methods to counter the identified risks effectively, as enumerated below:

- The Company is continuously evaluating options for improving profitability of various segments as well as unearthing newer segments and applications to cushion itself against the impact of market uncertainties. Also, the Company continuously tracks the developments in the global Satcom market, builds partnerships and adopts Satcom technologies which help in improving its competitiveness in the market.

- The Company continuously engages with the regulators individually as well as along with industry bodies to avoid any adverse regulations.

- Foreign currency exposures are closely monitored by the Company in consultation with its advisors. Net exposures, including those from derivative instruments are kept at acceptable levels and within overall limits approved by the Board, which are subject to regular reviews.

- The Company continuously strengthens its supply chain to enhance resilience.

- The Company constantly reviews and implements various security measures at all locations of its operations to counter the security risk.

INTERNAL CONTROL ON FINANCIAL RECORDS:

The Company has established an adequate system of internal controls over financial reporting, commensurate to its size, scale and nature of operations, with documented procedures covering all corporate and operation functions. Systems of internal controls as per risk-based framework are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies and procedures issued by the management, covering all critical and important activities viz. Revenue Management, Network Operations & Control Center (NOCC) operations, Project Management activities, Purchase, Finance, Human Resources and Safety, among others. These policies and procedures are updated from time to time. Systems of internal control ensure that a robust internal & financial control exist with respect to operations, financial reporting, and compliances. The Company has an independent Chartered Accountant firm mandated to do Internal Audit of the Company and all observations are reviewed and suitable actions are taken under the aegis of the Audit Committee.

The focus areas of these reviews are to:

- Identify improvement areas.
- Comply with defined policies and processes.
- Safeguard tangible and intangible assets.
- Manage business and operational risks.
- Comply with applicable statutes.
- Conform to the Tata Code of Conduct.

Audits are conducted based on an annual risk-based internal audit plan drawn in consultation with Statutory Auditors, which is reviewed and approved by the Audit Committee of the Board. The scope and coverage of audits includes review and reporting on key process risks, adherence to operating guidelines and statutory compliances. The annual audit plan and internal audit reports are shared with the Statutory Auditors. The Audit Committee regularly reviews significant internal audit findings, closure of all agreed actions and progress of the audit plan. The Audit Committee also monitors the adequacy and reliability of financial reporting, internal control, and risk management systems.

The Statutory Auditors, S.R. Batliboi & Associates LLP have reported adequacy of internal controls over financial reporting.

The Company also carries out business excellence assessments and process deep dives through external agencies to establish and improve efficiency and effectiveness of processes in various key functions.

KEY DEVELOPMENTS IN HUMAN RESOURCES:

The Company strongly believes that people are its greatest asset, and this has been the focal point of all its Human Resource Management (HRM) practices. Major HR initiatives undertaken have been mentioned in detail at section 11 of the Directors' Report. On the industrial relations front, the Company maintained cordial relations with its employees during the period.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections and estimates may be forward - looking statements within the meaning of applicable securities laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental / related factors.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Tata culture and ethos. The Company has a strong legacy of fair, transparent and ethical governance practices. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be our guiding force in future.

This philosophy is reflected and practised through the Tata Code of Conduct (TCoC) and the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices. Further, these codes allow the Board to make decisions that are independent of the management. The Company is committed to focus its energies and resources in creating and positively leveraging shareholders' wealth and, at the same time, safeguarding the interests of all stakeholders. This is our path to sustainable and profitable existence and growth.

The Company has adopted Governance Guidelines to help fulfil its corporate responsibility towards its stakeholders. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, director's term, retirement age and committees of the Board. It also covers aspects relating to nomination, appointment, induction of directors, director's remuneration, subsidiary oversight, Board effectiveness review.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, including relaxations granted by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) from time to time.

2. Board of Directors Composition

As on 31st March 2024, the Company's Board of Directors comprises 6 members, out of whom 1 (one) is Managing Director & Chief Executive Officer and 5 (five) are Non-Executive Directors (NEDs). Out of these 5 NEDs, 3 are Independent Directors. The composition of the Board is in compliance with the requirements of the Companies Act, 2013 (Act) and Regulation 17 of the Listing Regulations. The profile of the Directors can be accessed on the Company's website at https://www.nelco.in/about-us/leadership.php.

These Directors bring in a wide range of skills and experience to the Board. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size.

The names and categories of the Directors on the Board, the number of Directorships and Committee positions held by them in other companies as on 31st March 2024 are as follows:

Director	DIN	Category of Directorship	*Number of Directorship	**Number of Committee positions held	
			Director	Chairman	Member
Mr. A.S. Lakshminarayanan, Chairman	08616830	Non-Independent Non-Executive	3	0	1
Mr. P. J. Nath, Managing Director & CEO	05118177	Executive	3	-	-
Mr. Saurabh Ray	09573704	Non-Independent Non-Executive	1	-	-
Mr. K. Narasimha Murthy	00023046	Independent Non-Executive	7	2	6
Dr. Lakshmi Nadkarni	07076164		-	-	-
Mr. Ajay Kumar Pandey	00065622		2	2	2

*Excludes Directorship in Nelco Ltd., alternate Directorships and Directorships in private Companies, foreign companies and companies under Section 8 of the Companies Act 2013.

**Represents Chairmanships/Memberships of Audit Committee and Stakeholders Relationship Committee in Indian public limited companies (excluding Nelco Ltd.) as per Regulation 26(1)(b) of the Listing Regulations.

Notes:

a) There are no inter-se relationships between the Board members.

b) None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as prescribed in Listing Regulations) across all the companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations. The necessary disclosures regarding Committee positions have been made by the Directors.

c) None of the Directors held Directorship in more than 20 Indian companies including 10 public limited companies. None of the Directors held Directorship in more than 7 (seven) listed companies.

d) None of the Directors of the Company were related to any Director or member of an extended family.

e) None of the Independent Directors is a Whole – Time Director in any other company. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors is of the opinion that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended by MCA Notification dated 22nd October 2019 regarding the requirement relating to the enrolment in the Data Bank created by MCA for IDs, has been received from all the IDs.

f) Mr. P. J. Nath Managing Director & CEO is not Independent Director of any other listed company.

g) All Independent Directors of the Company have been appointed as per the provisions of the Companies, Act 2013(the Act) and Listing Regulations. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's weblink: https://www.nelco.in/pdf/Policies/Terms%20&%20Conditions%20of%20Appointment%20of%20Independent%20Directors.pdf

h) None of the Directors held any shares of the Company.

i) The Chairman of the Company is a Non-Executive Director (NED) and not related to the Managing Director & CEO.

The Names and category of Directorship in other listed entities as on 31st March 2024:

Director	Listed Entities	Category of Directorship
Mr. A.S. Lakshminarayanan	Tata Communication Ltd. Tata Teleservice Ltd.	Managing Director & CEO Non-Executive director
Mr. P. J. Nath	Nil	NA
Mr. Saurabh Ray	Nil	NA
Mr. K. Narasimha Murthy	Max Health Care Institute Ltd. Max Financial Services Ltd. Raymond Ltd.	Independent Director Independent Director Independent Director
Dr. Lakshmi Nadkarni	Ponni Sugars (Erode) Ltd.	Independent Director
Mr. Ajay Kumar Pandey	Nil	NA

Term of Board membership

The Nomination and Remuneration Committee (NRC) determines the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members are expected to possess the required qualifications, integrity, expertise and experience for the position. They also possess expertise and insights in sectors/areas relevant to the Company and have ability to contribute to the Company's growth. As per the existing policy, the retirement age for Managing/Executive Directors, NEDs and Independent Directors is 65 years, 70 years and 75 years, respectively.

Mr. Lakshminarayanan and Mr. Ray are non-executive directors liable to retire by rotation. Mr. Nath is an executive director whose existing terms shall expire on 12th June 2024 and his re-appointment has been proposed to the members and resolution seeking his re-appointment forms part of the notice of the ensuing AGM. The first term of independent directors namely Mr. Murthy, Dr. Nadkarni and Mr. Pandey shall remain effective till 27th January 2025.

The Board has identified the following core skills/expertise/ competencies as required in the context of the businesses and sectors of the Company for its effective functioning which are currently available with the Board:

Understanding of business dynamics, industry verticals including its entire value chain, experience in corporate strategy, planning and regulatory jurisdictions, finance, tax, risk management, legal compliances, corporate governance, human resources, corporate social responsibility and Leadership experience in managing companies and associations including general management.

The Board is satisfied that all the Directors of the current composition of the Board has the aforesaid core skills/ expertise/ competencies. This reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence. The Board provides leadership, communication, motivation, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

Director	Expertise in specific functional area
Mr. A.S. Lakshminarayanan	Over 37 years of professional experience in Deep understanding of the global technology market and enterprises' growing digital needs.
Mr. P.J. Nath	Over 39 years of professional experience in the Enterprise market, sales, product management, customer support and project management.

Director	Expertise in specific functional area
Mr. Saurabh Ray	Over 29 years of professional experience in Information and Technology Services.
Mr. K. Narasimha Murthy	Over 44 years of professional experience in cost audit, cost control system development, management audit, SWOT analysis, critical analysis of performance, strategic planning, organisation analysis & structure, OTR (Organisation Talent Review) and competency mapping, HR systems, mergers and acquisitions and business turn arounds.
Dr. Lakshmi Nadkarni	Over 32 years of professional experience in human resources, strategy, industrial sociology, governance and Corporate Social Responsibility.
Mr. Ajay Kumar Pandey	Over 38 years of professional experience of business leadership, strategy, handling P &L responsibility at operating and Board level

3. Board Meetings and participation thereat

The Board/Committee meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings. The agenda for each meeting, along with detailed notes, is circulated in advance to the Directors. Some of the Board meetings in FY24 were held through Video Conferencing.

Only in case of urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Committee meetings at short notice, as permitted by law.

Six Board Meetings were held during the year under review and the gap between the two meetings did not exceed 120 days. The said meetings were held on 24th April 2023, 20th July 2023, 16th October 2023, 5th December 2023, 15th January 2024 and 22nd February 2024. The necessary quorum was present for all the meetings.

Attendance of Directors at the aforesaid Meetings:

Director	Category of Directorship	No. of Board Meetings attended during FY 2023-24	Whether attended last AGM held on 22nd June, 2023
Mr. A.S. Lakshminarayanan, Chairman	Non-Independent Non-Executive	6	Yes
Mr. P. J. Nath, Managing Director & CEO	Executive	6	Yes
Mr. Saurabh Ray	Non-Independent Non-Executive	6	Yes
Mr. K. Narasimha Murthy	Independent Non-Executive	6	Yes
Dr. Lakshmi Nadkarni		6	Yes
Mr. Ajay Kumar Pandey		6	Yes

The information required under Part A of Schedule II of Listing Regulations is being made available to the Board periodically.

The Company has maintained an integrated online compliance monitoring system which provides assurance to the Management and the Board of Directors regarding effectiveness of timely compliances. All the compliances applicable to the Company have been captured in the system and are mapped amongst the respective users. The timelines are fixed based on the legal requirement and the system is aligned in such a manner that it alerts the users in a timely manner.

At Board / Committee meetings, the Department Heads and representatives who can provide additional insights into the items being discussed are invited.

Post meeting follow up mechanism

The important decisions taken at Board / Committee meetings are communicated to the concerned departments/ divisions promptly. An action taken/status report on the decisions of the previous meeting(s) is placed at the next meeting of the Board for information and further recommended action(s), if any.

Meeting of Independent Directors

During the year under review, one meeting of the Independent Directors was held on 22nd March 2024, without the presence of Non-Executive Directors (Non-Independent), Managing Director & CEO and other members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors, the Chairman and the Board as a whole considering the views of executive directors and non-executive directors. They also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.

Annual Strategy Board Meet

During the year, an Annual Strategy Board meet was organized on 22nd February 2024. As a part of the agenda, the Board conducted a strategy review of the Company's business segments and also future growth, risk orientation and resource optimization.

Details of familiarisation programmes for Directors including Independent Directors

The Board members of the Company (Independent and Non-Independent) are accorded every opportunity to familiarize themselves with the Company, its Management, its Operations and above all, the Industry perspective and issues. They interacted with Senior Management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/documents sought by them is/are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

During the year Board familiarisation programme were held from time to time for the Board members where various external speakers provided inputs on varied topics related to the industry. The web link of familiarisation programmes imparted to Directors is https://www.nelco.in/pdf/Policies/familarization-programme-23-24.pdf

Knowledge sharing

Board members are kept informed about any material development/business update through various modes viz. e-mails, telecon, etc. from time to time.

Code of Conduct

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended 31st March 2024. A certificate by the Managing Director & Chief Executive Officer on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management is reproduced at the end of this Report and marked as **Annexure I**.

4. Committees of the Board

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview. All decisions and recommendations of the Committees are placed before the Board for information or for approval, as required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose.

Considering the needs of the Company, there are four statutory Board Committees as on 31st March 2024. Details are as follows:

Statutory Committees:

The Statutory Committees under the Act and the Listing Regulations are:

- Audit Committee of Directors
- Stakeholders Relationship Committee
- Nominations, HR & Remuneration Committee
- Risk Management Committee

Audit Committee of Directors

Composition of the Committee and meetings attended by the Directors during the year under review:-

Director	Category of Directorship	No. of meetings attended
Mr. K. Narasimha Murthy, Chairman	Independent Non-Executive	4
Dr. Lakshmi Nadkarni		4
Mr. Ajay Kumar Pandey		4
Mr. Saurabh Ray	Non-Independent Non-Executive	4

All members are financially literate and bring in expertise in the field of finance, accounting, development, strategy and management.

Four Audit Committee Meetings were held during the year under review on 24th April 2023, 20th July 2023, 16th October 2023 and 15th January 2024. The necessary quorum was present for all the meetings.

The terms of reference, role and scope of the Audit Committee are in line with those prescribed by Listing Regulations. The Company also complies with the provisions of Section 177 of the Companies Act, 2013 (the Act) pertaining to Audit Committee and its functioning:

The Board has inter alia, delegated the following powers to the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role and responsibilities of the Audit Committee inter alia, include the following:

- Oversight of the Company's Financial Reporting Processes and Financial Statements of the Company and it's material subsidiary.
- Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees and terms of appointment.
- Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the internal auditor and the fixation of audit fees and terms of appointment.
- Appointment of Cost Auditor.
- Evaluate on a regular basis the adequacy of risk management systems.
- Review with the management, external and internal auditors and outsourced internal audit firms, the quality, adequacy and effectiveness of internal control systems and any significant deficiencies or material weakness in the internal controls.

- Review the effectiveness of the system for monitoring compliance with applicable laws and regulations.
- To review the functioning of the Whistle Blower mechanism.
- To approve all related party transactions in accordance with the Act.
- Subsidiary company oversight.

The Audit Committee invites such employees or advisors as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Statutory Auditors are also invited to the meetings. The Managing Director & CEO and Chief Financial Officer attend the meetings. Mr. Girish V. Kirkinde, the Company Secretary & Head – Legal acts as the Secretary of the Committee.

The Internal and Statutory Auditors discuss their audit findings and updates the Committee and submit their views directly to the Committee. Separate discussions are held with the internal auditors to focus on compliance issues and to conduct detailed reviews of the processes and internal controls in the Company. The permissible non-audit related services undertaken by the statutory auditors are also approved by the Committee.

The minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

Mr. K. Narasimha Murthy, Chairman of the Audit Committee was present at the last AGM.

Internal Controls and Risk Management

The Company has robust systems for internal audit and corporate risk assessment and mitigation. The risk-based audit plan was prepared and approved by the Audit Committee at the beginning of year. The Risk Management Committee (RMC) is presented with key control issues and actions taken on past issues. These procedures provide the Management an assurance on the internal processes and systems. Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. There is an ongoing process to track the evolution of the risks and delivery of mitigating action plans. Risks and their mitigation plans are reviewed by the RMC.

Stakeholders Relationship Committee (SRC)

Composition of the SRC and meetings attended by the Directors during the year under review:

Director	Category of Directorship	No. of meetings attended
Mr. Saurabh Ray, Chairman	Non-Independent Non-Executive	2
Mr. K. Narasimha Murthy#	Independent Non-Executive	2
Dr. Laksmi Nadkarni##		2
Mr. P. J. Nath	Executive	2

Ceased to be Member of the Committee effective from 10th May 2023.

##Appointed as Member of the Committee effective from 10th May 2023.

Two SRC meetings were held during the year under review on 21st November 2023 and 13th March 2024. The necessary quorum was present for the meeting.

In accordance with Regulation 6 of Listing Regulations, the Board has appointed Mr. Girish V. Kirkinde, Company Secretary & Head–Legal (Tel: 67399100) as the Compliance Officer and he attends all SRC Meetings as an invitee. He is authorized to severally approve share transfers/transmissions, in addition to the powers with the members of SRC. Share Transfer formalities are regularly attended to at least once a fortnight.

Dedicated email ID for Investor services and nodal officer for IEPF is ritesh.kamdar@nelco.in.

The Board has approved the Charter of the Committee defining its composition, powers, responsibilities, etc. The responsibilities of SRC inter alia include review of statutory compliance, resolving the grievances of all security holders of the Company, overseeing and reviewing of all matters related to the transfer of securities and movement in shareholding and ownership of the Company.

The status of investor complaints received during the year under review:

Sl. No.	Description	Total		
A.	**Letters received from Statutory Bodies**	**Received**	**Replied**	**Pending**
	Securities and Exchange Board of India (SEBI) (SCORES), Stock Exchange, NSDL, CDSL and Ministry of Corporate Affairs	4	4	0
B.	**Letters received from Shareholders**			
	Non receipt of Annual Report	0	0	0

There was no pending transfers and transmission of Shares as on 31st March 2024. There were 4 cases for Demat pending as on 31st March 2024 out of which 3 cases were subsequently processed and 1 case was rejected.

The minutes of the meetings of the Committee are placed before and noted by the Board.

Mr. Saurabh Ray, Chairman of the SRC was present at the last AGM.

Nominations, HR and Remuneration Committee

Composition of the NRC and meetings attended by the Directors during the year under review:

Director	Category of Directorship	No. of meetings attended
Dr. Lakshmi Nadkarni, Chairperson	Independent Non-Executive	2
Mr. K. Narasimha Murthy		2
Mr. Ajay Kumar Pandey		2
Mr. Saurabh Ray	Non-Independent Non-Executive	2

Two NRC Meetings were held during the year under review on 24th April 2023 and 9th November 2023. The necessary quorum was present for all the meetings.

The Board has approved the Charter of the NRC defining its composition, powers, responsibilities, reporting, evaluation, etc. The terms of the Charter broadly include Board composition and succession planning, evaluation, remuneration, board development and review of HR Strategy, Philosophy and Practices.

In terms of the provisions of Section 178(3) of the Act and Regulation 19(4) read with Part D of Schedule II of Listing Regulations the NRC is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Board Diversity and Director Attributes. The Company does not have any Employee Stock Option Scheme.

Board Evaluation

The Board carries out an annual evaluation of its own performance, as well as the working of its Committees. The Board works with the Committee to lay down the criteria for the performance evaluation. The contribution and impact of individual Directors (including Independent Directors) is reviewed through a peer evaluation on parameters such as level of engagement and participation, flow of information, independence of judgement, conflicts resolution and their contribution in enhancing the Board's overall effectiveness. Feedback-cum-assessment of individual Directors, the Board as a whole and its Committees is conducted. The feedback obtained from the interaction is discussed in detail and, where required, independent and collective action points for improvement are put in place.

The minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

Dr. Lakshmi Nadkarni, Chairperson of the NRC was present at the last AGM.

Remuneration to Mr. P.J.Nath, Managing Director & CEO

The details of remuneration and perquisites paid and/or value calculated as per the Income Tax Act, 1961 to the Managing Director and Chief Executive Officer for the financial year 2023-2024 are as under:-

(Amount in ₹)

Salary & Allowances*	Perquisites & Benefits*	Retirement Benefits*	Performance Linked Payment (PLP)**	Total
2,01,93,055	6,92,671	9,97,845	1,50,73,912	3,69,57,483

* Comprises of fixed component

**PLP relates to the financial year ended 31st March 2023, which was approved by the Board on 24th April 2023 paid during FY2023-24.

Salient features of the terms of agreement executed by the Company with Mr. Nath are as under;

Period of Appointment/Contract	13th June 2021 to 12th June, 2024
Remuneration	Basic salary upto a maximum of ₹ 10,00,000 p.m.
Perquisites & Allowances including car	140% of basic salary + car allowances
Performance Linked Payments and performance criteria	Not exceeding 78% of annual basic salary. An indicative list of factors that may be considered for determination of the extent of Performance linked payment by the Board (as recommended by the NRC) are: • The Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time. • Industry benchmarks of remuneration. • Performance of the individual.
Service Contract	The agreement with Mr. Nath is contractual in nature.
Notice Period	The Agreements may be terminated by either party giving to the other party six months' notice or the Company paying six months' remuneration in lieu thereof
Severance fees	There is no separate provision for payment of severance fees.
Stock Option	Nil

Remuneration to Non-Executive Directors (NEDs)

The Company pays sitting fees to the NEDs for attending meetings of the Board and Committee. The details of sitting fees paid to NEDs during the financial year 2023-24 are as under:-

Name of the Directors	Sitting fees (₹)
Mr. A.S. Lakshminarayanan	1,20,000/-
Mr. K. Narasimha Murthy	9,75,000/-
Dr. Lakshmi Nadkarni	10,35,000/-
Mr. Ajay Kumar Pandey	11,55,000/-
Mr. Saurabh Ray	3,40,000/-

No commission was paid to the Non-Executive Directors for FY 2023-24.

The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. None of the NEDs had any pecuniary relationship or transactions with the Company other than the aforesaid sitting fees received by them.

Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company is posted on Company's website at https://www.nelco.in/pdf/Policies/Remuneration%20Policy%20for%20Directors,%20KMP%20and%20Other%20employees.pdf

Risk Management Committee (RMC)

The composition of the RMC and meetings attended by the Directors during the year under review.

Name of the Director	Category of Directorship	No. of meetings attended
Mr. Ajay Kumar Pandey, Chairman	Independent Non-Executive	3
Mr. Saurabh Ray	Non - Independent Non-Executive	3
Mr. P.J. Nath	Executive	3

Three RMC Meetings were held during the year under review on 6th June 2023, 31st October 2023 and 7th February 2024. The necessary quorum was present for all the meetings.

The Board has adopted Risk Management Policy and also approved the Charter of the RMC defining its composition, powers, responsibilities, etc. The terms of the Charter broadly include:

- Reviewing the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan.
- Review the alignment of the ERM framework with the strategy of the Company.
- Monitor the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, cyber security risk, forex risk, commodity risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
- Review and analyse risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organisation.
- Review compliance with risk policies, monitor breaches / trigger trips of risk tolerance limits and direct action.

- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

The minutes of the meetings of the Committee are placed before and noted by the Board.

Mr. Ajay Kumar Pandey, Chairman of the RMC Committee, was present at the last AGM.

5. Senior Management

Following are the particulars of Senior Management as on 31st March 2024:

Sr. No.	Name	Designation
1	P. J. Nath	Managing Director & CEO
2	Daniel A. Thomas	Chief Business Officer-Strategic Ventures
3	Kaushik Mandal	Vice President & Head - Customer Experience
4	Jitender Ahuja	Head-Products and Solutions
5	Girish Kirkinde	Company Secretary & Head - Legal
6	Farrokh Behram Shroff	Senior General Manager - Digitalization & Quality
7	Kingshuk Basak	Head - Network Operations & Engineering
8	Malav Bansilal Shah	Chief Financial Officer
9	Leena Thomas	Head - HR & Administration
10	Pooja Johar	Head -Strategy, Risk Management & Business Excellence

There has been no change in the Senior Management since the close of previous financial year.

6. Material Subsidiary Company

As defined under Regulation 16 (1) (c) of Listing Regulations, the Company has one "Material Subsidiary" during the financial year 2023-24 viz. Nelco Network Products Ltd. The Audit Committee reviews the financial statements of material subsidiary of the Company. It also reviews the investments made by such subsidiary, the statement of all significant transactions and arrangements entered into by the subsidiary, if any, and the compliances of material subsidiary on a periodic basis. The minutes of board meetings of the unlisted material subsidiary company are placed before the Board. Composition of the Board of material subsidiary is in accordance with the Regulation 24(1) of the Listing Regulations.

7. Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the revised Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (the Code). All the Promoters, Directors, Employees of the Company and its material subsidiaries, who are Designated Persons, and their Immediate Relatives and other Connected Persons such as auditors, consultants, bankers, etc., who could have access to the unpublished price sensitive information of the Company, are governed under this Code.

Mr. Malav Shah, Chief Financial Officer (CFO) of the Company is the 'Compliance Officer' and 'Chief Investor Relations Officer' in terms of this Code.

8. General Body Meetings

a) The details of last three Annual General Meetings (AGMs) are as under:

Financial year ended	Day & Date & Time	Venue	Special Resolutions passed
31st March 2021 (FY 2020-21)	Tuesday, 22nd June 2021 At 3.30 p.m.	Two-way Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") from Company's Registered Office at EL-6, TTC Industrial Area, MIDC Electronics Zone, Mahape, Navi Mumbai -400 710	Re-appointment of Mr. P. J. Nath as Managing Director & CEO
31st March 2022 (FY 2021-22)	Friday, 8th July 2022 At 3.30 p.m.		Nil
31st March 2023 (FY 2022-23)	Thursday, 22nd June, 2023 At 11.30 a.m.		Nil

The Special Resolution moved at the aforesaid AGM was passed with requisite majority.

b) Postal Ballot

(i) Details of special resolutions passed by postal ballot: During the year under review, no special resolution was passed by means of Postal Ballot.

(ii) Details of Voting Pattern: Not Applicable

(iii) Person who conducted the aforesaid postal ballot exercise: Not Applicable

(iv) Whether any special resolution is proposed to be conducted through postal ballot: No

(v) Procedure for Postal Ballot:

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Act, read with applicable Rules, the Company provides an electronic voting facility to all its shareholders, to enable them to cast their votes electronically. The Company engages the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to all its shareholders. The shareholders have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with self-addressed business reply envelope to its shareholders whose names appear on the Register of Members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to the shareholders in electronic form to the e-mail IDs registered with the Depository Participants (DPs)/RTA.

9. Disclosures

a) There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.

b) The Board has received disclosures from Key Managerial Personnel and Senior Management relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

c) There was no non-compliance, structures imposed on the Company by Stock Exchanges, the Securities and Exchange Board of India or any statutory authority, on any matter related to Capital Markets, during the last three years. In the pervious year the Stock Exchanges levied penalties for delay in compliance with Regulation 23(9), 19(1) and 19(2). The Company has applied to the Stock Exchanges for waiver of penalties by giving justifiable grounds and their decision is awaited.

d) The Board of Directors of the Company has adopted a Whistle Blower & Vigil Mechanism Policy for establishing a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The said policy has been posted on the Company's website at https://www.nelco.in/pdf/Policies/Nelco_Whistle%20Blower%20Vigil%20Mechanism%20Policy%209.11.2020.pdf

The Company affirms that no employee has been denied access to the Chairman of Audit Committee of Directors.

e) All mandatory requirements as prescribed under Schedule II Listing Regulations have been complied by the Company. The status of compliance with the non-mandatory requirements, as stated under Part E of Schedule-II to the Listing Regulations is as under:

- The Company posts the quarterly, half yearly and annual financial results on its website www.nelco.in
- Modified opinion(s) in Audit Report: The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.
- The Company has appointed separate persons to the post of the Chairperson and the Managing Director. The Chairperson is a non-executive director and not related to the Managing Director as per the definition of the term "relative" defined under the Companies Act, 2013.
- The Internal Auditor of the Company reports to the Audit Committee.

f) The URL of policy for determining 'material' subsidiaries is https://www.nelco.in/pdf/Policies/Policy%20for%20determining%20Material%20Subsidiaries.pdf

g) The URL of policy on dealing with related party transaction is https://www.nelco.in/pdf/Policies/Related%20Party%20Transaction%20Policy.pdf

h) Commodity price risk and hedging activity:

The Company is not exposed to risk of any material commodity price fluctuation.

i) Certificate has been obtained from Bhandari & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority the same is reproduced at the end of this report and marked as **Annexure III**.

j) During the year there were no instances where Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

k) During the year, details of fees paid/payable to the Statutory Auditors and all entities in the network firm/ network entity of which the Statutory Auditor is a part, by the Company and its subsidiaries, are given below.

(₹ in Lakhs)

Particulars	By the Company*	By the Subsidiary*	Total Amount
Statutory audit	16	9	25
Other services	19	2	21
Out-of-pocket expenses	3	1	4
Total	38	12	50

*The above fees are exclusive of applicable tax.

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a. number of complaints filed during the financial year: Nil

b. number of complaints disposed of during the financial year: Nil

c. number of complaints pending as on end of the financial year: Nil

m) During the year Company and its wholly owned subsidiary has not granted any 'Loans and advances in the nature of loans to firms/companies in which directors are interested.

n) Nelco Network Products Ltd. (NNPL) is a material subsidiary of the Company. It was incorporated on 8th September 2016 in the State of Maharashtra, India. S. R. Batliboi & Associates LLP, Chartered Accountants, (ICAI Firm Registration No. 101049W /E300004), was appointed as the statutory auditors at the 4th Annual General Meeting (AGM) of NNPL held on 13th August 2020 for a period of 5 years commencing from the conclusion of the 4th AGM until the conclusion of 9th AGM of the Company to be held in the year 2025.

o) The Company follows Ind AS issued by The Institute of Chartered Accountants of India and there are no qualifications in this regard from Statutory Auditors.

p) Pursuant to Regulation 17(8) of the Listing Regulations, the Managing Director & CEO and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board. The same is attached herewith and marked as **Annexure II**.

q) The Company has complied with all the requirements of Corporate Governance Report as stated under sub paras (2) to (10) of section (C) of Schedule V to the Listing Regulations.

r) The Company has adopted a Policy on Determination of Materiality for Disclosures. The URL of policy is https://www.nelco.in/pdf/Policies/Policy%20for%20determining%20materiality%20for%20disclosure.pdf

s) The Company has adopted a Policy on Archival and Preservation of Documents. The URL of policy is https://www.nelco.in/pdf/Policies/Archival%20Policy.pdf

t) The Company has adopted the Dividend Distribution Policy. The URL of policy is https://www.nelco.in/pdf/Policies/dividend-distribution-policy.pdf

u) Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website at: https://www.nelco.in/pdf/Policies/Terms%20&%20Conditions%20of%20Appointment%20of%20Independent%20Directors.pdf

v) The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

w) The Company has obtained from the Secretarial Auditors a compliance certificate on Company's corporate governance which is attached herewith and marked as **Annexure III**.

x) Directors and Officers Liability Insurance:

As per the provisions of the Act and in compliance with Regulation 25(10) of the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including IDs and Officers of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

y) There were no Agreements entered which are binding on the Company as referred under Claus 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

10. Means of Communication

(i) Quarterly, half yearly and Annual Financial Results are published in the Business Standard (English) and Sakal (Marathi) newspapers, submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website at www.nelco.in. The Company also issues press releases from time to time which are submitted NSE & BSE and uploaded on Company's website.

(ii) **Annual Reports:** The Annual Reports are emailed/posted to Members and others entitled to receive them. The Annual Reports are also available on the Company's website at https://www.nelco.in/investor-relation/financial.php in a user-friendly download able form. The Company also provides live webcast facility of its AGM in co-ordination with NSDL. In line with the MCA Circular dated 5th May 2020 read with circular dated 5th May 2022, 28th December 2022, 25th September 2023 and SEBI Circular dated 12th May 2020 read with circular dated 5th January 2023, the Notice of the AGM along with the Annual Report 2023- 24 would be sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories.

(iii) **NSE Electronic Application Processing System (NEAPS) and BSE Online Portal:** NSE has provided online platform NEAPS wherein the Company submits all the compliances/disclosures to the Exchange in the SEBI prescribed format. Similar filings are made with BSE on their online Portal viz. BSE Corporate Compliance & Listing Centre.

(iv) **eXtensible Business Reporting Language (XBRL):** XBRL is a standardized and structured way of communicating business and financial data in an electronic form. XBRL provides a language containing various definitions (tags) which uniquely represent the contents of each piece of financial statements or other kinds of compliance and business reports. BSE and NSE provide XBRL based compliance reporting featuring identical and homogeneous compliance data structures between Stock Exchanges and MCA. XBRL filings are done on the NEAPS portal as well as the BSE online portal.

(v) **SEBI Complaints Redress System (SCORES):** A centralized web-based complaints redressal system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

(vi) **Website:** Comprehensive information about the Company, its business and operations, Press Releases and Investor information can be viewed at the Company's website www.nelco.in. The 'Investor Relations' section serves to inform the investors by providing key and timely information like Financial Results, Annual Reports, Shareholding Pattern, etc.

11. General Shareholder Information

(i) The ensuing AGM of the Company is scheduled on Tuesday, 25th June 2024 at 3.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

In accordance with the General Circular issued by the MCA on In line with the MCA Circular dated 5th May 2020 read with circular dated 5th May 2022, 28th December 2022, 25th September 2023 and SEBI Circular dated 12th May 2020 read with circular dated 15th January 2021, the AGM will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) only. For details, please refer to the Notice of the AGM.

As required under Regulation 36(3) of Listing Regulations and Secretarial Standard-2, particulars of Directors seeking appointment/reappointment at the AGM are given in the Annexure to the Notice of the ensuing AGM.

(ii) Financial Year: 1st April 2023 to 31st March 2024.

(iii) Dividend payment date: on and from Friday, 28th June 2024.

(iv) Book Closure / Record date: Tuesday, 11th June 2024 to Monday, 17th June 2024 (both days inclusive). Record date is Monday, 10th June 2024.

(v) E-Voting Dates: The cut-off date for the purpose of determining the shareholders eligible for e-Voting is Tuesday, 18th June 2024. The e-Voting commences on Friday, 21st June 2024 at 9.00 a.m. (IST) and ends on Monday, 24th June 2024 at 5.00 p.m. (IST).

(vi) Listing on Stock Exchanges: The Company's Equity Shares are listed on the following Stock Exchanges in India:

BSE Limited (BSE)
(Regional Stock Exchange)
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

National Stock Exchange of India Limited (NSE)
Exchange Plaza', Bandra-Kurla Complex
Bandra (E), Mumbai 400 051.

The Company has paid the requisite Annual Listing fees to the stock exchanges for the year 2023-24.

(vii) Stock Code and Corporate Identification Number (CIN)

BSE Ltd. (Physical segment) – 4112, Demat Segment- 504112

National Stock Exchange of India Ltd. – NELCO EQ

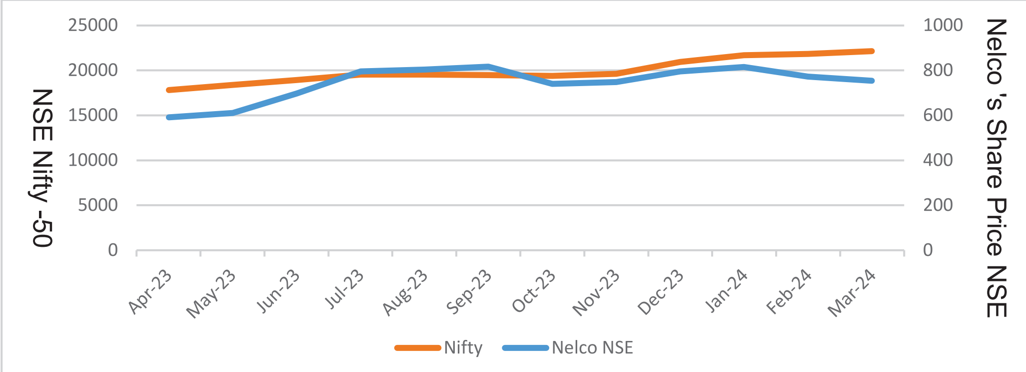
CIN allotted to the Company by the Ministry of Corporate Affairs, Govt. of India is L32200MH1940PLC003164.

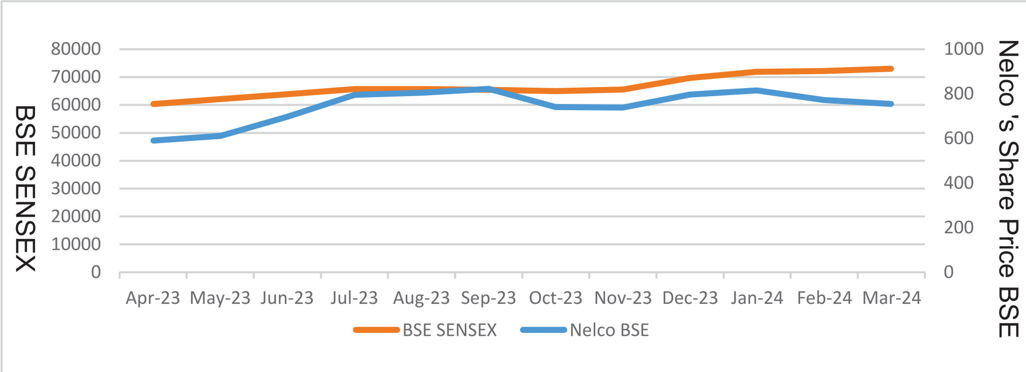
(viii) Market Information:

a) Market Price Data: High, Low during each month and trading volumes of the Company's Equity Shares during the period 1st April 2023 to 31st March 2024 at the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) are given below:-

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
April 2023	654	521	293778	654	523	156992
May 2023	637	581	158180	637	581	107335
June 2023	777	618	807692	777	618	313370
July 2023	894	700	792703	894	700	335333
August 2023	870	742	295185	870	741	207972
September 2023	874	774	316612	875	762	355669
October 2023	812	670	154149	812	670	187514
November 2023	798	680	157134	797	700	126945
December 2023	854	742	320651	855	740	279665
January 2024	883	751	426604	884	750	309881
February 2024	813	734	212856	814	734	180902
March 2024	833	678	300786	833	675	206363

b) Performance of the Company's Share Price in comparison to BSE and NSE Nifty Sensex





None of the Company's securities have been suspended from trading.

(ix) Registrars and Transfer Agents:

Link Intime India Private Limited (Link Intime)
(Previously known as TSR Consultants Pvt. Ltd.)
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai 400 083.

Tel.: +91-8108118484
Email: csg-unit@linkintime.co.in
Website: www.linkintime.co.in

For the convenience of Members based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TCPL.

Branches of Link Intime

1. Link Intime India Private Limited
Building 17/19, Office no. 415 Rex Chambers,
Ballard Estate, Walchand Hirachand Marg,
Fort, Mumbai-400 001

2. Link Intime India Private Limited
5th Floor, 506 to 508,
Amarnath Business Centre-1 (ABC-1)
Beside Gala Business Centre
Nr. St. Xavier's College Corner
Off. C.G. Road, Ellisbridge
Ahmedabad – 380006
Tel: +91-79-26465179

3. Link Intime India Private Limited
C/o. Mr. D. Nagendra Rao,
"Vaghdevi" 543/A, 7th Main,
3rd Cross, Hanumanthnagar,
Bengaluru - 560019.
Tel: +91-80-26509004
E-mail: tcplbang@tcplindia.co.in

4. Link Intime India Private Limited
Vaishno Chamber, Flat No. 502 & 503
5th Floor, 6, Brabourne Road,
Kolkata - 700001
Tel: +91-33-40049728 / 33-40731698
E-mail: tcplcal@tcplindia.co.in

5. Link Intime India Private Limited
Noble Heights, 1st Floor,
Plot No NH-2, C-1 Block, LSC,
Near Savitri Market, Janakpuri,
New Delhi – 110058.
Tel: +91-11-41410592 / 93 / 94

6. Link Intime India Private Limited
Qtr. No. L-4/5, Main Road, Bistupur,
(Beside Chappan - Bhog Sweet Shop)
Jamshedpur - 831001
Tel: +91-657-2426937

(x) Share Transfer System:

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. Mr. Girish V. Kirkinde Company Secretary and Compliance Officer is empowered to approve transfers, in addition to the powers with the Members of the Stakeholders Relationship Committee.

Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR–4, the format of which is available on the Company's website under the weblink at https://www.nelco.in/pdf/disclosure-of-events/Forms-ISR-4.pdf and on the website of the Company's RTA at https://www.tcplindia.co.in. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

(xi) Distribution of Shares as on 31st March 2024.

No. of shares held (Range)	Shareholding	% of total Shareholding	No. of Shareholders	% of total Shareholders
1-5000	76,56,729	33.56	73,863	99.77
5001 to 10000	7,63,710	3.35	104	0.14
10001 to 20000	5,05,965	2.22	37	0.05
20001 to 30000	3,75,033	1.64	16	0.02
30001 to 40000	1,65,026	0.72	5	0.01
40001 to 50000	50,000	0.22	1	0.00
50001 and 100000	1,86,548	0.82	3	0.00
100001 and above	1,31,15,389	57.48	6	0.01
Total	2,28,18,400	100.00	74,035	100.00

(xii) Dematerialization of Shares as on 31st March 2024 and Liquidity.

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India, namely, National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited (CDSL).

Equity shares of the Company representing 95.26% of the Company's equity share capital are dematerialized as on 31st March 2024. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE045B01015.

Particulars of Shares	Equity Shares of ₹ 10/- each		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialized form				
CDSL (A)	44,02,412	19.29	47,265	63.54
NSDL (B)	1,73,34,234	75.97	25,777	34.82
Sub-total (A+B)	**2,17,36,646**	**95.26**	**73,042**	**98.66**
Physical form (C)	10,81,754	4.74	993	1.34
Total (A+B+C)	**2,28,18,400**	**100.00**	**74,035**	**100.00**

(xiii) The Company has not issued any GDR's/ADR's/Warrants or any Convertible Instruments.

(xiv) Shareholding Pattern as on 31st March 2024

Sr. No.	Category	No. of shares	Percentage
1	Tata Companies	1,14,28,940	50.09
2	Financial Institutions/ Banks	11,660	0.05
3	State Government / Government Companies / Central Government / IEPF a/c	3,07,183	1.35
4	Bodies Corporate / Trusts / BC-NBFC/ Escrow Account	5,12,166	2.24
5	Individuals	92,64,247	40.60
6	FIIs/NRI/Foreign Corporate Bodies	12,94,204	5.67
	Total	**2,28,18,400**	**100.00**

(xv) Top 10 Shareholders of the Company as on 31st March 2024:

Sr. No.	Category	No. of shares	Percentage
1	The Tata Power Company Limited	1,14,18,090	50.04
2	Schlumberger Limited	8,66,460	3.80
3	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	2,51,111	1.10
4	Prasoon Harshad Bhatt	2,28,600	1.00
5	Parul Prasoon Bhatt	2,28,600	1.00
6.	Roopa Corporate Services Pvt. Ltd.	1,22,528	0.54
7.	Reita Gertrude Gomes	82,900	0.36
8.	Andhra Pradesh Industrial Development Corporation Limited	52,180	0.23
9.	Emerging Markets Core Equity Portfolio (The Portfolio) Of Dfa Investment Dimensions Group Inc. (Dfaidg)	51,468	0.23
10.	Varun Mall	50,000	0.22
	Total	**1,33,51,937**	**58.51**

(xvi) **Currency exchange risk and hedging activity:**

The Company is exposed to risk from market fluctuations of foreign exchange on import of VSAT electronics, etc. The Company is actively managing its short term within the framework laid down by the Company. The Company has set up a Forex Risk Management Committee which review exposures on monthly basis and decide suitable hedging strategies. The Company is hedging its exposure mostly through Forward Contracts.

(xvii) Works/facilities and address for correspondence:

Plot No. EL-6, Electronics Zone, MIDC Mahape, Navi Mumbai – 400 710.
Telephone: 022 67399100; Fax: 022 67398787. Email: services@nelco.in,
Website: www.nelco.in

(xviii) During the year CRISIL Ratings has upgraded and reaffirmed its ratings for long term and short-term bank facilities of the Company to CRISIL A Positive and CRISIL A1 respectively.

12. E-voting

E-voting is a common internet infrastructure that enables investors to vote electronically on resolutions of companies. Investors can now vote on resolutions requiring voting through Postal Ballot as per the applicable rules and regulations without sending their votes through post. The Company will also have the E-voting facility for the items to be transacted at the ensuing AGM. The Ministry of Corporate Affairs has authorized NSDL and CDSL for setting up electronic platform to facilitate casting of votes in electronic form. The Company has made arrangement with NSDL for availing e-voting facilities.

13. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued, and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

14. Compliance of Share Transfer Formalities

Pursuant to Regulation 40(9) of the Listing Regulations, the certificate on yearly basis have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

15. Secretarial Audit

In terms of the Act, the Company appointed M/s. Bhandari & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company for financial year 2023-24. The Secretarial Audit Report is provided as Annexure IV to the Board's Report.

16. Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), dividends, if not claimed for a consecutive period of 7 years or more from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, all the shares in respect of which dividend has remained unclaimed for a consecutive period of 7 years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. The details of the aforesaid Unclaimed dividend and Equity Shares transferred to IEPF are available on Company's website https://www.nelco.in/investor-relation/unclaimed-dividend.php

The shares of the Company, in respect of which dividend has not been claimed for Seven consecutive years or more from the date of transfer to unpaid dividend account, shall be transferred to the demat account of IEPF Authority. The members who have a claim on dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov. in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

The details of outstanding dividend and the date by which it can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

Financial year	Date of declaration	Last date for claiming unpaid dividend from Link Intime
2018-19	24th July 2019	18th August 2026
2019-20	13th August 2020	7th September 2027
2020-21	22nd June 2021	17th July 2028
2021-22	8th July 2022	2nd August 2029
2022-23	22nd June 2023	17th July 2030

17. Disclosure in respect to Nelco Limited Suspense Escrow Demat Account:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares transferred to suspense account during the year	-	-
Shareholders who approached listed entity for transfer of shares from suspense account during the year	1	200
Shareholders to whom shares were transferred from the suspense account during the year	1	200
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	3	1100

The voting rights in respect of the shares transferred to the Suspense Escrow Demat Account shall remain frozen till the rightful owner claims the shares.

Annexure I

Declaration on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I P.J. Nath, Managing Director & CEO of the Company hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, in respect of the financial year ended 31st March 2024.

For **NELCO Limited**

P. J. Nath
Manging Director & CEO
DIN: 05118177

Navi Mumbai, 23rd April 2024

Annexure II

Certification by Managing Director & CEO and Chief Financial Officer in respect of Financial Statements and Cash Flow Statement (pursuant to regulation 17 (8) read with Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the Financial Year ended 31st March 2024.

The Board of Directors
Nelco Limited
Navi Mumbai – 400 710

We, the undersigned, in our respective capacities as Managing Director & CEO and Chief Financial Officer of Nelco Limited ('the Company'), to the best of our knowledge and belief certify that:

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2024 and we hereby certify and confirm to the best of our knowledge and belief the following:

   (i) the Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   (ii) the Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are no transactions entered in to by the Company during the year ended 31st March 2024 which are fraudulent, illegal or violative of Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

d) We have indicated to the Auditors and the Audit Committee that :-

   (i) There were no significant changes in internal control over financial reporting during the year.

   (ii) There were no significant changes in accounting policies during the year and that if any, have been disclosed in the notes to the financial statement; and

   (iii) There were no instances of significant fraud of which we have become aware of either by the management or an employee having a significant role in the Company's internal control system over financial reporting.

P. J. Nath
Managing Director & CEO
DIN: 05118177

Malav Shah
Chief Financial Officer
ICAI M. No. 102314

Navi Mumbai
Date: 16th April 2024

Annexure - III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Nelco Limited
MIDC, Plot No. El 6, TTC Industrial Area,
Electronics Zone, Mahape,
Navi Mumbai – 400710.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nelco Limited, having CIN L32200MH1940PLC003164 and having registered office at MIDC, Plot No. El 6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai – 400710 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Amur Swaminathan Lakshminarayanan	08616830	29.05.2022
2.	Narasimha Murthy Kummamuri	00023046	28.01.2020
3.	Ajay Kumar Pandey	00065622	28.01.2020
4.	Saurabh Ray	09573704	26.04.2022
5.	Lakshmi Anant Nadkarni	07076164	28.01.2020
6.	Pradip Jyoti Nath	05118177	13.06.2012

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Bhandari & Associates**
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 611/2019

Manisha Maheshwari
Partner
ACS No.: 30224; C P No.: 11031
Mumbai | April 23, 2024
UDIN: A030224F000218511

To,
The Members
Nelco Limited

We have examined the compliance of conditions of Corporate Governance by **Nelco Limited** ('the Company') having CIN L32200MH1940PLC003164, for the financial year ended March 31, 2024, as stipulated in chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'].

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in chapter IV of the Listing Regulations.

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

For **Bhandari & Associates**
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 611/2019

Manisha Maheshwari
Partner
ACS No.: 30224; C P No.: 11031
Mumbai | April 23, 2024
UDIN: A030224F000218467

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

<table>
<tr><td>1</td><td>Corporate Identity Number (CIN) of the Listed Entity</td><td colspan="3">L32200MH1940PLC003164</td></tr>
<tr><td>2</td><td>Name of the Listed Entity</td><td colspan="3">Nelco Limited</td></tr>
<tr><td>3</td><td>Year of incorporation</td><td colspan="3">1940</td></tr>
<tr><td>4</td><td>Registered office address</td><td colspan="3">EL-6, TTC Industrial Area, Electronics Zone, MIDC Mahape, Navi Mumbai 400710</td></tr>
<tr><td>5</td><td>Corporate address</td><td colspan="3">EL-6, TTC Industrial Area, Electronics Zone, MIDC Mahape, Navi Mumbai 400710</td></tr>
<tr><td>6</td><td>E-mail</td><td colspan="3">services@nelco.in</td></tr>
<tr><td>7</td><td>Telephone</td><td colspan="3">022 67399100</td></tr>
<tr><td>8</td><td>Website</td><td colspan="3">www.nelco.in</td></tr>
<tr><td>9</td><td>Financial year for which reporting is being done</td><td colspan="3">2023-24</td></tr>
<tr><td>10</td><td>Name of the Stock Exchange(s) where shares are listed</td><td colspan="3">BSE Limited (BSE), National Stock Exchange of India Limited (NSE)</td></tr>
<tr><td>11</td><td>Paid-up Capital</td><td colspan="3">INR 228174610</td></tr>
<tr><td colspan="5">Contact Person</td></tr>
<tr><td rowspan="3">12</td><td>Name of the Person</td><td colspan="3">Ms. Leena Thomas</td></tr>
<tr><td>Telephone</td><td colspan="3">022 67399100</td></tr>
<tr><td>Email address</td><td colspan="3">leena.thomas@nelco.in</td></tr>
<tr><td colspan="5">Reporting Boundary</td></tr>
<tr><td rowspan="4">13</td><td>Type of Reporting</td><td colspan="3">Consolidated</td></tr>
<tr><td rowspan="3">If selected consolidated:</td><td>Sr No.</td><td>Name of the Subsidiaries/JVs/ Associate Companies</td><td>CIN Numbers</td></tr>
<tr><td>1</td><td>Nelco Network Products Limited (Subsidiary)</td><td>U32309MH2016PLC285693</td></tr>
<tr><td>2</td><td>Piscis Networks Pvt. Ltd (Associate)</td><td>U72900MH2021PTC363941</td></tr>
<tr><td>14</td><td>Name of assurance provider</td><td colspan="3">Not Applicable</td></tr>
<tr><td>15</td><td>Type of assurance obtained</td><td colspan="3">Not Applicable</td></tr>
</table>

II. Product/Services

<table>
<tr><td rowspan="2">16</td><td rowspan="2">Details of business activities (accounting for 90% of the turnover):</td><td>S. No.</td><td>Description of Main Activity</td><td>Description of Business Activity</td><td>% Turnover of the Entity</td></tr>
<tr><td>1</td><td>Information and Communication</td><td>Wired, wireless or satellite Telecommunication services</td><td>100%</td></tr>
</table>

17	Products/ Services sold by the entity	S. No.	Product/Service	NIC Code	% of Total Turnover contributed
		1	43212: Installation of telecommunications wiring, computer network and cable television wiring, including fiber optic, satellite dishes 61900: Other telecommunications activities	43212 61900	Sale of Bandwidth-69% Sale of Equipment-14% AMC Services – 7% Rental of VSAT -4% Other -6%

III. Operations

18	Number of locations where plants and/or operations/ offices of the entity are situated:	Location	Number of plants	No. of Offices	Total
		National	0	13	13**
		International	0	0	0
19	Market served by the entity	Locations			
	a. No. of Locations	National (No. of States)	28 States & 8 Union Territories		
		International (No. of Countries)	0		
	b. What is the contribution of exports as a percentage of the total turnover of the entity?	30.87%*			
	c. A brief on types of customers	Nelco provides satellite communication services to the companies in various segments such as: Banking: Bank branches, ATMS, Managed service providers. Oil, Energy and Gas: Oil retail companies and Petrol Pumps, Solar farms, Hydro farms, Wind farms, Offshore and onshore rigs WiFi on aircrafts and Maritime communication, Telecommunication, and manufacturing companies			

**Revenue is generated by providing services to customers located outside India.*
*** Includes 9 offices & 4 Warehouse*

IV. Employees

20.	Details as at the end of Financial Year:					
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a.	Employees and workers (including differently abled)					
	Employees					
1	Permanent Employees (A)	174	154	89%	20	11%
2	Other than Permanent Employees (B)	108	103	95%	5	5%
3	Total Employees (A+B)	282	257	91%	25	9%
b.	Differently abled employees and workers					
	Employees					
1	Permanent Employees (E)	0	0	0	0	0
2	Other than Permanent Employees (F)	0	0	0	0	0
3	Total Employees (E+F)	0	0	0	0	0

Note: Nelco does not employ any workers, hence there will be no disclosures applicable

21. Participation/Inclusion/Representation of women				
S. No.	**Category**	**Total (A)**	**No. and % of females**	
			No. (B)	**% (B/A)**
1	Board of Directors	6	1	17%
2	Key Management Personnel	2	0	0

**Managing Directors & Chief Executive Officer is considered in BOD and Chief Financial officer, Company Secretary are considered as KMPs.*

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)									
Category*	**FY 2023-2024 (Turnover rate in current FY)**			**FY 2022-2023 (Turnover rate in previous FY)**			**FY 2021-22 (Turnover rate in previous FY)**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Permanent Employees	10%	5%	10%	8%	0	8%	8%	0	8%
Permanent Workers	0	0	0	0	0	0	0	0	0

** Voluntary turnover rates are disclosed*

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23.(a) Names of holding / subsidiary / associate companies / joint ventures				
S. No	**Name of the holding / subsidiary / associate companies / joint ventures**	**Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture**	**% of shares held by listed entity**	**Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)**
1.	The Tata Power Company Ltd.	Holding Company	50.04	No
2.	Nelco Network Products Limited (NNPL)	Subsidiary Company	100.00	Yes
3.	Piscis Networks Pvt. Ltd.	Associate Company	31.72	No

VI. CSR Details

24	a. **Whether CSR is applicable as per section 135 of Companies Act, 2013:**	Yes
	Turnover (in ₹)	320.30 crores
	Net worth (in ₹)	123.58 crores

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	If Yes, then provide web-link for grievance redress policy	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	For Grievance redressal, Nelco has POSH committee for employees, Stakeholder relationship committee, Vigil Mechanism, Whistle blower policy in place. Additionally, all Vendors are aware about TATA CoC. For every purchase order, grievance redressal email is provided for vendors. Link: https://www.tcplindia.co.in/InvestorCharter.html For Communities, Nelco grievances can be addressed at ethics@nelco.in For customers, Nelco provides helpline link helpdesk@nelco.in to address any grievances and queries	0	0	-	0	0	-
Investors (other than shareholders)	Investors and shareholders are the same for Nelco		0	0	-	0	0	-
Shareholders			4	0	Resolved	4	0	Resolved
Employees and workers	Yes		5	0	Minor field injuries	1	0	Minor field injuries
Customers	Yes		0	0	-	0	0	-
Value Chain Partners	Yes		0	0	-	0	0	-
Other (please specify)			0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues				
Material Issue Identified	**Indicate whether risk or opportunity**	**Rationale for identifying the risk/opportunity**	**In case of risk, approach to adapt or mitigate**	**Financial implications of the risk or opportunity (Indicate positive or negative implications)**
Customer relationship management	Opportunity	Robust customer relationship management can help the Company to strengthen its market leadership position in key segments and enhance growth.		Positive, as successful customer relationship can drive revenue growth and profitability.
Supply chain management	Risk	Nelco depends on its supply chain partners for Satcom equipment and bandwidth capacity. Any disruption in timely supply, price escalations, and/or regulatory compliance, can profoundly affect the company's operations and its ability to deliver satisfactory services to customers.	Building a resilient supply chain by diversification of supply chain partners, continual stakeholder engagement, and comprehensive supply chain assessment. Well managed supply chain disruptions can indeed present opportunities for maintaining and even strengthening supply chain relationships that can lead to stronger partnerships that endure beyond the disruptions	Negative as due to supply chain disruptions might lead to price escalations, increased costs, slower customer satisfaction, and reduced competitiveness
Talent Management	Opportunity	The Company on boards and builds newer competencies to aid its multifold growth. The Company also plans to enhance skills of existing people and build future required competencies.		Positive, in terms of higher productivity of the people, fosters innovation, expertise, and competitiveness, ensuring a skilled workforce to drive business growth and success.
Corporate Governance and Ethics	Risk	Dynamic regulatory landscape and increasing stakeholder expectations regarding good governance practices poses risk concerning corporate governance & business practices.	The Company has adopted a powerful, competent, and diverse Board. It has instituted robust policies and SoPs to ensure good corporate governance.	Negative due to legal issues, reputational damage, loss of investor confidence, and decreased stakeholder trust, harming long-term sustainability.

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Business continuity and Risk Management	Risk	The Company's infrastructure is vulnerable to interruptions caused by earthquakes, floods, heavy rainfall, catastrophes, power outages, fire and other similar events. Information technology system failures, security breaches or human errors can affect the quality of services and impact customer satisfaction. Failure to have a proper business continuity framework and integration in risk management can compromise the organization's resilience and sustenance	Nelco has established a risk management framework and policy based on which existing and emerging risks are identified and assessed across its business segments The Risk Management Committee (RMC) is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Company's key risks are discussed with RMC three times a year. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.	Negative due to higher expenditure in mitigation measures & asset cost, revenue loss, operational disruptions, increased recovery costs, and damage to brand reputation

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Cybersecurity & Data Privacy	Risk	Since Nelco operates in Satellite communication industry, cybersecurity and data protection is vital for organization as data breach and cyber-attacks can potentially expose the organization to vulnerability leading to financial and reputational loss	Cybersecurity and Data Privacy policy as per global standards and implementation of procedural guidelines in true spirit. Strict adherence to cyber security compliances and implementation of robust policies will help to mitigate the risk. Nelco is certified for ISO/IEC 27001:2013, an international certification on information security management system (ISMS) Providing continuous training to employees on cybersecurity best practices and incident response protocols	Negative implications encompass the possibility of incurring additional or increased costs associated with the management of timely, frequent, and customized updates in the following areas: 1. Internal IT infrastructure and architecture 2. Software purchases 3. IT hardware 4. Adjustments necessitated by sector-specific or theme-specific regulatory requirements.
Digitalization	Opportunity	Embracing digitalization enhances operational efficiency, service delivery, and customer experience through automated processes, real-time monitoring, and innovative solutions like IoT integration and predictive maintenance in satellite communication networks. Nelco is driving multiple digitalization initiatives across the organization and taking external help where required	-	Positive as digitalization and use of AI/ML has the potential to enhance operational efficiency

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Diversity, Equity and Inclusion	Opportunity	The DE&I approach can help Nelco to promote fair treatment and full participation of all employees i.e., groups of individuals, including people of different races, ethnicities, religions, abilities, genders, and sexual orientation. A diverse, equitable and inclusive ecosystem can help Nelco to respond to challenges, retain the top talent, and meet the needs of various stakeholder in a better way	-	Positive as workforce diversity is vital for business success, attracting talent, and enhancing its reputation as a premier service provider
People Well-being, Health and Safety	Opportunity	Better People wellbeing, health and safety measures can prevent injury, create a better workplace by eliminating hazards and improve employee productivity. A healthy workplace can contribute positively to organization's growth and development	-	Positive as it boosts the morale, productivity, and retention, creating a safer, healthier work environment and positive company culture.
Emissions Reduction and Energy Management	Opportunity	Emission Reduction & Energy Management will help Nelco to reduce the cost of operation by means of increase in efficiency, and optimized energy use	-	Positive due to Improved operational efficiency, cost savings, and enhanced reputation as an environmentally responsible company, leading to increased customer trust and loyalty
Community Development	Opportunity	Community development will help Nelco to contribute to the community and enhance their social reputation	-	Positive as it can enhance brand reputation, foster goodwill, support talent attraction, and foster sustainable relationships with local stakeholders.
Waste and Water Management	Opportunity	Efficient waste & water Management can help Nelco to lower their operational costs & enhance reputation	-	Positive due to Reduced environmental impact, cost savings, regulatory compliance, and enhanced reputation

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Integrating the principles of the National Guidelines for Responsible Business Conduct into the structures, policies and processes ensure that stakeholder interests are integrated into the business fabric. Creating adequate governance enables businesses to contribute towards wider development goals.

NGRBC Principle

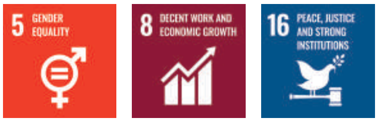
PRINCIPLE 1
Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.

PRINCIPLE 2
Businesses should provide goods and service in a manner that is sustainable and safe.

PRINCIPLE 3
Businesses should respect and promote the well-being of all employees, including those in their value chains.

PRINCIPLE 4
Businesses should respect the interests of and be responsive to all its stakeholders.

PRINCIPLE 5
Businesses should respect and promote human rights.



PRINCIPLE 6
Businesses should respect and make efforts to protect and restore the environment.

PRINCIPLE 7
Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

PRINCIPLE 8
Businesses should promote inclusive growth and equitable development.

PRINCIPLE 9
Businesses should engage with and provide value to their consumers in a responsible manner.

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and Management Processes									
1	**a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes, policies as required by the applicable statutes are approved by the Board/ Committees, and other internal policies are approved by the Managing Director & Chief Executive Officer of the Company.								
	c. Web Link of the Policies, if available	All the Company policies are made available to respective stakeholders. Some of the policies are available on the Company's website at https://www.nelco.in/ for customers / suppliers etc. For employees they are available on the Company's internal portal. Nelco Limited has the following policies: P1: Tata Group Code of Conduct (TCoC), Whistle Blower, Vigil Mechanism Policy P2: Occupational Health & Safety Policy P3: Prevention of Sexual Harassment Policy (POSH), Occupational Health & Safety Environment Policy, Tata Code of Conduct P4: Tata Code of Conduct P5: POSH Policy, Tata Code of Conduct P6: Occupational Health & Safety Environment Policy, Extended Producer Responsibility (EPR) P7: Code of conduct for Non-Executive Directors, Code of conduct for Prevention of Insider Trading P8: Corporate Social Responsibility (CSR) Policy P9: Data Privacy and cybersecurity								
2	**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes, the approved policies are translated into procedures.								
3	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes								
4	**Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	The policies adhere to international standards like TL 9000, ISO 27001, ISO 20000 and meet the regulatory requirements such as SEBI Listing Regulations etc. The policies reflect Tata groups commitment to improve the quality of life of the communities it serves and practice of giving back to the society.								
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	Yes, Nelco has developed a strategic plan for their journey in environmental, social, and governance (ESG) practices. This year, the business will establish an ESG strategy to define its goals for sustainability.								

6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	Nelco is undergoing a process of developing comprehensive ESG strategy integrating and embedding key material priorities into its business. As a part of future-ready roadmap, Nelco is committed to ESG goals given below: Nelco's governance framework is designed to support a robust ethical operating environment and is structured around: • Customer Relationship Management to foster trust and satisfaction of customers ensuring that their needs are at the heart of its business strategy. • Supply Chain Management to build and maintain efficient and resilient supply chain that upholds ethical standards and minimizes risks thereby contributing to sustainable growth. • Corporate Governance and Ethics to uphold highest standards of ethical conduct and respect for all stakeholders. • Business Continuity and Risk Management to have robust continuity plans in place to safeguard against operational, financial and strategic risks. • Cybersecurity and Data Privacy implementing cutting-edge cybersecurity measures and data privacy practices to meet regulatory requirements and establish customer confidence. • Digitalization leveraging technology to optimize operations, innovate service offerings and enhance stakeholder engagement. Nelco is committed to sustainable practices that address key environmental concerns through the following focused areas: • Emissions Reduction and Energy Management to minimize greenhouse gas emissions by optimizing energy usage and investing in energy-efficient technologies. • Waste and Water Management, to reduce waste generation at its source and enhancing reusing and recycling activities and acknowledging water as a critical resource. It has set goals to not only reduce its water but to implement efficient usage policies and engage in initiatives that support water conservation.

		Nelco is fully committed to making a positive social impact through targeted initiatives that align with its core values of respect, empowerment, and sustainable development. Its social goals encompass the following areas: • Talent Management to nurture the growth and development of its employees by providing trainings, career advancement opportunities, and a supportive work environment that stimulates professional excellence and innovation. • Diversity, Equity, and Inclusion to foster an inclusive culture that embraces diversity in all its forms. It is actively working towards creating equitable opportunities for all its employees. • People Wellbeing, Health and Safety is paramount to Nelco and we strive to offer programs that support mental, emotional, and physical health to ensure that the health and safety of its staff is a top priority. • Community Development to contribute to the broader, long-term socio-economic upliftment of these communities.
Governance, Leadership and Oversight		
7	Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements. Climate change has emerged as one of the biggest risks faced by the humanity, with far reaching impact on the socioeconomic systems around the world. Additionally, inclusive growth and the transition to a sustainable economy have become the global agenda. Therefore, investors, regulators and other stakeholders are considering company's sustainability performance as important as its financial and operational performance. I am pleased to share with you Company's BRSR report which reiterates our commitment to become a sustainability leader by creating long-term value for stakeholders through an ESG-focused business strategy and roadmap. Our goal is not just to adhere to compliance, but to transform every aspect of our business with sustainability trends, to ensure long-term value creation. We are in this journey together and we will contribute positively to create a sustainable ecosystem.	
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Name: PJ Nath DIN: 05118177 Designation: Managing Director and CEO
9	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Name: PJ Nath Designation: Managing Director and CEO

10. Details of Review of NGRBCs by the company:	P1	P2	P3	P4	P5	P6	P7	P8	P9
Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
Performance against above policies and follow up action	The Board of Directors and its Committees meet quarterly and as and when required. BRSR issues (if any) are discussed in respective meetings.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes, on need basis								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	POSH, Ethics, Governance	100%
Key Management Personnel	1	POSH, Ethics, Governance	100%
Employees other than BODs and KMPs	16	POSH, Ethics, Governance, ESG & BRSR	96%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

a. Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	0	Not Applicable			
Settlement	0				
Compounding fee	0				

b. non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	0	Not Applicable		
Punishment	0			

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Nelco is committed to preventing, deterring, and identifying any instances of bribery and other unethical business practices. As a part of the Tata Group, Nelco adheres to the Tata Code of Conduct (TCoC), a comprehensive guide outlining ethical standards for all Tata employees, companies, and third parties associated with Nelco, encompassing its entire operations. In addition to the TCoC, Nelco has its own independent policy, the Anti-bribery and Anti-corruption policy (ABAC), which provides additional guidelines to complement the TCoC and is available on Company website at https://www.nelco.in/pdf/Policies/ABAC%20Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

Topic	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of KMPs	0		0	

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods / services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	59	76

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Not Applicable	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Not Applicable	
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	8.25%	3.62%
	b. Sales (Sales to related parties / Total Sales)	4.13%	4.97%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	0	0

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The company collaborates with local service providers to acquire installation and maintenance services for remote VSAT terminals. Regular training sessions are provided to enhance their skills and capabilities in these areas. Additionally, capacity building sessions on POSH policies and principles are conducted for franchisees, other than permanent employees.

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in value chain covered by the awareness programmes
16	POSH (Prevention of Sexual Harassment), Ethics, Safety & Health, Training on TCoC	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the role of the Chairman of the Board is non-executive and distinct from that of the Managing Director and Chief Executive Officer (MD & CEO). The Codes of Conduct for Non-Executive Directors (NEDs) and Independent Directors (IDs) contain specific clauses addressing the prevention of conflicts of interest. Similarly, the Tata Code of Conduct (TCoC) includes explicit clauses prohibiting any employee, including the Managing Director (MD), from accepting any position of responsibility, with or without compensation, in any other organization without prior written approval from the Company. Approval for the MD must be obtained from the Board.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	0	0	Not Applicable
Capital Expenditure (CAPEX)	0	0	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, Nelco places a high emphasis on reliability, quality, and affordability in its procurement of materials and services. All the vendors are required to adhere to and sign the Tata Code of Conduct upon onboarding. Nelco ensures compliance with guidelines regarding environmental protection, safety, human rights, and ethics throughout its sourcing processes. Compliance with labor principles and relevant laws by the vendor is a mandatory requirement before finalizing any supply and service agreements.

b. **If yes, what percentage of inputs were sourced sustainably?**

Nelco is actively working on establishing a framework to monitor sustainable sourcing practices among its suppliers. Currently, there is no system in place to provide a precise percentage of sustainable sourcing, but it is a priority, and the organization is committed to developing this capability.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The company operates its own product repair center, aiming to prolong product lifespan, promote recycling, and reduce waste. In cases where a remote site is disconnected, electronic hardware and antennas are frequently relocated to alternative sites, effectively recycling the products. IT scrap and electronic waste are responsibly disposed off through certified E-waste management service providers approved by the Central Pollution Control Board and/or corresponding State Pollution Boards.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, the entity is subject to Extended Producer Responsibility (EPR). Nelco is authorized to gather E-waste in accordance with the E-Waste (Management) Rules, 2016. Nelco intends to retrieve waste from collection centers through their E-waste collection partners. Their logistics partner transports the waste from primary collection centers and delivers it to the recycling partners, Enviocare Recycling Pvt Ltd., EchoTech Recycling Pvt. Ltd., Green India E-Waste & Recycling Opc Pvt. Ltd.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No) If yes provide web-link
No services undergo Life Cycle Assessment (LCA)				

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

S. No.	Name of the product	Description of the risk	Action Taken
No services undergo Life Cycle Assessment (LCA)			

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
E-waste	90%	92%

	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste (in Metric Tonnes)	5.961	-	0.44	2.809	-	0.24
Hazardous waste	-	-	-	-	-	-
Other waste - oil (litres)	-	-	200	-	-	400

Note - Approximately 0.25 metric tons of the accumulated scrap awaits disposal and is expected to be included in the next year's report.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable as there were no significant issues reported necessitating corrective actions. Nevertheless, as a standard procedure, we provide training to both new hires and existing staff on these requirements. No notable risks or concerns have been raised. However, Company's ongoing efforts include assessments by labor consultants, maintaining awareness of ethics, and reporting measures for all employees and stakeholders (EHS). Additionally, we consistently provide training on these requirements to both new and existing personnel as part of its operational process.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	154	154	100%	154	100%	0	0	0	0	0	0
Female	20	20	100%	20	100%	20	100%	0	0	0	0
Total	174	174	100%	174	100%	20	11%	0	0	0	0
Other than Permanent Employees											
Male	103	103	100%	103	100%	0	0	0	0	0	0
Female	5	5	100%	5	100%	4	80%	0	0	0	0
Total	108	108	100%	108	100%	4	4%	0	0	0	0

Note - No parental leaves have been availed during the year.

b. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.37%	0.20%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Sr. No.	Benefits	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	Not Applicable	Y	100%	Not Applicable	Y
2	Gratuity	100%		Y	100%		Y
3	ESI	0%		Y	0%		Y
4	Others* - Medical insurance after retirement	9%		Y	9%		Y

*Nelco allows its employees to continue their company-purchased medical coverage at their own cost.

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the company offers accessibility to ground-floor facilities for differently abled employees, including access to healthcare amenities. Additional facilities catering to their needs will be incorporated into upcoming projects. This is currently being addressed as part of the forthcoming Infrastructure Development Project.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Nelco adheres to the Tata Code of Conduct (TCoC) which mentions the Equal Opportunity policy. Detailed policy is available on https://www.nelco.in/investor-relation/corporate-governance.php,

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

<table>
<tr><th>Gender</th><th>Total number of people returned after parental leave in FY</th><th>Total Number of people who took parental leave in FY</th><th>Return to work rate</th><th>Total Number of people retained for 12 months after returning from parental leave</th><th>Total number of people returned from parental leave in prior FY</th><th>Retention Rate</th></tr>
<tr><td colspan="7">Permanent Employees</td></tr>
<tr><td>Male</td><td rowspan="3">Not Applicable</td><td>0</td><td colspan="4" rowspan="3">Not Applicable</td></tr>
<tr><td>Female</td><td>0</td></tr>
<tr><td>Total</td><td>0</td></tr>
</table>

No parental leaves have been availed during the year.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

<table>
<tr><th>Category</th><th>Yes/No</th><th>Details of the mechanism in brief</th></tr>
<tr><td>Permanent Employees</td><td>Yes</td><td rowspan="2">The Company has adopted a Whistle Blower & Vigil Mechanism Policy for establishing a mechanism for employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC)/Chairman of the Audit Committee of the Company for redressal.

The Company has adopted a POSH policy to establish a mechanism for employees to report their concerns on sexual harassment and discrimination, hostile behaviour & others. The company has formed Internal Compliant committee which evaluates the complaints in line with the rules & regulations.</td></tr>
<tr><td>Other than Permanent Employees</td><td>Yes</td></tr>
</table>

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

<table>
<tr><th rowspan="2">Category</th><th colspan="3">FY 2023-24 (Current FY)</th><th colspan="3">FY 2022-23 (Previous FY)</th></tr>
<tr><th>Total employees / workers in respective category (A)</th><th>No. of employees / workers in respective category, who are part of association(s) or Union (B)</th><th>% (B/A)</th><th>Total employees / workers in respective category (C)</th><th>No. of employees / workers in respective category, who are part of association(s) or Union (D)</th><th>%(D/C)</th></tr>
<tr><td colspan="7">Permanent Employees</td></tr>
<tr><td>Male</td><td>154</td><td>0</td><td rowspan="3">Not Applicable</td><td>155</td><td>0</td><td rowspan="3">Not Applicable</td></tr>
<tr><td>Female</td><td>20</td><td>0</td><td>20</td><td>0</td></tr>
<tr><td>Total</td><td>174</td><td>0</td><td>175</td><td>0</td></tr>
</table>

8. Details of training given to employees and workers:

a. Details of Skill training given to employees	Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
		Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received Skill Training (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received Skill Training (D)	%(D/C)
	Permanent Employees						
	Male	154	154	100%	155	155	100%
	Female	20	20	100%	20	20	100%
	Total	174	174	100%	175	175	100%

b. Details of training on Health and Safety given to employees	Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
		Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received training on Health and Safety (D)	%(D/C)
	Permanent Employees						
	Male	154	154	100%	155	155	100%
	Female	20	20	100%	20	20	100%
	Total	174	174	100%	175	175	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	154	154	100%	155	155	100%
Female	20	20	100%	20	20	100%
Total	174	174	100%	175	175	100%

10. **Health and safety management system:**

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes, Company has implemented an Occupational Health and Safety policy that extends to all employees and relevant stakeholders affected by its operations. The company conducts safety checks at its facilities to uphold rigorous health and safety standards. It adheres to regulatory compliance and consistently updates protocols regarding the disposal of hazardous waste.
What is the coverage of such system?	The Occupational Health and Safety (OHS) management system applies to all stakeholders working on the premises and engaged in business operations.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Nelco offers an online platform for reporting safety hazards, incidents, and observations and strictly follows a work permit system and Standard Operating Procedures (SOPs).
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Not applicable as there are no workers.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, the entity's employees have access to medical healthcare services for non-occupational purposes also

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
Total recordable work-related injuries	Employees	0	0
No. of fatalities	Employees	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Nelco places paramount importance on fostering a safe and healthy work environment for its employees. The company's safety framework is robust, overseen by a dedicated Safety Works Committee that ensures compliance with industry-leading safety standards. A bespoke portal facilitates the seamless logging of safety incidents and observations, empowering employees to take proactive measures and contribute to a culture of safety. Regular electrical safety audits conducted by external experts at key offices in Mumbai and Delhi enhance workplace safety standards. Additionally, Nelco invests in fire hydrant systems at its Mahape office, subjecting them to rigorous maintenance checks to guarantee operational readiness. On-site medical provisions, including access to a doctor and health check-ups for employees aged 35 and above, underscore the company's commitment to employee well-being. The provision of hygienic canteen facilities and office spaces further reinforces a conducive work environment. Nelco also conducts regular training sessions on safety, ethics, and health to instill a culture of awareness and responsibility among its workforces.

Safety precautions during onboarding

As part of the onboarding process, each new employee undergoes a safety briefing. The office conducts regular fire drills and provides training on fire equipment usage. Before being fully integrated into the system, all employees must complete the safety induction procedure. The company maintains a structured safety training schedule to foster a safety-conscious culture among its employees.

Welfare Measures

Nelco takes a proactive and accountable stance in ensuring the well-being of its employees. This includes providing on- site doctors, medical check-up facilities, virtual seminars on health topics, fitness sessions, and company vehicles for commuting. Regular workshops and health camps are organized to promote awareness of health and hygiene. During Safety Week, specific awareness sessions are conducted to educate everyone, including vendors.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	11	0	-	0	0	No complaints
Health & Safety	5	0	Minor field injuries	1	0	Minor field injuries

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% (Internal Audits conducted)
Working Conditions	100% (Internal Audits conducted)

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Safety Standard Operating Procedures (SOPs) are enforced for all employees at the site or in the field. Permit systems have been established to ensure that staff are aware of potential hazards and take necessary precautions. Tailored training programs covering Technical, Safety, Functional, and Behavioral aspects have been developed for all employees and franchisee engineers.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

a. Employees (Yes/No): ***Yes***

b. Workers (Yes/No): ***Not Applicable***

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

During the invoicing process, the company verifies the compliance documents of its partners to confirm the payment of statutory dues. The vendor agreement stipulates the examination of vendors' statutory dues, granting Nelco the right to conduct audits. Nelco ensures vendors fulfill their statutory obligations, including ESIC, PF, and Professional tax payments, to the appropriate authorities punctually. Cross-checking with employees of the vendors is conducted to verify timely salary payments, and compliance documents are reviewed. The agreement incorporates statutory compliance requirements, with emphasis on timely filing.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Current FY 24	Previous FY 23	Current FY 24	Previous FY 23
Employees	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).**

Yes, the company offers a procedure through which retired employees can opt to work as consultants for the company, contingent upon both the company's requirements and the employee's agreement.

5. **Details on assessment of value chain partners:**

Topic	% of value chain partners (by value of business done with such partners) that were assessed*
Health and safety practices	*100% Service partners are assessed for health and safety practices and working conditions. The vendors agreement includes clauses to conduct periodical audits of the vendors. The vendors also need to adhere to Nelco's Occupational Health, safety and Environment policy.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Each employee must undergo online training covering various safety topics. Additionally, employees relevant to the task receive specialized training in electrical safety. Value chain partners providing services to Nelco adhere to all statutory safety standards and Nelco's Occupational Health and Safety (OHS) policy.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity:**

This year, Nelco re-visited Materiality assessment by involving and engaging various stakeholder groups. The stakeholder engagement process involved identifying key internal and external stakeholders, such as leadership, employees, vendors, customers, and third-party experts. Once identified, their relevance to Nelco's business was assessed by considering their ability to influence and be influenced by Nelco's performance and operations. Sample sizes for different respondent groups and the engagement methods, including one-on-one discussions and online surveys, were determined based on location and availability.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	• E-mail, Meetings, Company website, Newspaper, Advertisements	Annually	• Share price, Dividends, Growth prospects
Employees	No	• Employee Portal, E-mail, Company website, MD open house, Notice Boards	Ongoing	• Training and awareness, Health and safety, Engagement activities, Operational Efficiency
Suppliers	Yes	• E-mails, Company website, One-on-one engagement	Ongoing	• Timely delivery and payments, Safety concerns, Compliances, Collaborations
Customers	No	• E-mails, Survey, Helpdesk, One-on-one engagement	Ongoing	• Product Quality, Product guidelines
Local Communities	No	• Volunteering	Ongoing	• Community Development

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The company's management consistently engages with essential stakeholders, such as investors, customers, suppliers, and employees, through various channels and at different intervals. These interactions aim to grasp their requirements and gather suggestions to enhance both financial and non-financial performance.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Materiality assessment revised in the fiscal year 2023-24 involved in-depth discussions with specific stakeholder groups to identify and prioritize the material topics to align with the overall organizational goal of enhancing its sustainable growth. This aims to pinpoint environmental, social, and governance matters crucial to the company's corporate sustainability and enabled Nelco to highlight and rank the topics, thereby facilitating the development of an ESG strategy aligned with Nelco's business objectives and risks.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

There are no vulnerable/marginalized stakeholder groups identified by Nelco.

PRINCIPLE 5: Businesses should respect and promote human rights.

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current FY			FY 2022-23 Previous FY		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	174	174	100%	175	175	100%
Other than permanent	108	108	100%	95	95	100%
Total Employees	282	282	100%	270	270	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current FY					FY 2022-23 Previous FY				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	154	0	0	154	100%	155	0	0	155	100%
Female	20	0	0	20	100%	20	0	0	20	100%
Other than Permanent										
Male	103	0	0	103	100%	91	0	0	91	100%
Female	5	0	0	5	100%	4	0	0	4	100%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (INR)	Number	Median remuneration/ salary/ wages of respective category (INR)
Board of Directors (BoD)*	5	-	1	-
Key Managerial Personnel	2	58,09,486	0	0
Employees other than BoD and KMP	151	9,23,206	20	8,32,964

*For details of remuneration of the Board Members, kindly refer to the Corporate Governance Report which forms a part of this Annual Report

Note:

- Managing Directors & Chief Executive Officer is considered in BOD.
- Key Managerial Personnel includes, CFO and Company Secretary.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	8.45%	7.94%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company has a POSH & Ethics Committees tasked with handling human rights concerns. Additionally, there is an ethics counselor designated to address grievances related to human rights issues. These complaints are brought to the attention and discussed with the Managing Director (MD) and are required to be resolved within a 90-day timeframe.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company upholds human rights, and its policies are designed to support, respect, and safeguard the human rights of both its direct and indirect employees, including those of its subsidiaries. It has adopted and implemented a Whistle-blower & Vigil Mechanism Policy to establish a system for employees to report concerns about unethical behaviour, actual or suspected fraud, or violations of the Company's Code of Conduct or ethics policy to management. The Vigil Mechanism enables employees to approach the Chief Ethics Counsellor (CEC) or Chairman of the Audit Committee for redressal. The POSH committee handles complaints related to sexual harassment, extending coverage to associates, franchisee engineers, and vendors. Concerns regarding the Tata Code of Conduct (TCoC) are addressed internally through a review mechanism by the Ethics Counsellor and Senior Management.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current FY			FY 2022-23 Previous FY		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the y ear	Pending resolution at the end of year	Remarks
Sexual Harassment	0	Not Applicable	No cases reported	0	Not Applicable	No cases reported
Discrimination at workplace	0			0		
Child Labor	0			0		
Forced Labor/ Involuntary Labor	0			0		
Wages	0			0		
Other human rights related issues	0			0		

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

In alignment with the Whistleblower Policy and POSH Policy, the Company includes a section dedicated to safeguarding the anonymity of the complainant. All instances of discrimination and harassment are handled in strict accordance with Company' policy.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Human rights provision is integrated into all the supplier contracts, encompassing concerns such as child labor, forced labor, discrimination, working conditions, compensation, and disciplinary measures. Suppliers are mandated to adhere to these clauses outlined in the agreement and establish procedures for addressing any violations of such policies. The Supplier Code of Conduct is an integral component of the contract and is obligatory for all the vendors, encompassing compliance with labor laws, workplace regulations, and human rights.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100% We ensure that there is no violation of child labor, forced labor, sexual harassment, discrimination, minimum wages in Company's operations by strict adherence to the statutory laws and its policies on the same.
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable, there were no issues reported to take any corrective actions.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

There were no grievances or complaints reported regarding the human rights during the year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Nelco maintains 100% compliance of the statutory provisions at all their locations, although there was no due diligence conducted during the year.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the provisions are made available for the differently abled people on the ground floor premises. Accessibility to the differently abled people will be considered under future Infrastructure Development Project.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labor	100% Periodical vendor audits are conducted by Nelco for all its vendors. We ensure that there is strict adherence to the statutory laws and the policies on the same. We also ensure that the vendors pay the statutory dues such as ESIC, PF, PT etc. in timely manner
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable as no major issues were reported upon which the corrective actions might be required. However, as a process the Company keeps training new joiners and existing employees on such requirements. No significant risk / concerns raised. However, external assessment by labor consultant, awareness on ethics and reporting measures are continued efforts to educate the employees and all stakeholders (EHS). The Company also keeps training new people and existing people on such requirements as part of the process.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Note - Environmental data covers nine locations which represents more than 95% of our operational footprint. Data for electricity consumption, water consumption and scope 1 and scope 2 emissions is restated as the scope of reporting is increased for FY 2022-23 and FY 2023-24.

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameters	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption source (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D) (GJ)	8,170.07	8,146.25
Total fuel consumption (E) (GJ)	709.27	585.18
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F) (GJ)	8,879.34	8,731.43
Total energy consumed (A+B+C+D+E+F) (GJ)	8,879.34	8,731.43
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations (₹in lacs)) (GJ/Lacs INR)	0.28	0.27
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	-	-

Parameters	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

PAT scheme is not applicable to Nelco.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameters	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	21,934	23,537
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	21,934	23,537
Total volume of water consumption (in kilolitres)	21,934	23,537
Water intensity per rupee of turnover (Total water consumption / Revenue from operations (₹ In lacs)) (KL/Lacs INR)	0.68	0.75
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP (₹ In lacs)	-	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the Entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There was no independent assessment carried out by any external agency.

4. Provide the following details related to water discharged:

Parameters	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
No treatment	-	-
With treatment -please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note:

i) As Nelco operates in leased and co-working offices, it is yet to establish mechanisms for tracking water discharge and will start reporting in the subsequent reports.

ii) Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There has been no independent assessment carried out by an external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Since Nelco is service based company, mechanism of Zero Liquid discharge is not applicable.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	**KG**	0.03	0.04
Sox	**KG**	0.04	0.06
Particulate matter (PM)	**KG**	0.18	0.25
Persistent organic pollutants (POP)	**NA**	-	-
Volatile organic compounds (VOC)	**NA**	-	-
Hazardous air pollutants (HAP)	**mg/m3**	-	-
Others – please specify	**PPM**	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, Currently Nelco has not opted for assurance from any external agency.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO2 equivalent**	50.05	40.87
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO2 equivalent**	1,624.93	1,606.62
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations (₹ In lacs))	**tCO2/Lakh INR**	0.05	0.05
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP (₹ In Lacs))	**tCO2e/INR**	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional)		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, Currently Nelco has not opted for assurance from any external agency.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

As the Company embarks on its ESG journey, it is committed to reducing emissions through forward-thinking initiatives. This includes upgrading outdated systems with energy-efficient alternatives, conducting energy audits, and deploying emission control devices for the generators. Additionally, it is exploring the feasibility of integrating renewable energy sources into the operations to further minimize its environmental impact.

9. Provide details related to waste management by the entity, in the following format:

Parameters	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	-	-
E-waste ***(B)***	6.65	3.04
Bio-medical waste ***(C)***	-	-
Construction and demolition waste ***(D)***	-	-
Battery waste ***(E)***	-	-
Radioactive waste ***(F)***	-	-
Other Hazardous waste. Please specify, if any. (oil) ***(G)***	0.16	0.33
Other Non-hazardous waste generated ***(H)***. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G+ H)	6.81	3.37
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations (₹ In lakh)	0.0002	0.0001
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP (₹ In lakh.)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional)	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	5.96	2.81
(iii) Other recovery operations	-	-
Total	5.96	2.81
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations (e-waste scrap)	0.44	0.8 (Battery Waste)
(iii) Other disposal operations (oil)	0.16	0.32
Total	0.60	1.12

Note - Approximately 0.25 metric tons of the accumulated scrap awaits disposal and is expected to be included in the next year's report.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, Currently Nelco has not opted for assurance from any external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

All generated E-Waste, including transformer and DG used oil from its operations, are disposed of by a certified e-waste vendor authorized by the Maharashtra Pollution Control Board (MPCB). The company emphasizes the use of Restriction of Hazardous Substances (RoHS) compliant products.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. no	Location of Operations/ Offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	Dehradun Teleport	Monitoring and management of remote VSATs	Yes

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Nelco didn't engage in any projects that were subject to Environmental Impact Assessment requirements in accordance with the law.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Nelco operates as a service-based company, and its operations do not emit any harmful substances. However, the organization prioritizes environmental compliance with all rules and regulations.

LEADERSHIP INDICATORS

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	21,934	23,537
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	21,934	23,537
Total volume of water consumption (in kilolitres)	21,934	23,537
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.68	0.75
Water intensity *(optional)*	-	-

Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note:

i) As Nelco operates in leased and co-working offices, it is yet to establish mechanisms for tracking water discharge and will start reporting in the subsequent reports.

ii) Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, Currently Nelco has not opted for assurance from any external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 Equivalent*	-	-
Total Scope 3 emissions per rupee of turnover	*Metric tonnes of CO2 Equivalent*	-	-
Total Scope 3 emission intensity (optional) – *the relevant metric may be selected by the entity*		-	-

Nelco acknowledges the significance of emissions across its value chain and is in the process of formulating a system to monitor and disclose scope 3 emissions in the forthcoming years.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, currently Nelco has not opted for assurance from any external agency.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable as there is no impact of the entity as only a satellite teleport is situated in this area.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives.

Nelco is developing ESG strategy focusing on key areas such as emissions reduction and energy management, waste and water management, and there are a few plans and actions lined up aiming for resource efficiency. Additionally, Nelco will establish KPIs around these pertinent issues to achieve the ultimate ESG goals.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, Nelco has established a Business Continuity Plan (BCP) policy and procedures aligned with the ISMS framework for IT applications and infrastructure. This policy underscores Nelco's imperative for maintaining continuity in critical business processes, ensuring their recovery in the event of significant disruptions. Developed in accordance with operational requirements, the policy identifies critical disaster types under the BCP, along with their typical recovery and management methods.

BCP addresses all significant business processes and emphasize on:

- Identification of risks
- Identification of business requirements for continuity
- Quantification of impact of potential threat
- Establishing recovery priorities by defining Recovery Time

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Nelco has not conducted any evaluations to assess the impact of its value chain.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact.

No value chain partners were assessed for environmental impact.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations.

Currently, we are engaged as participating members in two associations, namely Broadband India Forum (BIF) and Indian Space Association (ISpA), as indicated in the table below. The MD & CEO of Nelco serves as the Chairperson of the Satcom Committee for both BIF and ISpA.

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. no	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Broadband India Forum	Member
2.	Indian Space Association	Founding Member

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the case	Corrective action taken
No such cases recorded		

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity.

S. no	Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify	Web Link, if available
1.	Nelco participated in several industry groupings and associations including DOT, TRAI, BIF, ISPA etc.	Nelco has advocated various telecom services, data communication services, National Broadcasting policy, digital transformation, administration and economic reforms. Nelco's membership at these regulatory associations serves as a medium for such advocac	No	-	-

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Resulted communicated in public domain	Relevant Web Link
As of now, no social impact assessments are conducted, since the business does not significantly affect communities in a negative manner.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

S. No	Name of project for which R&R is ongoing	State	District	No of Project Affected Families	% of PAF covered by RAR	Amount Paid to PAFs in the FY (in INR)
Not applicable, Nelco refrains from involvement in projects that necessitate Resettlement and Rehabilitation (R&R) activities.						

3. Describe the mechanisms to receive and redress grievances of the community.

Nelco has developed a mechanism to receive and redress grievances of the community and local communities can voice their concerns by reaching out through the email addresses provided on the website: ethics@nelco.in

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ Small producers	12%	15%
Directly from within India	88%	85%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	-	-
Semi-urban	-	-
Urban	-	-
Metropolitan	100%	100%

Note:

- Places to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan
- Only permanent employees are covered.

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent in INR
1	Maharashtra	Turbhe- e-Vidya, Nelco sponsored Community Learning Centre	14,00,000
2	India	all over India - Akshay Patra Foundation	3,00,000
3	Maharashtra	Mumbai - CSA (Catalysts for Social Action)	6,00,000

Nelco is engaged in CSR initiatives in the partnership with TPDCT and Akshaya Patra which majorly is covered within Mumbai area and we understand that these initiatives are not situated in the aspirational districts according to the guidelines of NITI Aayog. However, Nelco aims to explore the opportunities and expand the coverage to the needful areas in the forthcoming years.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No

(b) **From which marginalized /vulnerable groups do you procure?**

Not Applicable

(c) **What percentage of total procurement (by value) does it constitute?**

Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable

6. **Details of beneficiaries of CSR Projects.**

S. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Vatsalya Trust Old age home	32	100%
2	Vatsalya Trust home for children	28	100%
3	Akshay Patra Foundation, Thane	170	100%
4	Akshay Patra Foundation, Kalyan	120	100%
5	Akshay Patra Foundation, Bangalore	275	100%
6	Desire Society	40	100%
7	Jan Vikas Society	35	100%
8	CSA	10	100%
9	e-Vidya, Nelco sponsored Community Learning Centre	180	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner.

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Customer satisfaction is a key focus for the company's operations. Nelco maintains a strong system for monitoring consumer complaints and feedback. The complaint management process follows a thorough protocol, including registering complaints, conducting root-cause analysis by the relevant department, engaging with the customer through various stakeholders as needed, and ultimately resolving the issues with feedback from the customer.

Customer complaints are received through the following sources:

- Service Desk portal,
- E-mail address (helpdesk@nelco.in) or by calling and
- Registering of complaint at Help desk no 022-67918728

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

Type	As a percentage to total turnover
Environment and Social parameters relevant to product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	Not Applicable	No complaints received	0	Not Applicable	No complaints received
Advertising	0			0		
Cyber-security	0			0		
Delivery of essential services	0			0		
Restrictive Trade Practices	0			0		
Unfair Trade Practices	0			0		
Others	0			0		

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	Not Applicable, since Nelco is in the Service industry, there is no defect of product for which these need to be recalled. However, products are sold as enablers for service offering and if required these are repaired or replaced during Warranty/ AMC (Annual Maintenance Contract) period.	Not Applicable
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Nelco is dedicated to safeguarding sensitive information, which contributes to fostering trust and confidence in its products and services. The company implements and upholds efficient controls to oversee the confidentiality, integrity, and accessibility of its information assets.

Policy

Nelco has Board approved policies concerning information security, cybersecurity, and data privacy. While the Data Privacy policy is accessible to both internal and external parties, the Information Security and Cybersecurity policies are available exclusively on the company's intranet. Web-link: https://www.nelco.in/privacy-policy.php#

Certifications

Nelco holds ISO/IEC 27001:2013 certification, which is an internationally recognized standard for Information Security Management Systems (ISMS).

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   There has been no reported issues regarding advertising, delivery of essential services, cyber security, and data privacy of customers, nor has there been instances of product recalls or regulatory penalties/actions taken on product/service safety.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches –** There were no data breaches occurred during the year.

   b. **Percentage of data breaches involving personally identifiable information of customers-** Not Applicable

   c. **Impact, if any, of the data breaches-** Not Applicable

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Details about the Company's goods and services can be accessed on its website https://www.nelco.in/ https://www.nelco.in/key-services/vsat.php Given that Nelco operates in the B2B sector, much of its customer engagement occurs through individual interactions, where consultative selling is often employed, considering the unique requirements of each customer.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Nelco's solutions are tailored for Business to Business (B2B) use, focusing on delivering satellite-based communication services. The company has established guidelines for clients to adhere to while on-site, specifically addressing consumer safety. These guidelines are communicated to customers via email during the contracting phase, and Nelco also provides safety information and best practices through presentations.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   In case there is a planned downtime of service, customers are informed in advance. All the approvals for the same are taken prior to the disruption.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, consumers are provided with product information that exceeds the requirements mandated by local laws. Since Nelco offers services using technical products, displaying product information directly on the product is not feasible. However, these details are communicated to customers during the pre-sale process.

   Yes, every year, a third-party agency conducts service-related surveys. Additionally, the company conducts a formal Customer Satisfaction (CSAT) survey annually through a reputable external market research agency. This survey encompasses a significant portion of the company's customer base. It aids in comprehending customer concerns and enables the company to be more responsive to their needs. The findings of the CSAT survey are deliberated upon with all relevant stakeholders to determine actionable points for enhancing customer satisfaction levels.

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Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Nelco Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Nelco Limited ("the Company") which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the Standalone Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profits including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of contingent liabilities, provision for litigations As at March 31, 2024, the Company has recognized provision of Rs 232 lakhs and disclosed contingent liabilities (to the extent not provided for) of Rs 2,060 lakhs in respect of certain tax and other litigations.	Our audit procedures included the following: • We obtained an understanding and evaluated processes and controls designed and implemented by the Management for assessment of litigations.

Key audit matters	How our audit addressed the key audit matter
The Company faces inquiries from tax authorities and regulatory authorities during tax assessment and legal proceedings during the normal course of business. There is a high level of Management judgement required in estimating the probable outflow of economic resources and the level of provisioning and the disclosures required. The Management's assessment is supported by legal opinions from independent tax consultants and legal experts obtained by the Management. We considered this to be a key audit matter as the outcome of the litigations/ inquiries is uncertain, including ensuring compliances with the various regulations and the positions taken by the Management are based on the application of material judgement, advice from tax consultants and legal experts and interpretation of law. The ultimate outcome of the litigations/inquiries could be different from the conclusion reached by the Management and may significantly impact the Company's financial position. The Company's disclosures are included in Note 2(f) and Note 35 and 38 to the Financial Statements which outlines the accounting policy for contingent liabilities and details of pending direct and indirect tax litigation and other cases disclosed as contingent liabilities.	• We obtained the list of taxation and other litigation matters and communications with the authorities and vendors. We reviewed the supporting evidence and assessed Management's evaluation through discussions and inquiries made on both the probability of outcome and the magnitude of potential outflow of economic resources; • Where relevant, we read and relied upon the most recent legal opinion obtained by Management from independent tax consultants and external legal experts to assess development in all pending cases against the Company; • We read recent orders received from the tax and regulatory authorities and the Company's responses to such communications and assessed the current status of the litigations against the Company. For tax matters, we involved our tax specialists to assess Management's application and interpretation of tax legislation affecting the Company and to consider the quantification of exposures and settlements arising from the disputes with the tax authorities in the various tax jurisdictions.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Annual Report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind

AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

   (g) With respect to the adequacy of the internal financial controls with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 35 and 38 to the Standalone Ind AS Financial Statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv. a) The Management has represented that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act. As stated in Note 11 to the Standalone Ind AS Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 46 to the Financial Statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 24117142BKDHZJ4336

Place: Mumbai
Date: April 23, 2024

Annexure '1' referred to in clause 1 of paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: **Nelco Limited (the "Company")**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the Management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in Note 41 to the Financial Statements, the Company has been sanctioned working capital limits in excess of Rs. Five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the Financial Statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the audited books of accounts of the Company.

(iii) (a) The Company has given guarantee as follows:

Particulars	Guarantees
Aggregate amount provided during the year	Nil
- Subsidiary	Nelco Network Products Limited
Balance outstanding as at balance sheet date in respect of above case	Rs. 9,200 lakhs

(b) The investments made during the year are not prejudicial to the Company's Interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not advanced loans to directors including the entities in which they are interested to which provision of Section 185 of the Act apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provision of Section 186 of the Act in respect of investment, loan, securities and guarantees given have been complied by the company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to Internet service provider and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, duty of customs, income-tax, cess and other statutory dues are applicable to it. The provisions relating to sales-tax, service tax, duty of excise, value added tax are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, income-tax, sales-tax, service tax and value added tax, have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Period to which the amount relates	Amount (Rs. in lakhs)	Amount paid under protest	Forum where the dispute is pending
The Maharashtra Value Added Tax Act, 2002	Tax, Penalty and Interest	April 2006 to March 2011	3,836	-	Maharashtra Sales Tax Tribunal (MSTT).
Central Goods and Services Tax Act, 2017	Tax, Penalty and Interest	July 17 to March 19	103	-	Assistant Commissioner CGST & Ex, Circle - VI
Central Goods and Services Tax Act, 2017	Tax, Penalty and Interest	FY 2017-2018	21	-	Assistant Commissioner CGST & Ex, Circle – VI
The Finance Act, 1994	Tax, Penalty and Interest	FY 2001-2005	179	-	Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Tax, Penalty and Interest	April 2016 to June 2017	183	-	Commissioner CGST & C.Ex, Belapur

Name of the statute	Nature of the dues	Period to which the amount relates	Amount (Rs. in lakhs)	Amount paid under protest	Forum where the dispute is pending
The Finance Act, 1994	Tax, Penalty and Interest	FY 2016-2017	224	-	Commissioner CGST & C.Ex, Belapur
The Finance Act, 1994	Service Tax	October 2016 to June 2017	21	-	Commissioner Appeals
The Finance Act, 1994	Service Tax	April 2016 to June 2017	21	-	Commissioner Appeals
The Income Tax Act, 1961	Tax	FY 2010-2011	497	528	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Interest	FY 2011-2012	178	-	DY-Comissioner Income Tax, 15(1)(2)
The Income Tax Act, 1961	Penalty	FY 2011-2012	420	-	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Tax	FY 2020-2021	451	-	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Tax	FY 2021-2022	171	-	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Tax	FY 2022-2023	16	-	Commissioner of Income Tax (Appeals)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the Financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause (ix) (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of Section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, no whistle blower complaints were received by the Company during the year.

(xii) (a) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the provisions of clause 3(xii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Act where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) The Group has 4 Core Investment Company as part of the Group.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 39 to the Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 24117142BKDHZJ4336

Place: Mumbai
Date: April 23, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF NELCO LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of Nelco Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Standalone Ind AS Financial Statements reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A Company's internal financial controls over financial reporting with reference to Standalone Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting with reference to Standalone Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to Standalone Ind AS Financial Statements and such internal financial controls over financial reporting with reference to Standalone Ind AS Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 24117142BKDHZJ4336

Place: Mumbai
Date: April 23, 2024

Standalone Balance Sheet as at March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3 (a)	5,168	5,087
(b) Capital work-in-progress	3 (b)	928	125
(c) Right-of-use assets	3 (c) (i)	1,048	995
(d) Other intangible assets	3 (a)	434	477
(e) Intangible assets under development	3 (b)	23	-
(f) Financial assets			
(i) Investments	4	3,299	2,995
(ii) Other financial assets	5 (a)	17	17
(g) Deferred tax assets (net)	28 (a)	1,262	267
(h) Non-current tax assets (net)	6	-	492
(i) Other non-current assets	7 (a)	633	663
Total non-current assets		**12,812**	**11,118**
Current assets			
(a) Financial assets			
(i) Trade receivables	8	3,779	4,099
(ii) Cash and cash equivalents	9 (a)	1,956	1,269
(iii) Bank balances other than (ii) above	9 (b)	53	48
(iv) Loans	10	4	-
(v) Other financial assets	5 (b)	202	274
(b) Other current assets	7 (b)	666	916
Total current assets		**6,660**	**6,606**
TOTAL ASSETS		**19,472**	**17,724**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	11	2,282	2,282
(b) Other equity	12	9,493	7,832
Total equity		**11,775**	**10,114**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	-	1,161
(ia) Lease liabilities	3 (c) (ii)	997	858
(b) Non-current tax liability (net)	6	52	-
Total non-current liabilities		**1,049**	**2,019**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (b)	-	464
(ia) Lease liabilities	3 (c) (ii)	168	223
(ii) Trade payables	14		
(a) Total outstanding dues to micro and small enterprises		-	-
(b) Total outstanding dues to other than micro and small enterprises		1,411	1,227
(iii) Other financial liabilities	15	1,483	776
(b) Provisions	16	299	285
(c) Contract liabilities	17	3,013	2,374
(d) Other current liabilities	18	274	242
Total current liabilities		**6,648**	**5,591**
Total liabilities		**7,697**	**7,610**
TOTAL EQUITY AND LIABILITIES		**19,472**	**17,724**

Summary of material accounting policies.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Aniket Sohani
Partner
Membership No. 117142
Place: Mumbai
Date : April 23, 2024

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)
Place: Mumbai
Date : April 23, 2024

Girish V. Kirkinde
Company Secretary & Head - Legal
(ICSI M. No: ACS7493)

Standalone Statement of Profit and Loss for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
(a) Revenue from operations	19	22,268	19,704
(b) Other income	20	236	268
Total income		**22,504**	**19,972**
Expenses			
(a) Purchase of stock-in-trade		19	27
(b) Operating expenses	21	12,645	10,790
(c) Employee benefits expense	22	2,785	2,339
(d) Other expenses	23	2,498	2,479
Total expenses		**17,947**	**15,635**
Profit before finance cost, depreciation & amortisation and tax (PBITDA)		**4,557**	**4,337**
(e) Finance costs	24	249	337
(f) Depreciation & amortisation expense	25	1,284	1,065
Total finance costs and depreciation & amortisation expenses		**1,533**	**1,402**
Profit before tax		**3,024**	**2,935**
Tax expense			
- Current tax	27(a)	1,344	853
- Deferred tax (credit)/charge	27(a)	(549)	(6)
- Tax adjustment for earlier years	27(a)	102	-
Total tax expenses		**897**	**847**
Profit after tax		**2,127**	**2,088**
Other comprehensive income/(expenses)			
Items that will not be reclassified to profit or loss in subsequent years			
- Net fair value gain on investments in equity shares at FVTOCI (net of tax)	26	-	6
- Remeasurement of post employment benefit obligations (loss) (net of tax)	26	(10)	(25)
Other comprehensive (expense) for the year, (net of tax)		**(10)**	**(19)**
Total comprehensive income for the year		**2,117**	**2,069**
Earnings per share (face value of ₹ 10/- per share) : (Basic and diluted)	37	9.32	9.15

Summary of material accounting policies 1

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

Aniket Sohani
Partner
Membership No. 117142

Place: Mumbai
Date : April 23, 2024

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)

Girish V. Kirkinde
Company Secretary & Head - Legal
(ICSI M. No: ACS7493)

Place: Mumbai
Date : April 23, 2024

Standalone Statement of Cash Flows for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**3,024**	**2,935**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	1,284	1,065
Finance costs	249	337
Interest income	(5)	(44)
Liabilities/provisions no longer required, written back	(19)	(54)
(Profit)/loss on sale of property, plant & equipment	(6)	4
Unwinding of discount on financial asset measured at amortised cost	(50)	(21)
Impairment allowance (allowance for bad and doubtful debts)	-	9
Provision for disputed obligation	-	99
Unrealised foreign exchange loss (net)	5	8
Operating profit before working capital changes	**4,482**	**4,338**
Movement in working capital		
Movements in assets		
- Decrease/(increase) in trade receivables	320	(654)
- (Increase)/ decrease in current financial assets - loans	(4)	7
- Decrease in other current financial assets	72	223
- Decrease in other non-current financial assets	-	173
- Decrease/ (increase) in other current assets	250	(549)
- Decrease in other non-current assets	30	36
Movements in liabilities		
- Increase/(decrease) in trade payables	198	(123)
- Increase/(decrease) in other current financial liabilities	134	(179)
- Increase in contract liabilities	689	889
- Increase in other current liabilities	32	4
- Increase in current provisions	4	35
Cash generated from operations	**6,207**	**4,200**
Direct taxes paid (net of refunds)	(1,348)	(207)
Net cash flow generated from operating activities (A)	**4,859**	**3,993**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress/ intangible assets under development)	(1,331)	(2,215)
Proceeds from sale of property, plant and equipment	11	3
Investment in associates	(304)	-
Interest income received	5	44
Bank balance not considered as cash and cash equivalents	(5)	(3)
Net cash flow (used in) investing activities (B)	**(1,624)**	**(2,171)**

Standalone Statement of Cash Flows for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	8,600
Repayment of borrowings	(1,625)	(8,725)
Payment of principal portion of lease liabilities	(252)	(189)
Payment of interest portion of lease liabilities	(94)	(90)
Interest paid	(124)	(220)
Dividend paid	(453)	(407)
Net cash flow (used in) financing activities (C)	**(2,548)**	**(1,031)**
Net increase in cash & cash equivalents [(A)+(B)+(C)]	**687**	**791**
Cash and cash equivalents at the beginning of the year	**1,269**	**478**
Cash and cash equivalents at the end of the year	**1,956**	**1,269**

Note:

Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents comprise of	As at March 31, 2024	As at March 31, 2023
Balance with banks in current accounts	1,856	1,223
Cheques on hand	100	46
Cash on hand	*	*
Total (refer note 9a)	**1,956**	**1,269**

*Below rounding off norms adopted by the Company.

Summary of material accounting policies 1

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Aniket Sohani
Partner
Membership No. 117142

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)

Girish V. Kirkinde
Company Secretary & Head - Legal
(ICSI M. No: ACS7493)

Place: Mumbai
Date : April 23, 2024

Place: Mumbai
Date : April 23, 2024

Standalone Statement of Changes in Equity for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid.

Particulars	Number of shares	Amount
As at March 31, 2022	**2,28,17,461**	**2,282**
Changes in equity share capital	-	-
As at March 31, 2023	**2,28,17,461**	**2,282**
Changes in equity share capital	-	-
As at March 31, 2024	**2,28,17,461**	**2,282**

B. Other Equity

Particulars	Attributable to equity shareholders			Total
	Reserves and Surplus		Reserve for FVTOCI Equity instrument	
	General Reserve	Retained Earnings		
As at March 31, 2022	**250**	**5,914**	**10**	**6,174**
Profit for the year	-	2,088	-	2,088
Dividend paid*	-	(411)	-	(411)
Other comprehensive income for the year (net of tax)	-	(25)	6	(19)
As at March 31, 2023	**250**	**7,566**	**16**	**7,832**
Profit for the year	-	2,127	-	2,127
Dividend paid*	-	(456)	-	(456)
Other comprehensive income for the year (net of tax)	-	(10)	-	(10)
As at March 31, 2024	**250**	**9,227**	**16**	**9,493**

*For financial year ended March 31, 2023, the Board of Directors had recommended a dividend of 20% (March 31, 2022: 18%) which was ₹ 2.00/- (March 31, 2022: ₹ 1.80/-) per equity share of ₹ 10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 22, 2023.

For financial year ended March 31, 2024, the Board of Directors have recommended a dividend of 22% (March 31, 2023: 20%) which is ₹ 2.20/- (March 31, 2023: ₹ 2.00/-) per equity share of ₹ 10/- each. This is subject to approval at the annual general meeting by the members and liability is not recognised as at March 31, 2024.

Summary of material accounting policies 1

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Aniket Sohani
Partner
Membership No. 117142

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)

Girish V. Kirkinde
Company Secretary & Head - Legal
(ICSI M. No: ACS7493)

Place: Mumbai
Date : April 23, 2024

Place: Mumbai
Date : April 23, 2024

Notes to the Standalone Financial Statements for the year ended March 31, 2024

Corporate Information

Nelco Limited herein after referred to as "the Company" was established in 1940. The Company is in the business of providing domestic satellite communication services to close user group (CUG) networks via Satellite System on non-exclusive basis within the territorial boundary of India under the VSAT, ISP and other Licenses and authorisation granted by Department of Telecommunications (D.O.T.), Government of India.

The Standalone Financial Statements are presented in Indian Rupee (INR) which is also functional and presentational currency of the Company.

The Company is a subsidiary of The Tata Power Company Limited. The Company has one wholly owned subsidiary Nelco Network Products Ltd. (NNPL). During the year Company has made investment of Rs. 304 Lakhs to acquire 31.72% of equity shares in Piscis Networks Private Limited.

Equity shares of the Company are listed in India on the Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE"). The registered office of the Company is located at EL-6, TTC Industrial Area, MIDC, Electronic Zone, Mahape, Navi Mumbai – 400710, CIN: L32200MH1940PLC003164.

1. Summary of material accounting policies

1.1 Basis of preparation

This note provides details of the material accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as amended from time to time.

b. Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- defined benefit and other long-term employee benefits;

c. Current versus non-current classifications

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

Notes to the Standalone Financial Statements for the year ended March 31, 2024

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d. New and amended Standards adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

1.2 Property, plant and equipment

All items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition or construction of the assets. Subsequent costs are added to existing item's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

a. Capital work-in-progress

Projects under which property, plant and equipment which are not yet ready for their intended use are carried at cost net of accumulated impairment loss, if any.

b. Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate cost, net of their estimated residual value, over their estimated useful lives.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Type of Assets	**Useful Life**
Building	30 years
Plant & Machinery	
Radio frequency and baseband equipment	10 -12 years
Networking devices	6 years
Teleport Antenna	15 years
Electrical installation	10 years
Furniture and fixture	10 years
Office Equipment	
Computer Hardware	3 Years
Others	5 Years
Vehicles	8 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other Income / other expenses.

1.3 Intangible assets

Intangible assets acquired are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any. The Company amortises intangible assets using straight line method over the following periods.

License Fees : Over the license period from the date of license available for use

Testing software : 5 years

1.4 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

A. Financial assets

a. Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 1.11 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Notes to the Standalone Financial Statements for the year ended March 31, 2024

Financial assets at amortised cost (debt instruments):

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables and other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments):

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

c. **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's standalone balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  i. the Company has transferred substantially all the risks and rewards of the asset, or
  ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d. **Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to the Standalone Financial Statements for the year ended March 31, 2024

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Also, the Company recognises allowances for any expected losses on account of non-recovery from customers on specific cases based on management estimates.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – see Note 29
- Investment at fair value through OCI – see Note 4
- Trade receivables – see Note 8.

e. Income recognition

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend

Dividend income from investments is recognised when the right to receive dividend has been established.

B. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

b. Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings):

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 13.

c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

1.6 Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised at cost as per Ind AS 27 "Separate Financial Statements" in these standalone financial statements. (refer note 4)

1.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand, cheques on hand, balances with banks in current accounts, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

1.8 Trade receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.9 Trade and other payables

These amounts represent liabilities for goods and services received by the Company prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using effective interest method.

1.10 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.11 Revenue from contracts with customers

Satellite Communication and Internet Services:

The Company earns revenue from providing domestic satellite communication services to closeuser group (CUG) networks via Satellite System on non-exclusive basis (Bandwidth Services).

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue from bandwidth services is provided over the period of time, where it is received and consumed simultaneously by the customers and accordingly revenue is recognized over the period of performance and in the accounting period in which the services are rendered.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.

1.12 Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of the Company are measured in INR using the currency of the primary economic environment in which the entity operates (the “functional currency”).

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income / other expenses.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

1.13 Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives are recognized initially at fair value and attributable transaction costs are recognized in net profit/loss in the Standalone Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through the Statement of Profit and Loss and the resulting exchange gains or losses are included in the Statement of Profit and Loss. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

1.14 Current and deferred tax

The Income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

a. Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax assets and liabilities are not recognised if it arises from initial recognition of an asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and carry forward tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax losses and tax credits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

1.15 Leases

As a lessee

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leases asset is available for use by the company. Contracts may contain lease and non-lease component. The company allocates the consideration in the contract to lease and non-lease component based on their relative standalone prices.

Assets and liabilities arising from a lease are initially measured on the present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of purchase option if the company is reasonably certain to exercise the option and
- payment of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting points, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with Risk- free interest rate adjusted for credit risk for leases held by the Company, which doesn't have recent third party financing, and
- makes adjustments specific to the lease e.g. term, security etc

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct cost; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on straight line basis. If the company is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all the leases of low value assets are recognised as expense on a straight-line basis in profit and loss. Short term leases are leases with a term of lease 12 months or less.

As a lessor

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Finance leases receivables are recognised at the inception of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments receivable. Each lease payment received is allocated between the finance lease receivable and finance income. The finance income is recognised to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the finance lease receivable for each period.

Lease income from operating leases where the Company is a lessor is recognised on a straight-line basis over the term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in balance sheet based on their nature.

1.16 Borrowing

Borrowing are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is breach of a material provision of a long-term loan agreement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

1.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

1.18 Provisions and contingent liabilities

a. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditure arising from the restructuring, which are both necessary entailed by the restructuring and not associated with the ongoing activities of the Company.

b. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made.

1.19 Employee benefits

a. Short-term obligations

Liabilities for salaries and wages, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Other long-term employee benefit obligations

The Company has liabilities for compensated absences which are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yield at the end of the reporting period that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

The obligation is presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Post-employment obligations (Defined Benefit Obligations)

The Company operates the following post-employment schemes:

- Defined benefit plans – Gratuity and Provident Fund
- Defined contribution plans such as Superannuation Fund and Employee State Insurance Corporation (ESIC).

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit provident fund and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost.

During the previous year Company has formed gratuity fund exclusively for gratuity payment to the employees. The gratuity liability amount is contributed to the approved gratuity fund formed. The gratuity fund has been approved by Income Tax authorities.

Defined contribution plans

The Company pays Superannuation Fund and ESIC contributions to publicly administered funds as per local regulations. The Company has no further payment obligation once the contribution has been made. The Company's contribution to Superannuation Fund and ESIC is recognised on accrual basis in the Statement of Profit and Loss.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The

Notes to the Standalone Financial Statements for the year ended March 31, 2024

Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

1.20 Segment reporting

The Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the Company and CODM reviews and allocates resources for consolidated business i.e., Network Systems products and services and accordingly, it is a single operating segment.

1.21 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.22 Earnings per share

a. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

b. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.23 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

1.24 Measurement of PBITDA

The Company has elected to present profit before finance cost, tax and depreciation and amortization (PBITDA) as a separate line item on the face of the statement of profit and loss account. The Company measures PBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance cost and tax expense.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

2. Critical estimates and judgements and key sources of estimation uncertainty:-

In the application of the Company's accounting policies, which are described in note 1 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the following areas the management of the Company has made critical judgements and estimates

a) Revenue recognition

- The Company's contracts with customers could include promises to transfer multiple goods and services to a customer. The Company assesses the goods / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Each revenue component is recognised based on the policy noted in Note no 1.11 above.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct goods or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered.
- Contract fulfilment costs are expensed as incurred.

b) Estimation of defined benefit obligation

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives and carrying amount of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

d) Recognition of deferred tax assets

Deferred tax assets are recognized for based on estimated future taxable rate on all deductible temporary differences, unused tax losses and carry forward tax credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, tax losses and tax credits. The management assumes that taxable profits will be available while recognising deferred tax assets.

e) Expected credit Loss on trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Additionally, Company makes specific provision in relation to disputed receivables based on periodic credit evaluation. (refer note 30)

f) Estimation of provisions & contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision or contingent liability. (refer note 35 and note 38).

g) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Assessing whether a contract contains a lease requires significant judgement. Significant judgement is also required in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics [refer note 3(c)].

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 3(a) : Property, plant and equipment and intangible assets

Description	Property, plant and equipment							Intangible assets		
	Building	Plant and machinery	Electrical installation	Furniture and fixtures	Vehicles	Office equipment	Total Property, plant and equipment	Testing software	Licenses	Total intangible assets
Cost										
Balance as at April 1, 2023	163	8,610	104	55	42	256	9,230	591	331	922
Additions	-	915	-	19	27	51	1,012	27	15	42
Disposals	-	(55)	(81)	(33)	(19)	(23)	(211)	-	-	-
Balance as at March 31, 2024	**163**	**9,470**	**23**	**41**	**50**	**284**	**10,031**	**618**	**346**	**964**
Accumulated depreciation										
Balance as at April 1, 2023	106	3,706	101	42	27	161	4,143	387	58	445
For the year	13	861	1	3	3	45	926	69	16	85
On disposals	-	(55)	(81)	(33)	(14)	(23)	(206)	-	-	-
Balance as at March 31, 2024	**119**	**4,512**	**21**	**12**	**16**	**183**	**4,863**	**456**	**74**	**530**
Net carrying amount as at March 31, 2024	**44**	**4,958**	**2**	**29**	**34**	**101**	**5,168**	**162**	**272**	**434**
Cost										
Balance as at April 1, 2022	163	6,827	104	60	61	200	7,415	479	271	750
Additions	-	1,783	-	0	-	66	1,849	112	60	172
Disposals	-	-	-	(5)	(19)	(10)	(34)	-	-	-
Balance as at March 31, 2023	**163**	**8,610**	**104**	**55**	**42**	**256**	**9,230**	**591**	**331**	**922**
Accumulated depreciation										
Balance as at April 1, 2022	93	3,007	99	44	33	140	3,416	319	41	360
For the year	13	699	2	2	7	31	754	68	17	85
On disposals	-	-	-	(4)	(13)	(10)	(27)	-	-	-
Balance as at March 31, 2023	**106**	**3,706**	**101**	**42**	**27**	**161**	**4,143**	**387**	**58**	**445**
Net carrying amount as at March 31, 2023	**57**	**4,904**	**3**	**13**	**15**	**95**	**5,087**	**204**	**273**	**477**

Note :-

1) Property, plant and equipment pledged as security by the Company (refer note 33).
2) Contractual obligations in respect of capital commitment for acquisition of property, plant and equipment (refer note 43).

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 3(b) : Capital work-in-progress and Intangible assets under development

i) Capital work-in-progress

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2024	928	-	-	-	**928**
Balance as at March 31, 2023	125	-	-	-	**125**

ii) Intangible assets under development

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2024	23	-	-	-	**23**
Balance as at March 31, 2023	-	-	-	-	**-**

Note 3(c) : Right-of-use assets and lease liabilities

3(c)(I) The Company as lessee

Asset acquired on finance lease represents Leasehold land. The total lease term is 95 years, remaining lease term is 60 years as on March 31, 2024. This has been included under leasehold premises & equipment disclosed below. The Company does not have an option to purchase the land at the end of the lease term. Company has taken premises on lease along with certain equipment for term of 5 years to 10 years.

- Also Company has taken motor vehicle on lease which have lease term varying from 2 years to 5 years.

- The effective interest rate for lease liabilities is from 8.00% to 9.95%.

The Company is restricted from assigning and subleasing the leased assets.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(i) Right of use assets

Description	Leasehold premises & equipment	Motor vehicle	Total
Cost			
Balance as at April 1, 2023	1,504	121	1,625
Additions	325	11	336
Disposals	-	(3)	(3)
Balance as at March 31, 2024	**1,829**	**129**	**1,958**
Accumulated amortisation			
Balance as at April 1, 2023	612	18	630
For the year	252	31	283
On disposals	-	(3)	(3)
Balance as at March 31, 2024	**864**	**46**	**910**
Net carrying amount as at March 31, 2024	**965**	**83**	**1,048**
Cost			
Balance as at April 1, 2022	1,504	-	1,504
Additions	-	121	121
Disposals	-	-	-
Balance as at March 31, 2023	**1,504**	**121**	**1,625**
Accumulated amortisation			
Balance as at April 1, 2022	404	-	404
For the year	208	18	226
On disposals	-	-	-
Balance as at March 31, 2023	**612**	**18**	**630**
Net carrying amount as at March 31, 2023	**892**	**103**	**995**

(ii) Lease liability

Description	As at April 1, 2023	During the year			As at March 31, 2024
		Additions	Accrued finance cost	Payments	
Leasehold premises	976	325	86	309	1,078
	(1,149)	-	(85)	(258)	(976)
Motor vehicle	105	11	8	37	87
	-	(121)	(5)	(21)	(105)
Total	**1,081**	**336**	**94**	**346**	**1,165**
	(1,149)	(121)	(90)	(279)	(1,081)
Current	**223**				**168**
	(175)				(223)
Non Current	**858**				**997**
	(974)				(858)
Total	**1,081**	**-**	**-**	**-**	**1,165**
	(1,149)	-	-	-	(1,081)

Figures in brackets pertain to the previous year ended March 31, 2023.

(iii) Amount recognised in statement of profit or loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of Right-of-use assets	283	226
Interest on lease liabilities	94	90
Expenses related to short term leases	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(iv) Amount recognised in statement of cash flows

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total cash outflow of leases	(346)	(279)

3(c)(II) The Company as lessor

a. Operating Lease

Company has given its office premises on sublease to its subsidiary Company on lease term of 3 years.

Non- Cancellable operating lease receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Not Later than 1 year	13	-
Later than 1 year and not longer than 5 years	9	-
Later than 5 years	-	-
Total	**22**	**-**

Note 4 : Non current investments

Particulars	As at March 31, 2024		As at March 31, 2023	
	Numbers	Amount	Numbers	Amount
Investment in equity instruments at cost (Unquoted, fully paid, at cost)				
Investment in subsidiary				
Nelco Network Products Limited of ₹ 10/- each	1,000,000	2,973	1,000,000	2,973
Investment in associates				
Piscis Networks Private Limited of ₹ 10/- each (refer note below)	5,029	304	-	-
Investments in equity instruments at fair value through OCI (Unquoted, fully paid)				
Technopolis Knowledge Park Limited of ₹ 10/- each [(net of impairment of ₹ 181 Lakhs (March 31, 2023 : ₹ 181 Lakhs)]	1,810,000	-	1,810,000	-
Zoroastrian co-operative Bank Limited	6,000	22	6,000	22
Total equity instruments		**3,299**		**2,995**
Total investments		**3,299**		**2,995**
Aggregate value of unquoted investments		**3,299**		**2,995**
Aggregate amount of impairment in the value of investments		**(181)**		**(181)**

Note :-

During the year Company has made investment of ₹ 304 Lakhs to acquire 31.72% of equity shares in Piscis Networks Private Limited.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 5 (a) : Other non current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured considered good, unless otherwise stated)		
Balances held as margin money against bank guarantees	17	17
Total	**17**	**17**

Note 5 (b) : Other current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured considered good, unless otherwise stated)		
Security deposit	182	274
Receivable from Nelco Network Products Limited	20	-
Total	**202**	**274**

Note 6 : Non-current tax assets/ (liabilities) net

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	492	994
Add : Tax deducted at source and advance tax	1,348	576
Add : Mat credit utilised during the year	-	144
Less: Income tax refund	-	(369)
Less: Current tax payable for the year	(1,344)	(853)
Less: Current tax payable for the earlier years (refer note 27(a))	(548)	-
Total	**(52)**	**492**

Note 7 (a) : Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with government authorities	-	102
Payment under protest	621	537
Prepaid expenses	12	24
Total	**633**	**663**

Note 7 (b) : Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	167	80
Advance to suppliers	53	471
Balance with government authorities	231	153
Others	215	212
Total	**666**	**916**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 8 : Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables from contract with customers		
- Trade receivables - considered good - secured	-	-
- Trade receivables - considered good - unsecured	2,210	2,552
- Trade receivables which have significant increase in credit risk	64	64
- Trade receivables- credit impaired	54	54
Total	**2,328**	**2,670**
Trade receivables from contract with customers-related parties (refer note 36)	172	156
Total	**2,500**	**2,826**
Less : Impairment allowance (allowance for bad and doubtful debts)	(118)	(118)
Total	**2,382**	**2,708**
Unbilled receivables	1,397	1,391
Total	**3,779**	**4,099**

1. Trade receivables are dues in respect of goods sold and services rendered in the normal course of business.
2. Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.
3. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables.
4. There are no dues by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director is a member.

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2024
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables- considered good	1,408	874	85	15	-	-	2,382
ii. Undisputed trade receivables- which have significant increase in credit risk	25	17	2	6	14	-	64
iii. Undisputed trade receivables- credit impaired	-	-	-	-			-
iv. Disputed trade receivables- considered good	-	-	-	-	-	-	-
v. Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed trade receivables- credit impaired	-	-	-	-	-	54	54
Total	**1,433**	**891**	**87**	**21**	**14**	**54**	**2,500**
Impairment allowance	25	17	2	6	14	54	118
Total	**1,408**	**874**	**85**	**15**	**-**	**-**	**2,382**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2023
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables-considered good	2,182	427	49	50	-	-	2,708
ii. Undisputed trade receivables-which have significant increase in credit risk	40	9	1	1	13	-	64
iii. Undisputed trade receivables-credit impaired	-	-	-	-			-
iv. Disputed trade receivables-considered good	-	-	-	-	-	-	-
v. Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed trade receivables-credit impaired	-	-	-	-	16	38	54
Total	**2,222**	**436**	**50**	**51**	**29**	**38**	**2,826**
Impairment allowance	40	9	1	1	29	38	118
Total	**2,182**	**427**	**49**	**50**	**-**	**-**	**2,708**

Unbilled receivables ageing schedule

Particulars	Ageing of unbilled receivables					As at March 31, 2024
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	1,291	106	-	-		1,397
Total	**1,291**	**106**	**-**	**-**	**-**	**1,397**

Particulars	Ageing of unbilled receivables					As at March 31, 2023
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	1,391	-	-	-		1,391
Total	**1,391**	**-**	**-**	**-**	**-**	**1,391**

Note 9 (a) : Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:-		
- in current accounts	1,856	1,223
Cheques on hand	100	46
Cash on hand	*	*
Total	**1,956**	**1,269**

* Below rounding off norms adopted by the Company.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 9 (b) : Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
In earmarked accounts		
Unclaimed dividend accounts	17	14
Balances held as margin money against letter of credit and bank guarantees	36	34
Total	**53**	**48**

Note 10 : Current loans

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loans to employees	4	-
Total	**4**	**-**

Note 11 : Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised share capital:		
3,00,00,000 (3,00,00,000 as at March 31, 2023) equity shares of ₹10/- each	3,000	3,000
25,00,000 (25,00,000 as at March 31, 2023) redeemable preference shares of ₹100/- each	2,500	2,500
	5,500	**5,500**
Issued equity share capital:		
2,28,18,400 (2,28,18,400 as at March 31, 2023) equity shares of ₹10/- each	2,282	2,282
	2,282	**2,282**
Subscribed and fully paid-up equity share capital:		
2,28,17,461 (2,28,17,461 as at March 31, 2023) equity shares of ₹10/- each	2,282	2,282
Total	**2,282**	**2,282**

Notes:

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the year	2,28,17,461	2,282	2,28,17,461	2,282
Issued during the year	-	-	-	-
Outstanding at the end of the year	**2,28,17,461**	**2,282**	**2,28,17,461**	**2,282**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(ii) Shares held by holding company, the ultimate holding company, their subsidiaries and associates

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10/- each, fully paid up				
The Tata Power Company Limited [50.08% (March 31, 2023 : 50.08% (Holding Company)]	1,14,27,940	1,143	1,14,27,940	1,143

(iii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 /- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board of directors have recommended dividend of ₹ 2.20/- per equity share for the year ended March 31, 2024. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholder holding more than 5% of the shares in the Company as at March 31, 2024 and March 31, 2023:

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of shares	Number of shares	% of shares
Equity shares of ₹ 10/- each, fully paid up				
The Tata Power Company Limited	1,14,27,940	50.08%	1,14,27,940	50.08%

As per records of the Company and other declarations received from shareholders, the above shareholding represents both legal and beneficial ownerships of shares.

(v) Shareholding of the promoter in the Company as at March 31, 2024 and March 31, 2023:

Promoter's Name	No of share	% total shares	% changed during the year
The Tata Power Company Limited	1,14,27,940	50.08%	Nil

(vi) 939 shares (March 31,2023 : 939 shares) are kept in abeyance out of the rights issued in the year 1994 pending for final allotment.

(vii) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2024.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 12 : Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
General reserve - refer (i) below	250	250
Retained earnings - refer (ii) below	9,227	7,566
Other Reserve - Reserve for FVTOCI Equity instrument refer (iii) below	16	16
Total	**9,493**	**7,832**

(i) General reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	250	250
Addition during the year	-	-
Closing balance	**250**	**250**

(ii) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	7,566	5,914
Net profit for the year	2,127	2,088
Less :- Dividend paid*	(456)	(411)
Other comprehensive (loss) (net of tax)	(10)	(25)
Closing balance	**9,227**	**7,566**

(iii) Other Reserve - Reserve for FVTOCI Equity instrument

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	16	10
Changes in fair value of FVTOCI equity instruments	-	6
Closing balance	**16**	**16**

General reserve

General Reserve is used to transfer profits from retained earnings for appropriation purposes. The amount can be utilised in accordance with the provision of the Companies Act, 2013.

Retained Earnings

The same reflects surplus/ (deficit) after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

Reserve for FVTOCI Equity Instruments

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earning when those assets have been disposed off.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note on Dividend:-

*For financial year ended March 31, 2023, the Board of Directors had recommended a dividend of 20% (March 31, 2022: 18%) which was ₹ 2.00/- (March 31, 2022: ₹ 1.80/-) per equity share of ₹ 10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 22, 2023.

For financial year ended March 31, 2024, the Board of Directors have recommended a dividend of 22% (March 31, 2023: 20%) which is ₹ 2.20/- (March 31, 2023: ₹ 2.00/-) per equity share of ₹ 10/- each. This is subject to approval at the annual general meeting by the members and liability is not recognised as at March 31, 2024.

Note 13(a) : Non-current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Long Term Loans from Banks (refer note below)	-	1,161
Total	**-**	**1,161**

Note 13(b) : Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Current maturities of long-term debt (refer note below)	-	464
Total	**-**	**464**

Notes:

(i) The carrying amounts of financial and non-financial assets pledged as security for current borrowings are given in note 33.

(ii) Disclosure related to returns filed with banks with respect to working capital facilities are given in note 41.

(iii) Details of borrowings are as follows:

Particulars	As at March 31, 2024		As at March 31, 2023		Terms of repayment	Rate of interest (p.a)	Nature of security
	Non-Current	Current	Non-Current	Current			
Term loan from Bajaj Finance Limited	-	-	1,161	464	Payable in remaining 14 quarterly instalments. During the year Company made prepayment of entire outstanding loan amount	1 year MCLR+ Spread	VSAT assets installed minimum security cover 1.35x at all times
Total	**-**	**-**	**1,161**	**464**			

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Loan covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

Note 13(c) : Changes in liabilities arising from financing activities

Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	1,956	1,269
Non current borrowings (including current maturities of long term debt)	-	(1,625)
Lease obligation	(1,165)	(1,081)
Total	**791**	**(1,437)**

Particulars	Other assets	Liabilities from financial activities			Total
	Cash & cash equivalents	Current borrowings	Non current borrowings (including current maturities of long term debt)	Lease obligation	
Net debt as at March 31, 2022	**478**	**(1,750)**	**-**	**(1,149)**	**(2,421)**
Addition during the year	-	-	-	(121)	(121)
Cash flow	791	1,750	(1,625)	189	1,105
Interest expenses	-	(93)	(80)	(90)	(263)
Interest paid	-	93	80	90	263
Net debt as at March 31, 2023	**1,269**	**-**	**(1,625)**	**(1,081)**	**(1,437)**
Addition during the year	-	-	-	(336)	(336)
Cash flow	687	-	1,625	252	2,564
Interest expenses	-	(2)	(103)	(94)	(199)
Interest paid	-	2	103	94	199
Net debt as at March 31, 2024	**1,956**	**-**	**-**	**(1,165)**	**791**

Note 14 : Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 44 for details of dues to micro and small enterprises)	-	-
Trade payable to related parties (refer note 36)	313	57
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	1,098	1,170
Total	**1,411**	**1,227**

Note: Trade payables are non-interest bearing and are generally on terms of 0 to 90 days.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Trade payable ageing schedule

Particulars	Unbilled	Outstanding for following periods from due date of payment				As at March 31, 2024
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises (A)	**-**	**-**	**-**	**-**	**-**	**-**
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Others (B)	**393**	**871**	**10**	**31**	**106**	**1,411**
Disputed	-	-	-	-	-	-
Undisputed	393	871	10	31	106	1,411
Total (A+B)	**393**	**871**	**10**	**31**	**106**	**1,411**

Particulars	Unbilled	Outstanding for following periods from due date of payment				As at March 31, 2023
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises (A)	**-**	**-**	**-**	**-**	**-**	**-**
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Others (B)	**809**	**283**	**37**	**1**	**97**	**1,227**
Disputed	-	-	-	-	-	-
Undisputed	809	283	37	1	97	1,227
Total (A+B)	**809**	**283**	**37**	**1**	**97**	**1,227**

Note 15 : Other current financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Mark to market loss on forward contracts	*	-
Interest accrued	113	82
Deposit received from customer	2	-
Employee related payables	785	620
Capital creditors	566	27
Unclaimed dividend (refer note below)	17	14
Amount payable to Nelco Network products Limited (refer note 36)	-	33
Total	**1,483**	**776**

Note: There is no amount due and outstanding, to be credited to Investor Education and Protection Fund.

* Less than below rounding off norms adopted by the Company.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 16 : Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Compensated absences (refer note 34)	134	120
	134	120
Provision-others		
Provision for disputed obligation (refer note 35)	165	165
Total	**299**	**285**

Note 17 : Contract liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred revenue	2,103	2,127
Advance from customers	910	247
Total	**3,013**	**2,374**

Note:

i. Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current period relates to a carried forward contract liabilities and how much relates to performance obligation satisfied in current year.

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	2,127	1,330
Deferred during the year	2,103	2,127
Recognised as revenue during the year	(2,127)	(1,330)
Closing balance	**2,103**	**2,127**

Note 18 : Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	274	242
Total	**274**	**242**

Note 19 : Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of services		
- Satellite communication services	21,989	19,462
- Internet services	257	238
Sale of products	22	4
Total revenue from contracts with customers	**22,268**	**19,704**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Type of goods or services	Year ended March 31, 2024	Year ended March 31, 2023
Sale of satellite communication equipment	22	4
Sale of satellite communication services	22,246	19,700
Total revenue from contracts with customers	**22,268**	**19,704**

Timing of recognition of revenue	Year ended March 31, 2024	Year ended March 31, 2023
Goods transferred at point in time	22	4
Services transferred over time	22,246	19,700
Total revenue from contracts with customers	**22,268**	**19,704**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price	22,238	20,238
Adjustments for:		
Unbilled revenue (refer note 8)		
Opening balance	(1,391)	(1,128)
Closing balance	1,397	1,391
	6	263
Contract liabilities (refer note 17)		
Opening balance	2,127	1,330
Closing balance	(2,103)	(2,127)
	24	(797)
Total	**22,268**	**19,704**

Performance obligation:

Equipment:

Generally performance obligation is satisfied upon delivery of equipment and payment is generally due within 30-90 days from delivery.

Satellite communication services:

The performance obligation is satisfied over-time and payment is generally due upon completion of installation and acceptance of the customer.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 20 : Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income:		
- On bank deposits	5	3
- On income tax refund	-	41
	5	**44**
Other non-operating income		
- Commission received on guarantee given for subsidiary	18	18
- Liabilities/provisions no longer required, written back (net)	19	54
- Rent income	14	3
- Others	39	5
	90	**80**
Other gains		
- Profit on sale of property, plant and equipment (net)	6	-
- Foreign exchange gain (net)	85	123
- Unwinding of discount on financial asset measured at amortised cost	50	21
	141	**144**
Total	**236**	**268**

Note 21 : Operating expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
License fees	2,680	2,364
Transponder charges	9,435	7,906
Connectivity charges	403	416
ISP monitoring & support charges	3	3
Standing Advisory Committee on Radio Frequency Allocation (SACFA) Fees	124	101
Total	**12,645**	**10,790**

Note 22 : Employee benefits expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	2,529	2,131
Contributions to provident fund (refer note 34)	82	72
Contributions to superannuation and other funds (refer note 34)	13	13
Gratuity (refer note 34)	25	20
Staff welfare expenses	136	103
Total	**2,785**	**2,339**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 23 : Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Bank charges	53	53
Power and fuel	191	174
Repairs and maintenance - others	990	1,031
Rates and taxes	15	51
Travelling and conveyance	245	214
Provision for disputed obigation	-	99
Legal and professional charges	211	201
Consultancy charges	250	97
Payment to auditors (refer note below)	38	46
Bad debts written off	-	9
Less: Provision for doubtful debts made in earlier years written back	-	(9)
Impairment allowance (allowance for bad and doubtful debts)	-	9
Loss on sale of property, plant and equipment (net)	-	4
Sales commission	91	95
Software expenses	60	75
Vehicle charges	124	94
Telephone charges	22	25
Directors sitting fees	36	47
Freight and forwarding	-	3
Insurance	14	10
Consumption of loose tools	4	3
Miscellaneous expenses	144	148
Corporate social responsibility expenses (refer note 40)	10	-
Total	**2,498**	**2,479**

Note: Payment to auditors (excluding Goods and Service Tax)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Payments to the auditors comprises		
Audit fee	16	16
Tax audit fee	1	1
Other services	18	26
Reimbursement of expenses	3	3
Total	**38**	**46**

Note 24 : Finance costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on:		
Borrowings	105	187
Leased liabilities	89	90
Trade payables	9	48
Others	46	12
Total	**249**	**337**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 25 : Depreciation and amortisation expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On property, plant and equipment (refer note 3(a))	926	754
On intangible assets (refer note 3(a))	85	85
On right of use assets (refer note 3(c))	273	226
Total	**1,284**	**1,065**

Note 26 : Other comprehensive income/(expenses) - Items that will not be reclassified to profit or loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net fair value gain on investments in equity shares at FVTOCI	-	6
Remeasurement of post employment benefit obligations (loss) (refer note 34)	(10)	(25)
Total	**(10)**	**(19)**

Note 27 : Current and deferred tax

(a) Statement of profit and loss:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income tax expense		
For current year		
Current tax		
Current tax on profits for the year	1,344	853
Total current tax expense for the current year (A)	**1,344**	**853**
Deferred tax (refer note 28)		
(Increase)/ decrease in deferred tax assets	(537)	23
(Decrease) in deferred tax liabilities	(12)	(29)
Total deferred tax benefit for the current year (B)	**(549)**	**(6)**
Income tax expense for current year (C=A+B)	**795**	**847**
For earlier year		
Current tax		
Current tax for the earlier years	548	-
Deferred tax (refer note 28)		
(Increase) in deferred tax assets for earlier years	(446)	-
Tax adjustment for earlier years (D)	**102**	**-**
Total Income tax expense (C+D)	**897**	**847**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rates:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	3,024	2,935
Total Profit for the year	**3,024**	**2,935**
Applicable tax rate of the reporting entity	25.17%	29.12%
Tax at the Indian Statutory Tax Rate	761	855
Tax adjustment related to earlier years		
Income tax provision made for earlier year, including interest	102	-
Impact of change in tax rate	31	(8)
Others	3	-
Total tax expense	**897**	**847**

During the year ended March 31, 2024, the Honourable Supreme Court of India has pronounced a judgement regarding treatment of Variable license Fee paid to Department of Telecommunication under New Telecom Policy 1999, since July 1999, to be treated as capital in nature and not revenue expenditure for the purpose of computation of taxable income. Even though the Company is not a party to the above judgement, as a matter of prudence the Company has assessed and recorded a provision of ₹ 102 lakhs towards tax {net of deferred tax) and ₹ 46 lakhs towards interest which has been disclosed as finance cost for the year ended March 31, 2024.

Note 28 : Income tax

Components and movements of deferred tax assets / (liability) (net):

Particulars	As at April 1, 2022	Recognised in the statement of profit and loss	MAT Credit (utilisation)	As at March 31, 2023	Recognised in the statement of profit and loss	As at March 31, 2024
	(A)	(B)	(C)	(D=A+B+C)	(E)	(F=D+E)
i. Items of deferred tax liabilities:						
Property, plant and equipment and intangible assets	-	1	-	1	2	3
Right-of-use assets	320	(30)	-	290	(26)	264
Others	-	-	-	-	12	12
Total deferred tax liability (i)	**320**	**(29)**	**-**	**291**	**(12)**	**279**
ii. Items of deferred tax assets:						
Property, plant and equipment and intangible assets	25	(25)	-	-	-	-
Lease liability	335	(20)	-	315	(22)	293
Disallowances under Section 43B of the Income Tax Act, 1961, provision for legal dispute and investment impairment	74	43	-	117	(1)	116
Allowance for doubtful trade receivables and deposits	34	-	-	34	(4)	30
Allowance u/s 35DDA and 35DD of Income Tax Act, 1961	23	(5)	-	18	(10)	8
Allowance u/s 35ABB of Income Tax Act, 1961	-	-	-	-	620	620
Allowance u/s 35ABB of Income Tax Act, 1961 (Previous year (refer note 27(a))*	-	-	-	-	446	446
Credit of Minimum Alternate Tax u/s 115 JAA of Income Tax Act, 1961	144	-	(144)	-	-	-
Others	90	(16)	-	74	(46)	28
Total deferred tax assets (ii)	**725**	**(23)**	**(144)**	**558**	**983**	**1,541**
Net deferred tax assets (ii-i)	**405**	**6**	**(144)**	**267**	**995**	**1,262**

*Net deferred tax assets created during the year of ₹ 995 lakhs includes deferred tax assets of ₹ 446 lakhs pertaining to earlier years (refer note 27a)

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 29 : Fair value measurements

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair value. The following tables presents the carrying value and fair value of each category of financial assets and liabilities.

The Company's assets and liabilities which are measured at FVPL, FVOCI and amortised cost for which fair values are disclosed:

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments	-	22	3,277	-	22	2,973
Trade receivable	-	-	3,779	-	-	4,099
Cash and cash equivalent	-	-	1,956	-	-	1,269
Other bank balances	-	-	53	-	-	48
Current loans	-	-	4	-	-	-
Other financial assets	-	-	219	-	-	291
Total financial assets	**-**	**22**	**9,288**	**-**	**22**	**8,680**
Financial liabilities						
Borrowings	-	-	-	-	-	1,625
Lease liabilities	-	-	1,165	-	-	1,081
Trade payables	-	-	1,411	-	-	1,227
Other financial liabilities	-	-	1,483	-	-	776
Total financial liabilities	**-**	**-**	**4,059**	**-**	**-**	**4,709**

(i) Fair value hierarchy

Valuation technique and significant unobservable inputs:

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value as at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVOCI					
Investment in equity shares	4	-	-	22	22
Total Financial Assets		**-**	**-**	**22**	**22**

Financial assets and liabilities measured at fair value as at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVOCI					
Investment in equity shares	4	-	-	22	22
Total Financial Assets		**-**	**-**	**22**	**22**

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(Amount ₹ in Lakhs, unless otherwise mentioned)

During the year there have been no transfer between level 1 and level 2.

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted price. This includes listed equity instruments, traded bonds, mutual funds that have quoted price.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

a) Specific valuation technique used to value financial instruments include:

- The use of quoted market price or dealer quotes for similar instruments.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

b) During the current year, there is no significant movement in the items of fair value measurements categorised within Level 3 of the fair value hierarchy.

c) The Fair value for investment in unquoted equity share were calculated based on risk adjusted discounted rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(iii) Valuation processes

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO, Audit Committee and the finance team at least once every three months, in line with Company's quarterly reporting periods.

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial assets				
Investments	3,277	3,277	2,973	2,973
Trade receivables	3,779	3,779	4,099	4,099
Cash and cash equivalents	1,956	1,956	1,269	1,269
Other bank balances	53	53	48	48
Loans to employees	4	4	-	-
Other financial assets	219	219	291	291
Total financial assets	**9,288**	**9,288**	**8,680**	**8,680**
Borrowings	-	-	1,625	1,625
Lease liabilities	1,165	1,165	1,081	1,081
Trade payables	1,411	1,411	1,227	1,227
Other financial liabilities	1,483	1,483	776	776
Total financial liabilities	**4,059**	**4,059**	**4,709**	**4,709**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

The carrying amounts of cash and cash equivalent, other bank balances, other financial assets, trade payables are considered to be the same as their fair values, due to their short-term nature.

The Fair value of loans, trade receivables, borrowings and other financial liabilities were calculated based on cash flows discounted using a current deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) and (iii) above.

(v) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI

Particulars	Technopolis Knowledge Park Limited		Zoroastrian Co-operative Bank Limited		Total amount
	Qty	Amount	Qty	Amount	
As at April 1, 2022	18,10,000	-	6,000	16	16
Addition/(deletion) re-measurement	-	-	-	6	6
As at April 1, 2023	**18,10,000**	**-**	**6,000**	**22**	**22**
Addition/(deletion)/re-measurement	-	-	-	-	-
As at March 31, 2024	**18,10,000**	**-**	**6,000**	**22**	**22**

Note 30 : Financial Risk Management

The company's activities expose it to market risk, liquidity risk and credit risk.

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, foreign currency risk, liquidity risk and credit risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

This note explain the sources of risk which the entity is exposed to and how the entity manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, Loans, other financial assets measured at amortised cost.	Ageing analysis, credit ratings	Diversification of bank deposit, credit limits
Liquidity risk	Borrowings, trade payables and other financial liabilities	Rolling cash flow forecast	Availability of bank credit lines and borrowings facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupees (INR)	Rolling cash flow forecast sensitivity analysis	Monitoring foreign currency fluctuation, availing forward contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Availability of borrowing facilities at fixed rate, variable rate and periodic monitoring of variable interest rates.

(A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with bank and financial institution, Loans and deposits with third party and other financial instruments / assets.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers reasonable and supportive forward looking information such as: adverse changes in business, changes in the operating results of the counterparty, change to the counterparty's ability to meet its obligations etc. Financial assets are written off when there is no reasonable expectation of recovery.

(i) Credit Risk Management

Financial Assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, security deposits with counterparties, loans to third parties. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

The Company's maximum exposure to credit risk as at March 31, 2024 and March 31, 2023 is the carrying value of each class of financial assets as disclosed in the standalone financial statements.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the statement of profit and loss.

Specific allowance for loss has also been provided by the management based on expected recovery on individual customers.

Five customer as at March 31, 2024 and four customers as at March 31, 2023 individually contributed to more than 5% of the total balance of trade receivables. Receivable from these customers was Rs. 1,172 Lakhs and Rs. 1,453 Lakhs as at March 31, 2024 and March 31, 2023 respectively.

The amount of trade receivable outstanding as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	Not Due	0-180 days	181 - 365 days	More than 365 days	Total
As at March 31, 2024	1,433	891	87	89	**2,500**
As at March 31, 2023	2,222	436	50	118	**2,826**

(ii) Reconciliation of loss allowances provision - Trade Receivable

Loss allowances on March 31, 2022	118
Add: provision made during the year	9
Less: Provision for doubtful debts made in earlier years written back	(9)
Loss allowances on March 31, 2023	**118**
Add: provision made during the year	-
Less: Provision for doubtful debts made in earlier years written back	-
Loss allowances on March 31, 2024	**118**

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

Other than trade receivables and financial assets.

Management believes that the parties from which the receivables are due have strong capacity to meet the obligations and risk of default is negligible or nil and accordingly no significant provision for expected credit loss has been recorded.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

(B) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due through rolling cash flow forecast. Also, the Company has unutilized credit limits with banks.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate Expiring within one year (bank overdraft, term Loans and other facilities)	5,900	7,920
Total	**5,900**	**7,920**

The Bank has an unconditional right to cancel the undrawn/ unused/ unavailed portion of the loan/ facility sanctioned at any time during the period of the loan/ facility, without any prior notice to the Company.

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	1 - 5 years	5 year and above	Total
March 31, 2024				
Non - derivative				
Borrowings	-	-	-	**-**
Lease liability	168	657	340	**1,165**
Trade payables	1,411	-	-	**1,411**
Other financial liabilities	1,483	-	-	**1,483**
Total Non derivative liabilities	**3,062**	**657**	**340**	**4,059**

Contractual maturities of financial liabilities	Less than 1 year	1 - 5 years	5 year and above	Total
March 31, 2023				
Non - derivative				
Borrowings	464	1,161	-	**1,625**
Lease liability	223	404	454	**1,081**
Trade payables	1,227	-	-	**1,227**
Other financial liabilities	776	-	-	**776**
Total Non derivative liabilities	**2,690**	**1,565**	**454**	**4,709**

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade payables, deposits, investments, trade receivables, other financial assets and derivative financial instruments.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(i) Foreign currency risk

Company is exposed to foreign exchange risk arising from direct transactions in foreign currency and also indirectly through transactions denominated in foreign currency though settled in functional currency (INR), primarily with respect to the US Dollar (USD). Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The risk is measured through a forecast of highly probable foreign currency cash flows.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	Foreign currency	As at March 31,2024		As at March 31,2023	
		In foreign currency	₹ in Lakhs	In foreign currency	₹ in Lakhs
Financial Liabilities					
Trade payables	USD	7	590	1	66
Foreign exchange forward contract					
Buy foreign currency	USD	(6)	(507)	-	-
Net Exposure to Foreign Currency Liability	USD	**1**	**83**	**1**	**66**
Financial Assets					
Trade receivables	USD	(10)	(823)	(9)	(774)
Derivative assets	USD	*	*	-	-
Net Exposure to foreign currency Assets	USD	**(10)**	**(823)**	**(9)**	**(774)**

* Below rounding off norms adopted by the Company.

(b) Sensitivity

Particulars	Impact on profit after tax	
	As at March 31, 2024	As at March 31, 2023
INR/USD - Increase by 5% (March 31, 2023 - 5%)*	27.69	25.09
INR/USD - Decrease by 5% (March 31, 2023 - 5%)*	(27.69)	(25.09)

* Holding all other variable constant

(ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(a) Interest rate risk exposure

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Variable Rate Borrowings	-	1,625
Total Borrowings	-	1,625

(b) Sensitivity

The Sensitivity of profit or loss to changes in the exchange rates arises mainly currency denominated financial instrument.

Particulars	Impact on profit after tax	
	As at March 31, 2024	As at March 31, 2023
Interest Rate - Increase by 100 basis points*	-	(12)
Interest Rate - Decrease by 100 basis points*	-	12

*Holding all other variables constant.

(iii) Price risk

The Company doesn't have any financial instruments which are exposed to change in price.

Note 31 : Capital Management

Risk Management

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under the terms of the major borrowing and facilities, the Company is required to comply with the following financial covenants.

Exclusive charge over the VSAT's related assets with minimum security cover of 1.35x at all times. During the year Company has repaid loans fully and balance payable as on March 31, 2024 is nil.

Company has complied with the above covenants throughout the reporting period.

Company has regularly filed statements with banks from whom loans are taken and there are no deviation from books of accounts. (refer note 41).

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 32 : Offsetting Financial Assets And Financial Liabilities

There are no financial assets and liabilities which are eligible for offset under any arrangement.

Note 33 : Assets pledged As Security

Collateral against borrowings

Current assets and property, plant and equipment's of the Company are pledged as security against debt facilities from the lender i.e. land and building, plant and machinery situated at Mahape, Maharashtra and Dehradun, Uttarakhand. For carrying amount of assets pledged as security refer note 3(a).

The Company has pledged financial instruments as collateral against a number of its borrowings. Refer to note no. 13 for information on borrowings.

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2024	As at March 31, 2023
Current Assets		
Financial Assets		
First charge		
Trade receivables	3,779	4,099
Cash & cash equivalents	1,956	1,269
Bank balances other than above	53	48
Loans	4	-
Other financial assets	202	274
Other current assets	666	916
Total current assets pledged as security	**6,660**	**6,606**
Non current assets		
Second charge		
Property, plant and equipment		
(i) Building	44	57
(ii) Plant & machinery	4,958	4,904
(iii) Office equipment	101	95
Total non-current assets pledged as security	**5,103**	**5,056**
Total assets pledged as security	**11,763**	**11,662**

Note 34 : Employee benefit obligations

a. Short-term employee benefits

These benefits include salaries and wages, including other monetary and non-monetary benefits, compensated absences which are either non-accumulating or accumulating and expected to be availed within twelve months after the end of the reporting period.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

b. Long-term employee benefits

i) Defined contribution plans

Company's contribution paid/payable during the year to superannuation fund and ESIC contribution are recognised as an expense and included in note 22 under the heading "Contributions to superannuation and other funds" are as under:

Sr. No	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a)	Contribution to employees' superannuation fund	13	13
	Total	**13**	**13**

ii) Defined Benefit Plans

The Company operates the following funded/unfunded defined benefit plans:

- Provident Fund (Funded):

The Company makes Provident Fund contributions to defined benefit plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company. The Rules of the Company's provident fund administered by the Trust requires that if the Board of Trustees are unable to pay interest at the rate declared by Central Government under para 60 of the Employees' Provident Fund Scheme, 1952 then the shortfall shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any shortfall in the foreseeable future.

In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at March 31, 2024 and March 31, 2023, respectively.

The details of fund and plan asset position are given below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Plan assets at period end, at fair value	3,266	3,068
Present value of benefit obligation at period end	(3,266)	(3,068)
Asset recognised in Balance Sheet	-	-

The Plan assets have been primarily invested in government securities.

Assumptions used in determining the present value of obligation of interest rate guarantee under the deterministic approach:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Government of India (GOI) bond yield	7.24%	7.50%
Remaining term to maturity of portfolio	11 years	11 years
Expected guaranteed interest rate	8.25%	8.15%

The Company contributed ₹ 82 Lakhs and ₹ 72 Lakhs during the year ended March 31, 2024 and March 31, 2023 respectively and the same has been recognized in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Provident Fund Assessment as per recent Supreme court Judgment

Recent Supreme Court judgement in case of Vivekananda Vidyamandir and Others (February 2019) lays down principles to exclude a particular allowance from the definition of "basic wages" for the purposes of computing the deduction towards provident fund contributions. A review petition have been filed against the said order by other Companies and await clarification from Provident Fund Commissioner/ Supreme Court. Based on the initial assessment and recently concluded inspections by Provident Fund authorities, management does not expect any material impact on the financial statements.

- Gratuity (funded)

The Company has a funded defined benefit gratuity plan. The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities. The liability in respect of gratuity and other post employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

The following table sets out the status of the defined benefit scheme and the amount recognised in the standalone financial statements:

Amount recognised in the statement of profit and loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	25	20
Interest cost	24	19
Interest income on plan assets	(24)	(19)
Total expense recognised in the statement of profit and loss	**25**	**20**

Amount recognised in other comprehensive income (OCI)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Due to change in demographic assumptions	-	-
Due to change in financial assumptions	6	(10)
Due to experience	21	25
Return on Plan Assets, excluding interest income	(17)	10
Total remeasurement (gains)/losses recognised in OCI	**10**	**25**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Changes in Defined Benefit Obligation (DBO) during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of DBO at the beginning	317	264
Current service cost	25	20
Interest cost	24	19
Remeasurement loss	27	15
Liabilities transferred in/acquisitions	(1)	-
Benefits paid	(26)	(1)
Present value of DBO at end of the year	**366**	**317**
Present value of plan assets at the beginning	317	264
Interest income	24	-
Amount paid to employees gratuity trust	8	43
Return on Plan Assets, excluding interest income	17	10
Present value of plan assets at end of the year	**366**	**317**
Present value of net DBO at the end of the year	**-**	**-**

The details of fund and plan asset position are given below:

Particulars	As at March 31, 2024	As at March 31, 2023
Plan assets at period end, at fair value	366	317
Present value of benefit obligation at period end	(366)	(317)
Asset recognised in Balance Sheet	**-**	**-**

Principal Actuarial assumptions for valuation of gratuity liability

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.24%	7.58%
Expected rate of escalation in salary	7.50%	7.50%
Rate of employee turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

This plan typically exposes the Company to actuarial risks such as:

a) **Interest rate risk** - A decrease in the bond interest rate will increase the plan liability.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

b) **Demographic risk** - This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

c) **Salary risk** - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Sensitivity

Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions (while holding all other assumptions constant) is:

Particulars	Change in assumption	As at March 31, 2024		As at March 31, 2023	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(20)	22	(18)	21
Expected rate of escalation in salary	1%	22	(20)	21	(19)
Rate of employee turnover	1%	*	*	*	*

*figures are below rounding off norm adopted by the Company

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit liability and employers contributions

The weighted average duration of the projected benefit obligation is 8 years (March 31, 2023- 8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
1st following year	66	34
2nd following year	17	25
3rd following year	18	38
4th following year	78	16
5th following year	60	67
Sum of years 6 to 10	112	132
Sum of years 11 and above	267	260

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

iii) Other employee benefits

Compensated absences which are accumulated and not expected to be availed within twelve months after the end of the reporting period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. Compensated absences is recognised as a liability based on actuarial valuation of the defined benefit obligation as at the balance sheet date.

a) An amount of ₹ 34 Lakhs (March 31, 2023 : ₹ 22 Lakhs) has been charged to the Statement of Profit and Loss for the year ended March 31, 2024 towards Compensated absences.

b) Provision for compensated absences has been made on the basis of actuarial valuation carried out as at the Balance sheet date.

c) Net liability recognised in the Balance Sheet as at March 31, 2024 is ₹ 134 Lakhs (March 31, 2023 : ₹120 Lakhs).

Principal Actuarial assumptions for valuation of long-term compensated absences

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.24%	7.58%
Expected rate of escalation in salary	7.50%	7.50%
Rate of Employee Turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.

Note 35 : Disclosure as required by Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets" as at year end are as follows:

a) Provision for disputed obligation represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities and others. The information usually required by Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets", is not disclosed on grounds that it can be expected to prejudice the interests of the Company. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence, the Company is not able to reasonably ascertain the timing of the outflow (refer note 38).

b) The movement and provision during the year are as follows:

Particulars	Provision for disputed obligation	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	165	117
Add: Provision during the year	-	99
(Less): Settled during the year	-	(29)
(Less): Reversal during the year	-	(22)
Closing balance	**165**	**165**
Classified as current (refer note 16)	165	165

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 36 : Related party disclosure

Disclosure as required by Ind AS 24 - "Related Party Disclosures" is as follows:

Names of the related parties and description of relationship:

(A) Related parties where control exists:

i) Subsidiary
Nelco Network Products Limited

ii) Employment Benefit Funds
Nelco Limited Employees Gratuity Trust
The National Radio & Electronics Co. Ltd. Employees Provident Fund
The National Radio & Electronics Co. Ltd. Superannuation Fund

(B) Holding Company
The Tata Power Company Limited

(C) Promoter of Holding Company
Tata Sons Private Limited

(D) Associate Company
Piscis Networks Private Limited w.e.f. June 5, 2023

(E) Subsidiaries and Jointly Controlled Entities of Promoter - Promoter Group (where transactions have taken place during the year or previous year / balances outstanding)

The Tata Power Green Energy Limited
TP Southern Odisha Distribution Limited
Poolavadi Windfarm Limited
Tata Communications Limited
Tata communications Payment solutions Limited
Tata Teleservices Limited
Tata Technologies Limited
Tata Steel Limited
Tata Sia Airlines Limited
Tata Capital Financial services Limited
C-edge Technologies Limited
The Indian Hotels Company Limited
Tata AIG General Insurance Company Limited
Tata AIA Life Insurance Co Ltd
Tata 1MG Technologies Private Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(F) Key Managerial Personnel

(i) Executive Director

Mr.P.J. Nath (Managing Director and CEO)

(ii) Independent, Non-Executive Directors and others

Mr. A. S. Lakshminarayanan (Non-Executive Director w.e.f. May 29, 2022)
Mr. R.R Bhinge (Non-Executive Director up to May 29, 2022)
Mr. Anand Agrawal (Non Executive Director up to April 26, 2022)
Mr. Saurabh Ray (Non Executive Director w.e.f April 26, 2022)
Mr. Ajay Kumar Pandey (Independent Director)
Dr. Lakshmi Nadkarni (Independent Director)
Mr. K. Narasimha Murthy (Independent Director)
Mr. Girish V. Kirkinde (Company Secretary)
Mr. Malav Shah (Chief Financial Officer)

(G) Details of Transactions:

Sr. No.	Particulars	Subsidiary	Associate Company	Holding Company	Promoter of Holding Company	Promoter Group	Employment Benefit Funds	Key Management Personnel
Details of Transactions:								
1	Rendering of services	2	-	-	-	637	-	-
		(1)	(-)	(-)	(-)	(736)	(-)	(-)
2	Receiving of services	1	-	-	26	676	-	-
		(2)	(-)	(-)	(8)	(628)	(-)	(-)
3	Reimbursement of charges	-	-	-	-	32	-	-
		(-)	(-)	(-)	(-)	(34)	(-)	(-)
4	Purchase of Goods	20	-	-	-	-	-	-
		(27)	(-)	(-)	(-)	(-)	(-)	(-)
5	Guarantee commission earned	18	-	-	-	-	-	-
		(18)	(-)	(-)	(-)	(-)	(-)	(-)
6	Rent earned	13	-	-	-	-	-	-
		(3)	(-)	(-)	(-)	(-)	(-)	(-)
7	Rent paid	-	-	-	-	37	-	-
		(-)	(-)	(-)	(-)	(23)	(-)	(-)
8	Brand equity payment	-	-	-	34	-	-	-
		(-)	(-)	(-)	(32)	(-)	(-)	(-)
9	Purchase of capital goods	204	21	-	-	16	-	-
		(-)	(-)	(-)	(-)	(360)	(-)	(-)
10	Dividend paid	-	-	229	-	-	-	-
		(-)	(-)	(206)	(-)	(-)	(-)	(-)
11	Purchase of Insurance Policy	-	-	-	-	13	-	-
		(-)	(-)	(-)	(-)	(4)	(-)	(-)
12	Investment	-	304	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
13	Remuneration - short term employee benefits*	-	-	-	-	-	-	497
		(-)	(-)	(-)	(-)	(-)	(-)	(454)
14	Contribution to Employee Benefit Plans	-	-	-	-	-	83	-
		(-)	(-)	(-)	(-)	(-)	(128)	(-)
15	Guarantees and collaterals given	-	-	-	-	-	-	-
		(2,000)	(-)	(-)	(-)	(-)	(-)	(-)
16	Director sitting fees	-	-	-	-	-	-	36
		(-)	(-)	(-)	(-)	(-)	(-)	(47)

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr. No.	Particulars	Subsidiary	Associate Company	Holding Company	Promoter of Holding Company	Promoter Group	Employment Benefit Funds	Key Management Personnel
Balances outstanding								
1	Trade receivables	63	-	-	-	109	-	-
		(6)	(-)	(-)	(-)	(150)	(-)	(-)
2	Advance	-	-	-	-	347	-	-
		(-)	(-)	(-)	(-)	(147)	(-)	(-)
3	Trade payables	269	-	-	39	5	-	-
		(1)	(-)	(-)	(30)	(26)	(-)	(-)
4	Guarantees and collaterals given	9,200	-	-	-	-	-	-
		(9,200)	(-)	(-)	(-)	(-)	(-)	(-)
5	Other payable	-	-	-	-	-	-	-
		(33)	(-)	(-)	(-)	(-)	(-)	(-)
6	Other receivables	20	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)

The sales to, purchases from and other transactions entered with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: ₹ Nil). This assessment is undertaken for each financial year through examining the financial position of the related party and the market in which the related party operates.

*The Company provides long term benefits in the form of gratuity to key managerial person along with all employees, cost of the same is not identifiable separately and hence not disclosed.

Figures in brackets pertain to the previous year ended March 31, 2023.

Note 37 : Earnings per share (EPS)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1. Net profit after tax attributable to equity shareholders	2,127	2,088
2. Weighted average number of equity shares	2,28,17,461	2,28,17,461
3. EPS (₹) [Basic and Diluted] (Face value per share ₹ 10)	9.32	9.15

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 38 : Contingent liabilities

Sr. No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a)	Guarantees issued by the Company on behalf of its subsidiary (Nelco Network Products Limited) [(Amount of loan outstanding against this guarantee is ₹ 2,501 Lakhs (As at March 31, 2023 - ₹ 2,700 Lakhs)]	9,200	9,200
b)	Claims against the company not acknowledged as debt comprises of:		
	i) Sales tax, service tax and GST claims disputed by the company relating to issues of applicability and classification	403	427
	ii) Claims from Vendor	168	168
	iii) Others*	394	547
c)	Income Tax Demand against the company not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which company is in appeal**	1,095	1,095

*Application filled by plaintiffs with Small Causes Court, Mumbai, claiming from Company mesne profit of ₹ 560 lakhs and interest thereon. Based on valuation report obtained by the Company from an independent valuer, Company has made provision of ₹ 166 lakhs and accrued interest thereon. Balance has been disclosed as contingent liability.

**Income tax demand disclosed in contingent liability of ₹ 1,095 lakhs is in relation to Income tax, Interest and Penalty in matter of business transfer of divisions under slump sale in Previous year 2010-11 (Assessment year 2011-12). During the year, Income Tax Appellate Tribunal (ITAT) has ordered the matter against the Company. The Company is in process to file further appeal before Honourable Bombay High Court against order of ITAT. Based on opinion received from independent tax expert and legal consultant, Company believes that it has a strong case. Accordingly Company has disclosed the same under contingent liability.

Future cash outflows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums / authorities.

The above figures for contingent liabilities do not include amounts towards certain additional penalties/interest that may devolve on the Company in the event of an adverse outcome as the same is subjective and not capable of being presently quantified. Unless otherwise stated below, the management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable, further outflow of resources is not probable in either cases.

The Company does not have any contingent assets at the balance sheet date.

The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The management is of the view that there are interpretative challenges on the application of the judegment retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Company has made a provision for provident fund contribution pursuant to the judegment only from the date of Supreme Court Order. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 39 : Ratios

Sr No	Particulars	Note	Ratio		% of change	Remarks for movement
			March 31, 2024	March 31, 2023		
a	Current ratio=Current assets/ Current liabilities	Refer note I	1.00	1.18	(15)	-
b	Debt equity ratio = Total Debt/Total Equity	Refer note II	-	0.16	(100)	Due to repayment of borrowings
c	Debt service coverage ratio = EBITDA/Total amount of interest and principal payable or paid during the period	Refer note III	2.20	8.12	(73)	Due to prerepayment of long term borrowing during the year
d	Return on equity ratio= Net Profits after taxes/Total Equity	Refer note IV	0.18	0.21	(14)	-
e	Trade receivable turnover ratio= Sales/Average trade receivable	Refer note V	5.65	5.22	8	-
f	Trade payable turnover ratio= (Total expenses - provision for doubtful debts)/Average trade payables	Refer note VI	13.61	12.39	10	-
g	Net capital turnover ratio= Net Sales/Working capital	Refer note VII	29.85	11.40	162	Due to increase in sales and reduction in working capital during the year
h	Net profit ratio = Net Profit after Tax/Revenue	Refer note VIII	0.10	0.11	(9)	-
i	Return on capital employed= Earning before interest and taxes/Capital employed	Refer note IX	0.28	0.28	-	-
j	Return on investment = Interest income /Average investment in fixed deposits	Refer note X	0.10	0.03	233	Due to increase in deposits placed for short term during the year

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2024	March 31, 2023
I	Current assets			
	(a) Financial assets			
	(i) Trade receivables	8	3,779	4,099
	(ii) Cash and cash equivalents	9 (a)	1,956	1,269
	(iii) Bank balances other than (ii) above	9 (b)	53	48
	(iv) Loans	10	4	-
	(v) Other financial assets	5 (b)	202	274
	(b) Other current assets	7 (b)	666	916
			6,660	6,606
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	13 (b)	-	464
	(ia) Lease liabilities	3 (c) (ii)	168	223
	(ii) Trade payables	14	1,411	1,227
	(iii) Other financial liabilities	15	1,483	776
	(b) Provisions	16	299	285
	(c) Contract Liabilities	17	3,013	2,374
	(d) Other current liabilities	18	274	242
			6,648	5,591
II	Total Debt			
	Non current borrowings	13 (a)	-	1,161
	Current borrowings	13 (b)	-	464
			-	1,625
	Total equity			
	Equity share capital	11	2,282	2,282
	Other equity - Reserve and surplus	12	9,493	7,832
			11,775	10,114
III	Earning before interest tax depreciation and amortisation (EBITDA)	Refer P & L	4,557	4,337
	Total amount of interest and principal payable or paid during the period			
	Total interest paid or payable during the period			
	On long term borrowings	24	103	80
	On lease liabilities	24	89	90
			192	170
	Total principal paid or payable during the period			
	Principal portion of long term borrowing	13	1,625	175
	Principal portion of lease liabilities	3 (c) (ii)	252	189
			1,877	364
IV	Net Profits after taxes	Refer P & L	2,127	2,088
	Total equity			
	Equity share capital	11	2,282	2,282
	Other equity - Reserve and surplus	12	9,493	7,832
			11,775	10,114
V	Sales	19	22,268	19,704
	Average trade receivable			
	Opening trade receivable	8	4,099	3,454
	Closing trade receivable	8	3,779	4,099
	Average trade receivable		3,939	3,777

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2024	March 31, 2023
VI	Total expenses	As per P &L	17,947	15,635
	Total - provision for doubtful debts)/Average trade payables			
	Less: provision for doubtful debts	23	-	-
			17,947	15,635
	Average trade payables			
	Opening trade payables	14	1,227	1,297
	Closing trade payables	14	1,411	1,227
	Average trade payables		1,319	1,262
VII	Net Sales	19	22,268	19,704
	Working capital (Current assets- current liabilities)			
	Current assets			
	(a) Financial assets			
	(i) Trade receivables	8	3,779	4,099
	(ii) Cash and cash equivalents	9 (a)	1,956	1,269
	(iii) Bank balances other than (ii) above	9 (b)	53	48
	(iv) Loans	10	4	-
	(v) Other financial assets	5 (b)	202	274
	(b) Other current assets	7 (b)	666	916
	Total Current assets		6,660	6,606
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	14	1,411	1,227
	(ii) Other financial liabilities	15	1,483	776
	(iii) Less: Capex creditors		(566)	(27)
	(b) Provisions	16	299	285
	(c) Contract Liabilities	17	3,013	2,374
	(d) Other current liabilities	18	274	242
	Total Current liabilities		5,914	4,877
	Working capital (Current assets - current liabilities)		746	1,729
VIII	Net Profit after Tax	As per P &L	2,127	2,088
	Revenue	19	22,268	19,704
IX	Earning before interest and taxes			
	Earning before finance cost, depreciation, amortisation and tax	As per P &L	4,557	4,337
	Less: Depreciation and amortisation	25	1,284	1,065
			3,273	3,272
	Capital employed			
	Equity share capital	11	2,282	2,282
	Other equity -Reserve and surplus	12	9,493	7,832
	Borrowing			
	Non current	13 (a)	-	1,161
	Current	13 (b)	-	464
	Total capital employed		**11,775**	**11,739**
X	Interest on bank deposits	As per P &L	5	3
	Average investment in fixed deposit			
	Opening	5 (a) & 9 (b)	51	137
	Closing	5 (a) & 9 (b)	53	51
	Average investment in fixed deposit		**52**	**94**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 40 : Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year	*	-
b) Amount approved by the Board to be spent during the year	10	-
c) Amount spend in cash during the year		
i) Construction/acquisition of an asset	-	-
ii) On purpose other than (i) above		
Contribution to Akshay Patra Foundation	3	-
Contribution to Catalysts for Social Action	6	
Contribution to Training and Education Center	1	
Total (C=i+ii)	**10**	**-**
d) Amount yet to be paid in cash (d=b-c)	-	-

*For the year ended March 31, 2024 the Company's CSR obligation under section 135 of the Companies Act, 2013 was ₹ Nil. During the year Company has spent on on-going CSR projects.

Note 41 : Returns filed with banks with respect to working capital facility availed by the Company

Name of Bank	Quarter	Particulars of Securities provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Bank of India, Union Bank of India	Q-1 of FY 23-24	Debtors	4,205	4,205	-	-
		Creditors	1,627	1,627	-	-
Bank of India, Union Bank of India	Q-2 of FY 23-24	Debtors	4,353	4,353	-	-
		Creditors	1,315	1,315	-	-
Bank of India, Union Bank of India	Q-3 of FY 23-24	Debtors	4,639	4,639	-	-
		Creditors	1,882	1,882	-	-
Bank of India, Union Bank of India	Q-4 of FY 23-24	Debtors	3,779	3,779	-	-
		Creditors	1,411	1,411	-	-
Bank of India, Union Bank of India	Q-1 of FY 22-23	Debtors	3,876	3,876	-	-
		Creditors	1,557	1,557	-	-
Bank of India, Union Bank of India	Q-2 of FY 22-23	Debtors	3,959	3,959	-	-
		Creditors	1,585	1,585	-	-
Bank of India, Union Bank of India	Q-3 of FY 22-23	Debtors	4,231	4,231	-	-
		Creditors	1,327	1,327	-	-
Bank of India, Union Bank of India	Q-4 of FY 22-23	Debtors	4,059	4,059	-	-
		Creditors	689	689	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 42 : Segment reporting

The Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the Company and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.

Note 43 : Capital and other Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid)	42	796

Note 44 : There are no Micro and Small Enterprises to whom the Company owes dues, which are outstanding as at March 31, 2024 (Nil: March 31, 2023). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company.

Note 45: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 46: The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level and certain master fields (Asset Master, Customer Master and Vendor Master) for users with certain privileged access rights as it related to the SAP application. Further no instance of audit trail feature being tampered with was noted in respect of the software.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 47: Events after the reporting period

The Company has evaluated subsequent events from the balance sheet date through April 23, 2024 the date at which the financial statements were available to be issued, and determined that there are no material items to be disclosed other than those disclosed above.

Note 48 : Approval of Standalone Financial Statements

The Standalone financial statements were approved for issue by the Board of Directors on April 23, 2024.

As per our report of even date
For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

Aniket Sohani
Partner
Membership No. 117142

Place: Mumbai
Date : April 23, 2024

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)

Girish V. Kirkinde
Company Secretary & Head - Legal
(ICSI M. No: ACS7493)

Place: Mumbai
Date : April 23, 2024

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Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Nelco Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Nelco Limited (hereinafter referred to as "the Holding Company") and its subsidiary Nelco Network Products Limited (the Holding Company and its subsidiary together referred to as "the Group") and its associate Piscis Networks Private Limited comprising of the consolidated Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Ind AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of the associate, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2024, their consolidated profits including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' Section of our report. We are independent of the Group and associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the Management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of contingent liabilities, provision for litigations As at March 31, 2024, the Group held provisions of Rs 232 lakhs and disclosed contingent liabilities (to the extent not provided for) of Rs 2,128 lakhs in respect of certain tax and other litigations. The Group faces inquiries from tax authorities and regulatory authorities during tax assessment and legal proceedings, during the normal course of business. There is a high level of Management judgement required in estimating the probable outflow of economic resources and the level of provisioning and the disclosures required. The Management's assessment is supported by legal opinions from independent tax consultants and legal experts obtained by the Management. We considered this to be a key audit matter as the outcome of the litigations/ inquiries is uncertain, including ensuring compliances with the various regulations and the positions taken by the Management are based on the application of material judgement, advice from tax consultants and legal experts and interpretation of law. The ultimate outcome of the litigations/inquiries could be different from the conclusion reached by the Management and may significantly impact the Group's financial position. The Group's disclosures are included in Note 2(f) and Note 36 and Note 37 to the financial statements, which outlines the accounting policy for contingent liabilities and details of pending direct and indirect tax litigation disclosed as contingent liabilities.	Our audit procedures included the following: – We obtained an understanding and evaluated processes and controls designed and implemented by the Management for assessment of litigations. – We obtained the list of taxation and other litigation matters and communications with the authorities and vendors. We reviewed the supporting evidence and assessed Management's evaluation through discussions and inquiries made on both the probability of outcome and the magnitude of potential outflow of economic resources; – Where relevant, we read and relied upon the most recent legal opinion obtained by Management from independent tax consultants and external legal experts to assess development in all pending cases against the Group; – We read recent orders received from the tax and regulatory authorities and the Group's responses to such communications and assessed the current status of the litigations against the Group. For tax matters, we involved our tax specialists to assess Management's application and interpretation of tax legislation affecting the Group and to consider the quantification of exposures and settlements arising from the disputes with the tax authorities in the various tax jurisdictions.
Revenue from contracts with customer – sale of goods cut off (as described in Note 2 (a) and Note 22 of the consolidated financial statements) The Group recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. During the year ended March 31, 2024, the Group has recognized revenue amounting to Rs. 4,497 lakhs from sale of products. The terms of sales arrangements, including the timing of transfer of control, delivery specifications create complexity and judgment in determining timing of revenue recognition. The risk is, therefore, that revenue may not be recognized in the appropriate period in accordance with Ind AS 115. Accordingly, due to the risk associated with timing of revenue recognition, it was determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: • We obtained an understanding and evaluated processes and controls designed and implemented by the Management in relation to Revenue recognition. • We tested Key controls in the Management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers. • We tested the sales for representative samples to ensure that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the delivery terms. • We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation including customers' confirmations, where necessary, to establish that sales and corresponding trade receivables are properly recorded in the appropriate period.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company which is incorporated in India has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The consolidated Ind AS financial statements include the Group's share of net profit of Rs. 47 Lakhs for the year ended March 31, 2024, as considered in the Consolidated Ind AS Financial Statements, in respect of an associate, whose financial statements, other financial information have been audited by other auditor and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate and our report in terms of sub-Sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of such other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, based on our audit of the Subsidiary Company and on the consideration of report of the other auditors on separate financial statements and the other financial information of the associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of associate as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

   (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors and taken on record of the Holding Company as on March 31, 2024 by the Board of Directors of the Holding Company, subsidiary and the reports of the statutory auditor who is appointed under Section 139 of the Act, of its associate company, none of the directors of the Group's Companies and its associate, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary Company, associate Company, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid by the Holding Company and its subsidiary incorporated in India in accordance with the provisions of Section 197 read with Schedule V to the Act.;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary and associate as noted in the 'Other matter' paragraph

i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate – Refer Note 36 and 37 to the Consolidated Ind AS Financial Statements;

ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary and associate, incorporated in India during the year ended March 31, 2024.

iv. a) The respective Managements of the Holding Company, its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary or associate to or in any other person or entities including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary or associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective Managements of the Holding Company, its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary or associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary or associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The dividend declared and paid during the year by the Holding Company until the date of this audit report is in accordance with Section 123 of the Act. As stated in Note 15 to the consolidated Ind AS financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the respective ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi) Based on our examination which included test checks and that performed by the auditor of the associate which is a company incorporated in India whose financial statements have been audited under the Act, except for instances discussed in Note 51 to the financial statements, the Holding Company, subsidiary and associate have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditor of the above referred associate did not come across any instance of audit trail feature being tampered in respect of the accounting software.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 24117142BKDHZK6240

Place: Mumbai
Date: April 23, 2024

Annexure 1 referred to in clause 1 of paragraph on the "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Nelco Limited (the "Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 24117142BKDHZK6240

Place: Mumbai
Date: April 23, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF NELCO LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Nelco Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A Company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group which include companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31,2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket Sohani
Partner
Membership Number: 117142
UDIN: 24117142BKDHZK6240

Place: Mumbai
Date: April 23, 2024

Consolidated Balance Sheet as at March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4 (a)	6,201	6,775
(b) Capital work-in-progress	4 (b)	962	148
(c) Right-of-use assets	4 (c)	2,080	2,286
(d) Other intangible assets	4 (a)	439	479
(e) Intangible assets under development	4 (b)	23	-
(f) Financial assets			
(i) Investments	5	373	22
(ii) Other financial assets	6 (a)	164	167
(g) Deferred tax assets (net)	38	1,989	1,062
(h) Non-current tax assets (net)	7	176	300
(i) Other non-current assets	8 (a)	633	664
Total non-current assets		**13,040**	**11,903**
Current assets			
(a) Inventories	9	2,587	2,127
(b) Financial assets			
(i) Trade receivables	10	8,507	8,274
(ii) Cash and cash equivalents	11	2,179	1,616
(iii) Bank balances other than (ii) above	12	53	48
(iv) Loans	13	4	-
(v) Other financial assets	6 (b)	215	345
(c) Contract assets	14	809	662
(d) Other current assets	8 (b)	802	1,248
Total current assets		**15,156**	**14,320**
TOTAL ASSETS		**28,196**	**26,223**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	2,282	2,282
(b) Other equity	16	10,076	8,173
Total equity		**12,358**	**10,455**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17 (a)	17	1,862
(ia) Lease liabilities	4 (c)	1,885	2,000
(b) Other non-current liabilities	18 (a)	-	1
Total non-current liabilities		**1,902**	**3,863**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17 (b)	3,305	1,932
(ia) Lease liabilities	4 (c)	480	516
(ii) Trade payables	19		
(a) Total outstanding dues to micro and small enterprises		-	-
(b) Total outstanding dues to other than micro and small enterprises		3,520	4,506
(iii) Other financial liabilities	20	1,992	1,115
(b) Provisions	21	631	566
(c) Contract liabilities	14	3,637	2,982
(d) Other current liabilities	18 (b)	371	288
Total current liabilities		**13,936**	**11,905**
Total liabilities		**15,838**	**15,768**
Total equity and liabilities		**28,196**	**26,223**
Summary of material accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

Aniket Sohani
Partner
Membership No. 117142
Place: Mumbai
Date : April 23, 2024

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)
Place: Mumbai
Date : April 23, 2024

Girish V. Kirkinde
Company Secretary & Head - Legal
(ICSI M. No: ACS7493)

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
Income			
(a) Revenue from operations	22	32,030	31,333
(b) Other income	23	236	257
Total income		**32,266**	**31,590**
Expenses			
(a) Purchases of stock-in-trade		3,989	5,614
(b) (Increase) in inventories of stock-in-trade	24	(460)	(544)
(c) Operating expenses	25	14,522	12,484
(d) Employee benefits expense	26	4,304	3,694
(e) Other expenses	27	3,736	4,009
Total expenses		**26,091**	**25,257**
Profit before finance cost, depreciation & amortisation and share of profit from associate and tax (PBITDA)		**6,175**	**6,333**
(f) Finance costs	28	657	773
(g) Depreciation & amortisation expense	29	2,214	2,778
Total finance costs and depreciation & amortisation expenses		**2,871**	**3,551**
Profit before share of profit from associate and tax		**3,304**	**2,782**
Share of net profit from associate		47	-
Profit before tax		**3,351**	**2,782**
Tax expense			
- Current tax	38(b)	1,427	1,136
- Deferred tax (credit)	38(b)	(551)	(339)
- Tax adjustment for earlier years	38(b)	108	-
Total tax expenses		**984**	**797**
Profit for the year		**2,367**	**1,985**
Other comprehensive income/(expenses)			
Items that will not be reclassified to profit or loss in subsequent years			
- Net fair value gain on investments in equity shares at FVTOCI (net of tax)	30	-	6
- Remeasurement of post employment benefit obligations (loss) (net of tax)	42	(8)	(30)
Other comprehensive (expense) for the year, (net of tax)		**(8)**	**(24)**
Total comprehensive income for the year		**2,359**	**1,961**
Earnings per share (Face value of Rs 10/- per share) : (Basic and diluted)	35	10.37	8.70

Summary of material accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Aniket Sohani
Partner
Membership No. 117142

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)

Girish V. Kirkinde
Company Secretary & Head - Legal
(ICSI M. No: ACS7493)

Place: Mumbai
Date : April 23, 2024

Place: Mumbai
Date : April 23, 2024

Consolidated Statement of Cash Flow for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and share of profit from associate	3,304	2,782
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	2,214	2,778
Finance costs	657	773
Unrealised mark to market loss on forward contracts	3	11
Unrealised foreign exchange (gain)/loss (net)	(23)	45
Impairment allowance ((gain)/allowance for bad and doubtful debts)	(9)	17
Bad debts written off	-	26
Liabilities/provisions no longer required, written back	(31)	(80)
(Gain)/loss on disposal of property, plant and equipment (net)	(8)	1
Provision for warranty (net)	71	179
Unwinding of discount on financial asset measured at amortised cost	(63)	(35)
Interest income	(5)	(19)
Provision for disputed obligation	-	99
Operating profit before working capital changes	**6,110**	**6,577**
Movement in working capital		
Movements in assets		
- (Increase) in trade receivables	(223)	(531)
- Decrease/(increase) in other current assets	446	(765)
- Decrease in other non current assets	31	39
- (Increase)/decrease in inventories	(120)	734
- Decrease in other current financial assets	126	416
- Decrease in other non-current financial assets	3	216
- (Increase) in contract assets	(147)	(525)
Movements in liabilities		
- (Decrease) in trade payables	(935)	(819)
- (Decrease) in other non-current liabilities	(1)	(3)
- Increase in other current financial liabilities	199	47
- Increase in contract liabilities	718	1,086
- Increase/(decrease) in other current liabilities	83	(24)
- Increase in current provisions	(14)	(77)
Cash generated from operations	**6,276**	**6,371**
- Direct taxes paid (net of refunds)	(1,787)	(563)
Net cash flow generated from operating activities (A)	**4,489**	**5,808**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (net off capital work-in-progress/assets under development)	(1,631)	(2,311)
Proceeds from sale of property, plant and equipment	13	(198)
Interest income received	5	19
Investment in associate	(304)	-
Bank balance not considered as cash and cash equivalents	(5)	(3)
Net cash flow (used in) investing activities (B)	**(1,922)**	**(2,493)**

Consolidated Statement of Cash Flow for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	7,786	11,384
Repayment of borrowings	(8,260)	(13,040)
Payment of principal portion of lease liabilities	(550)	(478)
Payment of interest portion of lease liabilities	(230)	(205)
Interest paid	(297)	(518)
Dividend paid	(453)	(407)
Net cash flow (used in) financing activities (C)	**(2,004)**	**(3,264)**
Net increase in cash & cash equivalents [(A)+(B)+(C)]	**563**	**51**
Cash and cash equivalents at the beginning of the year	**1,616**	**1,565**
Cash and cash equivalents at the end of the year	**2,179**	**1,616**

Note:

1) Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents comprise of	As at March 31, 2024	As at March 31, 2023
Balance with banks in current accounts	1,860	1,332
Cheques on hand	319	284
Cash on hand	*	*
Total (refer note 11)	**2,179**	**1,616**

*Below rounding off norms adopted by the Group.

Summary of material accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Aniket Sohani
Partner
Membership No. 117142

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)

Girish V. Kirkinde
Company Secretary & Head - Legal
(ICSI M. No: ACS7493)

Place: Mumbai
Date : April 23, 2024

Place: Mumbai
Date : April 23, 2024

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid.

Particulars	Number of shares	Amount
As at March 31, 2022	**2,28,17,461**	**2,282**
Changes in equity share capital	-	-
As at March 31, 2023	**2,28,17,461**	**2,282**
Changes in equity share capital	-	-
As at March 31, 2024	**2,28,17,461**	**2,282**

B. Other Equity

Particulars	Attributable to equity shareholders			Total
	Reserves and Surplus		Reserve for FVTOCI Equity instrument	
	General Reserve	Retained Earnings		
As at March 31, 2022	**250**	**6,361**	**12**	**6,623**
Profit for the year	-	1,985	-	1,985
Dividend paid*	-	(411)	-	(411)
Other comprehensive income for the year (net of tax)	-	(30)	6	(24)
As at March 31, 2023	**250**	**7,905**	**18**	**8,173**
Profit for the year	-	2,367	-	2,367
Dividend paid*	-	(456)	-	(456)
Other comprehensive income for the year (net of tax)	-	(8)	-	(8)
As at March 31, 2024	**250**	**9,808**	**18**	**10,076**

*For financial year ended March 31, 2023, the Board of Directors had recommended a dividend of 20% (March 31, 2022: 18%) which was ₹ 2.00/- (March 31, 2022: ₹ 1.80/-) per equity share of ₹ 10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 22, 2023.

For financial year ended March 31, 2024, the Board of Directors have recommended a dividend of 22% (March 31, 2023: 20%) which is ₹ 2.20/- (March 31, 2023: ₹ 2.00/-) per equity share of ₹ 10/- each. This is subject to approval at the annual general meeting by the members and liability is not recognised as at March 31, 2024.

Summary of material accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Aniket Sohani
Partner
Membership No. 117142

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)

Girish V. Kirkinde
Company Secretary & Head - Legal
(ICSI M. No: ACS7493)

Place: Mumbai
Date : April 23, 2024

Place: Mumbai
Date : April 23, 2024

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Corporate Information

Nelco Limited herein after referred to as "the Holding Company" was established in 1940. The Holding Company has one wholly owned subsidiary Nelco Network Products Limited. (NNPL). The Holding Company and its subsidiary together referred to as the Group.

The Consolidated Financial Statements are presented in Indian Rupee (INR) which is also functional currency of the Holding Company.

The Holding Company is a subsidiary of The Tata Power Company Limited. The Holding Company has one wholly owned subsidiary Nelco Network Products Ltd. (NNPL). During the year Holding Company has made investment of ₹ 304 Lakhs to acquire 31.72% of equity shares in Piscis Networks Private Limited. As per provisions of Ind AS 28 -Investment in Associates and Joint ventures, Piscis Networks Private Limited has been treated as an associate.

The Holding Company is in the business of providing domestic satellite communication services to close user group (CUG) networks via Satellite System on non-exclusive basis within the territorial boundary of India under the VSAT, ISP and other Licenses and authorisation granted by Department of Telecommunications (D.O.T.), Government of India.

NNPL is engaged in providing end to end networking solutions (Satcom Projects) services, sale/rental of VSATs and maintenance of private hubs and hybrid networks for its customers from government to corporates (Equipment business and related services).

Equity shares of the Holding Company are listed in India on the Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE"). The registered office of the Holding Company is located at EL-6, TTC Industrial Area, MIDC, Electronic Zone, Mahape, Navi Mumbai – 400710, CIN: L32200MH1940PLC003164.

1. Summary of material accounting policies

This note provides details of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

a. Compliance with Ind AS

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as amended from time to time.

b. Historical Cost Convention

The Consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- defined benefit and other long-term employee benefits;

c. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

d. New and amended Standards adopted by the Group.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Holding Company.

e. Basis of consolidation

The Holding Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary (together referred to as "the Group") and its associate. Control exists when the Holding Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

i. Subsidiary

Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit and loss from the date the Holding Company gains control until the date when the Holding Company ceases to control the subsidiary.

The group combines the financial statements of the Holding Company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

All intra group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

ii. Associates

Associates are entities over which the Group has significant influence but not control. Investments in Associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in Associates includes goodwill identified on acquisition.

f. Changes in the Group's ownership interests in existing subsidiary

When the group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated statement profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in the other comprehensive income are reclassified to profit or loss.

If ownership interest in joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts recognised in other comprehensive income are reclassified to profit or loss where appropriate.

1.2 Property, plant and equipment

All items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition or construction of the assets. Subsequent costs are added to existing item's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

a. Capital work-in-progress

Projects under which Property, Plant and equipment which are not yet ready for their intended use are carried at cost net of accumulated impairment loss, if any.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

b. Depreciation methods estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate cost, net of their estimated residual value, over their estimated useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Type of Assets	Useful Life
Building	30 years
Plant and Machinery	Radio frequency and baseband equipment – 10 to 12 Years Teleport antenna– 15 Years VSAT Antenna – 10 Years Networking devices -6 Years Electronic equipment – 6 to 7.50 Years
Electrical installation	10 years
Furniture and fixture	10 years
Office equipment's – VSAT	Antenna – 10 Years Electronic equipment – 6 to 7.50 Years
Office equipment's Computer hardware Others	 3 Years 5 Years
Vehicles	8 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other income / other expenses.

1.3 Intangible assets

Intangible assets acquired are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any. The Holding Company amortises intangible assets using straight line method over the following periods.

License Fees : Over the license period from the date of license available for use

Testing software : 5 years

1.4 Impairment of non-financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.5 Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

a. Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 1.11 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments):

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, loans and other receivables included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii. The asset's contractual cash flows represent SPPI.

iii. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments):

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - i. the group has transferred substantially all the risks and rewards of the asset, or
  - ii. the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

d. Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Also, on case-to-case basis specific provisions are also made for customers based on management estimates.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – refer note 30
- Investment at fair value through OCI – refer note 5
- Trade receivables and contract assets – refer note 10 and 14

e. Income recognition

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Holding Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend

Dividend income from investments is recognised when the right to receive dividend has been established.

B. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

b. Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings):

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 17.

c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

1.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand, cheques on hand, balances with banks in current accounts, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdraft. Bank overdraft are shown within borrowings in current liabilities in the balance sheet.

1.7 Trade receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.8 Trade and other payables

These amounts represent liabilities for goods and services received by the group prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using effective interest method.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

1.9 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

1.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises cost of purchases and includes all other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method and is net of provision for obsolescence and other anticipated losses, wherever considered necessary. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.11 Revenue from contracts with customers

The Group earns revenue from providing Satellite communication connectivity systems and solutions through sale of goods, providing installation and annual maintenance services, renting of goods, Integrated Security & Surveillance services. The Group also earns revenue from providing domestic satellite communication services to close user group (CUG) networks via Satellite System on non-exclusive basis (Bandwidth Services).

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

The Group recognises revenue as follows:

a. Sale of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, being when the goods are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

b. Rendering of Services

- Revenue from annual maintenance contract and network management is recognized over the period of performance.
- Revenue from Installation and commissioning services is recognized upon completion of installation of equipment.
- Revenue from bandwidth services is provided over the period of time, where it is received and consumed simultaneously by the customers and accordingly revenue is recognized over the period of performance and in the accounting period in which the services are rendered.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

c. Rental Income

Lease income from operating leases where the Company is a lessor is recognised on straight-line basis over the term of the relevant lease in accordance with contract with the customers.

1.12 Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of the group are measured in INR using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statement is presented in Indian rupee (INR), which is Holding Company's functional and presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income / other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

1.13 Derivative financial instruments:

The group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Consolidated Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through the Statement of Profit and Loss and the resulting exchange gains or losses are included in the Statement of Profit and Loss. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

1.14 Current and deferred tax

The Income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

a. Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between· the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax assets and liabilities are not recognised if it arises from initial recognition of an asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and carry forward tax credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, tax losses and tax credits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

1.15 Leases

As a lessee

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leases asset is available for use by the group. Contracts may contain lease and non-lease component. The group allocates the consideration in the contract to lease and non-lease component based on their relative standalone prices.

Assets and liabilities are initially measured on the present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the group under residual value guarantees.
- the exercise price of purchase option if the group is reasonably certain to exercise the option and

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

- payment of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with Risk- free interest rate adjusted for credit risk for leases held by the group, which doesn't have recent third-party financing, and
- makes adjustments specific to the lease e.g. term, security etc.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following;

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on straight line basis. If the group is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all the leases of low value assets are recognised as expense on a straight-line basis in profit and loss. Short term leases are leases with a term of 12 months or less.

As a lessor

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Finance leases receivables are recognised at the inception of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments receivable. Each lease payment received is allocated between the finance lease receivable and finance income. The finance income is recognised to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the finance lease receivable for each period.

Lease income from operating leases where the group is a lessor is recognised on a straight-line basis over the term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in balance sheet based on their nature.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

1.16 Borrowing

Borrowing are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is breach of a material provision of a long-term loan agreement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

1.18 Provisions and contingent liabilities

a. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditure arising from the restructuring, which are both necessary entailed by the restructuring and not associated with the ongoing activities of the group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

i. Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

ii. Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

b. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made.

1.19 Employee benefits

a. Short-term obligations

Liabilities for salaries and wages, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Other long-term employee benefit obligations

The group has liabilities for compensated absences which are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yield at the end of the reporting period that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

The obligation is presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Post-employment obligations (Defined Benefit Obligations)

The group operates the following post-employment schemes:

- Defined benefit plans – Provident Fund and Gratuity
- Defined contribution plans such as Superannuation Fund and Employee State Insurance Corporation (ESIC).

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Defined Benefit Plans:

The liability or asset recognised in the balance sheet in respect of defined benefit provident fund and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

During the previous year Company has formed gratuity fund exclusively for gratuity payment to the employees. The gratuity liability amount is contributed to the approved gratuity fund formed. The gratuity fund has been approved by Income Tax authorities.

Defined contribution plans:

Group pays Superannuation Fund and ESIC contributions to publicly administered funds as per local regulations. The group has no further payment obligation once the contribution has been made. Group's contribution to Superannuation Fund and ESIC is recognised on accrual basis in the Statement of Profit and Loss.

Termination benefits:

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits ; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

1.20 Segment reporting

The Holding Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the Holding Company and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

1.21 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.22 Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.23 Measurement of PBITDA

The Group has elected to present profit before finance cost, tax and depreciation and amortization (PBITDA) as a separate line item on the face of the statement of profit and loss account. The Group measures PBITDA on the basis of profit from total operations. In its measurement, the Group does not include depreciation and amortization expense, finance cost and tax expense.

2. Critical estimates and judgements and key sources of estimation uncertainty: -

In the application of the groups' accounting policies, which are described in note 1 above, the management of the group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the following areas the management of the group has made critical judgements and estimates.

a. Revenue recognition

- The Group's contracts with customers could include promises to transfer multiple goods and services to a customer. The Group assesses the goods / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Each revenue component is recognised based on the policy noted in note 1.11 above.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation by the Group Companies. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct goods or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered.
- Contract fulfilment costs are expensed as incurred.

b. Estimation of defined benefit obligation

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Recognition of deferred tax assets

Deferred tax assets are recognized for based on estimated future taxable rate on all deductible temporary differences, unused tax losses and carry forward tax credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, tax losses and tax credits. The management assumes that taxable profits will be available while recognising deferred tax assets.

d. Useful lives of property, plant and equipment and Intangible assets

The group reviews the useful lives and carrying amount of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

e. Expected Credit Loss on trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss. The group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Additionally, Group makes specific provision in relation to disputed receivables based on periodic credit evaluation. (refer note 31).

f. Estimation of Provisions & Contingent Liabilities

The group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision or contingent liability. (refer note No 36 and 37).

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

g. Leases

The group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Assessing whether a contract contains a lease requires significant judgement. Significant judgement is also required in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option. In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 4(a) : Property, plant and equipment and intangible assets

Description	Property, plant and equipment								Intangible assets		
	Building	Plant and machinery	Electrical installation	Furniture and fixture	Office equipment Own	Office equipment Given on lease (operating lease)	Vehicles	Total Property, plant and equipment	Testing software	Licenses	Total intangible assets
Cost											
Balance as at April 1, 2023	163	10,399	105	126	480	3,221	43	14,537	643	333	976
Additions	-	1,039	-	19	72	151	27	1,308	31	15	46
Disposals	-	(55)	(81)	(33)	(30)	(1,452)	(19)	(1,670)	-	-	-
Balance as at March 31, 2024	**163**	**11,383**	**24**	**112**	**522**	**1,920**	**51**	**14,175**	**674**	**348**	**1,022**
Accumulated depreciation											
Balance as at April 1, 2023	107	5,154	104	123	326	1,919	29	7,762	439	58	497
For the year	13	1,017	1	4	61	438	3	1,537	70	16	86
On disposals	-	(55)	(81)	(33)	(30)	(1,112)	(14)	(1,325)	-	-	-
Balance as at March 31, 2024	**120**	**6,116**	**24**	**94**	**357**	**1,245**	**18**	**7,974**	**509**	**74**	**583**
Net carrying amount as at March 31, 2024	**43**	**5,267**	**-**	**18**	**165**	**675**	**33**	**6,201**	**165**	**274**	**439**
Cost											
Balance as at April 1, 2022	163	8,803	110	131	473	6,605	62	16,347	530	273	803
Additions	-	1,794	-	-	79	53	-	1,926	113	60	173
Disposals	-	(198)	(5)	(5)	(72)	(3,437)	(19)	(3,736)	-	-	-
Balance as at March 31, 2023	**163**	**10,399**	**105**	**126**	**480**	**3,221**	**43**	**14,537**	**643**	**333**	**976**
Accumulated depreciation											
Balance as at April 1, 2022	94	4,690	107	124	354	2,919	35	8,323	368	41	409
For the year	13	866	2	3	44	1,158	7	2,093	71	17	88
On disposals	-	(402)	(5)	(4)	(72)	(2,158)	(13)	(2,654)	-	-	-
Balance as at March 31, 2023	**107**	**5,154**	**104**	**123**	**326**	**1,919**	**29**	**7,762**	**439**	**58**	**497**
Net carrying amount as at March 31, 2023	**56**	**5,245**	**1**	**3**	**154**	**1,302**	**14**	**6,775**	**204**	**275**	**479**

Note :-

1) Property, plant and equipment pledged as security by the group (refer note 34)

2) Contractual obligations in respect of capital commitment for acquisition of property, plant and equipment (refer note 40)

3) Capital work in progress mainly comprises components related to plant and machinery.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 4(b) : Capital work-in-progress and Intangible assets under development

i) Capital work-in-progress

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2024	962	-	-	-	**962**
Balance as at March 31, 2023	148	-	-	-	**148**

ii) Intangible assets under development

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2024	23	-	-	-	**23**
Balance as at March 31, 2023	-	-	-	-	**-**

Note 4(c) : Right-of-use assets and lease liabilities

4(c)(I) Group as lessee

Asset acquired on finance lease represents Leasehold land. The total lease term is 95 years, remaining lease term is 60 years as on March 31, 2024. This has been included under leasehold premises & equipment disclosed below. The Group does not have an option to purchase the land at the end of the lease term. Also Group has taken on lease various offices for its branches where lease term ranges from 1 year to 8 years.

- The Group has taken on premises on lease along with certain equipmets for term of 5 years to 10 years. The group is restricted from assigning and subleasing the leased assets.

- Group has taken motor vehicle on lease which have lease term varying from 2 years to 5 years.

The effective interest rate for lease liabilities is from 8.00% to 9.95%.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

i. Right of use assets

Description	Leasehold premises and equipment	Office equipment	Motor Vehicle	Total
Cost				
Balance as at April 1, 2023	1,834	1,872	139	3,845
Additions	388	-	24	412
Modification of lease	(30)	-	-	(30)
Disposals	(5)	(161)	(3)	(169)
Balance as at March 31, 2024	**2,187**	**1,711**	**160**	**4,058**
Accumulated amortisation				
Balance as at April 1, 2023	760	772	27	1,559
For the year	301	265	40	606
Modification of lease	(14)	(4)	-	(18)
On disposals	(5)	(161)	(3)	(169)
Balance as at March 31, 2024	**1,042**	**872**	**64**	**1,978**
Net carrying amount as at March 31, 2024	**1,145**	**839**	**96**	**2,080**
Cost				
Balance as at April 1, 2022	1,639	2,195	-	3,834
Additions	195	-	139	334
Disposals	-	(323)	-	(323)
Balance as at March 31, 2023	**1,834**	**1,872**	**139**	**3,845**
Accumulated amortisation				
Balance as at April 1, 2022	505	738	-	1,243
For the year	255	287	27	569
On disposals	-	(253)		(253)
Balance as at March 31, 2023	**760**	**772**	**27**	**1,559**
Net carrying amount as at March 31, 2023	**1,074**	**1,100**	**112**	**2,286**

ii. Lease liability

Description	As at April 1, 2023	During the year				As at March 31, 2024
		Additions	Modification	Accrued finance cost	Payments	
Leasehold premises and equipment	1,196	388	(13)	106	372	1,305
	(1,221)	(195)	-	(108)	(328)	(1,196)
Office equipment	1,206	-	-	115	361	960
	(1,477)	-	38	(132)	(365)	(1,206)
Motor vehicle	114	24	-	9	47	100
	-	(139)	-	(6)	(31)	(114)
Total	**2,516**	**412**	**(13)**	**230**	**780**	**2,365**
	(2,698)	(334)	38	(246)	(724)	(2,516)
Current	**516**					**480**
	(473)					(516)
Non Current	**2,000**					**1,885**
	(2,225)					(2,000)
Total	**2,516**	-	-	-	-	**2,365**
	(2,698)	-		-	-	(2,516)

Figures in (brackets) represents previous year's figures.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

iii. Amount recognised in Statement of profit or loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of Right-of-use assets	606	569
Interest on lease liabilities	230	246
Expenses related to short term leases (refer note 27)	32	14

iv. Amount recognised in statement of cash flows

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total cash outflow of leases	(780)	(724)

4(c)(II) Group as lessor

a Operating Lease

The Group as Lessor

(1) Operating leases related to VSATs given on lease, owned by the group with lease terms between 3 to 7 years.

(2) The lessee does not have an option to purchase the VSATs at the expiry of the lease period.

(3) No refundable deposits are taken and the lease rentals recognised in the consolidated statement of Profit and Loss for the year included under sale of services under revenue from Operations (refer note 22) aggregate to ₹ 1,232 Lakhs (March 31,2023 : ₹ 1,886 Lakhs).

Non- Cancellable operating lease receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Not Later than 1 year	204	551
Later than 1 year and not longer than 5 years	267	493
Later than 5 years	-	-
Total	**471**	**1,044**

Disaggregation of property, plant and equipment given on operating lease as at March 31, 2024 is as follows:

Class of assets	Operating Lease		
	Gross block	Accumulated Depreciation	Carrying Amount
Office equipment	1,920	1,245	675
	(3,221)	(1,919)	(1,302)
Total	1,920	1,245	675
	(3,221)	(1,919)	(1,302)

Figures in (brackets) represents previous year's figures.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

b. Finance Lease

Finance lease receivables

The Group has given on finance lease VSAT equipment to its customer. Below is rental receivable by the Group towards finance lease. As on March 31, 2024 all contracts under finance lease are completed and no amount is outstanding.

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not Later than 1 year	-	28
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Total	**-**	**28**

Note 5 : Investments - Non current

Particulars	As at March 31, 2024		As at March 31, 2023	
	Numbers	Amount	Numbers	Amount
Investment accounted using equity method (Unquoted, fully paid)				
Investment in associates				
Piscis Networks Private Limited of ₹ 10 each (refer note below)	5,029	351	-	-
Investments at fair value through OCI (Unquoted, fully paid)				
Technopolis Knowledge Park Limited of ₹ 10/- each [(net of impairment of ₹ 181 Lakhs (March 31, 2023 : ₹ 181 Lakhs)]	18,10,000	-	18,10,000	-
Zoroastrian Co-operative Bank Limited	6,000	22	6,000	22
Total equity instruments		**373**		**22**
Total investments		**373**		**22**
Aggregate amount of unquoted investments		**373**		**22**
Aggregate amount of impairment in the value of investments		**(181)**		**(181)**

Note :-

During the year the Group acquired 31.72% of the fully issued share capital of Piscis Networks Private Limited, an unlisted Indian company, The Company is primarily engaged in the business of providing an SD-WAN solution to organizations to improve their network performance, reliability and security. The Group's interest in Piscis Networks Private Limited is accounted for using the equity method in the consolidated financial statements in accordance with Ind AS 28 'Investment in associates and joint ventures'. The following table illustrates the summarised financial information of the Group's investment in Piscis Networks Private Limited.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

i. Details of associate

Name of Associate	Principal activity	Country of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
			As at March 31, 2024	As at March 31, 2023
Piscis Networks Private Limited	SDWAN equipment	India	31.72%	-

ii. Summarised financial information of associate

Summarised Balance Sheet	As at March 31, 2024	As at March 31, 2023
Total current assets	538	-
Add: Total non-current assets	95	-
Less: Total current liabilities	(55)	-
Less: Total Non-current liabilities	-	-
Equity	578	-
Group's Share in Equity-31.72%	183	
Group's carrying amount of the investment	351	

iii. Summarised statement profit and loss

Summarised statement profit and loss	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	808	-
Other income	21	-
Cost of raw material and components consumed	(395)	-
Depreciation & amortization	(2)	-
Finance cost	-	-
Employee benefit expense	(67)	-
Other expense	(70)	-
Profit/(loss) before tax	**295**	**-**
Income tax expense	(62)	-
Profit /(loss) for the year	**233**	**-**
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	**233**	**-**
Group's share of profit for the year - 31.72%	74	-
Adjustment to profit:		
a) Profit on Unsold Inventory	(11)	-
b)Amortisation of Technology	(16)	-
Group's net share of profit for the year	**47**	**-**

iv. Reconciliation of the above summarised financial information to the carrying amount of the interest in Piscis Networks Private Limited recognised in the Consolidated Financial Statements:

The Purchase Price Allocations were made to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to Goodwill, Technology and Workforce amounting to ₹192 Lakhs, ₹ 96 Lakhs and ₹ 30 Lakhs respectively. Management has assessed the average useful life of technology acquired as 5 years based on which amortisation in current year has started and will be adjusted with the carrying value of the investment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 6 (a) : Other non current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured considered good, unless otherwise stated)		
Security deposits		
Balances held as margin money against bank guarantees	147	150
Balances held as margin money against bank guarantees	17	17
Total	**164**	**167**

Note 6 (b) : Other current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured considered good, unless otherwise stated)		
Security deposits	215	314
Security deposits which have significant increase in credit risk	21	21
Less: Impairment allowance on security deposits which have significant increase in credit risk	(21)	(21)
	215	314
Fair value of foreign exchange forward contract	-	3
Finance lease receivable	-	28
Total	**215**	**345**

Note 7 : Non-current tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	300	729
Add : Tax deducted at source and advance tax	1,787	977
Add :- Mat credit utilised during the year	-	144
Less: Income tax refund	-	(414)
Less: Current tax payable for the year	(1,427)	(1,136)
Add: reversal of current tax payable for the earlier year (refer note 38b)	(484)	-
Total	**176**	**300**

Note 8 (a) : Other non current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with government authorities	621	639
Prepaid Expenses	12	25
Total	**633**	**664**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 8 (b) : Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	197	103
Advance to suppliers	69	712
Balance with government authorities	308	212
Excess gratuity contribution (refer note 43)	13	9
Others	215	212
Total	**802**	**1,248**

Note 9 : Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Inventories (lower of cost and net realisable value)		
Stock-in-trade	2,587	2,087
Stock-in-trade in transit	-	40
Total	**2,587**	**2,127**

During the year ended March 31, 2024, ₹ (18) lakhs (March 31, 2023: ₹ 24 lakhs) has been recognised as an expense in relation to inventory being carried at net realisable value.

Note 10 : Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables from contract with customers		
- Trade receivables - considered good- secured	-	-
- Trade receivables - considered good- unsecured	6,248	5,751
- Trade receivables which have significant increase in credit risk	163	279
- Trade receivables- credit impaired	158	67
Total	**6,569**	**6,097**
Trade receivables from contract with customers-related parties (refer note 43)	365	432
Total	**6,934**	**6,529**
Less : Impairment allowance (allowance for bad and doubtful debts)	(321)	(346)
Total	**6,613**	**6,183**
Unbilled receivables	1,894	2,091
Total	**8,507**	**8,274**

1. Trade receivables are dues in respect of goods sold and services rendered in the normal course of business.
2. Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.
3. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables.
4. There are no dues by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director is a member.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2024
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables- considered good	3,665	2,609	214	125	-	-	6,613
ii. Undisputed trade receivables- which have significant increase in credit risk	41	29	3	15	67	-	155
iii. Undisputed trade receivables- credit impaired	-	-	-	-	-	99	99
iv. Disputed trade receivables- considered good	-	-	-	-	-	-	-
v. Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed trade receivables- credit impaired	-	-	-	-	-	67	67
Total	**3,706**	**2,638**	**217**	**140**	**67**	**166**	**6,934**
Impairment allowance	(41)	(29)	(3)	(15)	(67)	(166)	(321)
Total	**3,665**	**2,609**	**214**	**125**	**-**	**-**	**6,613**

Particulars	Outstanding for following periods from due date of payment						As at March 31, 2023
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed trade receivables- considered good	4,177	1,514	343	149	-	-	6,183
ii. Undisputed trade receivables- which have significant increase in credit risk	45	24	3	2	43	-	117
iii. Undisputed trade receivables- credit impaired	-	-	-	-	7	154	161
iv. Disputed trade receivables- considered good	-	-	-	-	-	-	-
v. Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
vi. Disputed trade receivables- credit impaired	-	-	-	-	30	38	68
Total	**4,222**	**1,538**	**346**	**151**	**80**	**192**	**6529**
Impairment allowance	(45)	(24)	(3)	(2)	(80)	(192)	(346)
Total	**4,177**	**1,514**	**343**	**149**	**-**	**-**	**6,183**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Unbilled receivables ageing schedule

Particulars	Ageing of unbilled receivables					As at March 31, 2024
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	1,758	136	-	-	-	1,894
Total	**1,758**	**136**	**-**	**-**	**-**	**1,894**

Particulars	Ageing of unbilled receivables					As at March 31, 2023
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled receivables	2,091		-	-	-	2,091
Total	**2,091**	**-**	**-**	**-**	**-**	**2,091**

Note 11 : Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:-		
-in current accounts	1,860	1,332
Cheques on hand	319	284
Cash on hand	*	*
Total	**2,179**	**1,616**

* Below rounding off norms adopted by the Group.

Note 12 : Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
In earmarked accounts		
Unclaimed dividend accounts	17	14
Balances held as margin money against letter of credit and bank guarantees	36	34
Total	**53**	**48**

Note 13: Current loans

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loans to employees	4	-
Total	**4**	**-**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 14 : Contract balances

Particulars	As at March 31, 2024	As at March 31, 2023
Contract assets	809	662
Total contract assets	**809**	**662**
Deferred revenue	2,526	2,563
Advances received from customers	1,111	419
Total contract liabilities	**3,637**	**2,982**

Note:

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current period relates to a carried forward contract liabilities and how much relates to performance obligation satisfied in current year.

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	2,563	1,508
Deferred during the year	2,526	2,563
Recognised as revenue during the year	(2,563)	(1,508)
Closing balance	**2,526**	**2,563**

Note 15 : Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised share capital:		
3,00,00,000 (3,00,00,000 as at March 31, 2023) equity shares of ₹10/- each	3,000	3,000
25,00,000 (25,00,000 as at March 31, 2023) redeemable preference shares of ₹ 100/- each	2,500	2,500
	5,500	**5,500**
Issued share capital:		
2,28,18,400 (2,28,18,400 as at March 31, 2023) equity shares of ₹10/- each	2,282	2,282
	2,282	**2,282**
Subscribed and fully paid-up equity share capital:		
2,28,17,461 (2,28,17,461 as at March 31, 2023) equity shares of ₹10/- each	2,282	2,282
Total	**2,282**	**2,282**

Notes:

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the year	2,28,17,461	2,282	2,28,17,461	2,282
Issued during the year	-	-	-	-
Outstanding at the end of the year	**2,28,17,461**	**2,282**	**2,28,17,461**	**2,282**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10/- each, fully paid up				
The Tata Power Company Limited [50.08% (March 31, 2023 : 50.08%)(Holding Company)	1,14,27,940	1,143	1,14,27,940	1,143

(iii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 /- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board of directors have recommended dividend of ₹ 2.20/- per equity share for the year ended March 31, 2024. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholder holding more than 5% shares in the company:

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of shares	Number of shares	% of shares
Equity shares of ₹ 10/- each, fully paid up				
The Tata Power Company Limited	1,14,27,940	50.08%	1,14,27,940	50.08%

As per records of the Company and other declarations received from shareholders, the above shareholding represents both legal and beneficial ownerships of shares.

(v) Shareholding of the promoter in the Company as at March 31, 2024 and March 31, 2023:

Promoter's Name	No of share	% total shares	% changed during the year
The Tata Power Company Limited	1,14,27,940	50.08%	Nil

(vi) 939 shares (March 31,2023 : 939 shares) are kept in abeyance out of the rights issued in the year 1994 pending for final allotment.

(vii) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2024.

Note 16 : Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
General reserve - refer (i) below	250	250
Retained earnings - refer (ii) below	9,808	7,905
Reserve for FVTOCI Equity instrument - refer (iii) below	18	18
Total	**10,076**	**8,173**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(i) General reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	250	250
Addition during the year	-	-
Closing balance	**250**	**250**

(ii) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	7,905	6,361
Net Profit for the year	2,367	1,985
Less :- Dividend paid*	(456)	(411)
Other comprehensive income (net of tax)		
- Remeasurements of post employment benefit obligations, net of tax	(8)	(30)
Closing balance	**9,808**	**7,905**

(iii) Reserve for FVTOCI Equity instrument

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	18	12
Changes in fair value of FVTOCI equity instruments	-	6
Closing balance	**18**	**18**

General reserve

General Reserve is used to transfer profits from retained earnings for appropriation purposes. The amount can be utilised in accordance with the provision of the Companies Act, 2013.

Retained earnings

The same reflects surplus/ (deficit) after taxes in the Statement of Profit and Loss. The amount that can be distributed by the group as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

Reserve for FVTOCI Equity instrument

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

Note on Dividend:-

*For financial year ended March 31, 2023, the Board of Directors had recommended a dividend of 20% (March 31, 2022: 18%) which was ₹ 2.00/- (March 31, 2022: ₹ 1.80/-) per equity share of ₹ 10/- each, which was approved by shareholders in the Annual General Meeting of the Company held on June 22, 2023.

For financial year ended March 31, 2024, the Board of Directors have recommended a dividend of 22% (March 31, 2023: 20%) which is ₹ 2.20/- (March 31, 2023: ₹ 2.00/-) per equity share of ₹ 10/- each. This is subject to approval at the annual general meeting by the members and liability is not recognised as at March 31, 2024.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 17(a) : Non current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Term Loans from banks (refer note (i) and (iii) below)	17	1,862
Total	**17**	**1,862**

Note 17(b) : Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Term loans from banks (refer note (i) and (iii) below)	1,800	-
Secured		
Cash credit facility from banks (refer note (i), (ii) and (iii) below)	821	784
	2,621	**784**
Current maturity of long term debt (refer note (i) and (iii) below)	684	1,148
Total	**3,305**	**1,932**

Notes:

(i) The carrying amount of financial and non-financial assets pledged as security for current borrowings are given in note 34.

(ii) Disclosure related to returns filed with banks with respect to working capital facilities are given in note 46.

(iii) Details of borrowings are as follows:

Particulars	As at March 31, 2024		As at March 31, 2023		Terms of Repayment	Rate of Interest (p.a)	Nature of Security
	Non current	Current	Non current	Current			
Term loan from Bajaj Finance Limited	17	684	1,862	1,148	36 monthly equal installments till April 2025	ROI linked to ICICI Bank MCLR+ Spread (Currently 8.70% to 9.05%)	Exclusive charge over the VSAT's Installed at HPCL, IOCL, Bank of India and BPCL Outlets and in inventory
Cash credit facility from IDFC Bank Limited	-	821	-	784	Payable on demand	1 year MCLR+ Spread (Currently 8.80%)	First Pari Passu charge on entire Current Assets of the Borrower present and future
Term loan from ICICI Bank Limited	-	1,800	-	-	Bullet repayment payable on due date	8.60 % to 9.05 %	First Pari Passu charge on entire Current Assets of the Borrower present and future
Total	**17**	**3,305**	**1,862**	**1,932**			

Notes to the Consolidated Financial Statements for the year ended March 31, 2024
(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 17 (c) : Changes in liabilities arising from financing activities

Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Cash & cash equivalents (refer note 11)	2,179	1,616
Lease obligation [refer note 4 (c)]	(2,365)	(2,516)
Non current borrowings (including current maturities of long term debt) (refer note 17)	(701)	(3,010)
Current borrowings (refer note 17)	(2,621)	(784)
Net debts	**(3,508)**	**(4,694)**

Particulars	Other assets	Liabilities from financial activities			Total
	Cash and bank overdraft	Lease obligation	Non current borrowings (Including Current Maturities of long term debt)	Current borrowing	
Net debt as at March 31, 2022	**1,565**	**(2,698)**	**(2,700)**	**(2,750)**	**(6,583)**
Cash flow	51	478	(310)	1,966	2,185
Modification of lease term	-	38	-	-	38
Acquisitions - finance leases	-	(334)	-	-	(334)
Interest expenses	-	(246)	(246)	(136)	(628)
Interest paid	-	246	246	136	628
Net debt as at March 31, 2023	**1,616**	**(2,516)**	**(3,010)**	**(784)**	**(4,694)**
Cash flow	563	550	2,309	(1,837)	1,585
Modification of lease term	-	13	-	-	13
Acquisitions - finance leases	-	(412)	-	-	(412)
Interest expenses	-	(230)	(192)	(120)	(542)
Interest paid	-	230	192	120	542
Net debt as at March 31, 2024	**2,179**	**(2,365)**	**(701)**	**(2,621)**	**(3,508)**

Note 18 (a) : Other non current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred profit on sale of property, plant and equipment on finance lease	-	1
Total	**-**	**1**

Note 18 (b) : Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	371	287
Deferred profit on sale of property, plant and equipment on finance lease	-	1
Total	**371**	**288**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 19 : Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 49)	-	-
Trade payable to related parties (refer note 43)	48	56
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	3,472	4,450
Total	**3,520**	**4,506**

Note: Trade payables are non-interest bearing and are generally on terms of 0 to 90 days.

Trade payable ageing schedule

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2024
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises (A)	**-**	**-**	**-**	**-**	**-**	**-**
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Others (B)	**764**	**2,492**	**21**	**73**	**170**	**3,520**
Disputed	-	-	-	-	-	-
Undisputed	764	2,492	21	73	170	3,520
Total (A+B)	**764**	**2,492**	**21**	**73**	**170**	**3,520**

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2023
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises (A)	**-**	**-**	**-**	**-**		**-**
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Others (B)	**1,260**	**2,881**	**196**	**58**	**111**	**4,506**
Disputed	-	-	-	-	-	-
Undisputed	1,260	2,881	196	58	111	4,506
Total (A+B)	**1,260**	**2,881**	**196**	**58**	**111**	**4,506**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 20 : Other current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued	250	120
Sundry deposits received from customers	26	24
Capital creditors	574	29
Employee related payables	1,125	928
Mark to market loss on forward contracts*	*	-
Unclaimed dividend (refer note below)	17	14
Total	**1,992**	**1,115**

Note: There is no amount due and outstanding, to be credited to Investor Education and Protection Fund.

* Less than below rounding off norms adopted by the Group.

Note 21 : Current provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits obligations:		
Compensated absences (refer note 42)	212	194
	212	194
Provision - Others:		
Warranty (refer note 37)	254	207
Provision for disputed obligation (refer note 37)	165	165
	419	372
Total	**631**	**566**

Note 22 : Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations		
Revenue from contracts with customer		
Sale of products	4,497	6,337
Sale of services	27,524	24,953
	32,021	31,290
Scrap sales	9	43
Total revenue from contracts with customers	**32,030**	**31,333**

Type of goods or services	Year ended March 31, 2024	Year ended March 31, 2023
Sale of satellite communication equipment	4,497	6,337
Sale of satellite communication services	22,243	19,699
Equipment rental services	1,232	1,886
Installation and other services	4,049	3,368
Other	9	43
Total revenue from contracts with customers	**32,030**	**31,333**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Location	Year ended March 31, 2024	Year ended March 31, 2023
India	31,624	31,201
Outside India	406	132
Total revenue from contracts with customers	**32,030**	**31,333**

Timing of recognition of revenue	Year ended March 31, 2024	Year ended March 31, 2023
Goods transferred at point in time	4,506	6,380
Services transferred over time	27,524	24,953
Total revenue from contracts with customers	**32,030**	**31,333**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price	37,316	32,338
Adjustments for:		
Unbilled revenue (refer note 10)		
Opening balance	(2,091)	(2,041)
Closing balance	1,894	2,091
	(197)	50
Contract liabilities (refer note 14)		
Opening balance	(2,563)	1,508
Closing balance	(2,526)	(2,563)
	(5,089)	(1,055)
Total	**32,030**	**31,333**

Performance obligation:

Equipment:

Generally performance obligation is satisfied upon delivery of equipment and payment is generally due within 30-90 days from delivery.

Satellite communication services:

The performance obligation is satisfied over-time and payment is generally due upon completion of installation and acceptance of the customer.

Installation services:

The performance obligation is satisfied over-time and payment is generally due upon completion of installation and acceptance of the customer.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 23 : Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income		
- On bank deposits	5	19
- On finance lease	1	11
- On income tax refund	-	42
	6	**72**
Other non-operating income		
Insurance claims recovered	5	-
Liabilities/provisions no longer required, written back (net)	31	80
Rent income	1	-
Others	39	5
	76	**85**
Other gains		
Profit on sale of property, plant and equipment (net)	8	-
Foreign exchange gain (net)	83	65
Unwinding of discount on financial asset measured at amortised cost	63	35
	154	**100**
Total	**236**	**257**

Note 24 : (Increase) in inventories of stock-in-trade

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the beginning of the year:		
Stock-in-trade	2,087	1,316
Stock- in-transit	40	266
	2,127	**1,582**
Less : Inventories at the end of the year:		
Stock-in-trade	2,587	2,087
Stock-in-transit	-	40
	2,587	**2,127**
Net (increase) / decrease in inventories of stock-in-trade	**(460)**	**(544)**

Note 25 : Operating expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
License fees	2,680	2,364
Transponder charges	9,435	7,906
Connectivity charges	402	421
ISP monitoring & support charges	3	3
Subcontracting expenses	1,878	1,689
Standing Advisory Committee on Radio Frequency Allocation (SACFA) Fees	124	101
Total	**14,522**	**12,484**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 26 : Employee benefits expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	3,867	3,332
Contributions to provident fund (refer note 42)	136	123
Contributions to superannuation and other funds (refer note 42)	21	20
Gratuity (refer note 42)	42	37
Staff welfare expenses	238	182
Total	**4,304**	**3,694**

Note 27 : Other Expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Bank charges	68	95
Power and fuel	261	240
Rent including lease rentals [refer note 4(c)]	32	14
Repairs and maintenance - Plant and machinery	351	520
Repairs and maintenance - Others	627	596
Provision for disputed obligation	-	99
Rates and taxes	25	58
Traveling and conveyance	326	293
Freight and forwarding	337	373
Legal and professional charges	231	233
Consultancy charges	397	253
Director sitting fees	39	52
Installation expenses	177	173
Payment to auditors (refer note below)	50	60
Bad debts written off	-	26
Less: Provision for doubtful debts made in earlier years written back	-	(26)
Impairment allowance ((gain)/allowance for bad and doubtful debts)	(9)	43
Loss on sale of property, plant and equipment (net)	-	1
Corporate social responsibility expenses (refer note 48)	24	14
Loss on mark to market forward contract	3	11
Sales commission	93	97
Software expenses	116	125
Vehicle charges	167	152
Insurance	23	40
Telephone charges	41	44
Consumption of loose tools	33	23
Provision for warranty (net) (refer note 37)	71	179
Miscellaneous expenses	253	221
Total	**3,736**	**4,009**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note: Payment to auditors (excluding Goods and Service Tax)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Payments to the auditors comprises		
Audit fee	25	25
Tax audit fee	2	2
Other services	19	29
Reimbursement of expenses	4	4
Total	**50**	**60**

Note 28 : Finance costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on:		
Borrowings	376	430
Leased liabilities	205	205
Trade payables	30	138
Others	46	-
Total	**657**	**773**

Note 29 : Depreciation and amortisation expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On property, plant and machinery [refer note 4(a)]	1,537	2,093
On intangible assets [refer note 4(a)]	86	88
On right of use assets [refer note 4(c)]	596	569
On right of use assets on termination of lease	(5)	28
Total	**2,214**	**2,778**

Note 30: Fair Value Measurements

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in the financial statements.

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair value. The following tables presents the carrying value and fair value of each category of financial assets and liabilities.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

The Group's assets and liabilities which are measured at amortised cost for which fair values are disclosed:

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments	-	373	-	-	22	-
Trade receivables	-	-	8,507	-	-	8,274
Cash and cash equivalents	-	-	2,179	-	-	1,616
Other bank balances	-	-	53	-	-	48
Current loans	-	-	4	-	-	-
Fair value of foreign exchange forward contract	-	-	-	3	-	-
Other financial assets	-	-	379	-	-	509
Total financial assets	**-**	**373**	**11,122**	**3**	**22**	**10,447**
Financial liabilities						
Borrowings	-	-	3,322	-	-	3,794
Lease liability	-	-	2,365	-	-	2,516
Trade payables	-	-	3,520	-	-	4,506
Other financial liabilities	-	-	1,992	-	-	1,115
Total financial liabilities	**-**	**-**	**11,199**	**-**	**-**	**11,931**

(i) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVOCI					
Investment in equity shares	5	-	-	373	373
Total financial assets		**-**	**-**	**373**	**373**

Financial assets and liabilities measured at fair value at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVOCI					
Investment in equity shares	5	-	-	22	22
Financial instrument at FVPL					
Fair value of foreign exchange forward contract	6 (b)		3	-	3
Total financial assets		**-**	**3**	**22**	**25**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Level 1 - Level 1 Hierarchy includes financial instruments measured using quoted price. This includes listed equity instruments, traded bonds, mutual funds that have quoted price.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

a) Specific valuation technique used to value financial instruments include:

- The use of quoted market price or dealer quotes for similar instruments.
- The fair value of foreign exchange forward contract is determined using forward exchange rates at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

b) During the current year, there is no significant movement in the items of fair value measurements categorised within Level 3 of the fair value hierarchy.

c) The Fair value for investment in unquoted equity share were calculated based on risk adjusted discounted rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

(iii) Valuation processes

The finance department of the group performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO, Audit Committee and the finance team at least once every three months, in line with group’s quarterly reporting periods

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial assets				
Trade receivables	8,507	8,507	8,274	8,274
Cash and cash equivalents	2,179	2,179	1,616	1,616
Other bank balances	53	53	48	48
Loans to employees	4	4	-	-
Other financial assets	379	379	509	509
Total financial assets	**11,122**	**11,122**	**10,447**	**10,447**
Financial liabilities				
Borrowings	3,322	3,322	3,794	3,794
Lease liabilities	2,365	2,365	2,516	2,516
Trade payables	3,520	3,520	4,506	4,506
Other financial liabilities	1,992	1,992	1,115	1,115
Total financial liabilities	**11,199**	**11,199**	**11,931**	**11,931**

The carrying amounts of cash and cash equivalent, other bank balances, other financial assets, trade payables are considered to be the same as their fair values, due to their short-term nature.

The Fair value of Loans, Trade Receivables, Borrowings and Other financial liabilities were calculated based on cash flows discounted using a current deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant Estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) and (iii) above.

(v) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI

Particulars	Technopolis Knowledge Park Limited		Zoroastrian Co-operative Bank Limited		Total amount
	Qty	Amount	Qty	Amount	
As at April 1, 2022	1,810,000	-	6,000	16	16
Addition/(deletion)/remeasurement	-	-	-	6	6
As at April 1, 2023	1,810,000	-	6,000	22	22
Addition/(deletion)/remeasurement	-	-	-	-	-
As at March 31, 2024	**1,810,000**	**-**	**6,000**	**22**	**22**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 31: Financial Risk Management

The Group's activities expose it to the market risk, liquidity risk and credit risk.

The Groups's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support its operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, foreign currency risk, liquidity risk and credit risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a Risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Risk management committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans, financial assets measured at amortised cost	Ageing analysis, credit ratings	Diversification of bank deposit, credit limits.
Liquidity risk	Borrowings, Trade Payables, contract liabilities and other Financial liabilities	Rolling cash flow forecast	Availability of bank credit lines and borrowings facilities.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupees (INR)	Rolling cash flow forecast Sensitivity analysis	Monitoring foreign currency fluctuation, availing forward contracts.
Market risk -interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Availability of borrowing facilities at fixed rate, Periodic monitoring of variable interest rates

(A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with bank and financial institution, Loans and deposits with third party, Foreign exchange transactions and other financial instruments / assets.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers reasonable and supportive forward looking information such as: adverse changes in business, changes in the operating results of the counterparty, change to the counterparty's ability to meet its obligations etc. Financial assets are written off when there is no reasonable expectation of recovery.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(i) Credit Risk Management

Financial Assets

The group maintains exposure in cash and cash equivalents, term deposits with banks, Security deposits with counterparties, loans to third parties. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the group.

The group's maximum exposure to credit risk as at March 31, 2024 and March 31, 2023 is the carrying value of each class of financial assets as disclosed in the consolidated financial statements.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the statement of profit and loss within other expenses.

Five customers as at March 31, 2024 and three customers as at March 31, 2023 contributed to more than 5% of the total balance of trade receivables. Receivable from these customers was ₹ 2,938 Lakhs and ₹ 1,636 Lakhs as at March 31, 2024 and as at March 31, 2023 respectively.

The amount of Trade receivable outstanding as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	Not due	0-180 days	181 - 365 days	More than 365 days	Total
As at March 31, 2024	3,706	2,638	217	373	**6,934**
As at March 31, 2023	4,222	1,538	346	423	**6,529**

(ii) Reconciliation of loss allowances provision

Loss Allowances on March 31, 2022	329
Add: provision made during the year	43
Less: Provision for doubtful debts made in earlier years written back	(26)
Loss Allowances on March 31, 2023	**346**
Add: provision made during the year	(9)
Less: Provision for doubtful debts made in earlier years written back	(16)
Loss Allowances on March 31, 2024	**321**

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Other than trade receivables and financial assets.

Management believes that the parties from which the receivables are due have strong capacity to meet the obligations and risk of default is negligible or nil and accordingly no significant provision for expected credit loss has been recorded.

Credit risk from balances with bank and financial institutions is managed by the Group's treasury department in accordance with the Group's policy.

(B) Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due through rolling cash flow forecast. Also, the Group has unutilized credit limits with banks.

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31,2024	As at March 31,2023
Floating Rate Expiring within one year (Bank overdraft, Term Loans and other facilities)	7,600	11,636
Total	**7,600**	**11,636**

The Bank has an unconditional right to cancel the undrawn/ unused/ unavailed portion of the loan/ facility sanctioned at any time during the period of the loan/ facility, without any prior notice to the Group.

(ii) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 Year	1 - 5 Years	5 Year and Above	Total
March 31, 2024				
Non - Derivative				
Borrowings	3,305	17	-	3,322
Lease liability	469	1,520	376	2,365
Trade payables	3,520	-	-	3,520
Other financial liabilities	1,992	-	-	1,992
Total non derivative liabilities	**9,286**	**1,537**	**376**	**11,199**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Contractual maturities of financial liabilities	Less than 1 Year	1 - 5 Years	5 Year and Above	Total
March 31, 2023				
Non - Derivative				
Borrowings	1,932	1,862	-	3,794
Lease liability	516	1,491	509	2,516
Trade payables	4,506	-	-	4,506
Other financial liabilities	1,115	-	-	1,115
Total non derivative liabilities	**8,069**	**3,353**	**509**	**11,931**

(C) Market Risk

(i) Foreign currency risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade payables, deposits, investments, trade receivables, other financial assets and derivative financial instruments.

The risk is measured through a forecast of highly probable foreign currency cash flows.

(a) Foreign currency risk exposure

The group's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	Foreign currency	As at March 31, 2024		As at March 31, 2023	
		In foreign currency	₹ in Lakhs	In foreign currency	₹ in Lakhs
Financial liabilities					
Trade payables and capex creditors	USD	18	1,461	17	1,384
Foreign exchange forward contract					
Buy foreign currency	USD	(14)	(1,148)	(16)	(1,309)
Net exposure to foreign currency liability	**USD**	**4**	**313**	**1**	**75**
Financial Assets					
Trade receivables	USD	(15)	(1,278)	(11)	(900)
Derivative assets	USD	*	-	*	(3)
Net exposure to foreign currency assets	USD	**(15)**	**(1,278)**	**(11)**	**(903)**

* Below rounding off norms adopted by the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(b) Sensitivity

The Sensitivity of profit or loss to changes in the exchange rates arises mainly currency denominated financial instrument.

Particulars	Impact on profit after tax	
	As at March 31, 2024	As at March 31, 2023
USD sensitivity		
INR/USD - Increase by 5% (March 31, 2023 - 5%)*	36	29
INR/USD - Decrease by 5% (March 31, 2023 - 5%)*	(36)	(29)
* Holding all other variables constant		

(ii) Interest rate risk

The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk.

(a) Interest Rate risk exposure

The exposure of the group's borrowings to interest rate changes at the end of the reporting period are as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	3,322	3,794
Total Borrowings	**3,322**	**3,794**

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	As at March 31, 2024	As at March 31, 2023
Interest Rate - Increase by 100 basis points*	(25)	(27)
Interest Rate - Decrease by 100 basis points*	25	27
* Holding all other variable constant		

(iii) Price Risk

The Group does not have any financial instrument which is exposed to change in price.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 32 : Capital Management

Risk Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under the terms of the major borrowing and facilities, the group is required to comply with the following financial covenants.

Exclusive charge over the VSAT's installed at HPCL, IOCL, Bank of India and BPCL Outlets with minimum security cover of 1.35x at all times and over VSAT's assets with minimum security cover of 1.35x at all times.

Group has complied with the above covenants throughout the reporting period.

Group has regularly filed statements with banks from whom loans are taken and there are no deviation from books of accounts. (refer note 46).

Note 33 : Offsetting Financial Assets And Financial Liabilities

There are no financial assets and liabilities which are eligible for offset under any arrangement.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 34 : Assets pledged as security

Collateral against borrowings

Current assets and property, plant and equipment of the Group are pledged as security against debt facilities from the lender i.e. land and building, plant and machinery situated at Mahape, Maharashtra and Dehradun, Uttarakhand and VSAT installed at HPCL, IOCL, Bank of India and BPCL.

The Group has pledged financial instruments as collateral against a number of its borrowings. The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars		As at March 31, 2024	As at March 31, 2023
Current assets			
Financial assets			
First charge			
Trade receivables		8,507	8,274
Inventories		2,587	2,127
Cash & cash equivalents		2,179	1,616
Bank balances other than above		53	48
Loans		4	-
Other financial assets		215	345
Contract assets		809	662
Other current assets		802	1,248
Total current assets pledged as security		**15,156**	**14,320**
Non current assets			
First charge			
Office equipment		675	1,302
	Total (A)	**675**	**1,302**
Second Charge			
Building		43	56
Plant and machinery		4,916	4,856
Office equipment		101	95
	Total (B)	**5,060**	**5,007**
Total non-current assets pledged as security	**Total (A+B)**	**5,735**	**6,309**
Total assets pledged as security		**20,891**	**20,629**

Note 35: Earnings per share (EPS)

Sr. No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1	Net profit after tax attributable to equity shareholders	2,367	1,985
2	Weighted average number of equity shares	22,817,461	22,817,461
3	EPS (₹) [Basic and diluted] (face value per share ₹ 10)	10.37	8.70

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 36 : Contingent liabilities

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
a)	Claims against the group not acknowledged as debt comprises of:		
	- Sales tax and service tax claims disputed by the Group relating to issues of applicability and classification	403	427
b)	Claims from Vendor		
	- Future cash outflows in respect of above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities.	168	168
	- Others*	394	547
c)	Income tax demand against the group not acknowledged as debt and not provided for, relating to issues of deductibility and taxability in respect of which Group is in appeal**	1,163	1,095

*Application filled by plaintiffs with Small Causes Court, Mumbai, claiming from Holding Company mesne profit of ₹ 560 lakhs and interest thereon. Based on valuation report obtained by the Holding Company from an independent valuer, Holding Company has made provision of ₹ 166 lakhs and accrued interest thereon. Balance has been disclosed as contingent liability.

**Income tax demand disclosed in contingent liability includes ₹ 1,095 lakhs is in relation to Income tax, Interest and Penalty in matter of business transfer of divisions under slump sale in Previous year 2010-11 (Assessment year 2011-12). During the year, Income Tax Appellate Tribunal (ITAT) has ordered the matter against the Holding Company. The Holding Company is in process to file further appeal before Honourable Bombay High Court against order of ITAT. Based on opinion received from independent tax expert and legal consultant, Holding Company believes that it has a strong case. Accordingly the Holding Company has disclosed the same under contingent liability.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various forums / authorities.

The Group does not have any contingent assets at the balance sheet date.

The above figures for contingent liabilities do not include amounts towards certain additional penalties/interest that may devolve on the Group in the event of an adverse outcome as the same is subjective and not capable of being presently quantified. Unless otherwise stated below, the management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable, further outflow of resources is not probable in either cases.

The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Group has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 37 : Disclosure as required by Ind AS 37 – "Provisions, contingent Liabilities and contingent Assets" as at year end are as follows:

a) Provision for disputed obligation represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities and others. The information usually required by Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets", is not disclosed on grounds that it can be expected to prejudice the interests of the group. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the group under the law and hence, the group is not able to reasonably ascertain the timing of the outflow (refer note 36).

b) Provision for Warranty relates to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under free warranty period ranging from one to three years.

c) The movement and provision during the year are as follows:

Particulars	Provision for disputed obligation		Provision for warranties	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	165	117	207	47
Add: Provision during the year	-	99	71	179
Less: Utilisation during the year	-	(29)	(24)	(19)
Less: Reversal during the year	-	(22)	-	-
Closing balance	165	165	254	207
Classified as current (refer note 21)	165	165	254	207

Note 38: Income Tax

a) Components and movements of deferred tax asset (net):

Particulars	As at April 1, 2022	Recognised in the statement of profit and Loss	MAT Credit Utilisation	As at March 31, 2023	Recognised in the statement of profit and Loss	As at March 31, 2024
	(a)	(b)	(c)	(d= a+b+c)	(e)	(f=d+e)
i. Items of deferred tax liabilities :						
Assets given on finance lease	56	(49)	-	7	(7)	-
Right of use assets	695	(80)	-	615	(86)	529
Others	4	(3)	-	1	11	12
Total deferred tax liability (i)	**755**	**(132)**	**-**	**623**	**(82)**	**541**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Particulars	As at April 1, 2022	Recognised in the statement of profit and Loss	MAT Credit Utilisation	As at March 31, 2023	Recognised in the statement of profit and Loss	As at March 31, 2024
	(a)	(b)	(c)	(d= a+b+c)	(e)	(f=d+e)
ii. Items of deferred tax assets :						
Disallowances under Section 43B of the Income Tax Act, 1961, provision for legal dispute and investment impairment	89	4	-	93	48	141
Provision for doubtful debts and deposits	109	11	-	120	(17)	103
Allowance u/s 35DDA and 35DD of Income Tax Act, 1961	23	(5)	-	18	(10)	8
Allowance u/s 35ABB of Income Tax Act, 1961*	-	-	-	-	1,066	1,066
Credit of Minimum alternate tax u/s 115 JAA of Income Tax Act, 1961	144	-	(144)	-	-	-
Property, plant and equipment and intangible assets	398	155	-	553	(14)	539
Lease liability	727	(50)	-	677	(77)	600
Inventory*	-	56	-	56	(42)	14
Others	132	36	-	168	(109)	59
Total deferred tax assets (ii)	**1,622**	**207**	**(144)**	**1,685**	**845**	**2,530**
Net deferred tax assets (ii-i)	**867**	**339**	**(144)**	**1,062**	**927**	**1,989**

* Net deferred tax assets created during the year of ₹ 927 lakhs includes deferred tax assets of ₹ 376 lakhs pertaining to earlier years (refer note 38b)

b) Current tax and deferred tax

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income tax expense		
For current year		
Current tax		
Current tax on profits for the year	1,427	1,136
Total current tax expense (A)	**1,427**	**1,136**
Deferred tax [refer note 38(a)]		
(Increase) in deferred tax assets	(469)	(207)
(Decrease) in deferred tax liabilities	(82)	(132)
Total deferred tax (benefit) (B)	**(551)**	**(339)**
Income tax expense for current year (C=A+B)	**876**	**797**
For earlier year		
Current tax		
Current tax for the earlier years	484	-
Deferred tax [refer note 38(a)]		
(Increase) in deferred tax assets for earlier years	(376)	-
Tax adjustment for earlier years (D)	**108**	**-**
Total income tax expense (C+D)	**984**	**797**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 39: Reconciliation of tax expense and accounting profit multiplied by India's tax rates:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit from operation before Income tax expenses	**3,304**	**2,782**
Statutory tax rate (%)	25.17%	29.12%
Tax at Indian tax rate	**832**	**810**
Deferred tax created on temporary differences in related to earlier years	-	-
Income tax provision made for earlier year, including interest	108	-
Other Items		
Impact of change in tax rate	31	(6)
Expenses not allowed in tax	3	(7)
Others	10	-
Total tax expense	**984**	**797**

During the year ended March 31, 2024, the Honourable Supreme Court of India has pronounced a judgement regarding treatment of Variable License Fee paid to Department of Telecommunication under New Telecom Policy 1999, since July 1999, to be treated as capital in nature and not revenue expenditure for the purpose of computation of taxable income. Even though the Holding Company is not a party to the above judgement, as a matter of prudence the Holding Company has assessed and recorded a provision of ₹ 102 lakhs towards tax (net of deferred tax) and ₹ 46 lakhs towards interest which has been disclosed as finance cost for the year ended March 31, 2024.

Note 40 : Capital and other commitments

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid)	225	1,196

Note 41: Segment reporting

The Company's Managing Director and CEO is identified as Chief Operating Decision Maker ('CODM') of the Group and CODM reviews and allocates resources for consolidated business i.e. Network Systems products and services and accordingly, it is a single operating segment.

Note 42 : Employee benefit obligations

a. Short-term employee benefits

These benefits include salaries and wages, including other monetary and non-monetary benefits, compensated absences which are either non-accumulating or accumulating and expected to be availed within twelve months after the end of the reporting period.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

b. Long-term employee benefits

i) Defined contribution plans

Group's contribution paid/payable during the year to superannuation fund and ESIC contribution are recognised as an expense and included in Note 26 under the heading "Contributions to superannuation and other funds" are as under:

Sr. No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a)	Contribution to employees' superannuation fund	21	20
b)	Contribution to provident fund	54	51
	Total	**75**	**71**

ii) Defined Benefit Plans

The Group operates the following funded/unfunded defined benefit plans:

Provident Fund (Funded)

The Group makes Provident Fund contributions to defined benefit plans for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Group. The Rules of the Group's provident fund administered by the Trust requires that if the Board of Trustees are unable to pay interest at the rate declared by Central Government under para 60 of the Employees' Provident Fund Scheme, 1952 then the shortfall shall be made good by the Group. Having regard to the assets of the fund and the return on the investments, the Group does not expect any shortfall in the foreseeable future.

In terms of guidance note issued by the Institute of Actuaries of India, the Actuary has provided a valuation of Provident fund liability based on the assumptions listed and determined that there is no shortfall as at March 31, 2024 and March 31, 2023, respectively.

The details of fund and plan asset position are given below:

Particulars	As at March 31, 2024	As at March 31, 2023
Plan assets at period end, at fair value	3,266	3,068
Present value of benefit obligation at period end	3,266	3,068
Asset recognized in Balance Sheet	-	-

The Plan assets have been primarily invested in government securities.

Assumptions used in determining the present value of obligation of interest rate guarantee under the deterministic approach:

Particulars	As at March 31, 2024	As at March 31, 2023
Government of India (GOI) bond yield	7.24%	7.50%
Remaining term to maturity of portfolio	11 years	11 years
Expected guaranteed interest rate	8.25%	8.15%

The Group has contributed Rs 82 Lakhs and Rs 123 Lakhs during the year ended March 31, 2024 and March 31, 2023 respectively and the same has been recognized in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Provident Fund Assessment as per recent Supreme court Judgment

Recent Supreme Court judgement in case of Vivekananda Vidyamandir and Others (February 2019) lays down principles to exclude a particular allowance from the definition of "basic wages" for the purposes of computing the deduction towards provident fund contributions. A review petition have been filed against the said order by other Companies and await clarification from Provident Fund Commissioner/ Supreme Court. Based on the initial assessment and recently concluded inspections by Provident Fund authorities, management does not expect any material impact on the financial statements.

Gratuity (funded)

The Group has a funded defined benefit gratuity plan. The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities. The liability in respect of gratuity and other post employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

The following table sets out the status of the defined benefit scheme and the amount recognised in the consolidated financial statements:

Amount recognised in the statement of profit and loss:

Particulars	As at March 31, 2024	As at March 31, 2023
Current service cost	42	37
Interest cost	38	30
Interest income on plan assets	(38)	(30)
Total expense recognised in the statement of profit and loss	**42**	**37**

Amount recognised in other comprehensive income (OCI)

Particulars	As at March 31, 2024	As at March 31, 2023
Due to change in demographic assumptions	4	-
Due to change in financial assumptions	6	(17)
Due to experience	26	31
Return on Plan Assets, excluding interest income	(28)	16
Total remeasurement (gains)/losses recognised in OCI	**8**	**30**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Change in Defined Obligation (DBO) during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of DBO at the beginning	501	433
Current service cost	42	37
Interest cost (Net)	38	30
Remeasurement (gain)/loss	36	14
Liabilities transferred in/acquisitions	(3)	
Benefits paid	(44)	(13)
Present value of DBO at end of the year	**570**	**501**
Present value of plan assets at the beginning	510	433
Interest income	38	-
Amount paid to employees gratuity trust	7	61
Return on Plan Assets, excluding interest income	28	16
Present value of plan assets at end of the year	**583**	**510**
Present value of net DBO at the end of the year	**(13)**	**(9)**

The details of fund and plan asset position are given below:

Particulars	As at March 31, 2024	As at March 31, 2023
Plan assets at period end, at fair value	583	510
Present value of benefit obligation at period end	570	501
Asset/(liability) recognised in Balance Sheet	**13**	**9**

Principal Actuarial assumptions for valuation of gratuity liability

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.24%	7.58%
Expected rate of escalation in salary	7.50%	7.50%
Rate of employee turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

This plan typically exposes the Group to actuarial risks such as:

a) **Interest rate risk** - A decrease in the bond interest rate will increase the plan liability.

b) **Demographic risk** - This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

c) **Salary risk** - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Sensitivity

Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions (while holding all other assumptions constant) is:

Particulars	Change in assumption	As at March 31, 2024		As at March 31, 2023	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(32)	36	(29)	34
Expected rate of escalation in salary	1%	35	(32)	33	(30)
Rate of employee turnover	1%	(1)	1	(1)	1

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Defined benefit liability and employers contributions

The weighted average duration of the projected benefit obligation is 8 years (March 31, 2023 - 8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
1st following year	96	55
2nd following year	38	49
3rd following year	27	57
4th following year	114	24
5th following year	75	99
Sum of years 6 to 10	173	190
Sum of years 11 and above	455	436

iii) Other employee benefits

Compensated absences which are accumulated and not expected to be availed within twelve months after the end of the reporting period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. Compensated absences is recognised as a liability based on actuarial valuation of the defined benefit obligation as at the balance sheet date.

An amount of ₹ 52 Lakhs (March 31, 2023 ₹ 34 Lakhs) has been charged to the Statement of Profit and Loss for the year ended March 31, 2024 towards Compensated absences.

Provision for compensated absences has been made on the basis of actuarial valuation carried out as at the Balance sheet date.

Principal Actuarial assumptions for valuation of long-term compensated absences

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.24%	7.58%
Expected rate of escalation in salary	7.50%	7.50%
Rate of Employee Turnover	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.	a. For service 4 years and below - 8.00% p.a. b. For service 5 years and above - 5.00% p.a.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 43 : Related party transactions

Disclosure as required by Ind AS 24 - "Related Party Disclosures" is as follows:

Names of the related parties and description of relationship:

(A) Related parties where control exists:

Employment Benefit Funds
Nelco Limited Employees Gratuity Trust
Nelco Network products Limited Employees Gratuity Trust
The National Radio & Electronics Co. Ltd. Employees Provident Fund
The National Radio & Electronics Co. Ltd. Superannuation Fund

(B) Holding Company
The Tata Power Company Limited

(C) Promoter of Holding Company
Tata Sons Private Limited

(D) Associate Company
Piscis Networks Private Limited w.e.f. June 5, 2023

(E) Subsidiaries and Jointly Controlled Entities of Promoter - Promoter Group (where transactions have taken place during the year or previou.s year / balances outstanding)
The Tata Power Green Energy Limited
Poolavadi Windfarm Limited
Tata Communications Limited
Tata communications Payment solutions Limited
Tata Teleservices Limited
Tata Technologies Limited
Tata Steel Limited
Tata Sia Airlines Limited
Tata Capital Financial services Limited
TP Southern Odisha Distribution Limited
Tata Chemicals Limited
C-edge Technologies Limited
The Indian Hotels Company Limited
Tata AIG General Insurance Company Limited
Tata 1MG Technologies Private Limited
Tata AIA Life Insurance Co Ltd.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

(F) Key Managerial Personnel

(i) Executive Director

Mr.P.J. Nath (Managing Director and CEO)

(ii) Independent and Non-Executive Directors

Mr. A. S. Lakshminarayanan (Non-Executive Director w.e.f. May 29, 2022)
Mr.R.R Bhinge (Non-Executive Director up to May 29, 2022)
Mr. Anand Agrawal (Non Executive Director up to April 26, 2022)
Mr. Saurabh Ray (Non Executive Director w.e.f April 26, 2022)
Mr. Ajay Kumar Pandey (Independent Director)
Dr. Lakshmi Nadkarni (Independent Director)
Mr. K. Narasimha Murthy (Independent Director)
Mr. Girish V. Kirkinde (Company Secretary)
Mr. Malav Shah (Chief Financial Officer)

(G) Details of Transactions:

Sr. No.	Particulars	Associate Company	Holding Company	Promoter of Holding Company	Promoter Group	Employment Benefit Funds	Key Management Personnel
1	Rendering of services	-	-	-	881	-	-
		(-)	(-)	-	(1,223)	(-)	(-)
2	Receiving of services	-	-	26	689	-	-
		(-)	(-)	(8)	(628)	(-)	(-)
3	Sale of goods	-	-	-	443	-	-
		(-)	(-)	(-)	(335)	(-)	(-)
4	Purchase of goods	775	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
5	Reimbursement of charges	-	-	-	32	-	-
		(-)	(-)	(-)	(35)	(-)	(-)
6	Rent paid	-	-	-	48	-	-
		(-)	(-)	(-)	(31)	(-)	(-)
7	Dividend paid	-	229	-	-	-	-
		(-)	(206)	(-)	(-)	(-)	(-)
8	Brand equity contribution	-	-	34	-	-	-
		(-)	(-)	(32)	(-)	(-)	(-)
9	Purchase of capital goods	21	-	-	16	-	-
		(-)	(-)	(-)	(360)	(-)	(-)
10	Purchase of Insurance Policy	-	-	-	13	-	-
		(-)	(-)	(-)	(4)	(-)	(-)
11	Investment	304	-	-	-	-	501
		(-)	(-)	(-)	(-)	(-)	(-)
12	Remuneration-short term employee benefits*	-	-	-	-	-	501
		(-)	(-)	(-)	(-)	(-)	(459)
13	Director sitting fees	-	-	-	-	-	39
		(-)	(-)	(-)	(-)	(-)	(52)
14	Contribution to Employee Benefit Plans	-	-	-	-	86	-
		(-)	(-)	(-)	(-)	(153)	(-)

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr. No.	Particulars	Associate Company	Holding Company	Promoter of Holding Company	Promoter Group	Employment Benefit Funds	Key Management Personnel
Balances outstanding							
1	Trade receivables	-	-	-	365	-	-
		(-)	(-)	(-)	(432)	(-)	(-)
2	Advance	-	-	-	347	-	-
		(-)	(-)	(-)	(147)	(-)	(-)
3	Trade payables	4	-	39	5	-	-
		(-)	(-)	(30)	(26)	(-)	(-)
4	Other receivables	-	-	-	-	13	-
		(-)	(-)	(-)	(-)	(9)	(-)

The sales to, purchases from and other transactions entered with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

*The Group provides long term benefits in the form of Gratuity to Key managerial personnel along with all employees, cost of same is not identifiable separately and hence not disclosed.

Figures in brackets pertain to the previous year ended March 31, 2023.

Note 44 : Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

a. Net assets, i.e., total assets minus total liabilities

Name of the entity in the Group	As at March 31, 2024		As at March 31, 2023	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
Nelco Limited	95.29%	11,775	96.74%	10,114
Indian Subsidiaries				
Nelco Network Products Limited	29.03%	3,588	32.18%	3,364
Indian Associate (Investment as per equity method)				
Piscis Networks Private Limited	2.84%	351	-	-
Adjustment on consolidation	(27.16%)	(3,356)	(28.91%)	(3,023)
Total	**100.00%**	**12,358**	**100.00%**	**10,455**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

b. Share in profit or loss

Name of the entity in the Group	Year ended March 31, 2024		Year ended March 31, 2023	
	As % of consolidated net Profit and Loss	Amount	As % of consolidated net Profit and Loss	Amount
Parent				
Nelco Limited	89.87%	2,127	105.19%	2,088
Indian Subsidiaries				
Nelco Network Products Limited	9.38%	222	(5.69%)	(113)
Indian Associate (Investment as per equity method)				
Piscis Networks Private Limited	1.99%	47	-	-
Adjustment on consolidation	(1.24%)	(29)	0.50%	10
Total	**100.00%**	**2,367**	**100.00%**	**1,985**

c. Share in Other Comprehensive Income

Name of the entity in the Group	Year ended March 31, 2024		Year ended March 31, 2023	
	As % of consolidated net Other Comprehen-sive Income	Amount	As % of consolidated net Other Comprehen-sive Income	Amount
Parent				
Nelco Limited	125.00%	(10)	79.17%	(19)
Indian Subsidiaries				
Nelco Network Products Limited	(25.00%)	2	20.83%	(5)
Total	**100.00%**	**(8)**	**100.00%**	**(24)**

* figures below rounding off norm adopted by the group.

d. Share in Total Comprehensive Income

Name of the entity in the Group	Year ended March 31, 2024		Year ended March 31, 2023	
	As % of con-solidated net Total Com-prehensive Income	Amount	As % of con-solidated net Total Com-prehensive Income	Amount
Parent				
Nelco Limited	89.75%	2,117	105.51%	2,069
Indian Subsidiaries				
Nelco Network Products Limited	9.50%	224	(6.02%)	(118)
Indian Associate (Investment as per equity method)				
Piscis Networks Private Limited	1.99%	47	-	-
Adjustment on consolidation	(1.24%)	(29)	0.51%	10
Total	**100.00%**	**2,359**	**100.00%**	**1,961**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 45: Interest In other entities

a) **Subsidiaries**

The group's subsidiaries at March 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business / Country of incorporation	Ownership interest held by the group		Principal activities
		As at March 31, 2024	As at March 31,2023	
Nelco Network Products Limited	India	100%	100%	Sale of VSAT Equipment's

b) Interests in associate

(i) Set out below are the associate as at March 31, 2024 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

The Group has a 31.72% interest in Piscis Networks Private Limited, which is involved in the SD-WAN technology product. Piscis Networks Private Limited is a private entity that is not listed on any public exchange. The Group's interest in Piscis Networks Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Piscis Networks Private Limited:

Name of the entity	Place of business	% of Ownership interest	Relationship	Accounting Method	Quoted Fair Value*		Carrying Amount	
					As at March 31,2024	As at March 31,2023	As at March 31,2024	As at March 31,2023
Piscis Networks Private Limited	India	31.72%	Associate	Equity Method	*	*	351	-
Total Equity Accounting Investments					**-**	**-**	**351**	**-**

*Unlisted entity - no quoted price available

During the quarter ended June 30, 2023, the Holding Company made an investment of ₹ 100 Lakhs in 9.09% equity shares of Piscis Networks Private Limited. During the quarter ended September 30, 2023, the Holding Company made further investment of ₹ 204 Lakhs to acquire additional 22.63% of equity shares. As at March 31, 2024 the Holding Company holds 31.72% stake in Piscis Networks Private Limited. As per provisions of Ind AS 28 -Investment in Associates and Joint ventures, Piscis Networks Private Limited has been treated as an associate.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 46: Returns filed with banks with respect to working capital facility availed by the Group

Name of Bank	Quarter	Particulars of Securities provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Bank of India, Union Bank of India	Q-1 of FY 23-24	Debtors	4,205	4,205	-	-
		Creditors	1,627	1,627	-	-
Bank of India, Union Bank of India	Q-2 of FY 23-24	Debtors	4,353	4,353	-	-
		Creditors	1,315	1,315	-	-
Bank of India, Union Bank of India	Q-3 of FY 23-24	Debtors	4,639	4,639	-	-
		Creditors	1,882	1,882	-	-
Bank of India, Union Bank of India	Q-4 of FY 23-24	Debtors	3,779	3,779	-	-
		Creditors	1,411	1,411	-	-
Bank of India, Union Bank of India	Q-1 of FY 22-23	Debtors	3,876	3,876	-	-
		Creditors	1,557	1,557	-	-
Bank of India, Union Bank of India	Q-2 of FY 22-23	Debtors	3,959	3,959	-	-
		Creditors	1,585	1,585	-	-
Bank of India, Union Bank of India	Q-3 of FY 22-23	Debtors	4,231	4,231	-	-
		Creditors	1,327	1,327	-	-
Bank of India, Union Bank of India	Q-4 of FY 22-23	Debtors	4,059	4,059	-	-
		Creditors	689	689	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

For Subsidiary

Name of Bank	Quarter	Particulars of Securities provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
IDFC Bank Ltd	Q-1 of FY 23-24	Inventory	2,295	2,295	-	-
		Debtors	4,713	4,713	-	-
		Creditors	2,588	2,588	-	-
IDFC Bank Ltd	Q-2 of FY 23-24	Inventory	2,528	2,528	-	-
		Debtors	4,659	4,659	-	-
		Creditors	2,332	2,332	-	-
IDFC Bank Ltd	Q-3 of FY 23-24	Inventory	2,147	2,147	-	-
		Debtors	5,212	5,212	-	-
		Creditors	2,163	2,163	-	-
IDFC Bank Ltd	Q-4 of FY 23-24	Inventory	2,587	2,587	-	-
		Debtors	5,058	5,058	-	-
		Creditors	2,438	2,438	-	-
IDFC Bank Ltd	Q-1 of FY 22-23	Inventory	2,016	2,016	-	-
		Debtors	4,674	4,674	-	-
		Creditors	2,760	2,760	-	-
IDFC Bank Ltd	Q-2 of FY 22-23	Inventory	1,910	1,910	-	-
		Debtors	6,029	6,029	-	-
		Creditors	3,059	3,059	-	-
IDFC Bank Ltd	Q-3 of FY 22-23	Inventory	1,958	1,958	-	-
		Debtors	5,711	5,711	-	-
		Creditors	3,585	3,585	-	-
IDFC Bank Ltd	Q-4 of FY 22-23	Inventory	2,127	2,127	-	-
		Debtors	3,757	3,757	-	-
		Creditors	2,791	2,791	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 47 : Ratios

Sr. No.	Particulars	Note	Ratio			Remarks for movement
			March 31, 2024	March 31, 2023	% of change	
a	Current ratio=Current assets/ Current liabilities	Refer note I	1.09	1.20	-9%	-
b	Debt equity ratio= Total Debt/Total Equity	Refer note II	0.27	0.36	-25%	-
c	Debt service coverage ratio =EBITDA/Total amount of interest and principal payable or paid during the period	Refer note III	1.78	2.40	-26%	Due to decrease in EBITDA during the year
d	Return on equity ratio= Net Profits after taxes/Total Equity	Refer note IV	0.08	0.08	-	-
e	Inventory turnover ratio= COGS/Average inventory	Refer note V	1.50	2.73	-45%	Due to increase in inventory at year end
f	Trade receivable turnover ratio= Sales/Average trade receivable	Refer note VI	3.82	3.90	-2%	-
g	Trade payable turnover ratio= (Total expenses- provision for doubtful debts)/Average trade payables	Refer note VII	6.50	5.12	27%	Due to increase in payment made to vendors
h	Net capital turnover ratio= Net Sales/Working capital	Refer note VIII	6.40	6.44	-1%	-
i	Net profit ratio = Net Profit after Tax/Revenue	Refer note IX	0.07	0.06	17%	-
j	Return on capital employed= Earning before interest and taxes/Capital employed	Refer note X	0.25	0.25	0%	-
k	Return on investment = Interest income /Average investment in fixed deposits	Refer note XI	0.10	0.03	233%	Due to increase in deposits placed for short term during the year

Sr No	Particulars	Refer note	March 31, 2024	March 31, 2023
I	Current assets			
	(a) Inventories	9	2,587	2,127
	(b) Financial assets			
	(i) Trade receivables	10	8,507	8,274
	(ii) Cash and cash equivalents	11	2,179	1,616
	(iii) Bank balances other than (ii) above	12	53	48
	(iii) Loans	13	4	-
	(iv) Other financial assets	6 (b)	215	345
	(c) Contract Assets	14	809	662
	(d) Other current assets	8 (b)	802	1,248
			15,156	14,320

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2024	March 31, 2023
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17 (b)	3,305	1,932
	(ia) Lease liabilities	4 (c)	480	516
	(ii) Trade payables	19	3,520	4,506
	(iii) Other financial liabilities	20	1,992	1,115
	(b) Provisions	21	631	566
	(c) Contract Liabilities	14	3,637	2,982
	(d) Other current liabilities	18 (b)	371	288
			13,936	11,905
II	Total Debt			
	Non current borrowings	17 (a)	17	1,862
	Current borrowings	17 (b)	3,305	1,932
			3,322	3,794
	Total equity			
	Equity share capital	15	2,282	2,282
	Other equity	16	10,076	8,173
			12,358	10,455
III	Earning before interest tax depreciation and amortisation (EBITDA)	Refer P & L	6,175	6,333
	Total amount of interest and principal payable or paid during the period			
	Total interest paid or payable during the period			
	On long term borrowings	28	376	430
	On lease liabilities	28	205	205
			581	635
	Total principal paid or payable during the period			
	Principal portion of long term borrowing	17 (a)	2,309	1,490
	Principal portion of lease liabilities	4 (c)	550	478
			2,859	1,968
IV	Net Profits after taxes	As per P &L	984	797
	Total equity			
	Equity share capital	15	2,282	2,282
	Other equity	16	10,076	8,173
			12,358	10,455
V	Average inventory			
	Opening inventory	9	2,127	1,582
	Closing inventory	9	2,587	2,127
	Average inventory		2,357	1,855
	Cost of goods sold (COGS)	As per P &L	3,529	5,070

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2024	March 31, 2023
VI	Sales	22	32,030	31,333
	Average trade receivable			
	Opening trade receivable	10	8,274	7,786
	Closing trade receivable	10	8,507	8,274
	Average trade receivable		8,391	8,030
VII	Total expenses	As per P &L	26,091	25,257
	Less: provision for doubtful debts	27	9	(17)
			26,100	25,240
	Average trade payables			
	Opening trade payables	19	4,506	5,349
	Closing trade payables	19	3,520	4,506
	Average trade payables		4,013	4,928
VIII	Net Sales	22	32,030	31,333
	Working capital (Current assets- current liabilities)			
	Current assets			
	(a) Inventories	9	2,587	2,127
	(b) Financial assets			
	(i) Trade receivables	10	8,507	8,274
	(ii) Cash and cash equivalents	11	2,179	1,616
	(iii) Bank balances other than (ii) above	12	53	48
	(iii) Loans	13	4	-
	(iv) Other financial assets	6 (b)	215	345
	(c) Contract Assets	14	809	662
	(d) Other current assets	8 (b)	802	1,248
	Total Current assets		15,156	14,320
	Current liabilities			
	(a) Financial liabilities			
	(ii) Trade payables	19	3,520	4,506
	(iii) Other financial liabilities	20	1,992	1,115
	(b) Provisions	21	631	566
	(c) Contract Liabilities	14	3,637	2,982
	(d) Other current liabilities	18 (b)	371	288
	Total Current liabilities		10,151	9,457
	Working capital (Current assets - current liabilities)		5,005	4,863
IX	Net Profit after Tax	As per P &L	2,367	1,985
	Revenue	22	32,030	31,333

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Sr No	Particulars	Refer note	March 31, 2024	March 31, 2023
X	Earning before interest and taxes			
	Earning before finance cost, depreciation, amortisation and tax	As per P &L	6,175	6,333
	Less: Depreciation and amortisation	29	2,214	2,778
			3,961	3,555
	Capital employed			
	Equity share capital	15	2,282	2,282
	Other equity	16	10,076	8,173
	Borrowing			
	Non current	17 (a)	17	1,862
	Current	17 (b)	3,305	1,932
	Total capital employed		15,680	14,249
XI	Interest on bank deposits	23	5	19
	Less: interest income on security deposits		-	16
			5	3
	Average investment in fixed deposit			
	Opening	6(a) & 12	51	137
	Closing	6(a) & 12	53	51
	Average investment in fixed deposit		52	94

Note 48 : Corporate Social Responsibility

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Gross amount required to be spent by the Group during the year	7	7
b) Amount approved by the Board to be spent during the year	24	14
c) Amount spend in cash during the year ending March 31, 2024		
i) Construction/acquisition of an asset	-	-
ii) On purpose other than (i) above		
Contribution to Akshaya Patra Foundation	3	-
Contribution to Catalysts for Social Action	6	-
Contribution to Training and Education Center	1	-
Contribution to Tata Education and Development Trust	14	14
Total (C=i+ii)	**24**	**14**
d) Amount yet to be paid in cash (d=b-c)	-	-

During the year Company has spent on on-going CSR projects.

Note 49 : There are no Micro and Small Enterprises to whom the Group owes dues, which are outstanding as at March 31, 2024 (Nil: March 31, 2023). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Group.

Note 50 : The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(Amount ₹ in Lakhs, unless otherwise mentioned)

Note 51 : The Holding Company, subsidiary and the associate which are companies incorporated in India and whose financial statements have been audited under the Act have complied with the requirements of audit trail except for the following:

Instances of audit trail feature not enabled at the database level and certain master fields with certain privileged access rights throughout the year for all relevant transactions recorded in SAP	Holding Company and its subsidiary (Nelco Network products Limited) did not had feature enabled at the database level and certain master fields with certain privileged access rights of recording audit trail (edit log) facility and the same did not operate throughout the year for all relevant transactions recorded in SAP. Associate – Piscis Network Private Limited did not had feature enabled at the database level and master fields with certain privileged access rights of recording audit trail (edit log) facility and the same did not operate throughout the year for all the relevant transactions recorded in the accounting software.
Instances of audit trail feature being tampered with	Instance of audit trail feature being tampered with was not noted in respect of the Holding Company, Subsidiary and Associate.

Note 52 : Events after the reporting period

The Group has evaluated subsequent events from the balance sheet date through April 23, 2024 the date at which the financial statements were available to be issued, and determined that there are no material items to be disclosed other than those disclosed above.

Note 53: Approval of Consolidated Financial Statements

The Consolidated financial statements were approved for issue by the Board of Directors on April 23, 2024.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

Aniket Sohani
Partner
Membership No. 117142

Place: Mumbai
Date : April 23, 2024

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)

Girish V. Kirkinde
Company Secretary & Head - Legal
(ICSI M. No: ACS7493)

Place: Mumbai
Date : April 23, 2024

Form AOC-1 Statement containing salient features of the financial statement of Subsidiaries and Associate Companies

(Amount ₹ in Lakhs, unless otherwise mentioned)

Part "A": Subsidiaries

Name of the Subsidiary Company	Nelco Network Products Ltd.
Reporting period	1-4-2023 to 31-3-2024
Date of acquiring subsidiary	8th September 2016
Reporting currency	INR
Exchange rate as at March 31, 2024	1
Share capital	100
Reserves & Surplus	3,488
Total assets	12,149
Total liabilities (excluding share capital & reserves)	8,561
Net assets	3,588
Investments	-
Turnover	9,989
Other income	34
Total revenue	10,023
Profit before taxation	309
Provision for taxation (including deferred tax)	87
Profit after taxation	222
Proposed dividend on equity shares (%)	Nil
Proposed dividend on equity shares	Nil
% of Share-holding	100%

Part "B": Associates

Name of the Subsidiary Company	Piscis Network Products Ltd.
Reporting period	1-4-2023 to 31-3-2024
Date of acquiring subsidiary	5th June 2023
Reporting currency	INR
Exchange rate as at March 31, 2024	1
Share capital	2
Reserves & Surplus	576
Total assets	634
Total liabilities (excluding share capital & reserves)	56
Net assets	578
Investments	-
Turnover	808
Other income	21
Total revenue	829
Profit before taxation	295
Provision for taxation (including deferred tax)	62
Profit after taxation	233
Proposed dividend on equity shares (%)	Nil
Proposed dividend on equity shares	Nil
% of Share-holding	31.72%

For and on behalf of the Board of Directors
Nelco Limited
CIN: L32200MH1940PLC003164

A. S. Lakshminarayanan
Chairman
(DIN: 08616830)

P. J. Nath
Managing Director & CEO
(DIN: 05118177)

Malav Shah
Chief Financial Officer
(ICAI M. No: 102314)

Girish V. Kirkinde
Company Secretary
(ICSI M. No: ACS7493)

Place: Mumbai
Date : April 23, 2024

Snippets of the year gone by...

Nelco awarded for 'Significant impact through improvement Interventions' at Tata group's Business Excellence Convention BEC 2023

NDTV | Profit

Nelco wraps the year on a promising note as we announce Q4 FY24 results! The outcomes are poised to lead the company towards profitable growth, resilience and excellence.

• Apr 24, 2024

ET Telecom.com
From The Economic Times

Telecom Bill: Administrative allocation of satellite spectrum to spur growth

• Dec 19, 2023

Government's decision to allocate satellite spectrum through the globally harmonized administrative method will spur growth in the nascent space sector of the country, said the Indian Space Association (ISpA) in response to the Telecom Bill which was tabled in the Lok Sabha.

ET Telecom.com
From The Economic Times

Tata's Nelco invests in SD-WAN OEM Piscis to strengthen satcom capabilities

• Jun 7, 2023

This investment is an important step for Nelco to expand its service portfolio and elevate its position as an integrated network solution provider. This also reinforces Nelco's commitment to deliver comprehensive and innovative satellite communication solutions to its customers

CNBC TV18

Tata Group-owned NELCO Q2 Results | Net profit jumps 27% to ₹6 crore

• Oct 16, 2023

In the corresponding quarter last year, NELCO Ltd posted a net profit of ₹5 crore, the company said in a regulatory filing. EBITDA margin stood at 18.1% in the reporting quarter against 18.8% in the corresponding period in the previous fiscal. EBITDA is earnings before interest, tax, depreciation, and amortisation.

ISpA – Indian Space Association
@ISpA_India
• Oct 10, 2023

We are privileged to welcome Shri PJ Nath, CEO and MD of @NelcoIndia, as our esteemed special guest, sharing a profoundly influential address. His deep understanding of the realms of technology and communication brings invaluable enlightenment.

ISO 20000-1:2018 | ISO 27001:2013 | TL 9000

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Fax : +91 22 6791 8787

Dehradun Teleport:
Nelco Ltd., c/o Tata Communications Ltd.,
Ahmed Satellite Earth Station, Lacchiwala,
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Regional Offices:

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Chennai	:	+91 - 7825 808 260/266
Jamshedpur	:	+91 - 8420 008 744, +91 - 8420 008 747
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Secunderabad	:	+91 - 7799 994 699

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